

# PH&N Overseas Equity Fund

## Investment Objective

To achieve long-term capital growth by investing primarily in a diversified portfolio of common stocks in companies in the world's largest industrialized countries outside North America, including countries in Europe and the Far East, including Japan and Australia. This Fund is different from the Global Equity Fund because the primary focus of its investments does not include companies in the United States.

## Fund Details

Series	Load Structure	Currency	Fund Code
F	No Load	CAD	RBF5410

Inception Date	June 2007
Total Fund Assets \$Mil	1,129.7
Series F NAV \$	13.56
Series F MER %	1.01
Benchmark	MSCI EAFE Total Return Net Index (C\$)

Income Distribution	Annually
Capital Gains Distribution	Annually

Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Fund Category	International Equity
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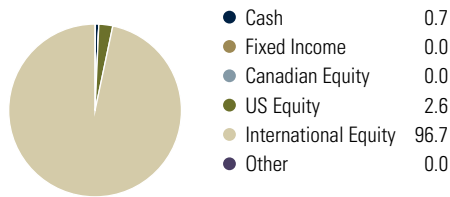
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Notes

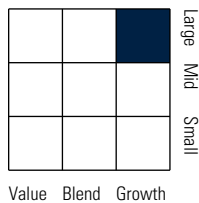
Fund's sub-advisor changed effective mid-August 2014.

## Portfolio Analysis as of August 31, 2017

### Asset Mix



### Equity Style



### Top 5 Sectors

Sector	% Equity
Financials	23.6
Industrials	19.4
Health Care	11.3
Consumer Discretionary	11.1
Materials	9.1

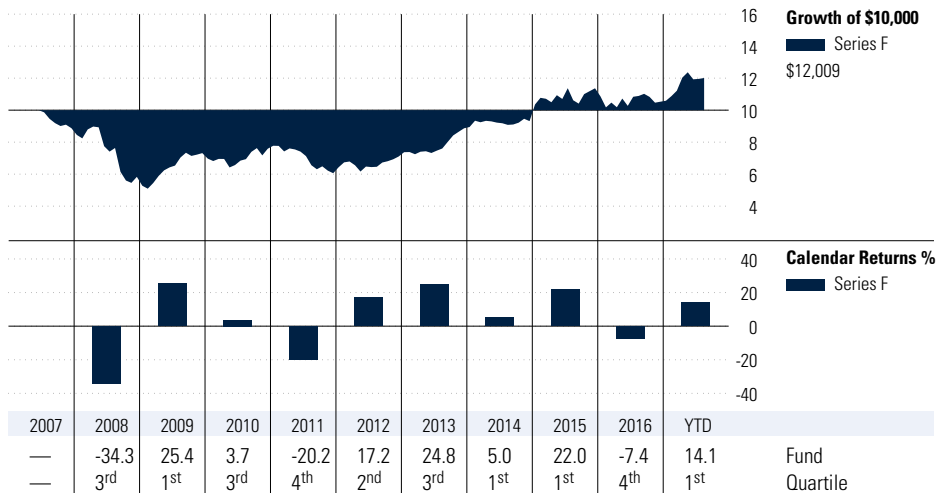
### Geographic Allocations

Geography	% Assets
United Kingdom	19.9
Japan	17.1
Switzerland	9.7
Germany	6.1
Netherlands	5.8

### Top 10 Holdings

Company	% Assets
Deutsche Post AG	5.0
Nidec Corp	4.7
Naspers Ltd Class N	4.6
Taiwan Semiconductor Manufacturing ADR	4.5
Unilever PLC	4.5
Roche Holding AG Dividend Right Cert.	4.5
Anheuser-Busch InBev SA/NV	4.4
AIA Group Ltd	4.3
InterContinental Hotels Group PLC	3.4
Rio Tinto PLC	3.3
Total % of Top 10 Holdings	43.1
Total Number of Stock Holdings	37
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
<b>Total Number of Holdings</b>	<b>38</b>

## Performance Analysis as of August 31, 2017



Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Return	0.5	-2.9	10.4	10.3	9.8	13.2	2.4	1.8	Fund
Rank	2 <sup>nd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	3 <sup>rd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	—	Quartile
No. of Funds	538	537	523	490	340	266	126	—	No. of Funds in Category

# PH&N Overseas Equity Fund

## Management Overview

### Manager Bios

#### Habib Subjally

#### RBC Global Asset Management (UK) Limited

Habib has served as Head of Global Equities and leader of this team since 2006. Prior to that, he held positions at Credit Suisse (Head of Small & Mid Cap Research), Invesco (Head of Global Equities), Merrill Lynch Investment Managers (Head of North American and Global Equities Research, and Manager, Mercury Global Titans Fund) and Ernst & Young. Habib holds a BSc (Hons) from the London School of Economics and the Chartered Accountant and ASIP designations.

### Performance Analysis Cont'd as of August 31, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	—	0.23	0.14	0.32	0.19	0.19	0.29	0.15	0.21	0.34	0.34
Interest	—	0.23	0.14	0.32	0.19	0.19	0.29	0.15	0.21	0.34	0.15
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	0.18
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	33.9	5-2015	21.1	5-2017	14.9	8-2017	2.4
Worst	11-2008	-40.0	6-2010	-13.1	6-2012	-8.3	6-2017	1.8
Average		4.2		6.4		6.6		2.0
No. of Periods		111		87		63		3
Pct. Positive		64.0		74.7		77.8		100.0

\* Distributions are characterized into income type at year-end.

### Quarterly Commentary as at June 30, 2017

With the notable exception of the UK, much of the political uncertainty that has dominated the headlines over the last 12 months appears to be receding. Against this more settled backdrop, global equities continued to perform well during the second quarter, with earnings resolutely strong. Bond yields have remained at historically low levels and the U.S. dollar has been weak. Both of these factors have added impetus to the search for high-quality businesses with predictable and growing earnings. Towards the end of the quarter, however, several of the world's largest central banks hinted at policy tightening.

Indian financial company HDFC Bank was the largest contributor to Fund returns as its share price continued to rally. AIA, the pan-Asian Life Insurance group, was the second-biggest contributor as its share price rose on the back of strong Q1 results. Ryanair, the Irish budget airline, was the third-biggest contributor following a strong quarter during which it was able to benefit

from the IT issues that plagued British Airways.

Oil Search, the largest oil and gas exploration and development company, based in Papua New Guinea, was the biggest detractor from Fund performance over the quarter as it suffered from weak oil prices. Astellas Pharma, the global pharmaceutical company, was the second-biggest detractor as it reported sales and profit numbers slightly below consensus. Komatsu, the Japanese industrial equipment manufacturer, also detracted amid market concerns of a China property slowdown, despite reporting strong financial results during the quarter.

We remain committed to discovering companies that we believe will be successful in the future. We are constantly searching for compelling long-term opportunities at the right valuations while avoiding businesses that are overvalued or optically cheap but fundamentally flawed.

## PH&N Overseas Equity Fund

### Disclosure

RBC Funds, BlueBay Funds, PH&N Funds and RBC Corporate Class Funds are offered by RBC Global Asset Management Inc. and distributed through authorized dealers.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus or Fund Facts document before investing. Except as otherwise noted, the indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Mutual fund securities are not guaranteed or covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer. For money market funds, there can be no assurances that the fund will be able to maintain its net asset value per unit at a constant amount or that the full amount of your investment in the fund will be returned to you. The value of mutual funds change frequently and past performance may not be repeated.

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MER (%) for RBC Funds and PH&N Funds is based on actual expenses for the full-year period, January 1 to December 31, 2016, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the full-year period, April 1, 2016 to March 31, 2017, expressed on an annualized basis.

Adjusted MER is provided for funds with management fee changes effective June 30, 2016. The Adjusted MER represents what the reported MER would have been had management fee changes been in effect throughout 2016.

Series H and Series I are not available for purchase by new investors. Existing investors who hold Series H or Series I units

can continue to make additional investments into the same series of the funds they hold.

Graphs are only used to illustrate the effects of the compound growth rate and do not reflect future values of any fund or returns on investment of any fund.

The fund profile is provided for informational purposes only. Particular investments and/or trading strategies should be evaluated relative to each individual's investment objectives. The information contained in the fund profile is not, and should not be construed as, investment or tax advice. You should not act or rely on the information contained in the fund profile without seeking the advice of an appropriate professional advisor.

Quartile rankings are determined by Morningstar Research Inc., an independent research firm, based on categories maintained by the Canadian Investment Funds Standards Committee (CIFSC). Quartile rankings are comparisons of the performance of a fund to other funds in a particular category and are subject to change monthly. The quartiles divide the data into four equal segments expressed in terms of rank (1, 2, 3 or 4). This is the Morningstar quartile ranking of Series A and F units of the Fund as of July 31, 2017.

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