

PH&N U.S. Dividend Income Fund

Investment Objective

To provide long-term capital growth and income, by investing primarily in a well-diversified portfolio of dividend income-producing U.S. securities that have a relatively high yield.

Fund Details

Series	Load Structure	Currency	Fund Code
F	No Load	CAD	RBF5460

Inception Date	October 2008
Total Fund Assets \$Mil	215.5
Series F NAV \$	15.25
Series F MER %	0.85
Series F Adjusted MER %	0.77
Benchmark	S&P 500 Total Return Index (C\$)

Income Distribution	Annually
Capital Gains Distribution	Annually

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

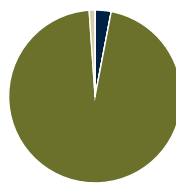
Fund Category	US Equity
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Management Company	RBC Global Asset Management Inc.
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Web Site	www.rbcgam.com
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Portfolio Analysis as of May 31, 2017

Asset Mix

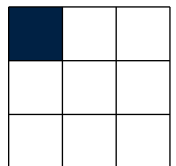


	% Assets
Cash	3.0
Fixed Income	0.0
Canadian Equity	0.0
US Equity	95.9
International Equity	1.1
Other	0.0

Top 10 Holdings

	% Assets
Apple Inc	4.9
Johnson & Johnson	4.5
Microsoft Corp	4.4
UnitedHealth Group Inc	3.7
Philip Morris International Inc	3.1
Altria Group Inc	3.1
PepsiCo Inc	2.9
Chevron Corp	2.8
McDonald's Corp	2.5
CVS Health Corp	2.3
Total % of Top 10 Holdings	34.3
Total Number of Stock Holdings	186
Total Number of Bond Holdings	0
Total Number of Other Holdings	3
Total Number of Holdings	189

Equity Style



Value Blend Growth

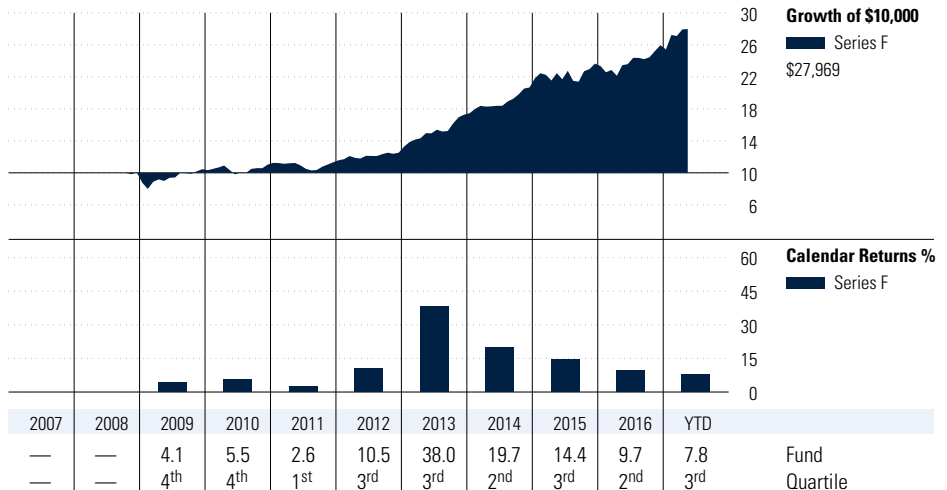
Equity Statistics

P/B Ratio	2.5
P/E Ratio	18.0
Avg. Mkt Cap. \$B	147.3

Global Equity Sectors

	% Equity
Information Technology	17.2
Health Care	16.9
Financials	14.5
Consumer Staples	11.9
Industrials	10.7
Consumer Discretionary	7.8
Energy	7.0
Utilities	5.0
Real Estate	3.6
Materials	3.2
Telecommunication Services	2.2
Unclassified	0.0

Performance Analysis as of May 31, 2017



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	0.2	2.7	10.8	19.3	15.2	18.9	—	12.7	Fund
	3 rd	3 rd	2 nd	2 nd	2 nd	2 nd	—	—	Quartile
	1377	1367	1338	1228	841	485	213	—	No. of Funds in Category

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Management Overview

Manager Bios

Brad Willock

RBC Global Asset Management Inc.

Brad Willock joined RBC in May 1996 and RBC Global Asset Management in July 2002. In his current role, he is responsible for core and income-oriented U.S. equity mandates. Brad has a Bachelor of Commerce and a Bachelor of Science, and is a CFA charterholder.

Performance Analysis Cont'd as of May 31, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	—	0.56	0.30	0.20	0.14	0.12	0.12	0.11	0.16	0.15	—
Interest	—	0.25	0.30	—	0.14	0.12	0.12	0.11	0.16	0.15	—
Dividends	—	—	—	0.20	—	—	—	—	—	—	—
Capital Gains	—	0.31	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	12-2013	38.0	2-2015	24.2	5-2017	18.9	—	—
Worst	9-2011	-1.3	10-2011	2.5	10-2013	10.1	—	—
Average		14.4		15.8		16.0		
No. of Periods		92		68		44		
Pct. Positive		96.7		100.0		100.0		

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

Quarterly Commentary as at March 31, 2017

The Fund focused on trading Industrials and Energy this quarter, targeting stocks with growing dividend streams, superior yields and attractive valuations.

In Industrials, we increased exposure to the sector because of improving trends in several industry surveys regarding business activity, orders and inventories. These trends should lead to improved revenues and earnings over the coming quarters. We added a position in eastern railway CSX Corp. after hearing that the company was replacing its CEO with Hunter Harrison, the former CEO of Canadian Pacific Railway and Canadian National Railway. Under Mr. Harrison's guidance, both Canadian Pacific Railway and Canadian National Railway improved their operating efficiency, earnings and cash flow, and we expect he will make many of the same improvements at CSX Corp.

In addition, we added positions in defense contractors Raytheon and Northrop Grumman, given the likelihood that their defense budgets will get a boost in the coming years.

In Energy, we sold our position in Occidental Petroleum because the company spent too much money acquiring expensive assets instead of generating good returns with the assets they already have. However, to maintain our exposure to the sector, we added two oil and gas producers, Apache Corporation and ConocoPhillips, given our expectation that oil inventories should start to decline through the rest of the year, which should encourage the price of oil to drift higher. Both companies have dividend yields similar to that of the market but with more upside if the oil price moves higher.

In our view, recent economic data suggests the global economy is reaccelerating, slowly and from a low level. Earnings growth turned positive in the third quarter and we expect further earnings improvements to drive markets somewhat higher in 2017. However, if the U.S. dollar remains strong or if President Trump enacts protectionist trade policies, we would expect corporate earnings to weaken and the stock market to come under pressure.

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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, 2017 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.

PH&N Funds Series A formerly known as Series C.

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 May 31, 2017.

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