

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	208.4
Series F NAV \$	15.35
Series F MER %	0.78
Benchmark	S&P 500 Total Return Index (C\$)

Income Distribution	Annually
Capital Gains Distribution	Annually

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

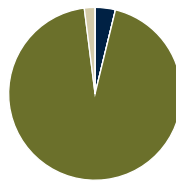
Fund Category	US Equity
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Management Company	RBC Global Asset Management Inc.
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Web Site	www.rbcgam.com
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Portfolio Analysis as of April 30, 2018

Asset Mix

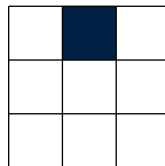


Asset Class	% Assets
Cash	3.8
Fixed Income	0.0
Canadian Equity	0.0
US Equity	94.2
International Equity	2.0
Other	0.0

Top 10 Holdings

Company	% Assets
Microsoft Corp	4.8
Apple Inc	3.8
Cisco Systems Inc	3.1
Bank of America Corporation	2.9
JPMorgan Chase & Co	2.9
McDonald's Corp	2.7
UnitedHealth Group Inc	2.7
NextEra Energy Inc	2.5
Intel Corp	2.5
Chevron Corp	2.3
Total % of Top 10 Holdings	30.3
Total Number of Stock Holdings	98
Total Number of Bond Holdings	0
Total Number of Other Holdings	3
Total Number of Holdings	101

Equity Style



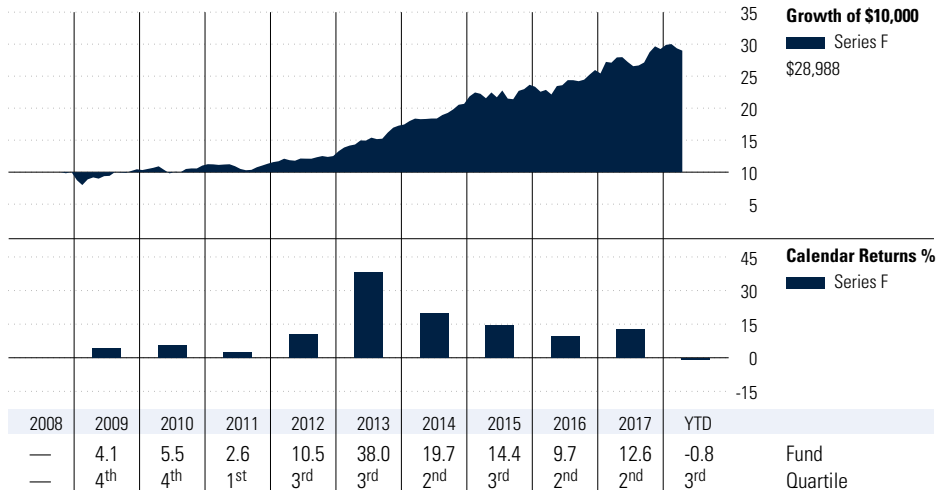
Equity Statistics

P/B Ratio	2.5
P/E Ratio	14.9
Avg. Mkt Cap. \$B	159.8

Global Equity Sectors

Sector	% Equity
Information Technology	23.4
Health Care	17.3
Financials	15.2
Consumer Discretionary	9.5
Industrials	8.0
Energy	6.9
Consumer Staples	6.7
Utilities	6.7
Materials	3.4
Telecommunication Services	1.9
Real Estate	1.0
Unclassified	0.0

Performance Analysis as of April 30, 2018



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
-1.2	-3.0	0.9	3.8	10.4	15.1	—	11.9	Fund
4 th	3 rd	4 th	3 rd	2 nd	2 nd	—	—	Quartile
1439	1429	1419	1355	920	617	264	—	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 April 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	0.46	0.56	0.30	0.20	0.14	0.12	0.12	0.11	0.16	0.15
Interest	—	0.25	0.25	0.30	—	0.14	0.12	0.12	0.11	0.16	0.15
Dividends	—	—	—	—	0.20	—	—	—	—	—	—
Capital Gains	—	0.20	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	11-2017	19.1	—	—
Worst	9-2011	-1.3	10-2011	2.5	10-2013	10.1	—	—
Average		14.2		15.2		16.3		
No. of Periods		103		79		55		
Pct. Positive		97.1		100.0		100.0		

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

Quarterly Commentary as at March 31, 2018

The U.S. stock market had slightly below-average progress in the first quarter of 2018. Strong performances from the Technology and Consumer Discretionary sectors powered the advance while the interest-rate sensitive Utilities, Real Estate, Telecommunications and Consumer Staples sectors, along with the economically sensitive Materials and Energy sectors, were detractors.

The S&P 500 (CAD) has increased over 10% in the past year, driven by a synchronized global economic expansion, accommodative global monetary policy and U.S. tax reform. The S&P 500 is on track to generate over 15% earnings growth in 2018 thanks to reasonably strong global growth, a weaker U.S. dollar, rising oil prices and a lower corporate income tax rate.

During the quarter, security selection in the Industrials, Financials and Utilities sectors aided returns. In Industrials, a large position in the Boeing Company generated strong returns following exceptional financial results. Overweight positions in JP Morgan Chase & Co. and Bank of America Corp. boosted returns in the Financial sector as the market rewarded banks for strong earnings growth and the prospect of large capital returns. In Utilities, an overweight position in

NextEra Energy Inc. lifted performance as the company continues to lead the rollout of renewable energy solutions.

Conversely, our underweight allocation to the Consumer Discretionary and Technology sectors hurt performance. Many companies in these sectors do not pay dividends, so during periods when they outperform it is difficult for our holdings in these sectors to keep pace. For example, performance was hurt by more than 1% because we do not own non-payers such as Amazon.com Inc., Netflix, Adobe Systems Inc., Nvidia Corp., Priceline.com and Micron Technology Inc. An overweight position in cable company, Comcast Corp. also hurt performance as it changed its capital-allocation strategy from buybacks and dividends to acquisitions.

Stocks continue to be supported by strong corporate-profit growth, but rising interest rates and ongoing trade conflicts have introduced increased risk and volatility into markets. Given strong performance over the past nine years, investors should temper their expectations going forward.

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Disclosure

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MER (%) for RBC Funds, PH&N Funds and BlueBay Funds is based on actual expenses for the full year period, January 1 to December 31, 2017, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the half-year period, April 1, to September 30, 2017, expressed on an annualized basis.

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.

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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 April 30, 2018.

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