

PH&N Canadian Income Fund

Investment Objective

To provide a reasonably consistent level of income while attempting to preserve capital by investing primarily in a well-diversified portfolio of income-producing Canadian common stocks, bonds, income trusts, real estate investment trusts, and money market securities.

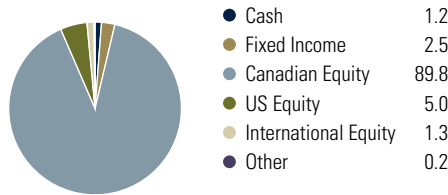
Fund Details

Series	Load Structure	Currency	Fund Code
F	No Load	CAD	RBF5490
Inception Date June 2007			
Total Fund Assets \$Mil 932.2			
Series F NAV \$ 15.85			
Series F MER % 0.85			
Series F Adjusted MER % 0.77			
Benchmark 66.67% S&P/TSX Dividend TR; 33.33% S&P/TSX Dividend TR ex Energy & Materials, but including Oil & Gas Refining & Marketing and Oil & Gas Storage & Transportation Sub-industries			
Income Distribution Monthly			
Capital Gains Distribution Annually			
Sales Status Open			
Min. Investment \$ 500			
Subsequent Investment \$ 25			
Fund Category Canadian Dividend and Income Equity			

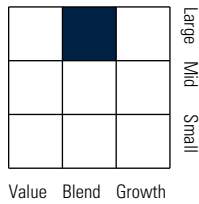
Management Company RBC Global Asset Management Inc.
Web Site www.rbcgam.com

Portfolio Analysis as of April 30, 2017

Asset Mix



Equity Style



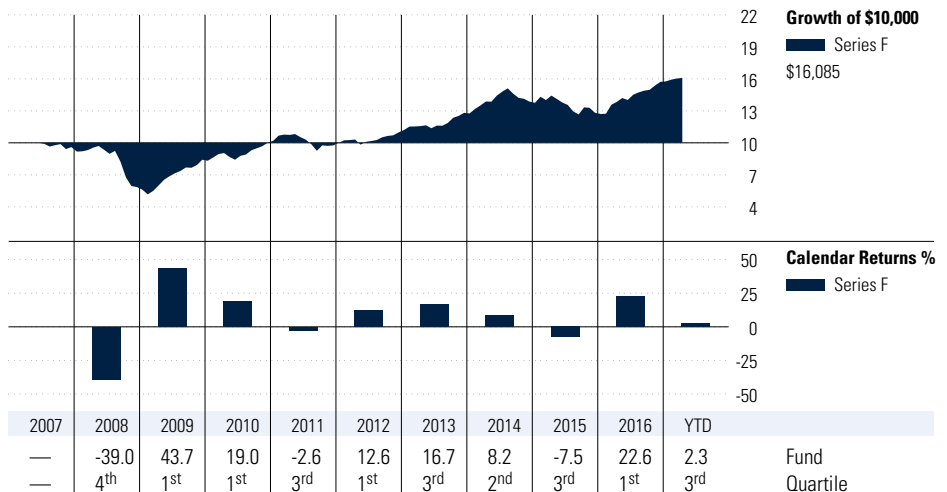
Global Equity Sectors

Sector	% Equity
Financials	42.2
Energy	21.9
Industrials	10.1
Consumer Discretionary	6.7
Materials	5.3
Utilities	4.0
Consumer Staples	3.2
Real Estate	3.0
Information Technology	2.0
Telecommunication Services	1.6
Health Care	0.0
Unclassified	0.0

Top 10 Holdings

Company	% Assets
The Toronto-Dominion Bank	8.3
Royal Bank of Canada	7.8
Enbridge Inc	6.9
Bank of Nova Scotia	6.8
CIBC	4.1
Brookfield Asset Management Inc Class A	4.1
Manulife Financial Corp	3.4
Alimentation Couche-Tard Inc B	3.1
Quebecor Inc Class B	2.6
Sun Life Financial Inc	2.5
Total % of Top 10 Holdings	49.6
Total Number of Stock Holdings	50
Total Number of Bond Holdings	5
Total Number of Other Holdings	2
Total Number of Holdings	57

Performance Analysis as of April 30, 2017



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
0.4	2.1	7.5	16.2	5.0	9.3	—	5.0	Fund
3 rd	3 rd	3 rd	2 nd	3 rd	2 nd	—	—	Quartile
571	570	562	539	422	305	126	—	No. of Funds in Category

PH&N Canadian Income Fund

Management Overview

Manager Bios

Scott Lysakowski

Phillips, Hager & North Investment Management

Scott is the Co-Head of Canadian equity research and a portfolio manager at Phillips, Hager & North Investment Management. He is the lead manager of the PH&N Canadian Income Fund and the Co-Manager of the Canadian equity portion of the PH&N Monthly Income Fund. Scott joined the firm in 2002 and remains focused on researching and managing Canadian equities with a specialization in dividend and income-producing portfolios.

Performance Analysis Cont'd as of April 30, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.11	0.40	0.21	0.29	0.28	0.29	0.28	0.30	0.37	0.58	2.01
Interest	0.11	0.01	—	—	0.28	—	0.03	0.30	0.21	0.40	0.22
Dividends	—	0.39	0.21	0.28	—	0.29	0.25	—	0.17	0.19	0.07
Capital Gains	—	—	—	0.01	—	—	—	—	—	—	1.72
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	67.0	2-2012	25.6	2-2014	20.6	—	—
Worst	2-2009	-43.8	6-2010	-5.6	6-2012	0.2	—	—
Average		7.4		9.0		9.1		—
No. of Periods		107		83		59		—
Pct. Positive		66.4		94.0		100.0		—

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

Quarterly Commentary as at March 31, 2017

The Canadian equity market continued its ascent in the first quarter of the year. Many themes that were prevalent in the market, including increased optimism over the possibility of tax cuts and higher infrastructure spending, along with improving global economic growth and stronger corporate earnings, – resulted in positive absolute performance for the Canadian equity market. Despite a slight contraction in the latter half of the quarter due to uncertainties surrounding the implementation of proposed Trump policies, 9 of 11 sectors ended in positive territory. This was led by Utilities, which benefitted this quarter after interest rates retraced following the sharp rise after the U.S. election. While equity performance was generally positive, the Energy sector was negative this quarter due to falling oil prices, which represented a reversal from the past few quarters.

This quarter the PH&N Canadian Income Fund underperformed its custom benchmark. The Fund's overweight exposure to companies most sensitive to oil prices was the largest detractor from relative performance this quarter. After a remarkable

recovery in 2016, the rise in the price of oil has recently slowed. Higher-than-expected U.S. inventory data, along with uncertainty over an extension of the OPEC agreement on production cuts, caused the price of oil to drop below US\$50 per barrel higher leverage to oil prices.

The Utilities sector rebounded this quarter after recent weakness stemming from rising interest rates along with defensive sector rotations. After adding to our overweight position last quarter, Brookfield Infrastructure Partners contributed positively this quarter. Brookfield is a capable operator with a unique portfolio of irreplaceable global infrastructure assets and significant visible growth.

The Fund's trading activity is a function of our investment process. Our disciplined fundamental research process and approach to portfolio construction serve as a base to optimize position sizes to match fundamental conviction and minimize exposure to less repeatable, unintended risk factors.

PH&N Canadian Income 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.

Phillips, Hager & North Investment Management (PH&N IM) is a division of RBC Global Asset Management Inc. (RBC GAM). RBC GAM is the fund manager and the principal portfolio adviser of PH&N Funds and BonaVista Funds. The principal distributor of PH&N Funds and BonaVista Funds is Phillips, Hager & North Investment Funds Ltd. (PH&NIF), which uses the trade name PH&N Investment Services. RBC GAM is an indirect, wholly-owned subsidiary of Royal Bank of

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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 half-year period, April 1, 2016 to September 30, 2016, 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 April 30, 2017.

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