

# 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	915.9
Series F NAV \$	15.33
Series F MER %	0.78
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

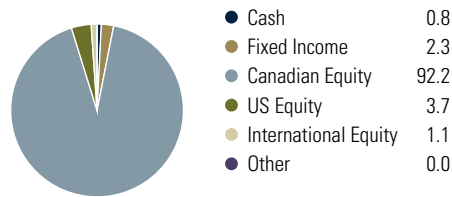
Fund Category	Canadian Dividend and Income Equity
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Management Company	RBC Global Asset Management Inc.
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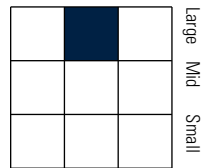
Web Site	www.rbcgam.com
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## Portfolio Analysis as of August 31, 2017

### Asset Mix



### Equity Style



Value Blend Growth

### Equity Statistics

P/B Ratio	1.8
P/E Ratio	16.0
Avg. Mkt Cap. \$B	27.9

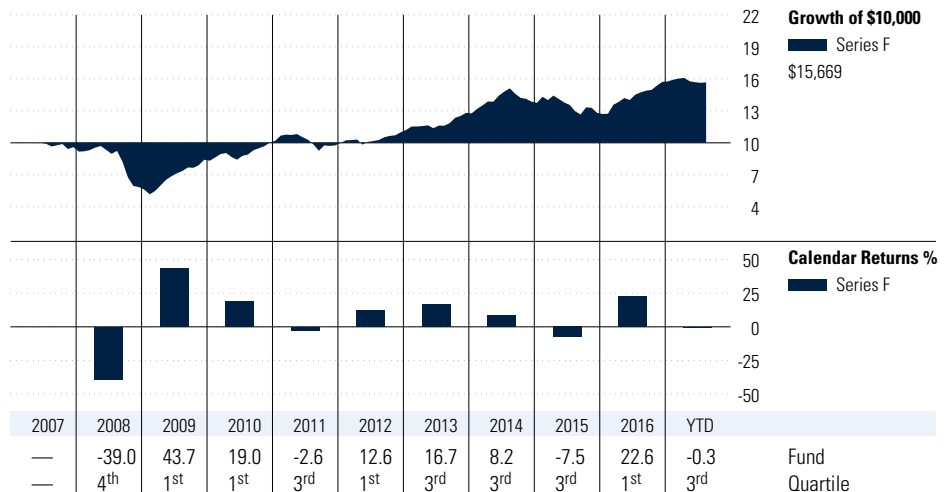
### Global Equity Sectors

Sector	% Equity
Financials	39.5
Energy	23.9
Industrials	9.1
Consumer Discretionary	8.6
Materials	5.8
Consumer Staples	3.4
Real Estate	3.0
Information Technology	2.9
Utilities	2.3
Telecommunication Services	1.5
Health Care	0.0
Unclassified	0.0

### Top 10 Holdings

Company	% Assets
The Toronto-Dominion Bank	7.6
Royal Bank of Canada	7.3
Enbridge Inc	6.7
Bank of Nova Scotia	4.1
CIBC	3.9
Brookfield Asset Management Inc Class A	3.5
Alimentation Couche-Tard Inc B	3.3
Manulife Financial Corp	3.2
Quebecor Inc Class B	2.7
TransCanada Corp	2.6
Total % of Top 10 Holdings	44.8
Total Number of Stock Holdings	55
Total Number of Bond Holdings	4
Total Number of Other Holdings	1
<b>Total Number of Holdings</b>	<b>60</b>

## Performance Analysis as of August 31, 2017



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
0.3	-0.6	-1.6	6.4	1.2	8.8	5.0	4.5	Fund
2 <sup>nd</sup>	2 <sup>nd</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	—	Quartile
586	583	566	556	425	318	152	—	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 August 31, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.22	0.40	0.21	0.29	0.28	0.29	0.28	0.30	0.37	0.58	2.01
Interest	0.22	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	8-2017	5.0
Worst	2-2009	-43.8	6-2010	-5.6	6-2012	0.2	6-2017	4.6
Average		7.4		8.7		9.1		4.7
No. of Periods		111		87		63		3
Pct. Positive		67.6		94.3		100.0		100.0

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

### Quarterly Commentary as at June 30, 2017

After hitting an all-time high in February, the Canadian equity market, as measured by the S&P/TSX Capped Composite Index, underperformed global equity markets over the past three months. The moderately underwhelming results were a product of poor performance in the Financials, Energy and Materials sectors. Investor concerns over Canadian housing and consumer credit levels outweighed the double-digit earnings growth of most diversified banks. Furthermore, despite OPEC's action to cut production, global inventory levels remain elevated and the price of oil softened during the most recent period. Strength exhibited by the Telecommunication Services, Utilities and Real Estate sectors has been a bright spot this quarter. Additionally, the Industrials sector had the strongest performance off the back of strong earnings demonstrated by the Canadian railroad industry.

This quarter the Fund underperformed its custom benchmark. The Fund's overweight exposure to companies most sensitive to oil prices was the largest detractor from relative performance. An overweight position in Crescent Point Energy was

a significant detractor after feeble oil prices continued to cause dramatic weakness in the company's share price.

The Utilities sector continued its resilient upward trend this quarter. The Fund's relative overweight positions in Brookfield Infrastructure Partners and Fortis Inc. were positive contributors. The Consumer Discretionary sector also had a meaningful impact on the Fund's performance quarter to date. The Fund's overweight position in Dollarama continues to deliver encouraging results. The company's sales growth continues to increase and operating results have, so far, been exceptional.

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.

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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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