

PH&N Currency-Hedged U.S. Equity Fund

Investment Objective

The fundamental investment objective of the Fund is to provide significant long-term capital growth primarily through exposure to a well-diversified portfolio of quality U.S. common stocks, while minimizing currency risk. To achieve these objectives, the Fund will invest primarily in units of other funds managed by Phillips, Hager & North. Fundamental investment objectives may only be changed with the approval of a majority of unitholders at a meeting called for that purpose. However, we may change the Fund's investment strategies at our discretion.

Fund Details

Series	Load Structure	Currency	Fund Code
F	No Load	CAD	RBF5560

Inception Date	December 2007
Total Fund Assets \$Mil	47.0
Series F NAV \$	11.29
Series F MER %	0.86
Series F Adjusted MER %	0.78
Benchmark	S&P 500 Total Return Index (hedged to C\$)

Income Distribution	Annually
Capital Gains Distribution	Annually

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

Fund Category	US Equity
---------------	-----------

Management Company	RBC Global Asset Management Inc.
--------------------	----------------------------------

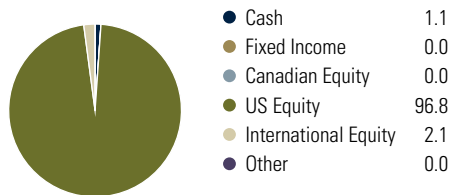
Web Site	www.rbcgam.com
----------	----------------

Notes

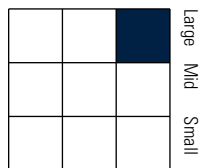
Please note: Holdings shown are for PH&N U.S. Equity Fund.

Portfolio Analysis as of May 31, 2017

Asset Mix



Equity Style

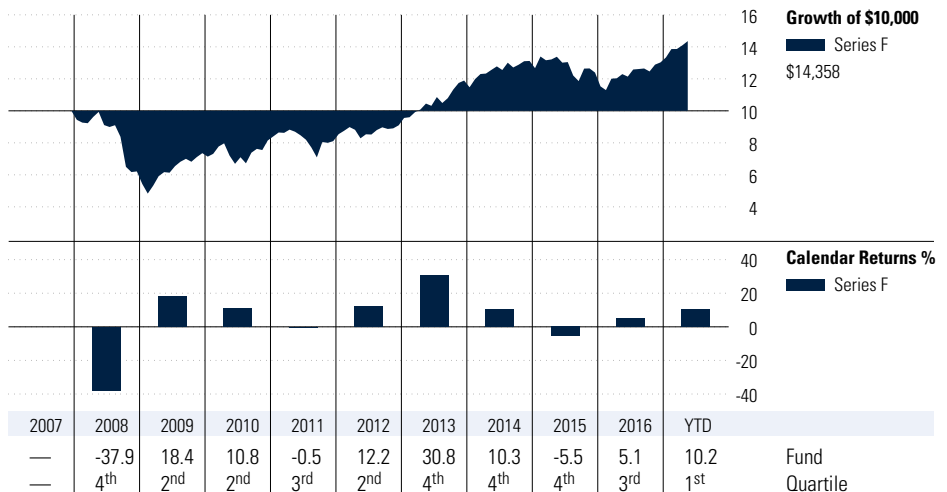


Value Blend Growth

Global Equity Sectors

Sector	% Equity
Information Technology	23.2
Financials	15.6
Health Care	14.1
Industrials	11.7
Consumer Discretionary	11.6
Consumer Staples	8.2
Energy	6.2
Telecommunication Services	2.9
Materials	2.6
Real Estate	2.0
Utilities	2.0
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 %
1.9	3.6	11.4	16.8	4.6	11.6	—	3.9	Fund
1 st	2 nd	2 nd	3 rd	4 th	4 th	—	—	Quartile
1377	1367	1338	1228	841	485	213	—	No. of Funds in Category

PH&N Currency-Hedged U.S. Equity Fund

Management Overview

Manager Bios

Stuart Kedwell

RBC Global Asset Management Inc.

Stuart Kedwell is Senior Vice President and Co-Head, North American Equities. He has been in the investment industry since 1997.

Doug Raymond

RBC Global Asset Management Inc.

Doug Raymond is Senior Vice President and Co-Head, North American Equities. He has been in the investment industry since 1985.

Performance Analysis Cont'd as of May 31, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	—	0.11	0.10	0.15	0.09	0.36	0.06	0.25	0.46	0.07	—
Interest	—	0.11	0.10	0.15	0.09	0.06	0.05	0.07	0.10	0.07	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	0.30	0.01	0.17	0.36	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	51.5	2-2012	21.9	2-2014	19.9	—	—
Worst	2-2009	-47.9	12-2010	-6.6	12-2012	-1.9	—	—
Average		6.8		9.6		10.2		—
No. of Periods		102		78		54		—
Pct. Positive		72.5		87.2		98.1		—

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

Quarterly Commentary as at March 31, 2017

The U.S. stock market continued to surge higher in the first quarter, extending the rally that began a little over a year ago. Similar to the fourth quarter of 2016, the most recent three-month period featured strong rotations in sectors and style. The start of 2017 has been highlighted by strength in growth over value and a general reversal in sector performance, as Technology and Consumer Discretionary led the way, and Energy and Telecommunication Services lagged.

Energy dragged down index performance due to weaker oil prices. Concern about OPEC compliance and rising rig counts contributed to weakness. We continue to believe in the long-term success of energy companies with strong, sustainable balance sheets, while also exhibiting healthy levels of free cash flow.

The Fund outperformed its benchmark in the first quarter, and the majority of returns were generated via strong security selection. A

diversified set of security positions within Technology resulted in this sector being the largest contributor to relative returns. The Fund's overweight position in leading global diversified semiconductor company Broadcom was the leading contributor to relative returns, with a promising outlook given healthy product demand.

Within Internet Software & Services, the Fund's position in Facebook was among the largest contributors to relative performance, as the company successfully monetized user engagement through advertising revenue.

Market performance going forward will depend on tangible evidence in the form of increased economic activity and better-than-expected corporate earnings. While some of the market's advance must be attributed to anticipation of pro-growth policy action, the fundamentals are also doing their part to drive the market higher.

PH&N Currency-Hedged U.S. 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.

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. The principal distributor of PH&N 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 Canada.

This document has been compiled by RBC Global Asset Management Inc. (RBC GAM) from sources believed to be reliable, but no representations or warranty, express or implied, are made by RBC GAM, its affiliates or any other person as to its accuracy, completeness or correctness. All opinions and estimates constitute RBC GAM's judgment as of the date of this document, are subject to change without notice and are provided in good faith but without legal responsibility. The Top Ten/25 Holdings may change due to ongoing portfolio transactions within the fund. The Prospectus and other information about the underlying investment funds are available at www.sedar.com.

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.

® / ™ Trademark(s) of Royal Bank of Canada. Used under licence. © RBC Global Asset Management Inc. 2017