

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	46.5
Series F NAV \$	12.62
Series F 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
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Management Company	RBC Global Asset Management Inc.
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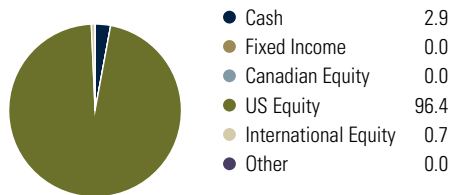
Web Site	www.rbcgam.com
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Notes

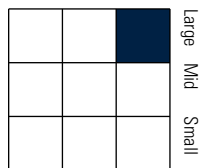
Please note: Holdings shown are for PH&N U.S. Equity Fund.

Portfolio Analysis as of January 31, 2018

Asset Mix



Equity Style



Value Blend Growth

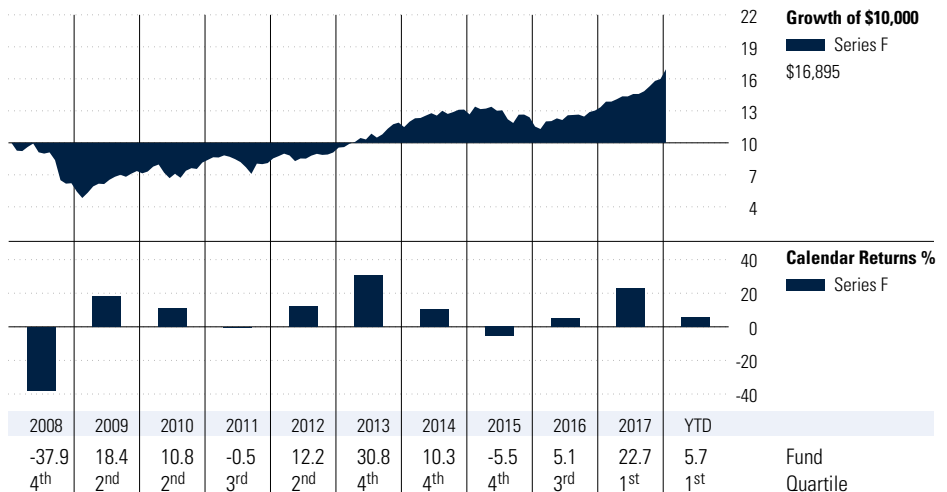
Equity Statistics

P/B Ratio	3.2
P/E Ratio	20.4
Avg. Mkt Cap. \$B	151.7

Global Equity Sectors

Sector	% Equity
Information Technology	23.6
Financials	15.5
Consumer Discretionary	14.0
Health Care	13.6
Industrials	11.3
Consumer Staples	8.0
Energy	6.7
Materials	2.3
Utilities	2.0
Telecommunication Services	1.6
Real Estate	1.4
Unclassified	0.0

Performance Analysis as of January 31, 2018



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
5.7	10.5	15.9	26.7	10.1	12.1	6.0	5.3	Fund
1 st	1 st	1 st	1 st	3 rd	4 th	4 th	—	Quartile
1412	1410	1386	1324	906	606	258	—	No. of Funds in Category

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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 January 31, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	0.63	0.11	0.10	0.15	0.09	0.36	0.06	0.25	0.46	0.07
Interest	—	0.08	0.11	0.10	0.15	0.09	0.06	0.05	0.07	0.10	0.07
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.56	—	—	—	—	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	1-2018	6.0
Worst	2-2009	-47.9	12-2010	-6.6	12-2012	-1.9	12-2017	4.8
Average		7.8		9.2		10.3		5.4
No. of Periods		110		86		62		2
Pct. Positive		74.5		88.4		98.4		100.0

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

Quarterly Commentary as at December 31, 2017

The U.S. stock market finished a strong year on the back of solid returns from cyclical sectors. Strong overall performance was driven by continued synchronized global economic expansion, still-accommodative global central bank policy, and low market interest rates and inflation, which drove better-than-expected financial performance for most U.S. companies. Tax reform also helped lift investor sentiment late in the year.

During the quarter, the Fund's relative performance was boosted by the Consumer Discretionary and Industrials sectors while Telecommunications was a drag. In Consumer Discretionary, traditional retailers have been under pressure as consumers shift toward purchasing items online and spending more on experiences rather than material goods. The Fund's overweight allocation to the primary disruptor in the sector, Amazon.com Inc., added to relative returns. In Industrials, relative returns were aided by strong security selection. In

particular, the Fund's removal of General Electric Company benefited performance as it was the S&P 500's largest detractor during 2017.

Conversely, Telecommunications was a mild detractor. The underweight allocation to AT&T Inc. weighed on performance as the company raised its dividend and is a major beneficiary of tax reform.

While our base case is for stocks to rise modestly over the next year, there are several scenarios that could lead to declines, including an escalation of tensions with North Korea, a policy mistake by the U.S. Federal Reserve (Fed) or protectionist trade moves by the Trump administration. Our indicators suggest that the odds of a recession remain fairly low but, with valuations at an eight-year high and the Fed intent on normalizing interest rates, risks have increased and earnings growth remains key for return prospects.

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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.

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

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MER (%) for RBC Funds, PH&N Funds and BlueBay Funds is based on actual expenses for the half-year period, January 1 to June 30, 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.

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 January 31, 2018.

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