

# PH&N Canadian Equity Value Fund

## Investment Objective

The fundamental investment objective of the Fund is to provide long-term capital growth. The Fund invests primarily in equity securities of Canadian issuers priced below the portfolio manager's assessment of their true value and offering long-term opportunities for growth.

## Fund Details

Series	Load Structure	Currency	Fund Code
F	No Load	CAD	RBF5670
FT5	No Load	CAD	RBF5671

Inception Date	December 2009
Total Fund Assets \$Mil	1,218.4
Series F NAV \$	15.18
Series F MER %	0.77
Benchmark	S&P/TSX Capped Composite Total Return Index

Income Distribution	Annually
Capital Gains Distribution	Annually

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

Fund Category	Canadian Equity
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Management Company	RBC Global Asset Management Inc.
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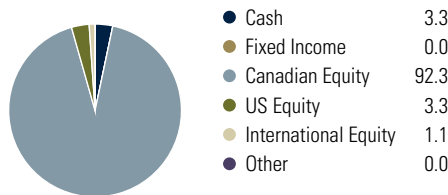
Web Site	www.rbcgam.com
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## Notes

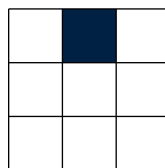
This is a continuing fund resulting from a merger effective June 27, 2014.

## Portfolio Analysis as of October 31, 2017

### Asset Mix



### Equity Style



Value Blend Growth

### Equity Statistics

P/B Ratio	1.9
P/E Ratio	16.7
Avg. Mkt Cap. \$B	31.7

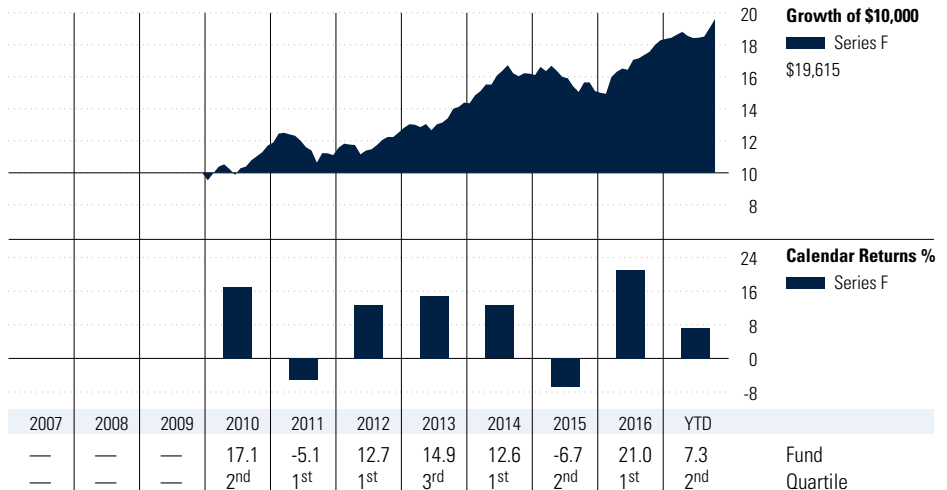
### Global Equity Sectors

Sector	% Equity
Financials	39.9
Energy	20.9
Industrials	10.1
Materials	8.3
Telecommunication Services	4.5
Consumer Staples	4.0
Consumer Discretionary	3.7
Information Technology	2.9
Real Estate	2.7
Utilities	2.5
Health Care	0.5
Unclassified	0.0

### Top 10 Holdings

Company	% Assets
Royal Bank of Canada	7.3
The Toronto-Dominion Bank	6.8
Bank of Nova Scotia	5.0
Enbridge Inc	3.7
Canadian National Railway Co	3.5
Suncor Energy Inc	3.3
Bank of Montreal	3.2
Canadian Natural Resources Ltd	3.1
Brookfield Asset Management Inc Class A	2.9
Manulife Financial Corp	2.9
Total % of Top 10 Holdings	41.8
Total Number of Stock Holdings	80
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
<b>Total Number of Holdings</b>	<b>81</b>

## Performance Analysis as of October 31, 2017



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
3.0	6.4	4.3	11.7	6.9	9.9	—	9.0	Fund
2 <sup>nd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	—	—	Quartile
605	602	599	575	411	299	143	—	No. of Funds in Category

# PH&N Canadian Equity Value 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.

#### Irene Matsyalko

##### RBC Global Asset Management Inc.

Irene Matsyalko is a Portfolio Manager and senior North American equities research analyst. She earned a Commerce degree from University of Toronto and is a CFA charterholder.

#### Sarah Neilson

##### RBC Global Asset Management Inc.

Sarah Neilson is a Portfolio Manager and senior North American equities research analyst. Sarah earned a Bachelor of Science in Mechanical Engineering at Queens University, and an MBA from McGill University. Sarah is a CFA charterholder.

### Performance Analysis Cont'd as of October 31, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	—	0.27	0.67	1.17	0.18	0.43	0.20	0.39	—	—	—
Interest	—	—	—	—	0.18	—	—	0.06	—	—	—
Dividends	—	0.27	0.20	0.21	—	0.10	0.06	—	—	—	—
Capital Gains	—	—	0.47	0.96	—	0.32	0.14	0.33	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	8-2014	27.3	9-2014	15.1	1-2015	11.1	—	—
Worst	2-2016	-10.1	8-2017	3.4	2-2016	3.7	—	—
Average		9.3		8.7		8.7		—
No. of Periods		83		59		35		—
Pct. Positive		74.7		100.0		100.0		—

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

### Quarterly Commentary as at September 30, 2017

The S&P/TSX Composite Index languished after hitting an all-time high in February 2017. During the latter part of the period, the index moved back into positive territory for the year, but remains below the aforementioned highs. The TSX had a strong Q3, returning 3.7% and outperformed the S&P 500, but continues to lag YTD.

Numerous factors contributed to the Canadian market's underperformance this year, including continued weakness in the Energy sector, concerns about the composition of Canadian economic growth and rising interest rates. Market sentiment was also affected by looming uncertainty regarding negotiations to rework NAFTA and questions about Canada's competitiveness amid a backdrop of higher taxes, currency headwinds and higher labour costs.

Relative returns in PH&N Canadian Equity Value were aided by the Materials and Utilities sectors, while Financials was a drag. In Materials, precious metals stocks largely struggled during the quarter

and the exclusion of Tahoe Resources Inc. benefited returns.

In Financials, the most recent strength was propelled by insurance companies amid higher domestic bond yields. The performance of bank stocks moderated after a solid start to the year, given housing-market and regulatory concerns.

Stocks continue to be supported by a global synchronized expansion and renewed corporate-profit growth around the world. With many equity markets at or near all-time highs, investors are rightly concerned about the sustainability of the bull market in equities. While stocks are not as cheap as they were when the cycle began, they remain somewhat attractive relative to fixed income. Markets have benefited from rising earnings and price-to-earnings ratios through this bull market, but earnings rather than valuations may now be the force needed to propel the market higher.

## PH&N Canadian Equity Value 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 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 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 October 31, 2017.

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