

# PH&N Canadian Equity Fund

## Investment Objective

To provide significant long-term capital growth by investing primarily in a well-diversified portfolio of Canadian common stocks and income trusts.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF7130
Adv	Front End	CAD	RBF6130
Adv	Low Load	CAD	RBF4130

Inception Date	November 2008
Total Fund Assets \$Mil	1,125.2
Series A NAV \$	99.88
Series A MER %	1.84
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

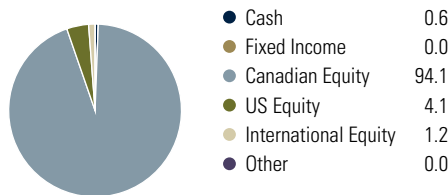
Fund Category	Canadian Equity
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Management Company	RBC Global Asset Management Inc.
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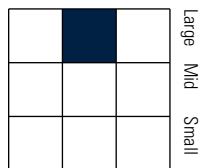
Web Site	www.rbcgam.com
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## Portfolio Analysis as of August 31, 2017

### Asset Mix



### Equity Style



Value Blend Growth

### Equity Statistics

P/B Ratio	1.8
P/E Ratio	16.8
Avg. Mkt Cap. \$B	23.5

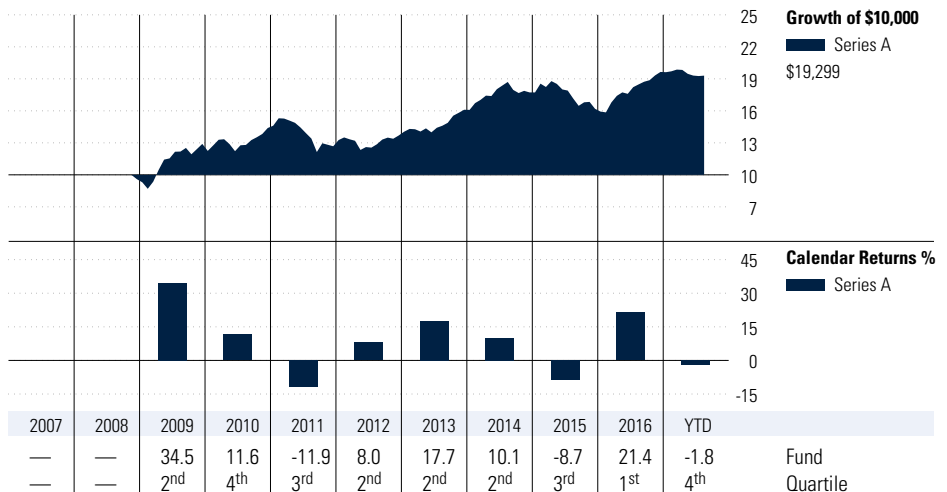
### Top 10 Holdings

Company	% Assets
Royal Bank of Canada	7.5
The Toronto-Dominion Bank	7.5
Enbridge Inc	5.4
Bank of Nova Scotia	5.4
Brookfield Asset Management Inc Class A	3.8
Manulife Financial Corp	3.3
Canadian Natural Resources Ltd	3.2
Canadian National Railway Co	2.8
TransCanada Corp	2.7
Alimentation Couche-Tard Inc B	2.4
Total % of Top 10 Holdings	44.0
Total Number of Stock Holdings	97
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
<b>Total Number of Holdings</b>	<b>98</b>

### Global Equity Sectors

Sector	% Equity
Financials	37.1
Energy	23.0
Industrials	9.5
Consumer Discretionary	8.9
Materials	8.8
Information Technology	4.0
Consumer Staples	3.1
Real Estate	2.8
Utilities	1.8
Telecommunication Services	1.0
Health Care	0.0
Unclassified	0.0

## 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 %
0.2	-0.9	-2.1	4.4	1.0	8.5	—	7.8	Fund
3 <sup>rd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	—	—	Quartile
610	609	598	569	415	302	141	—	No. of Funds in Category

# PH&N Canadian Equity Fund

## Management Overview

### Manager Bios

#### Doug Stadelman

##### Phillips, Hager & North Investment Management

Doug is the Head of Canadian equity research and has responsibilities as a research analyst and portfolio manager at Phillips, Hager & North Investment Management. His previous experience includes eight years as a top-ranked special situations and small cap research analyst, during which time he founded a widely publicized Canadian small cap index.

#### 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	—	0.67	1.76	6.35	0.45	0.51	2.87	0.70	0.62	0.59	—
Interest	—	—	—	—	—	—	—	0.70	—	—	—
Dividends	—	0.67	0.75	0.60	0.45	0.51	0.07	—	0.62	0.59	—
Capital Gains	—	—	1.01	5.75	—	—	2.80	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	46.8	2-2012	15.8	2-2014	14.0	—	—
Worst	5-2012	-17.1	8-2017	1.0	2-2016	0.7	—	—
Average		8.7		6.8		7.5		—
No. of Periods		94		70		46		—
Pct. Positive		73.4		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 benchmark, the S&P/TSX Capped Composite Total Return Index. The Fund's overweight exposure to companies most sensitive to oil prices was the largest detractor from relative performance this

quarter. Positions in Cenovus Energy and Crescent Point Energy were significant detractors after feeble oil prices continued to cause dramatic weakness in the both companies' share prices.

The Fund's overweight position in the Consumer Discretionary sector was an area of strength over the quarter. Positions in Sleep Country Canada and Gildan Activewear were significant contributors. Furthermore, the Fund's overweight position in Dollarama continues to deliver encouraging results. Dollarama has consistently executed on a robust business strategy. 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 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.

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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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