

# PH&N Dividend Income Fund

## Investment Objective

To provide long-term capital growth and income by investing primarily in a well-diversified portfolio of dividend income-producing Canadian securities that have a relatively high yield.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF7150
Adv	Front End	CAD	RBF6150
Adv	Low Load	CAD	RBF4150

Inception Date	November 2008
Total Fund Assets \$Mil	2,476.3
Series A NAV \$	102.90
Series A MER %	1.87
Benchmark	S&P/TSX Capped Composite Total Return Index

Income Distribution	Quarterly
Capital Gains Distribution	Annually

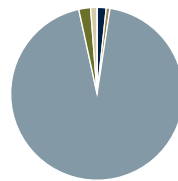
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Fund Category	Canadian Dividend and Income Equity
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Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Portfolio Analysis as of April 30, 2018

### Asset Mix

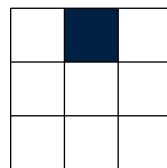


	% Assets
Cash	1.7
Fixed Income	0.7
Canadian Equity	94.2
US Equity	2.2
International Equity	1.2
Other	0.0

### Top 10 Holdings

	% Assets
Royal Bank of Canada	8.8
The Toronto-Dominion Bank	7.9
Bank of Nova Scotia	6.0
Canadian National Railway Co	4.6
Bank of Montreal	4.1
Enbridge Inc	3.6
Brookfield Asset Management Inc Class A	3.6
Suncor Energy Inc	3.6
CIBC	2.9
Manulife Financial Corp	2.8
Total % of Top 10 Holdings	47.8
Total Number of Stock Holdings	78
Total Number of Bond Holdings	0
Total Number of Other Holdings	3
<b>Total Number of Holdings</b>	<b>81</b>

### Equity Style



Value Blend Growth

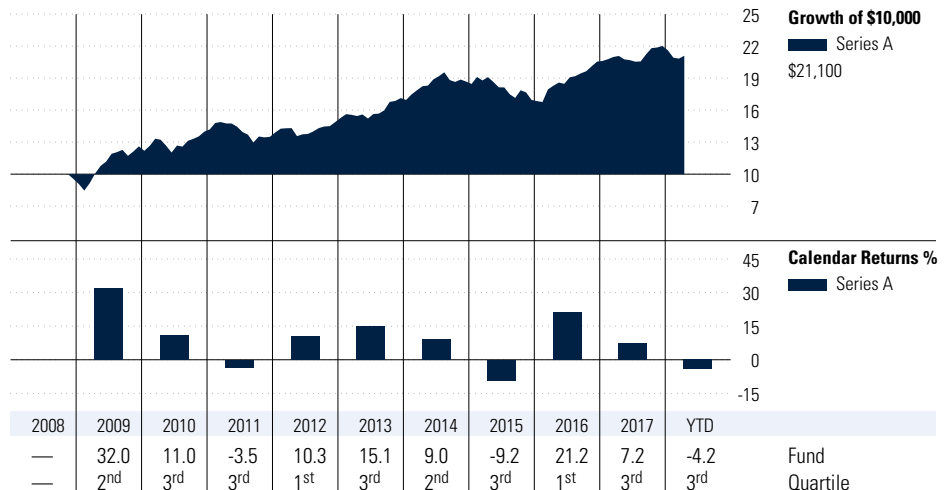
### Equity Statistics

P/B Ratio	1.7
P/E Ratio	14.8
Avg. Mkt Cap. \$B	32.5

### Global Equity Sectors

	% Equity
Financials	43.9
Energy	19.8
Industrials	9.2
Materials	5.1
Telecommunication Services	5.1
Consumer Staples	4.5
Utilities	4.0
Consumer Discretionary	3.7
Real Estate	3.0
Information Technology	0.8
Health Care	0.7
Unclassified	0.0

## Performance Analysis as of April 30, 2018



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Fund	1.3	-2.3	-3.3	0.1	3.4	6.4	—	8.2	Fund
Quartile	2 <sup>nd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	—	—	Quartile
No. of Funds in Category	562	559	554	536	411	326	167	—	No. of Funds in Category

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## Management Overview

### Manager Bios

#### Warner Sulz

#### RBC Global Asset Management Inc.

Warner Sulz is Vice President and Senior Portfolio Manager, Canadian Equities. He has been in the investment industry since 1986.

### Performance Analysis Cont'd as of April 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.41	3.46	1.44	1.45	1.48	1.06	1.94	1.77	0.70	1.05	0.56
Interest	0.41	0.01	—	—	—	—	—	—	0.70	—	—
Dividends	—	1.34	1.44	1.45	1.17	1.06	0.73	0.33	—	1.05	0.56
Capital Gains	—	2.11	—	—	0.31	—	1.21	1.44	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	49.5	2-2012	19.0	2-2014	15.6	—	—
Worst	2-2016	-12.3	8-2017	1.7	2-2016	2.5	—	—
Average		9.2		7.5		8.2		—
No. of Periods		102		78		54		—
Pct. Positive		77.5		100.0		100.0		—

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

### Quarterly Commentary as at March 31, 2018

PH&N Dividend Income Fund's performance in the first quarter was driven by holdings such as Jamieson Wellness Inc., Pure Industrial Real Estate Trust and Toronto-Dominion Bank.

Jamieson Wellness continued its strong performance last quarter. The company has been making progress in licensing some of its products under the new Chinese regulatory regime to sell in that market. Even a modest market-share gain in the medium to long term in the Chinese market could be meaningful. We remain confident in the company's prospects to outgrow the market due to new product launches and increased global market penetration, given its broad range of products for all age groups and lifestyles.

Pure Industrial owns and manages over 17 million square feet of industrial space across Canada and the United States, with a focus on warehouse and distribution space. In January 2018, the company announced that it entered an agreement to be acquired by Blackstone Property Partners at an attractive premium to its net asset value.

Toronto-Dominion Bank had a solid quarter with strong results in U.S Retail and Canadian Personal & Commercial Banking. U.S Retail saw solid momentum, bolstered by higher interest rates, strong operating leverage and U.S. tax reform. Coupled with the strength of TD Ameritrade, the U.S. component of the pie continues to grow. The company's annual dividend increase was larger than expected, underscoring management's view of continued strong growth for the balance of the year. Finally, the strong capital position should provide deployment flexibility.

During the quarter, we raised our weight positioning in Canadian Pacific Railway, Neo Performance Materials Inc. and SNC Lavalin Group Inc. We also reduced our weighting in Manulife Financial Corp., Stantec Inc. and WPT Industrial Real Estate Investment Trust. Finally, we sold our position in Pure Industrial as a result of Blackstone's takeover bid, which drove up Pure Industrial's stock price.

## PH&N Dividend 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, PH&N Funds and BlueBay Funds is based on actual expenses for the full year period, January 1 to December 31, 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 April 30, 2018.

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