

# PH&N Balanced Fund

## Investment Objective

To provide long-term capital growth and income by investing primarily in a well-diversified, balanced portfolio of Canadian common stocks, bonds and money market securities. This fund also holds a portion of its assets in foreign common stock.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF7350
Adv	Front End	CAD	RBF6350
Adv	Low Load	CAD	RBF4350

Inception Date	November 2008
Total Fund Assets \$Mil	1,012.2
Series A NAV \$	20.62
Series A MER %	1.98
Benchmark	38% FTSE TMX Canada Universe Bond Index 30% S&P/TSX Capped Composite Total Return Index 26% MSCI World Total Return Net Index (CAD) 4% MSCI Emerging Markets Total Return Net Index (CAD) 2% FTSE TMX Canada 30 Day TBill Index

Income Distribution	Quarterly
Capital Gains Distribution	Annually

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

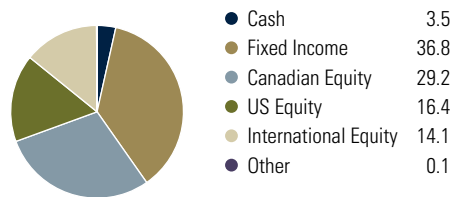
Fund Category	Canadian Neutral Balanced
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Management Company	RBC Global Asset Management Inc.
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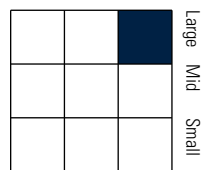
Web Site	www.rbcgam.com
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## Portfolio Analysis as of May 31, 2018

### Asset Mix



### Equity Style



Value Blend Growth

### Top 5 Sectors

Sector	% Equity
Financials	29.4
Energy	12.4
Consumer Discretionary	11.8
Information Technology	11.2
Industrials	11.2

### Fixed Income Breakdown

Category	%
Govt. Bonds	69.3
Corp. Bonds	27.2
Other Bonds	1.2
MBS	0.4
Cash & Other	1.9
ABS	0.0

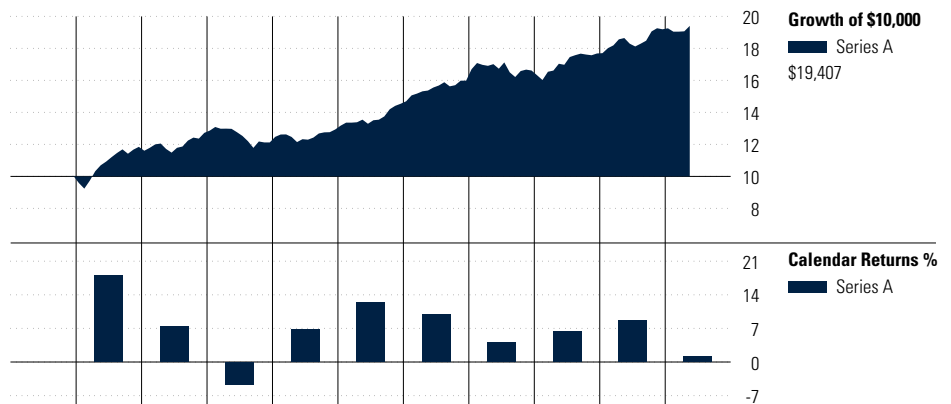
### Characteristics

Characteristic	%
Avg. Term to maturity (Yrs)	10.4
Modified Duration (Yrs)	7.5
Yield to Maturity	2.6

### Top 10 Holdings

Holder	% Assets
PH&N Bond Fund	37.5
PH&N Canadian Equity Underlying Fund	30.6
RBC Global Equity Focus Fund	19.6
RBC QUBE Global Equity Fund	6.4
RBC Emerging Markets Equity Fund	3.8
PH&N Canadian Money Market Fund	1.4
Total % of Top 10 Holdings	99.4
Total Number of Portfolio Holdings	7
Total Number of Stock Holdings	288
Total Number of Bond Holdings	355
Total Number of Other Holdings	179
<b>Total Number of Underlying Holdings</b>	<b>822</b>

## Performance Analysis as of May 31, 2018



2008	—	18.1	7.4	-4.7	6.7	12.4	9.9	4.0	6.4	8.6	1.1	Fund
	—	2 <sup>nd</sup>	4 <sup>th</sup>	4 <sup>th</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	3 <sup>rd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	Quartile

Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Return	1.8	1.9	0.8	4.1	4.5	7.5	—	7.2	Fund
Ranking	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	—	—	Quartile
No. of Funds	657	656	651	642	496	402	150	—	No. of Funds in Category

# PH&N Balanced Fund

## Management Overview

### Manager Bios

#### Sarah Riopelle

#### RBC Global Asset Management Inc.

Sarah Riopelle is Vice President and Senior Portfolio Manager, Investment Solutions. Sarah began her investment career in 1996. She is a member of the RBC Investment Strategy Committee and is responsible for the firm's Portfolio Solutions. Sarah has a Bachelor of Commerce in Finance and International Management from the University of Ottawa and is a CFA charter holder.

### Performance Analysis Cont'd as of May 31, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	0.58	0.51	0.90	2.06	0.17	0.28	0.46	0.29	0.28	0.02
Interest	—	0.13	0.15	0.14	0.07	0.13	0.14	0.13	0.23	0.19	0.02
Dividends	—	0.11	0.12	0.12	0.06	0.05	0.08	0.08	—	0.10	0.01
Capital Gains	—	0.34	0.25	0.64	1.93	—	0.05	0.24	0.06	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	27.6	5-2015	11.9	2-2014	10.3	—	—
Worst	5-2012	-6.4	8-2012	2.7	2-2016	4.1	—	—
Average		7.3		6.7		7.3		—
No. of Periods		103		79		55		—
Pct. Positive		85.4		100.0		100.0		—

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

### Quarterly Commentary as at March 31, 2018

Global trade suffered a setback in the first quarter of 2018 as U.S. President Trump threatened to impose trade tariffs on China and, to a lesser degree, allies in Europe and North America. However, economic growth remained robust in most areas of the world.

The Fund's overweight position in equities and underweight position in fixed income had a positive impact on performance. Government-bond yields rose significantly around the globe during the first quarter, especially in the U.S. and Europe. Canada's bond market outperformed as the country's weakening economy held yields down. The Fund's sole fixed-income holding, PH&N Bond Fund, had a positive impact on performance.

Global equities posted modest losses, reversing gains earlier in the period, on concerns about rising inflation and the potential for a trade war.

Canadian stocks underperformed due in part to a housing slowdown and worries that the Energy sector is falling behind on pipeline infrastructure. The Fund's global and emerging-markets equity holdings had a positive impact on returns while PH&N Canadian Equity Underlying Fund detracted from performance.

We expect the global economy to grow at its fastest pace since the financial crisis, allowing central banks to continue dialing back monetary accommodation. In our view, stocks will continue to outperform bonds in this rising-rate environment, but we recently reduced our equity overweight position and added to our fixed-income exposure as bonds can help offset equity-market volatility in a balanced portfolio. The latest asset-mix change shifted the Fund's positioning to a neutral stance.

## PH&N Balanced 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 May 31, 2018.

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