

PH&N U.S. 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 U.S. securities that have a relatively high yield.

Fund Details

| Series | Load Structure | Currency | Fund Code |
|--------|----------------|----------|-----------|
| A | No Load | CAD | RBF7460 |
| Adv | Front End | CAD | RBF6460 |
| Adv | Low Load | CAD | RBF4460 |

| | |
|-------------------------|----------------------------------|
| Inception Date | November 2008 |
| Total Fund Assets \$Mil | 224.5 |
| Series A NAV \$ | 16.91 |
| Series A MER % | 1.88 |
| Benchmark | S&P 500 Total Return Index (C\$) |

| | |
|----------------------------|----------|
| Income Distribution | Annually |
| Capital Gains Distribution | Annually |

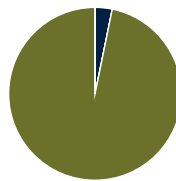
| | |
|--------------------------|------|
| Sales Status | Open |
| Min. Investment \$ | 500 |
| Subsequent Investment \$ | 25 |

| | |
|---------------|-----------|
| Fund Category | US Equity |
|---------------|-----------|

| | |
|--------------------|----------------------------------|
| Management Company | RBC Global Asset Management Inc. |
| Web Site | www.rbcgam.com |

Portfolio Analysis as of August 31, 2018

Asset Mix

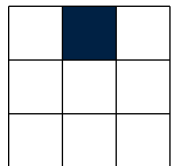


| | % Assets |
|----------------------|----------|
| Cash | 3.2 |
| Fixed Income | 0.0 |
| Canadian Equity | 0.0 |
| US Equity | 96.8 |
| International Equity | 0.0 |
| Other | 0.0 |

Top 10 Holdings

| | % Assets |
|--|------------|
| Microsoft Corp 24-10-2018 | 4.9 |
| Apple Inc | 4.6 |
| Cisco Systems Inc | 3.3 |
| Intel Corp | 2.7 |
| JPMorgan Chase & Co | 2.6 |
| Texas Instruments Inc | 2.3 |
| Bank of America Corporation 24-10-2018 | 2.2 |
| UnitedHealth Group Inc | 2.2 |
| Johnson & Johnson | 2.2 |
| Altria Group Inc | 2.1 |
| Total % of Top 10 Holdings | 29.0 |
| Total Number of Stock Holdings | 268 |
| Total Number of Bond Holdings | 0 |
| Total Number of Other Holdings | 5 |
| Total Number of Holdings | 273 |

Equity Style



Value Blend Growth

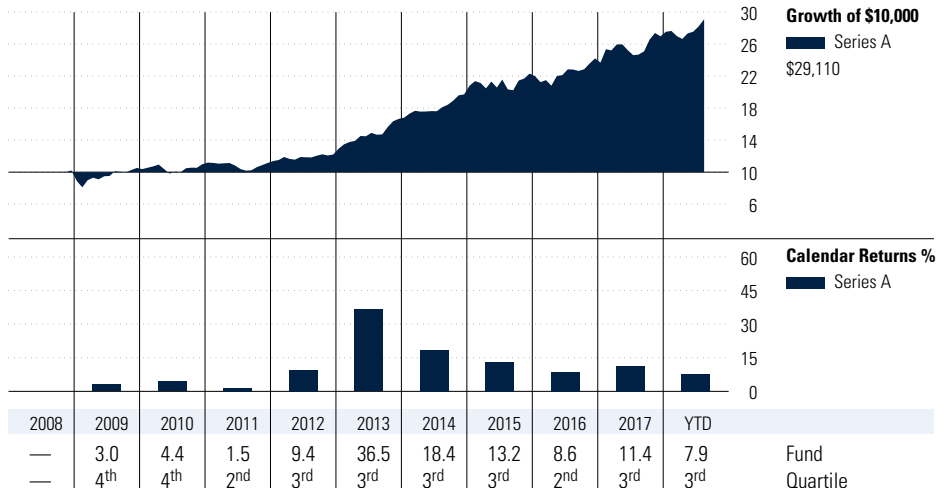
Equity Statistics

| | |
|-------------------|-------|
| P/B Ratio | 2.9 |
| P/E Ratio | 16.3 |
| Avg. Mkt Cap. \$B | 147.5 |

Global Equity Sectors

| | % Equity |
|----------------------------|----------|
| Information Technology | 20.7 |
| Health Care | 19.1 |
| Financials | 12.3 |
| Industrials | 9.6 |
| Consumer Discretionary | 8.9 |
| Energy | 7.8 |
| Consumer Staples | 7.7 |
| Utilities | 7.4 |
| Real Estate | 3.5 |
| Materials | 2.3 |
| Telecommunication Services | 0.5 |
| Unclassified | 0.0 |

Performance Analysis as of August 31, 2018



| | 1 Mth | 3 Mth | 6 Mth | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Since Incep. | Trailing Return % |
|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------|--------------|--------------------------|
| Fund | 3.1 | 6.4 | 5.3 | 17.9 | 12.7 | 14.7 | — | 11.6 | Fund |
| Quartile | 2 nd | 3 rd | 4 th | 3 rd | 2 nd | 3 rd | — | — | Quartile |
| No. of Funds in Category | 1415 | 1412 | 1393 | 1346 | 904 | 639 | 262 | — | No. of Funds in Category |

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Management Overview

Manager Bios

Brad Willock

RBC Global Asset Management Inc.

Brad Willock joined RBC in May 1996 and RBC Global Asset Management in July 2002. In his current role, he is responsible for core and income-oriented U.S. equity mandates. Brad has a Bachelor of Commerce and a Bachelor of Science, and is a CFA charterholder.

Performance Analysis Cont'd as of August 31, 2018

| Distributions (\$)/Unit | YTD* | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|
| Total Distributions | — | 0.26 | 0.38 | 0.15 | 0.06 | 0.03 | 0.04 | 0.05 | 0.03 | 0.09 | 0.08 |
| Interest | — | 0.06 | 0.08 | 0.15 | 0.06 | 0.03 | 0.04 | 0.05 | 0.03 | 0.09 | 0.08 |
| Dividends | — | — | — | — | — | — | — | — | — | — | — |
| Capital Gains | — | 0.20 | 0.30 | — | — | — | — | — | — | — | — |
| Return Of Capital | — | — | — | — | — | — | — | — | — | — | — |

| Best/Worst Periods % | Ended | 1 Yr | Ended | 3 Yr | Ended | 5 Yr | Ended | 10 Yr |
|----------------------|---------|------|---------|-------|---------|-------|-------|-------|
| Best | 12-2013 | 36.5 | 2-2015 | 22.9 | 11-2017 | 17.8 | — | — |
| Worst | 9-2011 | -2.4 | 11-2011 | 2.9 | 12-2013 | 10.3 | — | — |
| Average | | 13.1 | | 14.0 | | 15.0 | | — |
| No. of Periods | | 106 | | 82 | | 58 | | — |
| Pct. Positive | | 97.2 | | 100.0 | | 100.0 | | — |

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

Quarterly Commentary as at June 30, 2018

U.S. equity markets rebounded in the second quarter. However, sustained economic growth and accelerated earnings were accompanied by higher interest rates and faster inflation, which weighed on valuations. Against this backdrop, equities have struggled so far in 2018 to make the kind of headway that came so easily last year.

In the Fund, security selection detracted in the second quarter. On the positive side, our overweight position in ConocoPhillips Co. contributed on the back of rising commodity prices. Conversely, not holding non-dividend payers Amazon.com Inc., Facebook Inc., Netflix Inc. and Alphabet Inc. detracted significantly. In addition, our overweight position in two tobacco companies, Altria Group Inc. and Philip Morris International Inc., hurt performance. Philip Morris fell 15%

earlier this year on weak earnings, largely driven by lower adoption of its smokeless product than expected in Japan. Altria serves an entirely different market, but was also dragged down by Philip Morris's poor results.

Expanding valuations have been a significant source of gains for stocks during the decade-long rally, but sustained earnings growth will be critical to drive equities to higher levels. Earnings have indeed been growing rapidly, helped by U.S. tax cuts, and expectations are for the positive trend in profits to persist. As long as economic growth continues and the U.S. Federal Reserve raises rates gradually, stocks are likely to offer decent returns for the balance of 2018.

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Disclosure

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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, 2018, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the full year period, April 1, 2017 to March 31, 2018.

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, 2018.

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