

# 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	213.1
Series A NAV \$	15.89
Series A MER %	1.88
Benchmark	S&P 500 Total Return Index (C\$)

Income Distribution	Annually
Capital Gains Distribution	Annually

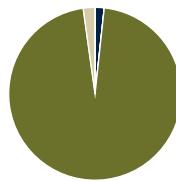
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Fund Category	US Equity
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Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Portfolio Analysis as of May 31, 2018

### Asset Mix

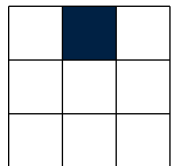


	% Assets
Cash	1.7
Fixed Income	0.0
Canadian Equity	0.0
US Equity	96.1
International Equity	2.2
Other	0.0

### Top 10 Holdings

	% Assets
Microsoft Corp	5.0
Apple Inc	4.7
Cisco Systems Inc	3.0
UnitedHealth Group Inc	2.7
Intel Corp	2.6
NextEra Energy Inc	2.5
JPMorgan Chase & Co	2.5
Texas Instruments Inc	2.4
Chevron Corp	2.3
Bank of America Corporation	2.2
Total % of Top 10 Holdings	30.0
Total Number of Stock Holdings	340
Total Number of Bond Holdings	0
Total Number of Other Holdings	6
<b>Total Number of Holdings</b>	<b>346</b>

### Equity Style



Value Blend Growth

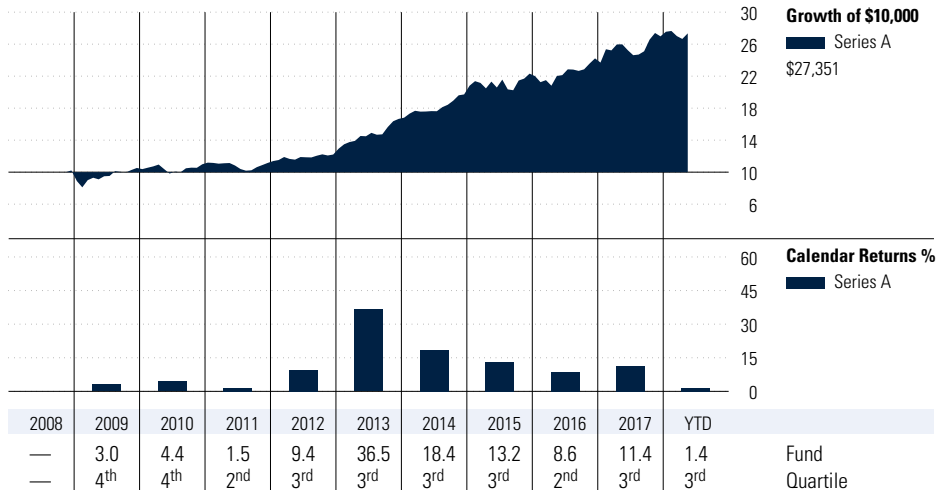
### Equity Statistics

P/B Ratio	2.7
P/E Ratio	15.2
Avg. Mkt Cap. \$B	143.8

### Global Equity Sectors

	% Equity
Information Technology	24.9
Health Care	16.3
Financials	12.1
Industrials	9.9
Consumer Discretionary	9.5
Energy	7.1
Consumer Staples	7.1
Utilities	6.4
Materials	3.2
Real Estate	2.5
Telecommunication Services	1.1
Unclassified	0.0

## Performance Analysis as of May 31, 2018



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
2.6	2.6	-1.1	-0.2	5.3	8.7	13.5	—	11.2	Fund
2 <sup>nd</sup>	2 <sup>nd</sup>	4 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	—	—	Quartile
1420	1420	1414	1398	1333	905	614	260	—	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 May 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		13.0		14.1		15.1		—
No. of Periods		103		79		55		—
Pct. Positive		97.1		100.0		100.0		—

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

### Quarterly Commentary as at March 31, 2018

The U.S. stock market had slightly below-average progress in the first quarter of 2018. Strong performances from the Technology and Consumer Discretionary sectors powered the advance while the interest-rate sensitive Utilities, Real Estate, Telecommunications and Consumer Staples sectors, along with the economically sensitive Materials and Energy sectors, were detractors.

The S&P 500 (CAD) has increased over 10% in the past year, driven by a synchronized global economic expansion, accommodative global monetary policy and U.S. tax reform. The S&P 500 is on track to generate over 15% earnings growth in 2018 thanks to reasonably strong global growth, a weaker U.S. dollar, rising oil prices and a lower corporate income tax rate.

During the quarter, security selection in the Industrials, Financials and Utilities sectors aided returns. In Industrials, a large position in the Boeing Company generated strong returns following exceptional financial results. Overweight positions in JP Morgan Chase & Co. and Bank of America Corp. boosted returns in the Financial sector as the market rewarded banks for strong earnings growth and the prospect of large capital returns. In Utilities, an overweight position in

NextEra Energy Inc. lifted performance as the company continues to lead the rollout of renewable energy solutions.

Conversely, our underweight allocation to the Consumer Discretionary and Technology sectors hurt performance. Many companies in these sectors do not pay dividends, so during periods when they outperform it is difficult for our holdings in these sectors to keep pace. For example, performance was hurt by more than 1% because we do not own non-payers such as Amazon.com Inc., Netflix, Adobe Systems Inc., Nvidia Corp., Priceline.com and Micron Technology Inc. An overweight position in cable company, Comcast Corp. also hurt performance as it changed its capital-allocation strategy from buybacks and dividends to acquisitions.

Stocks continue to be supported by strong corporate-profit growth, but rising interest rates and ongoing trade conflicts have introduced increased risk and volatility into markets. Given strong performance over the past nine years, investors should temper their expectations going forward.

## PH&N U.S. 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 May 31, 2018.

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