

# 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	220.2
Series A NAV \$	16.73
Series A MER %	1.88
Benchmark	S&P 500 Total Return Index (C\$)

Income Distribution	Annually
Capital Gains Distribution	Annually

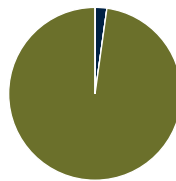
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

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

## Portfolio Analysis as of November 30, 2018

### Asset Mix

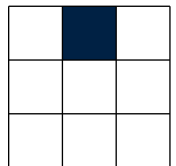


	% Assets
Cash	2.2
Fixed Income	0.0
Canadian Equity	0.0
US Equity	97.8
International Equity	0.0
Other	0.0

### Top 10 Holdings

	% Assets
Microsoft Corp	5.0
Apple Inc	3.5
Cisco Systems Inc	3.4
JPMorgan Chase & Co	2.6
Bank of America Corporation	2.5
Texas Instruments Inc	2.4
UnitedHealth Group Inc	2.4
Broadcom Inc	2.1
Philip Morris International Inc	2.1
Intel Corp	2.1
Total % of Top 10 Holdings	28.1
Total Number of Stock Holdings	200
Total Number of Bond Holdings	0
Total Number of Other Holdings	4
<b>Total Number of Holdings</b>	<b>204</b>

### Equity Style



Value Blend Growth

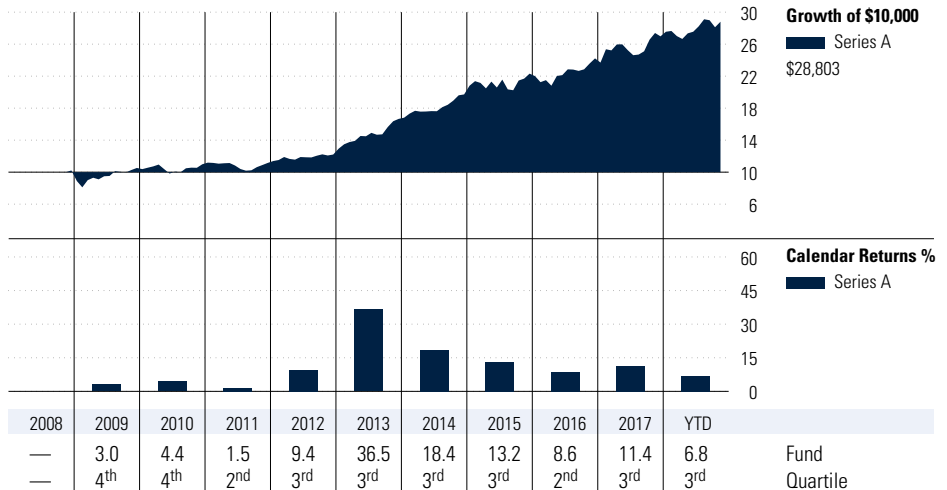
### Equity Statistics

P/B Ratio	3.0
P/E Ratio	16.2
Avg. Mkt Cap. \$B	162.9

### Global Equity Sectors

	% Equity
Information Technology	23.7
Health Care	17.9
Financials	11.7
Consumer Staples	10.1
Industrials	9.5
Consumer Discretionary	6.9
Energy	5.5
Real Estate	5.5
Utilities	4.3
Communication Services	3.5
Materials	1.5
Unclassified	0.0

## Performance Analysis as of November 30, 2018



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
2.5	-1.1	5.3	5.1	9.9	12.0	11.2	11.2	Fund
3 <sup>rd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	—	Quartile
1526	1505	1466	1430	977	668	282	—	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 November 30, 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	11-2018	11.2
Worst	9-2011	-2.4	11-2011	2.9	12-2013	10.3	11-2018	11.2
Average		12.9		13.9		14.9		11.2
No. of Periods		109		85		61		1
Pct. Positive		97.2		100.0		100.0		100.0

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

### Quarterly Commentary as at September 30, 2018

U.S. equity markets generally outperformed the rest of the world again in the third quarter. The U.S. economy recorded impressive gains. Soaring business and consumer confidence, and strong corporate profit growth fueled the ascent.

Bolstered by large-scale tax cuts and increased government spending, the U.S. economy has accelerated to its fastest growth rate in four years. We continue to believe that the speed limit for developed-world growth has increased since the global financial crisis. Confidence among businesses and consumers has been restored.

Security selection enhanced our results in Q3, driven by the technology sector. Overweight positions in Apple Inc. and Microsoft Corp. boosted performance. Apple continues to report solid earnings from device sales, while Microsoft sees growth in their cloud computing service, Azure. Cloud computing is a fast-growing, disruptive technology and Azure has a solid market

share, second only to Amazon Web Services.

Conversely, Materials was a detractor this quarter. This was largely due to the Fund's position in multi-national chemical company LyondellBasell Industries. LyondellBasell's performance is tied to commodity chemical pricing, primarily ethylene and polyethylene. Ethylene prices have been pressured by new capacity and increasing costs for feedstock, namely ethane.

Our analysis of a variety of scenarios suggests that stocks can deliver decent upside with reasonable assumptions, as long as earnings continue to come through as analysts expect. We recognize, however, that earnings growth is now critical to sustaining the bull market in stocks. This is particularly true in light of the late stage in the business cycle and the fact that valuations are above equilibrium.

## 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 preceding calendar year or most recent half-year period ended June 30 expressed on an annualized basis, depending on availability of data at the time of publication.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the preceding full year period ended March 31 or half-year period ended September 30 expressed on an annualized basis, depending on availability of data at the time of publication.

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 November 30, 2018.

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