

PH&N Canadian Income Fund

Investment Objective

To provide a reasonably consistent level of income while attempting to preserve capital by investing primarily in a well-diversified portfolio of income-producing Canadian common stocks, bonds, income trusts, real estate investment trusts, and money market securities.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF7490
Adv	Front End	CAD	RBF6490
Adv	Low Load	CAD	RBF4490

Inception Date	November 2008
Total Fund Assets \$Mil	884.4
Series A NAV \$	15.80
Series A MER %	1.87
Benchmark	66.67% S&P/TSX Dividend TR; 33.33% S&P/TSX Dividend TR ex Energy & Materials, but including Oil & Gas Refining & Marketing and Oil & Gas Storage & Transportation Sub-industries

Income Distribution	Monthly
Capital Gains Distribution	Annually

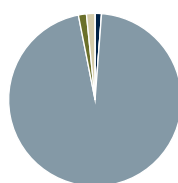
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

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 August 31, 2018

Asset Mix

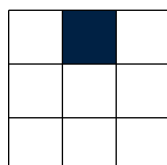


	% Assets
Cash	1.2
Fixed Income	0.0
Canadian Equity	95.7
US Equity	1.5
International Equity	1.6
Other	0.0

Top 10 Holdings

	% Assets
Royal Bank of Canada	8.1
The Toronto-Dominion Bank	7.8
Bank of Nova Scotia 24-10-2018	6.0
Enbridge Inc	5.0
Canadian National Railway Co	5.0
Bank of Montreal	4.2
Brookfield Asset Management Inc Class A 24-10-2018	3.9
Manulife Financial Corp	3.0
Canadian Natural Resources Ltd 24-10-2018	2.7
Alimentation Couche-Tard Inc B	2.1
Total % of Top 10 Holdings	47.7
Total Number of Stock Holdings	57
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Holdings	58

Equity Style



Value Blend Growth

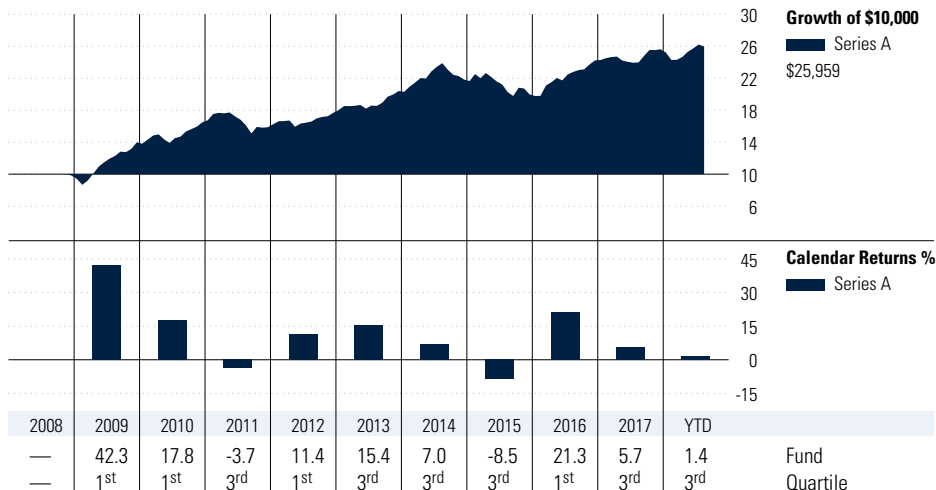
Equity Statistics

P/B Ratio	1.7
P/E Ratio	14.8
Avg. Mkt Cap. \$B	34.8

Global Equity Sectors

	% Equity
Financials	41.3
Energy	20.1
Industrials	12.2
Materials	7.7
Consumer Discretionary	5.8
Utilities	4.1
Information Technology	2.8
Real Estate	2.7
Consumer Staples	2.3
Telecommunication Services	0.9
Health Care	0.0
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 %
	-0.9	2.7	7.0	8.3	8.6	7.0	—	10.3	Fund
	4 th	4 th	1 st	2 nd	2 nd	3 rd	—	—	Quartile
	620	618	609	587	432	351	171	—	No. of Funds in Category

PH&N Canadian Income Fund

Management Overview

Manager Bios

Scott Lysakowski

Phillips, Hager & North Investment Management

Scott is the Head of Canadian Equities for PH&N Investment Management and Senior Portfolio Manager on the team's core Canadian equity strategies. He joined the firm in 2002, where he was a senior research analyst and portfolio manager with the Toronto-based Canadian equity team before moving to Vancouver to join the PH&N IM team in 2009. Prior to being named Head in 2018, Scott was Co-Head of the team since 2012. Scott 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	0.09	0.82	0.21	0.08	0.12	0.11	0.12	0.16	0.24	0.27	0.01
Interest	0.09	0.00	0.00	—	—	—	—	0.16	0.24	0.15	0.01
Dividends	—	0.14	0.21	0.08	0.11	0.11	0.12	—	—	0.12	0.00
Capital Gains	—	0.68	—	—	0.01	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	65.3	2-2012	24.2	2-2014	19.3	—	—
Worst	8-2015	-15.2	8-2017	0.1	2-2016	2.5	—	—
Average		11.1		8.4		9.1		—
No. of Periods		106		82		58		—
Pct. Positive		76.4		100.0		100.0		—

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

Quarterly Commentary as at June 30, 2018

Over the period, investors were increasingly concerned about uncertainty surrounding NAFTA negotiations, increased U.S. protectionism and the impact of steel and aluminum tariffs. In addition, rising bond yields and their impact on household debt continue to loom. Despite these headwinds, all sectors in the Canadian market except Utilities experienced positive performance with the S&P/TSX Capped Composite finishing ahead of all major equity markets.

Within the Fund, 8 of 11 sectors contributed positively, led by Telecommunications Services, Financials and Energy. Our relative performance in Telecommunications benefited from avoiding exposure to BCE Inc. as competition within the wireless segment intensified. The portfolio's exposure to the wireless segment continues to focus on Shaw Communications Inc. and Quebecor Inc., both of which delivered positive performance over the quarter and are poised to continue capturing market share. Within Financials, a position in Element Fleet Management Corp. was

the largest contributor as the market reacted favourably to the company's newly appointed CEO.

The Consumer Staples and Materials sectors represented the largest detractors for the Fund this quarter. The multi-national convenience store operator, Alimentation Couche-Tard Inc., was a modest drag on performance for the period. Despite strong recent same-store sales growth, increasing competition from dollar stores and quick-service restaurants continues to dampen the stock's performance. Goldcorp Inc. also inhibited returns for the quarter as the Canadian gold miner declined on lower-than-expected production.

The Fund's trading activity is a function of our investment process. Our disciplined fundamental research process and approach to portfolio construction optimize position sizes to match fundamental conviction and minimize exposure to unpredictable risk factors.

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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 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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