

# PH&N Currency-Hedged U.S. Equity Fund

## Investment Objective

The fundamental investment objective of the Fund is to provide significant long-term capital growth primarily through exposure to a well-diversified portfolio of quality U.S. common stocks, while minimizing currency risk. To achieve these objectives, the Fund will invest primarily in units of other funds managed by Phillips, Hager & North. Fundamental investment objectives may only be changed with the approval of a majority of unitholders at a meeting called for that purpose. However, we may change the Fund's investment strategies at our discretion.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF7560
Adv	Front End	CAD	RBF6560
Adv	Low Load	CAD	RBF4560

Inception Date	November 2008
Total Fund Assets \$Mil	44.4
Series A NAV \$	11.34
Series A MER %	1.88
Benchmark	S&P 500 Total Return Index (hedged to 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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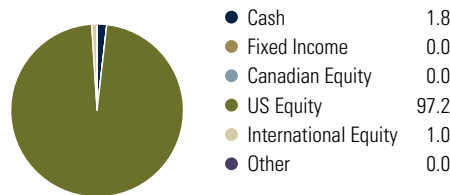
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Notes

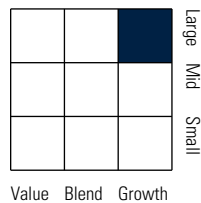
Please note: Holdings shown are for PH&N U.S. Equity Fund.

## Portfolio Analysis as of August 31, 2017

### Asset Mix



### Equity Style



### Equity Statistics

P/B Ratio	2.6
P/E Ratio	21.8
Avg. Mkt Cap. \$B	131.3

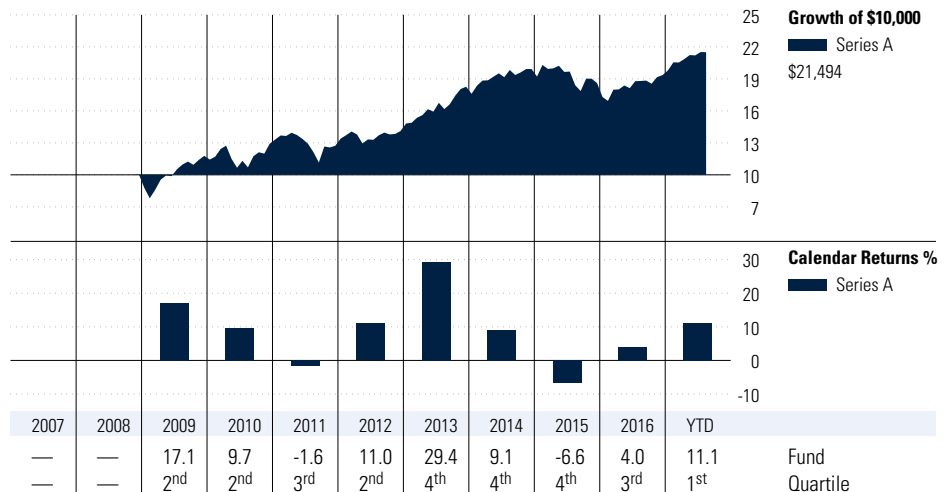
### Top 10 Holdings

Company	% Assets
Apple Inc	4.1
Alphabet Inc C	3.2
Microsoft Corp	3.0
Amazon.com Inc	2.9
Berkshire Hathaway Inc B	2.2
JPMorgan Chase & Co	2.1
Honeywell International Inc	2.0
Facebook Inc A	1.9
Johnson & Johnson	1.8
Exxon Mobil Corp	1.8
Total % of Top 10 Holdings	25.1
Total Number of Stock Holdings	279
Total Number of Bond Holdings	0
Total Number of Other Holdings	2
<b>Total Number of Holdings</b>	<b>281</b>

### Global Equity Sectors

Sector	% Equity
Information Technology	22.5
Financials	15.0
Health Care	14.8
Industrials	11.0
Consumer Discretionary	11.0
Consumer Staples	9.8
Energy	6.8
Telecommunication Services	2.7
Utilities	2.7
Real Estate	1.9
Materials	1.8
Unclassified	0.0

## Performance Analysis as of August 31, 2017



Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Return	-0.1	1.3	4.6	14.3	2.7	9.4	—	9.1	Fund
Rank	3 <sup>rd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	4 <sup>th</sup>	4 <sup>th</sup>	—	—	Quartile
No. of Funds in Category	1387	1379	1344	1282	866	518	228	—	No. of Funds in Category

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## Management Overview

### Manager Bios

#### Stuart Kedwell

##### RBC Global Asset Management Inc.

Stuart Kedwell is Senior Vice President and Co-Head, North American Equities. He has been in the investment industry since 1997.

#### Doug Raymond

##### RBC Global Asset Management Inc.

Doug Raymond is Senior Vice President and Co-Head, North American Equities. He has been in the investment industry since 1985.

### Performance Analysis Cont'd as of August 31, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	—	—	—	0.03	—	0.30	0.01	0.17	0.38	0.00	—
Interest	—	—	—	0.03	—	—	—	—	0.03	0.00	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	0.30	0.01	0.17	0.35	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	50.0	2-2012	20.7	2-2014	18.7	—	—
Worst	2-2016	-16.6	12-2016	1.9	2-2016	4.3	—	—
Average		10.3		9.9		10.5		—
No. of Periods		94		70		46		—
Pct. Positive		79.8		100.0		100.0		—

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

### Quarterly Commentary as at June 30, 2017

A synchronized global economic expansion appears to be at hand. That said, the initial acceleration phase has arguably ended and risk assets are rising with less vigor than at the turn of the year. Strong performances from the Health Care, Industrials and Financials sectors powered the advance, while returns in the Energy and Telecommunication Services sectors were a drag.

During the quarter, security selection drove positive performance, particularly in Information Technology and Industrials. An overweight position in Adobe Systems boosted performance. Adobe has a near-monopoly on software for professional digital content creation. The company has successfully transitioned from selling one-time licenses to monthly subscriptions. In Industrials, Ingersoll-Rand has been a top-performing stock, as their company-wide productivity enhancement initiative is reaping benefits.

While the broad-based commodity shock has

subsidized, oil prices continue to be under pressure. They are difficult to forecast in the short run, but remain below our marginal cost estimate. We continue to believe that large companies with long-life reserves and strong balance sheets should deliver attractive levels of free cash flow as crude prices recover to the marginal cost of production.

The Information Technology sector along with Amazon and Netflix (Consumer Discretionary stocks) have generated roughly two-thirds of the S&P 500's gain this year.

Looking forward, our base case scenario is that the economy will continue to expand slowly and that interest rates will rise gradually. We believe it's reasonable to expect further gains in equities and, if profits rise as analysts expect, total return potential for stocks is still positive.

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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 and PH&N Funds is based on actual expenses for the full-year period, January 1 to December 31, 2016, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the full-year period, April 1, 2016 to March 31, 2017, expressed on an annualized basis.

Adjusted MER is provided for funds with management fee changes effective June 30, 2016. The Adjusted MER represents what the reported MER would have been had management fee changes been in effect throughout 2016.

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, 2017.

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