

# PH&N Currency-Hedged Overseas Equity Fund

## Investment Objective

The fundamental investment objectives of the Fund are to achieve long-term capital growth primarily through exposure to a diversified portfolio of common stocks in companies in the world's largest industrialized countries outside North America, including countries in Europe and the Far East, including Japan and Australia, while minimizing currency risk. To achieve these objectives, the Fund will invest primarily in units of other funds managed by RBC GAM.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF7570
Adv	Front End	CAD	RBF6570
Adv	Low Load	CAD	RBF4570

Inception Date	November 2008
Total Fund Assets \$Mil	185.8
Series A NAV \$	11.68
Series A MER %	2.14
Benchmark	MSCI EAFE Total Return Net Index (hedged to C\$)

Income Distribution	Annually
Capital Gains Distribution	Annually

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

Fund Category	International Equity
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Management Company	RBC Global Asset Management Inc.
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Web Site	www.rbcgam.com
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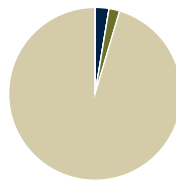
## Notes

Fund's sub-advisor changed effective mid-August 2014.

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

## Portfolio Analysis as of August 31, 2018

### Asset Mix

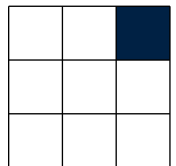


	% Assets
Cash	2.6
Fixed Income	0.0
Canadian Equity	0.0
US Equity	2.0
International Equity	95.4
Other	0.0

### Top 10 Holdings

	% Assets
Roche Holding AG Dividend Right Cert.	5.3
Unilever PLC	5.1
Astellas Pharma Inc	4.8
AIA Group Ltd	4.8
Taiwan Semiconductor Manufacturing ADR	4.4
Deutsche Post AG	4.3
Anheuser-Busch InBev SA/NV	4.2
InterContinental Hotels Group PLC	4.1
Nidec Corp	4.1
St James's Place PLC	3.4
Total % of Top 10 Holdings	44.6
Total Number of Stock Holdings	35
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
<b>Total Number of Holdings</b>	<b>36</b>

### Equity Style



Value Blend Growth

### Equity Statistics

P/B Ratio	2.2
P/E Ratio	17.8
Avg. Mkt Cap. \$B	62.1

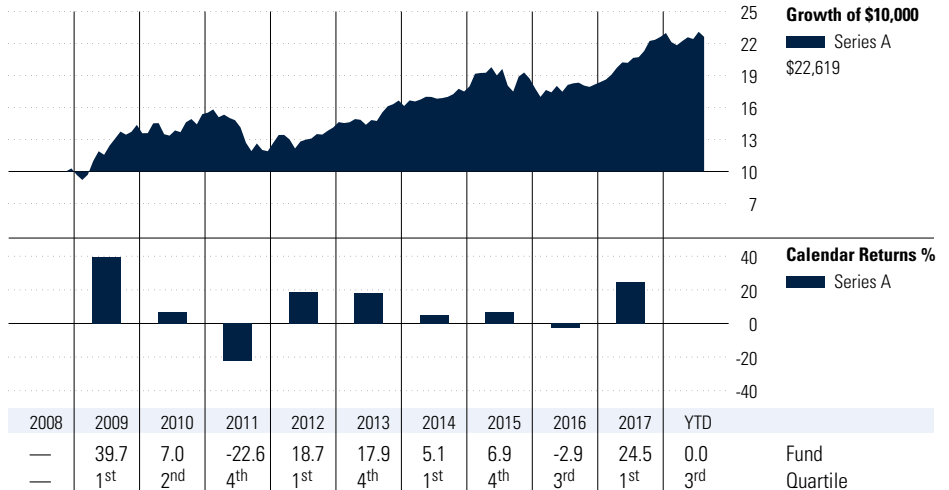
### Top 5 Sectors

	% Equity
Financials	23.1
Industrials	15.8
Health Care	14.5
Materials	13.6
Consumer Discretionary	10.3

### Geographic Allocations

	% Assets
United Kingdom	26.5
Japan	19.4
Switzerland	10.4
Germany	6.7
India	4.8

## 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 %
	-2.1	0.2	2.2	9.2	7.8	8.9	—	8.7	Fund
	4 <sup>th</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	3 <sup>rd</sup>	—	—	Quartile
	581	572	562	534	360	276	150	—	No. of Funds in Category

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## Management Overview

### Manager Bios

#### Habib Subjally

#### RBC Global Asset Management (UK) Limited

Habib has served as Head of Global Equities and leader of this team since 2006. Prior to that, he held positions at Head of Global Equities with First State Investments, April 2006 to March 2014, Credit Suisse (Head of Small & Mid Cap Research), Invesco (Head of Global Equities), Merrill Lynch Investment Managers (Head of North American and Global Equities Research, and Manager, Mercury Global Titans Fund) and Ernst & Young. Habib holds a BSc (Hons) from the London School of Economics and the Chartered Accountant and ASIP designations.

### Performance Analysis Cont'd as of August 31, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	—	0.06	—	0.24	0.05	0.23	0.16	0.07	0.07	0.25
Interest	—	—	0.06	—	0.16	0.05	0.07	0.16	0.04	0.07	0.25
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	0.09	—	0.16	—	0.04	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	3-2010	49.8	5-2015	17.6	2-2014	12.6	—	—
Worst	12-2011	-22.6	12-2012	-0.6	2-2016	1.4	—	—
Average		9.0		6.4		7.4		—
No. of Periods		106		82		58		—
Pct. Positive		79.2		97.6		100.0		—

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

### Quarterly Commentary as at June 30, 2018

The biggest contributor to returns over the quarter was Australian oil and gas exploration and production company, Oil Search Ltd., which rose due to the oil-price rally. Indian financial company, HDFC Bank Ltd., reported strong results in line with expectations with operating profit growing by over 20% year on year. Also positive for performance was German gas production company, Linde AG, which appreciated during the quarter after the proposed merger with U.S. rival, Praxair Inc., moved closer to completion following an EU competition review.

Our holding in German logistics company, Deutsche Post DHL Group, was the biggest detractor from relative returns during the quarter. The stock fell after the company reported weaker-than-expected results as its postal and supply chain weakness offset strong numbers from its express delivery division. Taiwanese manufacturer, Taiwan Semiconductor Manufacturing Company Ltd., also detracted as the stock fell following disappointing first quarter results and reduced guidance on projected smartphone demand. Another detractor was Japanese mining and

construction machinery manufacturer, Komatsu Ltd., which fell as a result of halted production following an earthquake in Osaka late in the quarter and global trade tensions.

Volatility in global equity markets continued in the second quarter. Markets have been buffeted by an escalating trade war between the U.S. and China, now extending to the EU and Canada; a substantial slump in Chinese equity prices; and a reversal of positive sentiment toward Europe in early 2018. Against this backdrop, there remained a strong bid for some of the largest U.S. technology names and the buoyant oil price supported energy companies.

As always, the team remains committed to the discovery of companies that we deem to be future success stories. We are constantly searching for compelling long-term opportunities at the right valuations while avoiding businesses that are overvalued or optically cheap, but fundamentally flawed.

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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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