

PH&N Currency-Hedged Overseas Equity Fund

Investment Objective

The fundamental investment objective of the Fund is 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 Phillips, Hager & North. The fundamental investment objective 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	RBF7570
Adv	Front End	CAD	RBF6570
Adv	Low Load	CAD	RBF4570

Inception Date	November 2008
Total Fund Assets \$Mil	189.7
Series A NAV \$	11.67
Series A MER %	2.20
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
---------------	----------------------

Management Company	RBC Global Asset Management Inc.
--------------------	----------------------------------

Web Site	www.rbcgam.com
----------	----------------

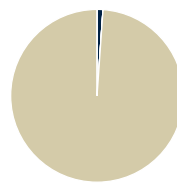
Notes

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

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

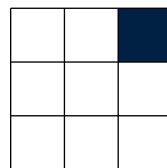
Portfolio Analysis as of May 31, 2018

Asset Mix



	% Assets
Cash	1.1
Fixed Income	0.0
Canadian Equity	0.0
US Equity	0.0
International Equity	98.9
Other	0.0

Equity Style



Value Blend Growth

Equity Statistics

P/B Ratio	2.2
P/E Ratio	17.8
Avg. Mkt Cap. \$B	59.9

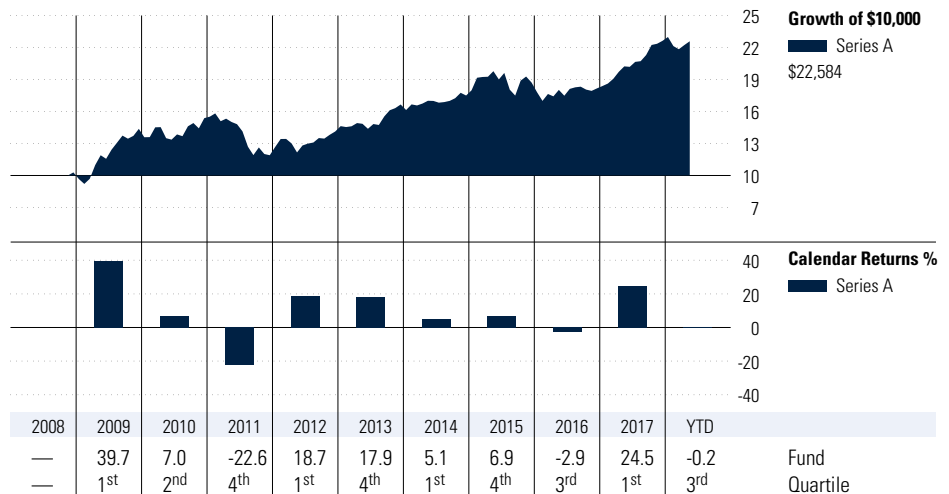
Top 5 Sectors

	% Equity
Financials	23.5
Industrials	17.7
Materials	13.9
Health Care	13.4
Consumer Staples	9.6

Geographic Allocations

	% Assets
United Kingdom	26.8
Japan	20.6
Switzerland	10.0
Germany	7.4
India	4.7

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 %
1.6	2.1	1.1	11.6	4.5	8.8	—	9.0	Fund
1st	1st	2nd	1st	3rd	3rd	—	—	Quartile
569	564	552	517	351	263	144	—	No. of Funds in Category

PH&N Currency-Hedged Overseas Equity Fund

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 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 May 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		8.9		6.4		7.4		—
No. of Periods		103		79		55		—
Pct. Positive		78.6		97.5		100.0		—

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

Quarterly Commentary as at March 31, 2018

The first quarter of 2018 started strongly, but was fragmented in February as markets sold off in concert, driven by volatility trade unwinds and valuation concerns. March was also negative with concerns around the re-emergence of protectionism, especially between the United States and China. Valuations in the burgeoning Technology sector were also reappraised in light of some firms' cavalier attitudes toward customer data.

Astellas Pharma Inc. was the largest contributor to relative returns during the quarter as investors were encouraged by slightly better-than-expected results. More importantly, two of the company's key drugs did comparatively well in testing and management also announced a buyback of 2% of the firm's equity. Japanese manufacturer of precision motors, Nidec Corp., also performed well with strong results alongside an intention to bring capital expenditures forward to satisfy increasing demand in automobile electrification, robots,

energy-saving home appliances and drone motors. Taiwan-domiciled semiconductor manufacturer, TSMC Ltd., also rose after a strong set of quarterly results drove performance.

German logistics operator, Deutsche Post AG, was the largest detractor from returns as the stock weakened in the quarter after its recent strong run. Paddy Power Betfair plc also experienced weaker performance after changes to senior management and a poor response from some investors to the company's increased investment plans, which may impact shorter-term revenues.

As always, the team remains committed to the discovery of companies deemed 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.

PH&N Currency-Hedged Overseas Equity 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.

Phillips, Hager & North Investment Management (PH&N IM) is a division of RBC Global Asset Management Inc. (RBC GAM). RBC GAM is the fund manager and the principal portfolio adviser of PH&N Funds. The principal distributor of PH&N Funds is Phillips, Hager & North Investment Funds Ltd. (PH&NIF), which uses the trade name PH&N

Investment Services. RBC GAM is an indirect, wholly-owned subsidiary of Royal Bank of Canada.

This document has been compiled by RBC Global Asset Management Inc. (RBC GAM) from sources believed to be reliable, but no representations or warranty, express or implied, are made by RBC GAM, its affiliates or any other person as to its accuracy, completeness or correctness. All opinions and estimates constitute RBC GAM's judgment as of the date of this document, are subject to change without notice and are provided in good faith but without legal responsibility. The Top Ten/25 Holdings may change due to ongoing portfolio transactions within the fund. The Prospectus and other information about the underlying investment funds are available at www.sedar.com.

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.

® / ™ Trademark(s) of Royal Bank of Canada. Used under licence. © RBC Global Asset Management Inc. 2018