

PH&N Canadian Equity Value Fund

Investment Objective

The fundamental investment objective of the Fund is to provide long-term capital growth. The Fund invests primarily in equity securities of Canadian issuers priced below the portfolio manager's assessment of their true value and offering long-term opportunities for growth.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF7670
Adv	Front End	CAD	RBF6670
Adv	Low Load	CAD	RBF4670
T5	No Load	CAD	RBF3670

Inception Date	December 2009
Total Fund Assets \$Mil	1,191.8
Series A NAV \$	14.39
Series A MER %	1.87
Benchmark	S&P/TSX Capped Composite Total Return Index

Income Distribution	Annually
Capital Gains Distribution	Annually

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

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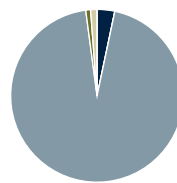
Web Site	www.rbcgam.com
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Notes

This is a continuing fund resulting from a merger effective June 27, 2014.

Portfolio Analysis as of May 31, 2018

Asset Mix

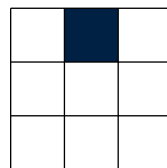


Asset Class	% Assets
Cash	3.3
Fixed Income	0.0
Canadian Equity	94.5
US Equity	0.9
International Equity	1.2
Other	0.0

Top 10 Holdings

Top 10 Holdings	% Assets
The Toronto-Dominion Bank	6.7
Royal Bank of Canada	6.4
Suncor Energy Inc	4.5
Bank of Nova Scotia	4.5
Canadian National Railway Co	4.2
Canadian Natural Resources Ltd	3.2
Enbridge Inc	3.1
Bank of Montreal	2.9
Brookfield Asset Management Inc Class A	2.7
Manulife Financial Corp	2.7
Total % of Top 10 Holdings	40.9
Total Number of Stock Holdings	80
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Holdings	81

Equity Style



Equity Statistics

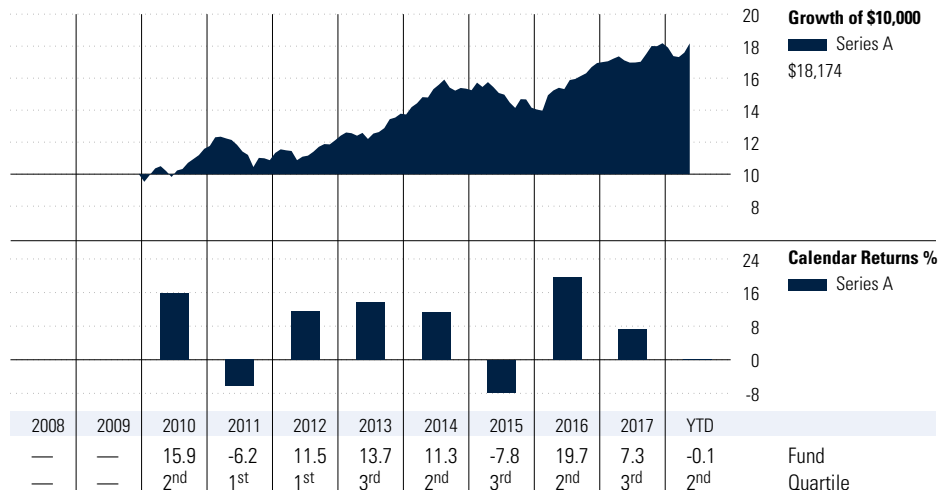
P/B Ratio	1.8
P/E Ratio	15.3
Avg. Mkt Cap. \$B	32.0

Value Blend Growth

Global Equity Sectors

Global Equity Sectors	% Equity
Financials	36.3
Energy	21.7
Industrials	12.9
Materials	8.3
Consumer Discretionary	5.4
Telecommunication Services	4.1
Consumer Staples	3.7
Real Estate	2.8
Information Technology	2.4
Utilities	2.3
Health Care	0.0
Unclassified	0.0

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 %
3.3	4.6	1.0	6.2	5.6	7.6	—	7.4	Fund
1 st	2 nd	2 nd	2 nd	2 nd	2 nd	—	—	Quartile
607	606	598	586	418	332	154	—	No. of Funds in Category

PH&N Canadian Equity Value Fund

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.

Irene Matsyalko

RBC Global Asset Management Inc.

Irene Matsyalko is Portfolio Manager and Senior North American Equities Research Analyst. She earned a Commerce degree from University of Toronto and is a CFA charterholder.

Sarah Neilson

RBC Global Asset Management Inc.

Sarah Neilson is Portfolio Manager and Senior North American Equities Research Analyst. Sarah earned a Bachelor of Science in Mechanical Engineering at Queens University, and an MBA from McGill University. Sarah is a CFA charterholder.

Performance Analysis Cont'd as of May 31, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	0.58	0.11	0.53	1.00	0.04	0.32	0.14	0.33	—	—
Interest	—	0.00	—	—	—	—	—	—	—	—	—
Dividends	—	0.09	0.11	0.06	0.04	0.04	—	—	—	—	—
Capital Gains	—	0.49	—	0.47	0.96	—	0.32	0.14	0.33	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	8-2014	26.0	9-2014	13.8	1-2015	9.9	—	—
Worst	2-2016	-11.1	8-2017	2.3	2-2016	2.6	—	—
Average		7.8		7.3		7.5		—
No. of Periods		90		66		42		—
Pct. Positive		75.6		100.0		100.0		—

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

Quarterly Commentary as at March 31, 2018

Uncertainty returned to financial markets in early 2018 following a long period of strong returns and minimal volatility that lasted for most of the 2017. The reversal started with strong U.S. wage-growth data, which led to concerns that higher inflation may force the U.S. Federal Reserve to increase interest rates at a faster pace than previously anticipated. With markets beginning to find their feet in the latter stages of February, renewed concerns over U.S. trade protectionism resulted in additional volatility.

The valuation of the S&P/TSX is currently around two multiple points lower than the S&P 500, a gap that seems justified, given the concerns outlined above and the fact that the Financials and Energy sectors account for more than half of the Canadian market's earnings.

Security selection was mixed this quarter with Materials and Industrials as areas of strength and Financials as a detractor. Our overweight position in ATS Automation Tooling Systems Inc. was a

positive contributor as new management improved profit margins and continues to win new business. Our overweight position in Quebecor Inc. was also positive as wireless results remain strong and the company's financial resources appear sufficient to purchase the remainder of its interest in Quebecor Media Inc., simplifying its corporate structure. Conversely, our small position in the special purpose acquisition company, Acasta Enterprises Inc., was a detractor this quarter.

The economic backdrop remains positive by post-crisis standards as many macroeconomic indicators monitored by the portfolio managers show reasons to remain positive. While key risks of an aging business cycle, rising interest rates and protectionism persist, upside potential remains from structural reforms in Japan and U.S. fiscal stimulus. On balance, the portfolio managers expect the positives to outweigh the negatives, further driving potential in the stock market.

PH&N Canadian Equity Value 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 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.

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