

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	1,496.3
Series A NAV \$	14.72
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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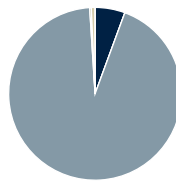
Web Site	www.rbcgam.com
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Notes

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

Portfolio Analysis as of August 31, 2018

Asset Mix

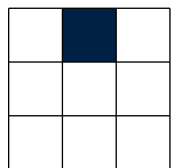


	% Assets
Cash	5.6
Fixed Income	0.0
Canadian Equity	93.3
US Equity	0.3
International Equity	0.7
Other	0.0

Top 10 Holdings

	% Assets
Royal Bank of Canada	6.9
The Toronto-Dominion Bank	6.8
Bank of Nova Scotia 24-10-2018	4.6
Suncor Energy Inc 15-12-2021	4.5
Canadian National Railway Co	4.3
Enbridge Inc	3.1
Canadian Natural Resources Ltd 24-10-2018	3.1
Brookfield Asset Management Inc Class A 24-10-2018	2.7
Manulife Financial Corp	2.5
Canadian Pacific Railway Ltd	2.5
Total % of Top 10 Holdings	40.9
Total Number of Stock Holdings	83
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Holdings	84

Equity Style



Value Blend Growth

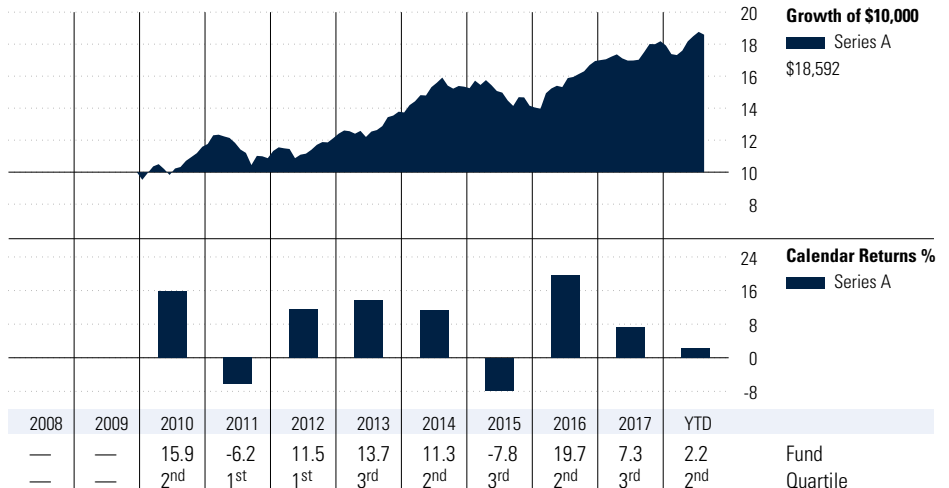
Equity Statistics

P/B Ratio	1.8
P/E Ratio	15.4
Avg. Mkt Cap. \$B	33.0

Global Equity Sectors

	% Equity
Financials	36.2
Energy	22.1
Industrials	12.8
Materials	7.7
Consumer Discretionary	5.0
Telecommunication Services	4.6
Consumer Staples	4.1
Utilities	2.7
Real Estate	2.6
Information Technology	2.3
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	2.3	7.0	9.2	8.7	8.0	—	7.4	Fund
3 rd	2 nd	1 st	2 nd	2 nd	2 nd	—	—	Quartile
628	624	617	598	440	346	160	—	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 August 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		7.9		7.3		7.6		—
No. of Periods		93		69		45		—
Pct. Positive		76.3		100.0		100.0		—

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

Quarterly Commentary as at June 30, 2018

The Canadian stock market rebounded well in the second quarter, led by strength in the Energy sector. However, domestic economic growth slowed and concern about trade protectionism intensified as the period progressed, leading the Bank of Canada to take a more cautious approach toward raising interest rates. The combination of rising borrowing costs, a weaker housing market and uncertainty about the future of NAFTA dampened Canadian growth.

The Fund had strong security selection in the second quarter, highlighted by an overweight position in pure play Canadian oil sands producer, MEG Energy Corp. The company's positive correlation with oil prices and delevering balance sheet factored into better-than-expected first quarter results. Conversely, Magna International Inc. was a detractor as we were underweight. Although the Fund's portfolio managers believe in

their original thesis for the auto cycle, Magna has proven to be a strong capital allocator and the cycle has been resilient. Going forward, the company will have to navigate the tail end of the auto cycle with its cyclical business and significant operating leverage.

Expanding valuations have been a significant source of gains for stocks during this long bull market, but sustained earnings growth will be critical to drive stocks higher from here. Expectations are for the positive trend in earnings to persist and our scenario analysis suggests a reasonable outcome is for stocks to deliver positive returns this year and next. We acknowledge, however, that any deterioration in the outlook for earnings would leave markets vulnerable to correction, given currently demanding valuations.

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 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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