

# PH&N Overseas Equity Class

## Investment Objective

To provide long-term capital growth. The fund invests its assets primarily in 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, either directly or indirectly through investment in other mutual funds managed by RBC GAM or an affiliate of RBC GAM.

## Fund Details

| Series | Load Structure | Currency | Fund Code |
|--------|----------------|----------|-----------|
| A      | No Load        | CAD      | RBF3012   |
| Adv    | Front End      | CAD      | RBF3212   |
| Adv    | Low Load       | CAD      | RBF3412   |

|                         |  |
|-------------------------|--|
| Inception Date          | December 2011                          |
| Total Fund Assets \$Mil | 67.5                                   |
| Series A NAV \$         | 20.30                                  |
| Series A MER %          | 2.07                                   |
| Benchmark               | MSCI EAFE Total Return Net Index (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. |
|--------------------|----------------------------------|

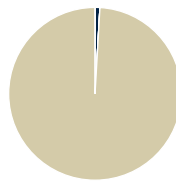
|          |                |
|----------|----------------|
| Web Site | www.rbcgam.com |
|----------|----------------|

## Notes

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

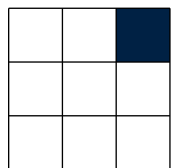
## Portfolio Analysis as of March 31, 2019

### Asset Mix



|                      | % Assets |
|----------------------|----------|
| Cash                 | 0.9      |
| Fixed Income         | 0.0      |
| Canadian Equity      | 0.0      |
| US Equity            | 0.0      |
| International Equity | 99.1     |
| Other                | 0.0      |

### Equity Style



Value Blend Growth

### Equity Statistics

|                   |      |
|-------------------|------|
| P/B Ratio         | 3.0  |
| P/E Ratio         | 17.4 |
| Avg. Mkt Cap. \$B | 60.5 |

### Top 5 Sectors

|                        | % Equity |
|------------------------|----------|
| Financials             | 19.1     |
| Industrials            | 16.6     |
| Consumer Discretionary | 13.6     |
| Health Care            | 13.3     |
| Consumer Staples       | 12.8     |

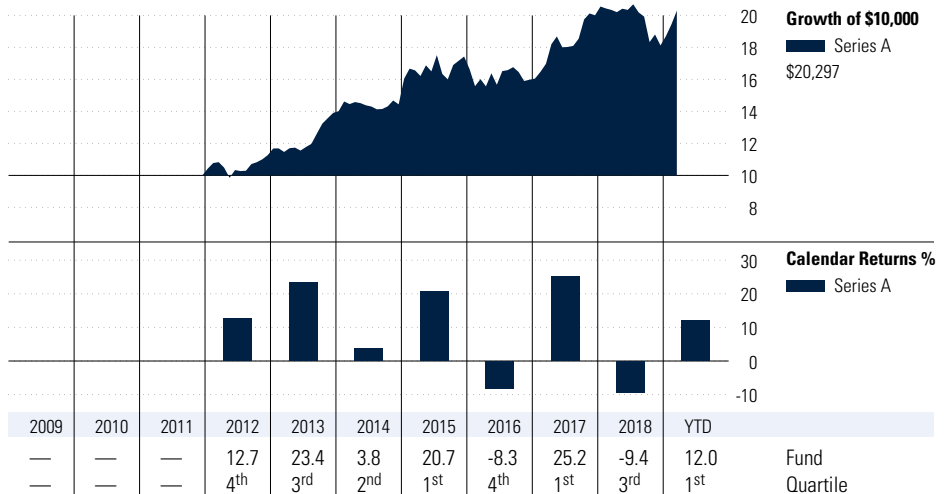
### Geographic Allocations

|                | % Assets |
|----------------|----------|
| United Kingdom | 26.6     |
| Japan          | 18.8     |
| Switzerland    | 9.3      |
| Belgium        | 6.9      |
| Germany        | 5.8      |

### Top 25 Holdings

|  | % Assets  |
|--|-----------|
| Roche Holding AG Dividend Right Cert.  | 6.3       |
| Deutsche Post AG                       | 5.9       |
| Unilever PLC                           | 5.7       |
| Anheuser-Busch InBev SA/NV             | 5.4       |
| AIA Group Ltd                          | 5.2       |
| Nidec Corp                             | 5.1       |
| InterContinental Hotels Group PLC      | 5.0       |
| Astellas Pharma Inc                    | 3.3       |
| St James's Place PLC                   | 3.1       |
| Oriental Land Co Ltd                   | 3.0       |
| HDFC Bank Ltd                          | 3.0       |
| Linde PLC                              | 3.0       |
| Rio Tinto PLC                          | 2.9       |
| MISUMI Group Inc                       | 2.9       |
| Oil Search Ltd                         | 2.9       |
| Orsted A/S                             | 2.8       |
| Croda International PLC                | 2.7       |
| Partners Group Holding AG              | 2.7       |
| Industria De Diseno Textil SA          | 2.6       |
| Naspers Ltd Class N                    | 2.3       |
| Essity AB Class B                      | 2.1       |
| Safran SA                              | 2.1       |
| Shin-Etsu Chemical Co Ltd              | 2.1       |
| Taiwan Semiconductor Manufacturing ADR | 2.0       |
| Royal Dutch Shell PLC B                | 1.9       |
| Total % of Top 25 Holdings             | 86.1      |
| 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> |

## Performance Analysis as of March 31, 2019



| 1 Mth           | 3 Mth           | 6 Mth           | 1 Yr            | 3 Yr            | 5 Yr            | 10 Yr | Since Incep. | Trailing Return %        |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------|--------------|--------------------------|
| 4.4             | 12.0            | 1.9             | -0.2            | 8.2             | 7.0             | —     | 10.3         | Fund                     |
| 1 <sup>st</sup> | 1 <sup>st</sup> | 1 <sup>st</sup> | 2 <sup>nd</sup> | 2 <sup>nd</sup> | 1 <sup>st</sup> | —     | —            | Quartile                 |
| 806             | 799             | 776             | 739             | 452             | 324             | 179   | —            | No. of Funds in Category |

## PH&N Overseas Equity Class

### 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 March 31, 2019

| Distributions (\$)/Unit | YTD* | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|
| Total Distributions     | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    |
| Interest                | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    |
| Dividends               | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    |
| Capital Gains           | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    |
| Return Of Capital       | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    |

| Best/Worst Periods % | Ended   | 1 Yr | Ended   | 3 Yr  | Ended   | 5 Yr  | Ended | 10 Yr |
|----------------------|---------|------|---------|-------|---------|-------|-------|-------|
| Best                 | 1-2018  | 28.0 | 5-2015  | 19.7  | 5-2017  | 13.7  | —     | —     |
| Worst                | 12-2018 | -9.4 | 12-2018 | 1.3   | 12-2018 | 5.4   | —     | —     |
| Average              |         | 10.9 |         | 10.1  |         | 10.4  |       | —     |
| No. of Periods       |         | 76   |         | 52    |         | 28    |       | —     |
| Pct. Positive        |         | 78.9 |         | 100.0 |         | 100.0 |       | —     |

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

#### Quarterly Commentary as at March 31, 2019

Having fallen dramatically in the fourth quarter of 2018, global markets recovered in the first quarter of 2019. The market recovery was largely the result of the U.S. Federal Reserve announcement that it would slow the pace of interest rate rises, with none now expected in 2019. The U.S.-China trade dispute appears to be softening although many tariffs have already been imposed and Japanese exporters have been hit hard.

The biggest contributor to relative returns this quarter was the fund's holding in Anheuser-Busch InBev. The Belgian-listed global brewer was stronger after Q4 2018 profits beat estimates in a low-rate environment that has also been supportive for staples companies. Anglo-Australian mining company Rio Tinto was also positive for returns. The stock advanced as iron ore prices rose over 26% during the quarter due to supply fears following the Vale dam disaster in Brazil. A position in German postal and logistics company, Deutsche Post DHL, also contributed

after a fourth quarter 2018 sell-off and expectations of higher German postal prices.

The biggest detractor from relative returns this quarter was our holding in Irish gaming company Paddy Power Betfair. Paddy Power fell nearly 6% in the first quarter as expectations for 2019 results were revised downwards; we sold the position during the quarter. Not holding Japanese telecoms and technology holding company Softbank or Swiss food company Nestlé hurt relative returns this quarter.

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 those businesses that are overvalued or optically cheap but fundamentally flawed.

## PH&N Overseas Equity Class

### Disclosure

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MER (%) for RBC Funds, PH&N Funds and BlueBay Funds is based on actual expenses for the preceding calendar year or most recent half-year period ended June 30 expressed on an annualized basis, depending on availability of data at the time of publication.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the preceding full year period ended March 31 or half-year period ended September 30 expressed on an annualized basis, depending on availability of data at the time of publication.

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 March 31, 2019.

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