

PH&N Canadian Equity Fund

Investment Objective

To provide significant long-term capital growth by investing primarily in a well-diversified portfolio of Canadian common stocks and income trusts.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF7130
Adv	Front End	CAD	RBF6130
Adv	Low Load	CAD	RBF4130

Inception Date	November 2008
Total Fund Assets \$Mil	1,052.5
Series A NAV \$	96.47
Series A MER %	1.83
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

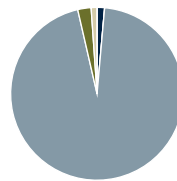
Fund Category	Canadian Equity
---------------	-----------------

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

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

Portfolio Analysis as of March 31, 2018

Asset Mix

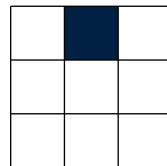


	% Assets
Cash	1.4
Fixed Income	0.0
Canadian Equity	95.0
US Equity	2.5
International Equity	1.1
Other	0.0

Top 25 Holdings

	% Assets
The Toronto-Dominion Bank	7.6
Royal Bank of Canada	7.1
Bank of Nova Scotia	5.5
Enbridge Inc	4.8
Brookfield Asset Management Inc Class A	4.1
Canadian National Railway Co	2.8
Manulife Financial Corp	2.7
CIBC	2.6
CGI Group Inc A	2.4
Suncor Energy Inc	2.3
Bank of Montreal	2.2
Canadian Natural Resources Ltd	2.1
Alimentation Couche-Tard Inc B	2.1
TransCanada Corp	1.9
Waste Connections Inc	1.8
Dollarama Inc	1.7
Shaw Communications Inc Class B	1.7
Fortis Inc	1.6
Nutrien Ltd	1.6
Open Text Corp	1.6
Fairfax Financial Holdings Ltd	1.5
Quebecor Inc Class B	1.4
Encana Corp	1.3
First Quantum Minerals Ltd	1.2
Intact Financial Corp	1.1
Total % of Top 25 Holdings	66.8
Total Number of Stock Holdings	91
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Holdings	92

Equity Style



Value Blend Growth

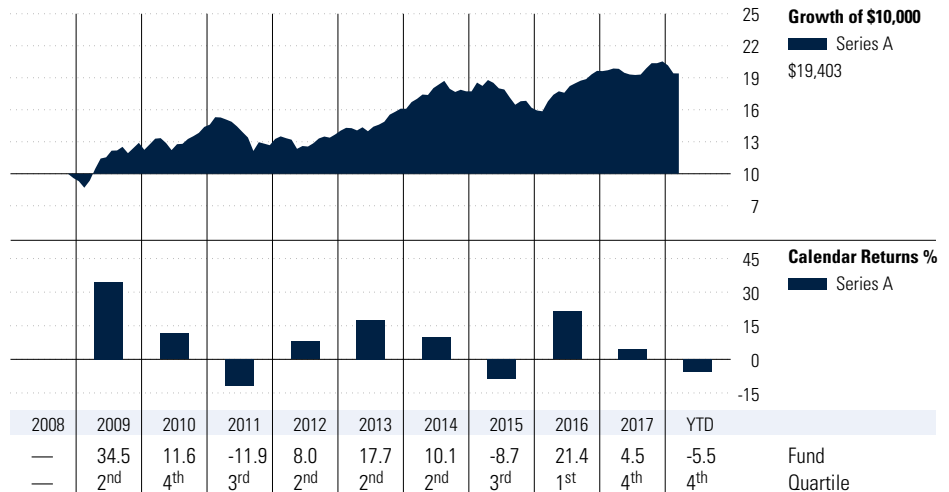
Equity Statistics

P/B Ratio	1.6
P/E Ratio	15.3
Avg. Mkt Cap. \$B	24.6

Global Equity Sectors

	% Equity
Financials	38.0
Energy	20.1
Industrials	9.9
Materials	8.9
Consumer Discretionary	8.4
Information Technology	5.6
Consumer Staples	3.1
Real Estate	2.7
Utilities	2.5
Telecommunication Services	0.9
Health Care	0.0
Unclassified	0.0

Performance Analysis as of March 31, 2018



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	0.0	-5.5	-2.3	-2.3	2.1	6.3	—	7.4	Fund
	1 st	4 th	4 th	4 th	4 th	3 rd	—	—	Quartile
	611	604	595	581	419	316	155	—	No. of Funds in Category

PH&N Canadian Equity Fund

Management Overview

Manager Bios

Scott Lysakowski

Phillips, Hager & North Investment Management

Scott is the Head of Canadian Equities for PH&N Investment Management and Senior Portfolio Manager on the team's core Canadian equity strategies. He joined the firm in 2002, where he was a senior research analyst and portfolio manager with the Toronto-based Canadian equity team before moving to Vancouver to join the PH&N IM team in 2009. Prior to being named Head in 2018, Scott was Co-Head of the team since 2012. Scott is a CFA charterholder.

Performance Analysis Cont'd as of March 31, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	4.15	0.67	1.76	6.35	0.45	0.51	2.87	0.70	0.62	0.59
Interest	—	0.01	—	—	—	—	—	—	0.70	—	—
Dividends	—	0.64	0.67	0.75	0.60	0.45	0.51	0.07	—	0.62	0.59
Capital Gains	—	3.50	—	1.01	5.75	—	—	2.80	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	46.8	2-2012	15.8	2-2014	14.0	—	—
Worst	5-2012	-17.1	8-2017	1.0	2-2016	0.7	—	—
Average		8.3		6.5		7.5		—
No. of Periods		101		77		53		—
Pct. Positive		73.3		100.0		100.0		—

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

Quarterly Commentary as at March 31, 2018

The Canadian equity market declined this quarter, lagging all major markets amid a global equity sell-off triggered by major spikes in U.S. market volatility in February and March. The Canadian market suffered due to concerns about rising yields, uncertainty surrounding NAFTA negotiations and increased U.S. protectionism.

This quarter, the Fund underperformed its benchmark, the S&P/TSX Capped Composite Index with Information Technology and Real Estate being the only positive performing sectors. The Fund's exposure to the Energy sector was the largest inhibitor to relative performance this quarter given the continued weakness of domestic prices for crude oil. Positions in Enbridge Inc. and Raging River Exploration Inc. held back the Fund's returns for the quarter. The Financials sector was also a drag on performance for the period. A holding in Element Fleet Management Corp. was the single largest detractor as the Toronto-based company faced unexpected challenges while merging IT systems following two large acquisitions which resulted in the loss of a few large customers and negatively affected the stock price. Despite the setback, we remain comfortable in our position

due to the recovery plan in place, and believe that clarity surrounding a joint venture the company is involved in will support improvement in the share price going forward.

The Fund's holdings in the Information Technology sector were an area of strength over the quarter. A key position in the consulting and systems integration company, CGI Group, contributed significantly on the positive side of the ledger. The Fund's overweight position in Canada's largest value retailer, Dollarama Inc., continues to deliver promising results as well. Strong sales growth and effective cost management continues to fuel the company's earnings. The credit card rollout, which began last year, has met expectations and plans for the company's pending e-commerce platform continue to ramp up.

The Fund's trading activity is a function of our investment process. Our disciplined fundamental research process and approach to portfolio construction seek to optimize position sizes to match fundamental conviction and minimize exposure to unpredictable risk factors.

PH&N Canadian 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 March 31, 2018.

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