

# PH&N Canadian Growth Fund

## Investment Objective

To provide significant long-term capital growth by investing primarily in a well-diversified portfolio of Canadian common stocks, as well as U.S. and international securities.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF7140
Adv	Front End	CAD	RBF6140
Adv	Low Load	CAD	RBF4140

Inception Date	November 2008
Total Fund Assets \$Mil	721.7
Series A NAV \$	37.98
Series A MER %	1.84
Benchmark	S&P/TSX Capped Composite Total Return Index

Income Distribution	Annually
Capital Gains Distribution	Annually

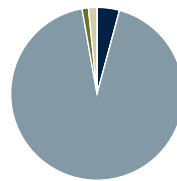
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

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

## Portfolio Analysis as of September 30, 2018

### Asset Mix

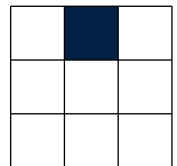


	% Assets
Cash	4.2
Fixed Income	0.0
Canadian Equity	93.1
US Equity	1.2
International Equity	1.6
Other	0.0

### Top 25 Holdings

	% Assets
Royal Bank of Canada	7.2
The Toronto-Dominion Bank	6.5
Bank of Nova Scotia	4.8
Canadian National Railway Co	4.5
Suncor Energy Inc	4.1
Bank of Montreal	3.2
CIBC	2.7
Enbridge Inc	2.6
Brookfield Asset Mgmt Inc CI A	2.6
Manulife Financial Corp	2.5
Canadian Natural Resources Ltd	2.5
Nutrien Ltd	2.3
Canadian Pacific Railway Ltd	2.2
TransCanada Corp	2.1
Magna International Inc Class A	1.6
Sun Life Financial Inc	1.6
BCE Inc	1.5
Alimentation Couche-Tard Inc B	1.5
Waste Connections Inc	1.3
Rogers Communications Inc Class B	1.3
Power Corporation of Canada	1.0
CGI Group Inc A	1.0
Loblaw Companies Ltd	1.0
Thomson Reuters Corp	0.9
Cenovus Energy Inc	0.9
Total % of Top 25 Holdings	63.2
Total Number of Stock Holdings	97
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
<b>Total Number of Holdings</b>	<b>98</b>

### Equity Style



Value Blend Growth

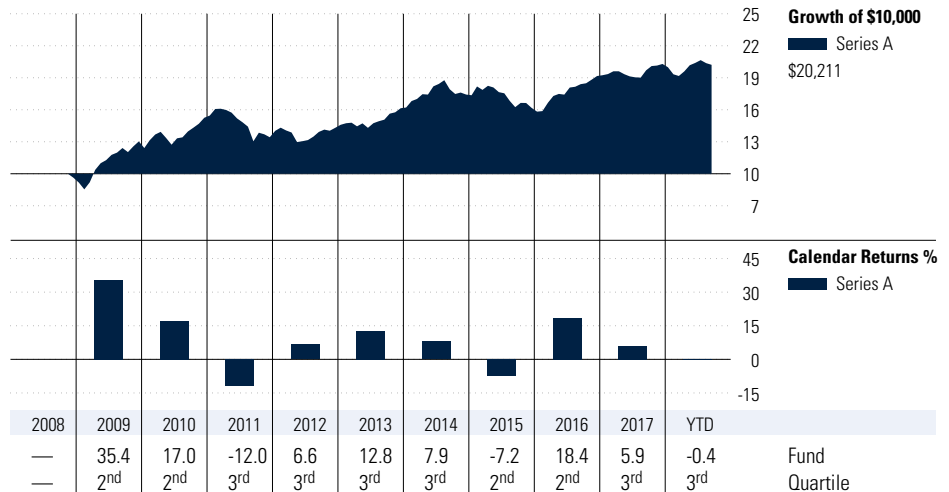
### Equity Statistics

P/B Ratio	1.7
P/E Ratio	14.0
Avg. Mkt Cap. \$B	26.7

### Global Equity Sectors

	% Equity
Financials	35.6
Energy	20.3
Industrials	10.2
Materials	10.1
Consumer Discretionary	5.3
Communication Services	5.1
Real Estate	3.5
Information Technology	3.4
Consumer Staples	3.2
Utilities	2.5
Health Care	0.7
Unclassified	0.0

## Performance Analysis as of September 30, 2018



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	-0.8	-0.9	5.5	2.6	7.6	6.0	—	7.4	Fund
	1 <sup>st</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	—	—	Quartile
	648	619	612	594	436	342	161	—	No. of Funds in Category

# PH&N Canadian Growth Fund

## Management Overview

### Manager Bios

#### Rob Cavallo

##### RBC Global Asset Management Inc.

Rob is a Portfolio Manager with the North American equities team. Rob joined the firm in 2012 as a Global equities analyst with a focus on analyzing companies within the Health Care and Consumer sectors. Rob earned a Bachelor of Commerce degree at the University of Toronto and is a CFA charterholder.

#### Marcello Montanari

##### RBC Global Asset Management Inc.

Marcello Montanari is Vice President and Senior Portfolio Manager, North American Equities. Marcello began his career in the investment industry in 1992. He earned a Bachelor of Commerce degree in finance from Concordia University and is a CFA charterholder.

### Performance Analysis Cont'd as of September 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	0.32	0.33	0.14	0.24	0.17	0.05	—	—	0.03	0.14
Interest	—	0.00	—	—	—	—	—	—	—	—	—
Dividends	—	0.22	0.33	0.14	0.24	0.17	0.05	—	—	0.03	0.14
Capital Gains	—	0.10	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	54.0	2-2012	18.8	2-2014	14.5	—	—
Worst	5-2012	-17.5	8-2017	0.4	2-2016	-0.2	—	—
Average		8.2		5.8		6.6		—
No. of Periods		107		83		59		—
Pct. Positive		73.8		100.0		98.3		—

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

### Quarterly Commentary as at September 30, 2018

The S&P/TSX Composite Index hit an all-time high in mid-July. It then retreated during the remainder of the quarter on uncertainty about the impact of the Trump administration's focus on global trade and NAFTA. At the very end of September, however, Canada agreed to join an updated trade deal to be called the United States-Mexico-Canada Agreement, or USMCA. If approved by legislators in the three countries, the new deal would avoid abandonment of one of the world's most successful trading arrangements.

Security selection was the primary driver of performance relative to the Index in the third quarter. The Fund benefited from its overweight position in Painted Pony Energy Ltd., for example. The company reported strong results, with an impressive 116% growth in cash flow from operations.

In addition, the Fund's overweight position in both Canadian Pacific Railway and Canadian National Railway drove performance. Canadian rails benefited from a strong economy and increased demand for crude by rail.

The Fund benefited from an overall underweight position in the Materials sector. Our overweight position in Jaguar Mining Inc., however, detracted from performance. The company announced soft earnings and the departure of its CEO, and also downgraded its production guidance.

Overall, the Canadian economy continues to show signs of strength. The unemployment rate is at its lowest level in four decades. There has been a string of positive policy developments, coinciding with the possibility of business tax cuts in the next federal budget. These have stoked optimism that the Canadian economy can continue to expand comfortably.

In our view, Canadian equities remain attractively valued. That said, concerns remain. In particular, the sustainability of Canada's domestic housing market and the country's diminishing competitiveness relative to the U.S. may act as headwinds moving forward.

# PH&N Canadian Growth 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 September 30, 2018.

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