

PH&N Dividend Income Fund

Investment Objective

To provide long-term capital growth and income by investing primarily in a well-diversified portfolio of dividend income-producing Canadian securities that have a relatively high yield.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF7150
Adv	Front End	CAD	RBF6150
Adv	Low Load	CAD	RBF4150

Inception Date	November 2008
Total Fund Assets \$Mil	2,528.3
Series A NAV \$	106.73
Series A MER %	1.87
Benchmark	S&P/TSX Capped Composite Total Return Index

Income Distribution	Quarterly
Capital Gains Distribution	Annually

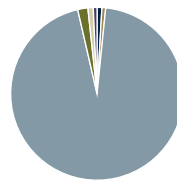
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Fund Category	Canadian Dividend and Income 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

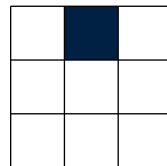


	% Assets
Cash	0.9
Fixed Income	0.7
Canadian Equity	94.8
US Equity	1.9
International Equity	1.0
Other	0.7

Top 25 Holdings

	% Assets
Royal Bank of Canada	8.9
The Toronto-Dominion Bank	8.1
Bank of Nova Scotia	6.0
Canadian National Railway Co	4.8
Brookfield Asset Mgmt Inc Cl A	4.0
Bank of Montreal	3.8
Enbridge Inc	3.7
Suncor Energy Inc	3.3
CIBC	2.9
Manulife Financial Corp	2.7
Canadian Pacific Railway Ltd	2.6
TransCanada Corp	2.5
BCE Inc	2.2
Canadian Natural Resources Ltd	2.2
Sun Life Financial Inc	2.0
Nutrien Ltd	1.7
Waste Connections Inc	1.7
Rogers Communications Inc Class B	1.5
Magna International Inc Class A	1.5
Alimentation Couche-Tard Inc B	1.4
TELUS Corp	1.3
Loblaw Companies Ltd	1.3
Pembina Pipeline Corp	1.1
Thomson Reuters Corp	1.0
Enovus Energy Inc	1.0
Total % of Top 25 Holdings	73.0
Total Number of Stock Holdings	75
Total Number of Bond Holdings	0
Total Number of Other Holdings	5
Total Number of Holdings	80

Equity Style



Value Blend Growth

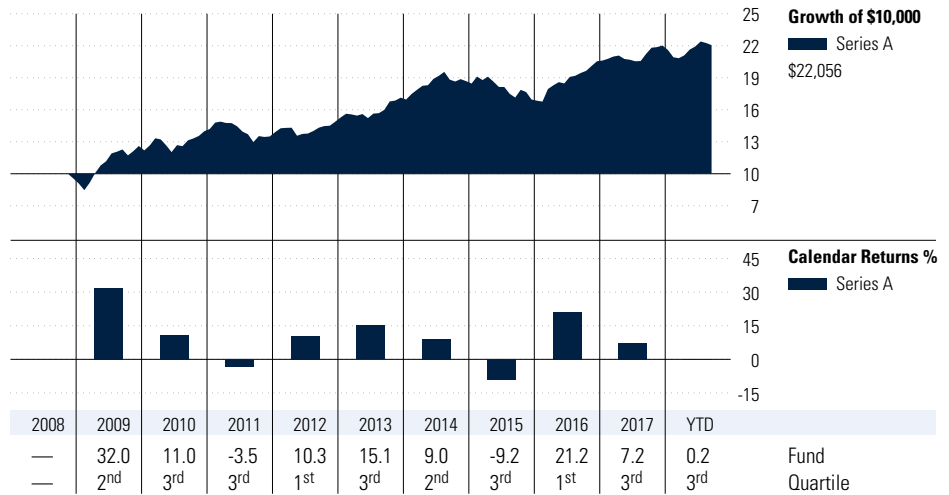
Equity Statistics

P/B Ratio	1.7
P/E Ratio	14.6
Avg. Mkt Cap. \$B	36.0

Global Equity Sectors

	% Equity
Financials	43.9
Energy	19.6
Industrials	10.5
Communication Services	6.1
Materials	5.1
Utilities	4.3
Consumer Staples	4.1
Real Estate	2.8
Consumer Discretionary	2.4
Information Technology	0.9
Health Care	0.4
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 %
	-0.9	0.6	5.9	3.9	8.8	6.6	—	8.4	Fund
		2 nd	3 rd	2 nd	3 rd	2 nd	3 rd	—	Quartile
	641	617	606	597	434	350	177	—	No. of Funds in Category

PH&N Dividend Income 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 September 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	1.24	3.46	1.44	1.45	1.48	1.06	1.94	1.77	0.70	1.05	0.56
Interest	1.24	0.01	—	—	—	—	—	—	0.70	—	—
Dividends	—	1.34	1.44	1.45	1.17	1.06	0.73	0.33	—	1.05	0.56
Capital Gains	—	2.11	—	—	0.31	—	1.21	1.44	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	49.5	2-2012	19.0	2-2014	15.6	—	—
Worst	2-2016	-12.3	8-2017	1.7	2-2016	2.5	—	—
Average		9.1		7.4		8.1		—
No. of Periods		107		83		59		—
Pct. Positive		78.5		100.0		100.0		—

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

Quarterly Commentary as at September 30, 2018

Economic headlines over the quarter were dominated by uncertainty surrounding Canada's participation in an updated NAFTA deal. We also saw increased U.S. protectionism and the potential for further tariffs. In addition, rising bond yields and their impact on household debt continued to loom over the economy.

The S&P/TSX Capped Composite Index was down 0.6% during the quarter, finishing behind U.S. and global equity markets. We benefitted from being underexposed to areas of weakness across the Canadian market, such as Materials. The strengthening of the U.S. dollar depressed the prices of commodities and precious metals such as copper, gold and silver. In particular, avoiding Canadian mining and metals-based companies Barrick Gold Corp. and First Quantum Minerals Ltd. enhanced relative returns.

The Energy sector detracted this quarter, although its effect in the portfolio was modest. Canadian energy stocks continue to underperform due to an

oversupply of oil in Western Canada. This was exacerbated by temporary infrastructure bottlenecks preventing Canadian oil from reaching international markets.

Unlike the S&P/TSX Capped Composite Index, we did not hold cannabis stocks, such as Canopy Growth Corp. and Aurora Cannabis Inc. In our view, most of the sector's gains thus far have come from rising valuations due to investors' expectations of the growth of the marijuana industry after legalization, both in Canada and beyond. Post-legalization, we expect the market's focus to shift to fundamentals, where the outlook is far from certain.

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

PH&N Dividend Income 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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