

PH&N U.S. Growth Fund

Investment Objective

To achieve significant long-term capital growth by investing primarily in a well-diversified portfolio of North American common stocks.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF7260
Adv	Front End	CAD	RBF6260
Adv	Low Load	CAD	RBF4260

Inception Date	November 2008
Total Fund Assets \$Mil	119.6
Series A NAV \$	28.40
Series A MER %	1.84
Benchmark	S&P 500 Total Return Index (C\$)

Income Distribution	Annually
Capital Gains Distribution	Annually

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

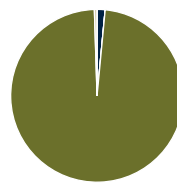
Fund Category	US Equity
---------------	-----------

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

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

Portfolio Analysis as of September 30, 2018

Asset Mix

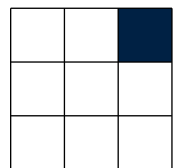


	% Assets
Cash	1.5
Fixed Income	0.0
Canadian Equity	0.0
US Equity	98.0
International Equity	0.5
Other	0.0

Top 25 Holdings

	% Assets
Amazon.com Inc	5.0
Apple Inc	4.5
Microsoft Corp	4.1
Alphabet Inc Class C	3.4
JPMorgan Chase & Co	2.0
Exxon Mobil Corp	2.0
Facebook Inc A	1.9
Johnson & Johnson	1.8
Bank of America Corporation	1.7
Berkshire Hathaway Inc B	1.7
UnitedHealth Group Inc	1.6
The Home Depot Inc	1.6
Visa Inc Class A	1.5
Union Pacific Corp	1.4
Cisco Systems Inc	1.4
Boeing Co	1.3
Abbott Laboratories	1.2
Verizon Communications Inc	1.2
Medtronic PLC	1.1
Walmart Inc	1.1
Comcast Corp Class A	1.1
ConocoPhillips	1.0
DowDuPont Inc	1.0
Honeywell International Inc	1.0
Eli Lilly and Co	1.0
Total % of Top 25 Holdings	46.4
Total Number of Stock Holdings	148
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Holdings	149

Equity Style



Value Blend Growth

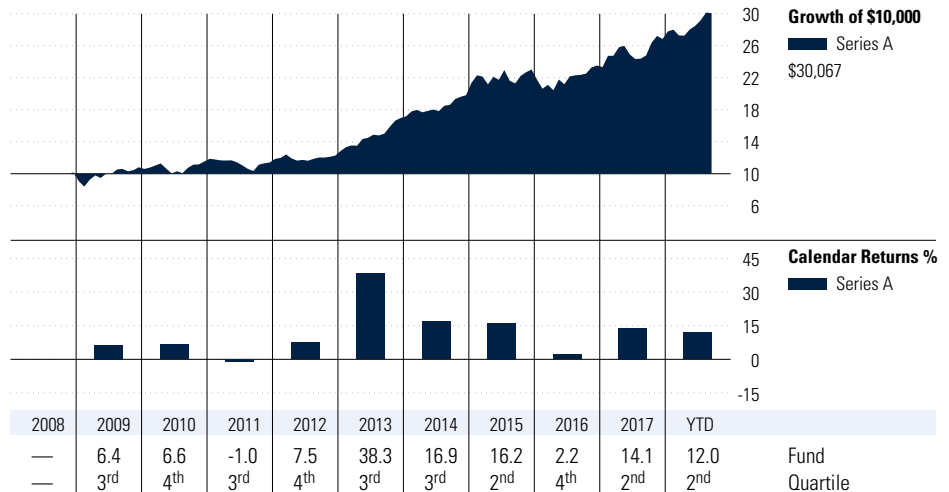
Equity Statistics

P/B Ratio	3.1
P/E Ratio	18.8
Avg. Mkt Cap. \$B	167.0

Global Equity Sectors

	% Equity
Information Technology	21.1
Health Care	14.9
Financials	13.6
Consumer Discretionary	11.6
Communication Services	10.4
Industrials	8.9
Energy	6.8
Consumer Staples	6.2
Materials	2.6
Utilities	2.1
Real Estate	2.0
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 %
	-0.3	5.5	10.2	21.3	12.2	14.9	—	11.8	Fund
		2 nd	2 nd	1 st	3 rd	3 rd	—	—	Quartile
	1459	1424	1403	1371	939	649	266	—	No. of Funds in Category

PH&N U.S. Growth Fund

Management Overview

Manager Bios

Stuart Kedwell

RBC Global Asset Management Inc.

Stu leads the North American Equity team and is a member of the RBC GAM Investment Strategy Committee, which is responsible for establishing the firm-wide global asset mix for mutual funds and for institutional and high net worth private clients. Stu began his career in 1996 with RBC Dominion Securities in the firm's Generalist program, a two-year internship in which participants rotate through different areas of the firm. In 1998, he joined the RBC Investments Portfolio Advisory Group, which provides investment ideas and recommendations to RBC DS Investment Advisors.

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.

Performance Analysis Cont'd as of September 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	—	0.08	—	—	—	—	—	—	0.07	0.01
Interest	—	—	0.08	—	—	—	—	—	—	0.07	0.01
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	12-2013	38.3	7-2015	25.5	11-2017	17.6	—	—
Worst	2-2016	-7.5	12-2011	3.9	11-2013	10.7	—	—
Average		13.0		13.4		14.7		—
No. of Periods		107		83		59		—
Pct. Positive		88.8		100.0		100.0		—

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

Quarterly Commentary as at September 30, 2018

U.S. equity markets generally outperformed the rest of the world again in the third quarter. The U.S. economy recorded impressive gains. Soaring business and consumer confidence, and strong corporate profit growth fueled the ascent.

Bolstered by large-scale tax cuts and increased government spending, the U.S. economy has accelerated to its fastest growth rate in four years. We continue to believe that the speed limit for developed-world growth has increased since the global financial crisis. Confidence among businesses and consumers has been restored.

Security selection was a positive driver this quarter. The Consumer Discretionary and Technology sectors led the way. An overweight position in Amazon Inc. continues to add value. The company is capturing a large amount of retail growth, with approximately 40 percent of its revenue from recurring sources. Amazon is also leading the growing cloud computing space with Amazon Web Services.

Eli Lilly and Company and Abbott Laboratories were also strong performers in the third quarter. This was partly due to optimism surrounding Abbott's high-profile device, MitraClip, used to treat mitral valve regurgitation. Mohawk Industries Inc., the largest player in global flooring, was a detractor for the portfolio. Mohawk has faced stronger-than-expected headwinds this year, but appears to be well positioned when these headwinds begin to subside.

Our analysis of a variety of scenarios suggests that stocks can deliver decent upside with reasonable assumptions, as long as earnings continue to come through as analysts expect. We recognize, however, that earnings growth is now critical to sustain the bull market in stocks. This is particularly true in light of the late stage in the business cycle and the fact that valuations are above equilibrium.

PH&N U.S. 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.

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 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.

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