

PH&N Balanced Fund

Investment Objective

To provide long-term capital growth and income by investing primarily in a well-diversified, balanced portfolio of Canadian common stocks, bonds and money market securities. This fund also holds a portion of its assets in foreign common stock.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF7350
Adv	Front End	CAD	RBF6350
Adv	Low Load	CAD	RBF4350

Inception Date	November 2008
Total Fund Assets \$Mil	1,024.8
Series A NAV \$	20.68
Series A MER %	1.97
Benchmark	38% FTSE Canada Universe Bond Index 30% S&P/TSX Capped Composite Total Return Index 26% MSCI World Total Return Net Index (CAD) 4% MSCI Emerging Markets Total Return Net Index (CAD) 2% FTSE Canada 30 Day TBill Index

Income Distribution	Quarterly
Capital Gains Distribution	Annually

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

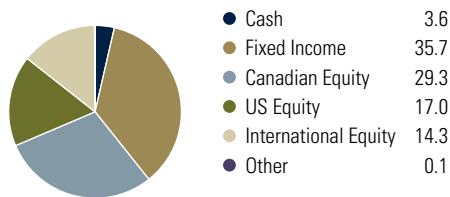
Fund Category	Canadian Neutral Balanced
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Management Company	RBC Global Asset Management Inc.
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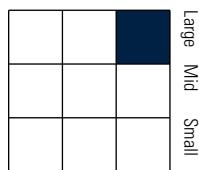
Web Site	www.rbcgam.com
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Portfolio Analysis as of September 30, 2018

Asset Mix



Equity Style



Value Blend Growth

Top 5 Sectors

Sector	% Equity
Financials	29.6
Energy	12.2
Industrials	11.6
Consumer Discretionary	9.4
Information Technology	9.0

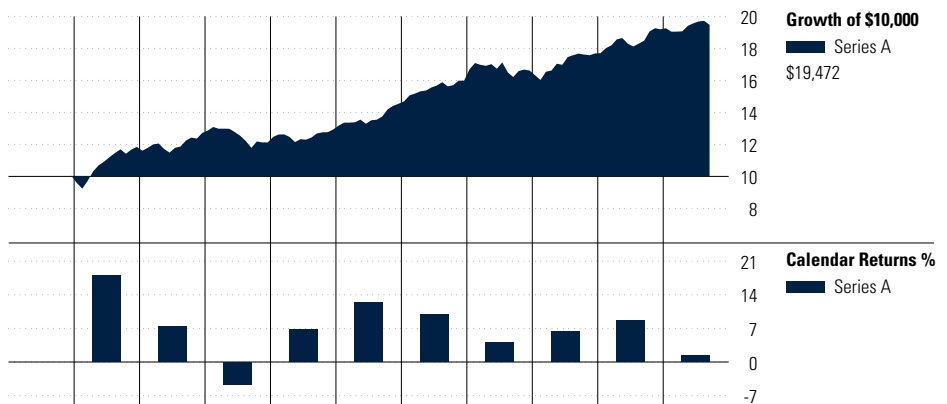
Fixed Income Breakdown

Category	%
Govt. Bonds	64.9
Corp. Bonds	31.7
Other Bonds	0.3
MBS	0.4
Cash & Other	2.7
ABS	0.0

Characteristics

Characteristic	%
Avg. Term to maturity (Yrs)	10.4
Modified Duration (Yrs)	7.5
Yield to Maturity	2.9

Performance Analysis as of September 30, 2018



Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD	Fund Quartile
—	—	18.1	7.4	-4.7	6.7	12.4	9.9	4.0	6.4	8.6	1.4	Fund Quartile
—	—	2 nd	4 th	4 th	2 nd	2 nd	1 st	1 st	3 rd	1 st	2 nd	Fund Quartile

Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Fund	-1.3	-0.5	2.2	5.4	6.3	7.2	—	7.0	Fund
Quartile	4 th	4 th	3 rd	1 st	2 nd	1 st	—	—	Quartile
No. of Funds in Category	703	679	676	661	538	436	155	—	No. of Funds in Category

PH&N Balanced Fund

Management Overview

Manager Bios

Sarah Riopelle

RBC Global Asset Management Inc.

Sarah Riopelle is Vice President and Senior Portfolio Manager, Investment Solutions. Sarah began her investment career in 1996. She is a member of the RBC Investment Strategy Committee and is responsible for the firm's Portfolio Solutions. Sarah has a Bachelor of Commerce in Finance and International Management from the University of Ottawa and is a CFA charter holder.

Performance Analysis Cont'd as of September 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	0.58	0.51	0.90	2.06	0.17	0.28	0.46	0.29	0.28	0.02
Interest	—	0.13	0.15	0.14	0.07	0.13	0.14	0.13	0.23	0.19	0.02
Dividends	—	0.11	0.12	0.12	0.06	0.05	0.08	0.08	—	0.10	0.01
Capital Gains	—	0.34	0.25	0.64	1.93	—	0.05	0.24	0.06	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	27.6	5-2015	11.9	2-2014	10.3	—	—
Worst	5-2012	-6.4	8-2012	2.7	2-2016	4.1	—	—
Average		7.3		6.6		7.3		—
No. of Periods		107		83		59		—
Pct. Positive		86.0		100.0		100.0		—

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

Quarterly Commentary as at September 30, 2018

Trade and the accelerating U.S. economy were the big stories in the third quarter of 2018. Concern that Canada would be omitted from a renegotiated trade pact between the U.S. and Mexico were alleviated at the end of the period, with the announcement of an agreement. The U.S. raised pressure on China to open up its economy, but by quarter end there was scant evidence that the conflict had done much to hinder the U.S. economic expansion.

The Fund's overweight position in equities and underweight position in fixed income had a neutral impact on performance. The Canadian bond market joined the global bond sell-off, recording losses in the third quarter of 2018. The strong domestic economy and fading concerns about housing and household debt supported the Bank of Canada's decision to hike its benchmark interest rate in July by one-quarter of a percentage point. The Fund's sole fixed-income holding, the PH&N Bond Fund, had a negative impact on performance.

Global equities were mixed during the quarter, with the S&P 500 Index rising to an all-time high while many other markets posted negative returns. The performance of emerging markets was especially negative given the trade tensions and a relatively strong U.S. dollar. Returns were bolstered by the RBC QUBE Global Equity Fund and the RBC Global Equity Focus Fund.

Economic growth is strong in the U.S., but many other economies are slowing. Protectionism and Chinese economic deceleration are among the risks threatening the solid, albeit moderating, growth. While we expect continued expansion, the slowdown has led us to lower our developed-world growth forecasts. Exposure to bonds was recently increased, sourced from cash. Our asset mix remains slightly underweight in fixed income and overweight in stocks.

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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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