

# PH&N Global Equity Fund

## Investment Objective

To achieve long-term capital growth by investing primarily in a diversified portfolio of common stocks in companies in the world's largest industrialized countries outside Canada, including the United States, and countries in Europe and the Far East, including Japan and Australia.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF7370
Adv	Front End	CAD	RBF6370
Adv	Low Load	CAD	RBF4370

Inception Date	November 2008
Total Fund Assets \$Mil	214.3
Series A NAV \$	16.53
Series A MER %	2.05
Benchmark	MSCI World Total Return Net Index (C\$)

Income Distribution	Annually
Capital Gains Distribution	Annually

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

Fund Category	Global Equity
---------------	---------------

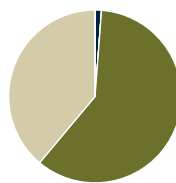
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Notes

Fund's sub-advisor changed effective mid-August 2014.

## Portfolio Analysis as of September 30, 2017

### Asset Mix

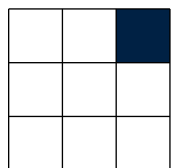


	% Assets
Cash	1.2
Fixed Income	0.0
Canadian Equity	0.0
US Equity	59.9
International Equity	38.9
Other	0.0

### Top 25 Holdings

	% Assets
UnitedHealth Group Inc	4.4
EOG Resources Inc	4.4
HDFC Bank Ltd ADR	4.3
The Estee Lauder Companies Inc Class A	4.1
Deutsche Post AG	4.1
Fortive Corp	4.0
Nidec Corp	3.9
First Republic Bank	3.8
Alphabet Inc A	3.7
Roche Holding AG Dividend Right Cert.	3.6
Unilever NV DR	3.6
Intuit Inc	3.6
Anheuser-Busch InBev SA/NV	3.4
Blackstone Group LP	3.4
Naspers Ltd Class N	3.3
Danaher Corp	3.3
Taiwan Semiconductor Manufacturing ADR	3.1
Activision Blizzard Inc	3.1
TJX Companies Inc	3.0
Amazon.com Inc	3.0
CF Industries Holdings Inc	2.9
InterContinental Hotels Group PLC	2.8
Kite Pharma Inc	2.8
SVB Financial Group	2.3
Gartner Inc A	2.3
Total % of Top 25 Holdings	86.4
Total Number of Portfolio Holdings	35
Total Number of Stock Holdings	34
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
<b>Total Number of Underlying Holdings</b>	<b>35</b>

### Equity Style



Value Blend Growth

### Equity Statistics

P/B Ratio	4.5
P/E Ratio	24.8
Avg. Mkt Cap. \$B	65.5

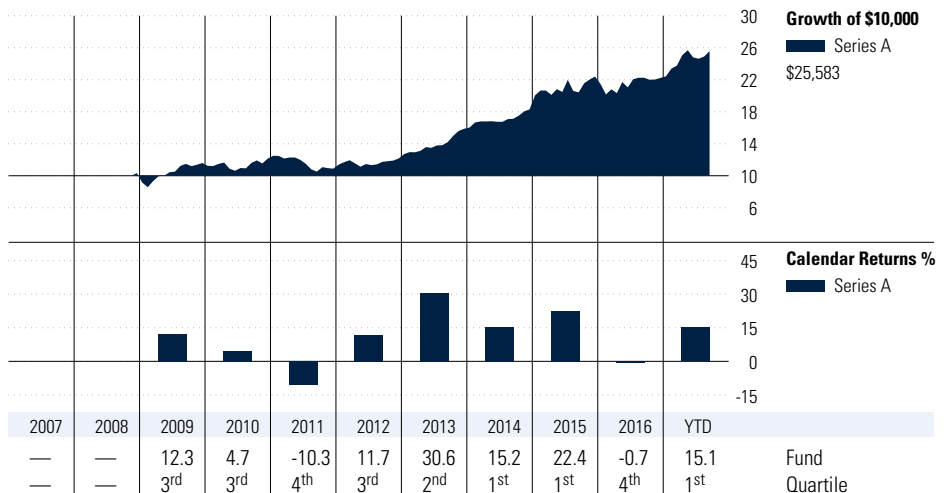
### Top 5 Sectors

	% Equity
Financials	20.8
Information Technology	16.0
Health Care	14.3
Consumer Discretionary	14.2
Industrials	12.2

### Geographic Allocations

	% Assets
United States	60.6
United Kingdom	7.7
India	4.4
Germany	4.1
Japan	4.0

## Performance Analysis as of September 30, 2017



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	2.8	3.2	7.7	15.0	14.3	16.9	—	11.2	Fund
	1st	1st	1st	1st	1st	1st	—	—	Quartile
	1713	1700	1623	1555	1048	736	347	—	No. of Funds in Category

# PH&N Global Equity Fund

## Management Overview

### Manager Bios

#### Habib Subjally

#### RBC Global Asset Management (UK) Limited

Habib has served as Head of Global Equities and leader of this team since 2006. Prior to that, he held positions at Credit Suisse (Head of Small & Mid Cap Research), Invesco (Head of Global Equities), Merrill Lynch Investment Managers (Head of North American and Global Equities Research, and Manager, Mercury Global Titans Fund) and Ernst & Young. Habib holds a BSc (Hons) from the London School of Economics and the Chartered Accountant and ASIP designations.

### Performance Analysis Cont'd as of September 30, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	—	—	—	—	0.06	0.06	0.23	0.03	0.08	0.02	—
Interest	—	—	—	—	0.06	0.06	0.23	0.03	0.08	0.02	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	7-2015	31.4	7-2015	24.8	5-2017	18.2	—	—
Worst	12-2011	-10.3	8-2012	0.5	9-2014	8.3	—	—
Average		11.9		12.7		13.0		—
No. of Periods		95		71		47		—
Pct. Positive		84.2		100.0		100.0		—

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

### Quarterly Commentary as at September 30, 2017

The PH&N Global Equity Fund outperformed the Fund's benchmark in the third quarter due to stock selection.

Kite Pharma Inc. was PH&N Global Equity Fund's largest contributor. It was the subject of a takeover offer from Gilead Sciences Inc. at a 29% premium in an all-cash offer. CF Industries Holdings Inc., a U.S. producer of nitrogen fertilizer, was also positive for returns, rallying strongly as prices for urea (the key component in its product) have risen by over 60% since the end of June. Nidec Corp., a Japanese manufacturer of precision motors, reported strong numbers in the first quarter and the company is poised to benefit from the continued electrification of cars and developments in robotic applications.

U.K.-listed global hotel franchise operator, Intercontinental Hotels Group PLC, was the largest detractor for the Fund based on slightly weaker first half 2017 results. U.S. financial trading platform, MarketAxess Holdings Inc., also fell

slightly after summer trading volume statistics missed expectations and Irish-listed gaming company, Paddy Power, suffered as it continues to integrate its recent acquisition, Betfair.

All major markets posted strong returns in their respective local currencies. The U.S. led the way, driven by strong macro and company fundamentals, while the U.K. lagged amid continued uncertainty around Brexit. Despite a late-quarter rally on the back of the U.S. Federal Reserve's intentions to reduce its balance sheet and tighten rates, the U.S. dollar continued to weaken.

As always, the RBC Global Equity team remains committed to the discovery of companies that we deem to be future success stories. We are constantly searching for compelling long-term opportunities at the right valuations while avoiding businesses that are overvalued or optically cheap but fundamentally flawed.

## PH&N Global 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](http://www.sedar.com).

MER (%) for RBC Funds and PH&N Funds is based on actual expenses for the full-year period, January 1 to December 31, 2016, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the full-year period, April 1, 2016 to March 31, 2017, expressed on an annualized basis.

Adjusted MER is provided for funds with management fee changes effective June 30, 2016. The Adjusted MER represents what the reported MER would have been had management fee changes been in effect throughout 2016.

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, 2017.

® / ™ Trademark(s) of Royal Bank of Canada. Used under licence. © RBC Global Asset Management Inc. 2017