

# PH&N Overseas 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 North America, including countries in Europe and the Far East, including Japan and Australia. This Fund is different from the Global Equity Fund because the primary focus of its investments does not include companies in the United States.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF7410
Adv	Front End	CAD	RBF6410
Adv	Low Load	CAD	RBF4410

Inception Date	November 2008
Total Fund Assets \$Mil	1,277.7
Series A NAV \$	15.65
Series A MER %	2.09
Benchmark	MSCI EAFE Total Return Net Index (C\$)

Income Distribution	Annually
Capital Gains Distribution	Annually

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

Fund Category	International Equity
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Management Company	RBC Global Asset Management Inc.
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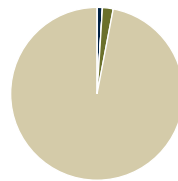
Web Site	www.rbcgam.com
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## Notes

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

## Portfolio Analysis as of September 30, 2018

### Asset Mix

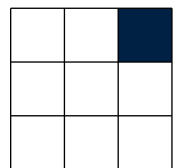


	% Assets
Cash	1.0
Fixed Income	0.0
Canadian Equity	0.0
US Equity	2.0
International Equity	97.0
Other	0.0

### Top 25 Holdings

	% Assets
Roche Holding AG Dividend Right Cert.	5.3
Unilever PLC	5.0
AIA Group Ltd	5.0
Astellas Pharma Inc	5.0
Taiwan Semiconductor Manufacturing ADR	4.6
Deutsche Post AG	4.3
InterContinental Hotels Group PLC	4.3
Nidec Corp	4.2
Anheuser-Busch InBev SA/NV	4.0
St James's Place PLC	3.5
Rio Tinto PLC	3.3
Partners Group Holding AG	3.0
Oil Search Ltd	2.9
Croda International PLC	2.9
Komatsu Ltd	2.8
Linde AG Bearer Shs Br Shares	2.7
ING Groep NV	2.5
Naspers Ltd Class N	2.5
HDFC Bank Ltd	2.5
Royal Dutch Shell PLC B	2.4
Safran SA	2.4
UBS Group AG	2.3
Novo Nordisk A/S B	2.3
Shin-Etsu Chemical Co Ltd	2.3
Symex Corp	2.1
Total % of Top 25 Holdings	84.2
Total Number of Stock Holdings	35
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
<b>Total Number of Holdings</b>	<b>36</b>

### Equity Style



Value Blend Growth

### Equity Statistics

P/B Ratio	2.3
P/E Ratio	17.4
Avg. Mkt Cap. \$B	60.5

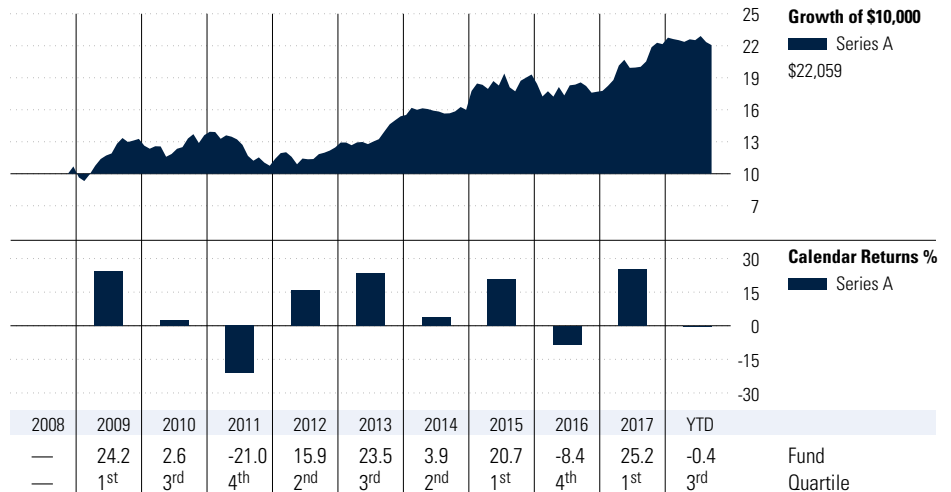
### Top 5 Sectors

	% Equity
Financials	23.1
Industrials	16.8
Health Care	14.9
Materials	13.2
Consumer Staples	9.2

### Geographic Allocations

	% Assets
United Kingdom	26.0
Japan	19.3
Switzerland	10.7
Germany	7.0
Hong Kong	5.1

## 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 %
	-1.3	-2.1	-2.1	7.5	7.6	9.6	—	8.4	Fund
	4th	4th	3rd	1st	2nd	1st	—	—	Quartile
	593	577	564	538	376	280	152	—	No. of Funds in Category

# PH&N Overseas 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 Head of Global Equities with First State Investments, April 2006 to March 2014, 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, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	—	0.10	—	0.21	0.09	0.09	0.21	0.04	0.11	0.26
Interest	—	—	0.10	—	0.21	0.09	0.09	0.21	0.04	0.11	0.26
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	32.6	5-2015	19.7	5-2017	13.7	—	—
Worst	12-2011	-21.0	9-2012	-3.9	9-2014	3.3	—	—
Average		8.9		7.7		9.0		—
No. of Periods		107		83		59		—
Pct. Positive		75.7		90.4		100.0		—

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

### Quarterly Commentary as at September 30, 2018

Our holding in Taiwanese semi-conductor manufacturer, Taiwan Semiconductor Manufacturing Co. Ltd., was the biggest contributor to relative returns during Q3. The stock appreciated after predictions for strong high-end smartphone sales into the second half of the year. As an added plus, the company's only major competitor in next generation 7 nanometer wafers, GlobalFoundries, said it was exiting this market segment.

Japanese pharmaceutical, Astellas Pharma, announced strong quarter numbers across Japan, the Americas and EMEA, driven by sales of its prostate cancer drug, Xtandi. German logistics company, Deutsche Post DHL, also did well as the stock rebounded after a period of weakness and some reorganisation of the business.

Our holding in Belgium-listed global brewer, Anheuser-Busch InBev NV, was the biggest detractor from relative returns during Q3. The company has faced emerging market volatility, especially from its significant Brazilian and South African market exposure. HDFC Bank was a casualty of the prolonged emerging market sell-off and a weaker Indian rupee. Anglo-Irish gaming company, Paddy Power Betfair, also suffered from weak performance in the second half of the quarter after euphoria receded over legislative

change in the U.S. market. Reduced guidance from the company near-term also did little to support the share price.

On the whole, global equities delivered strong total returns in Q3. The headline story has been the impressive performance of the U.S. market. The U.S. has seemed to advance inexorably, bolstered by strong earnings upgrades and a strong dollar on the back of rising interest rates. The beneficial impact of tax cuts at the corporate and individual level has also added support.

Other markets have lagged or retreated. Europe continues to suffer from Brexit-driven uncertainty in the UK and inconclusive election results in Italy, Germany and Sweden. Japan has also been hit by the U.S./China trade tensions and weather-related issues. Emerging markets have entered bear territory.

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. At the same time, we take care to avoid those businesses that are overvalued or optically cheap, but fundamentally flawed.

# PH&N Overseas 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.

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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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