

PH&N U.S. 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 U.S. securities that have a relatively high yield.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF7460
Adv	Front End	CAD	RBF6460
Adv	Low Load	CAD	RBF4460

Inception Date	November 2008
Total Fund Assets \$Mil	208.4
Series A NAV \$	14.91
Series A MER %	1.95
Series A Adjusted MER %	1.87
Benchmark	S&P 500 Total Return Index (C\$)

Income Distribution	Annually
Capital Gains Distribution	Annually

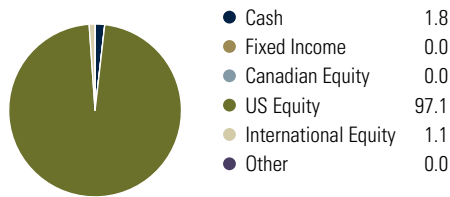
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

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

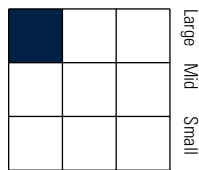
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

Portfolio Analysis as of June 30, 2017

Asset Mix



Equity Style



Value Blend Growth

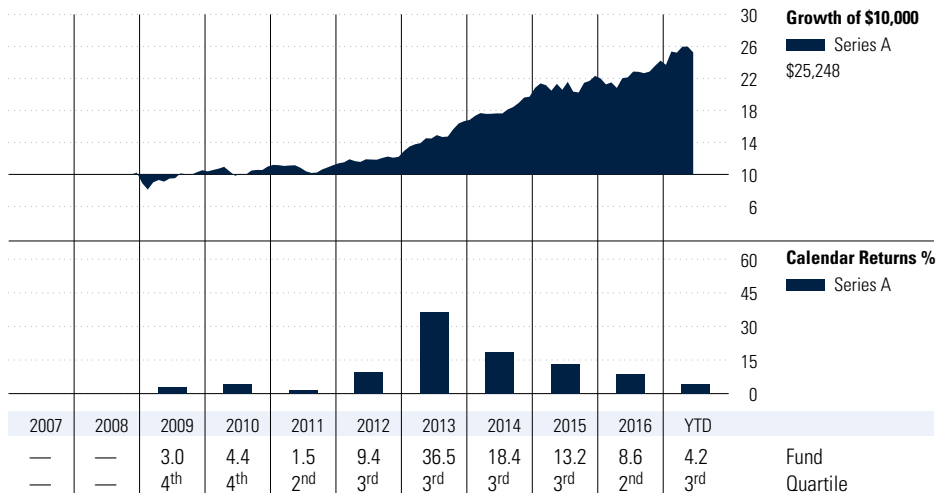
Global Equity Sectors

Sector	% Equity
Information Technology	17.6
Health Care	17.2
Financials	15.2
Consumer Staples	11.6
Industrials	11.1
Energy	7.4
Consumer Discretionary	6.9
Utilities	4.8
Materials	3.2
Real Estate	3.2
Telecommunication Services	1.8
Unclassified	0.0

Top 25 Holdings

Company	% Assets
Johnson & Johnson	4.6
Apple Inc	4.6
Microsoft Corp	4.3
UnitedHealth Group Inc	3.8
Philip Morris International Inc	3.0
Altria Group Inc	3.0
PepsiCo Inc	2.9
Chevron Corp	2.8
McDonald's Corp	2.5
JPMorgan Chase & Co	2.5
Bank of America Corporation	2.5
CVS Health Corp	2.4
Cardinal Health Inc	2.3
Cisco Systems Inc	2.2
Medtronic PLC	2.2
NextEra Energy Inc	2.0
Pfizer Inc	2.0
Comcast Corp Class A	2.0
Merck & Co Inc	1.9
Delphi Automotive PLC	1.8
Dow Chemical Co	1.7
Citigroup Inc	1.6
Boeing Co	1.6
Intel Corp	1.5
Prudential Financial Inc	1.5
Total % of Top 25 Holdings	63.4
Total Number of Stock Holdings	187
Total Number of Bond Holdings	0
Total Number of Other Holdings	2
Total Number of Holdings	189

Performance Analysis as of June 30, 2017



Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Return	-2.8	0.1	4.2	14.1	12.7	16.3	—	11.4	Fund
Ranking	2 nd	3 rd	3 rd	3 rd	3 rd	3 rd	—	—	Quartile
Count	1396	1362	1334	1259	871	482	213	—	No. of Funds in Category

PH&N U.S. Dividend Income Fund

Management Overview

Manager Bios

Brad Willock

RBC Global Asset Management Inc.

Brad Willock joined RBC in May 1996 and RBC Global Asset Management in July 2002. In his current role, he is responsible for core and income-oriented U.S. equity mandates. Brad has a Bachelor of Commerce and a Bachelor of Science, and is a CFA charterholder.

Performance Analysis Cont'd as of June 30, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	—	0.38	0.15	0.06	0.03	0.04	0.05	0.03	0.09	0.08	—
Interest	—	0.08	0.15	0.06	0.03	0.04	0.05	0.03	0.09	0.08	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.30	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	12-2013	36.5	2-2015	22.9	5-2017	17.6	—	—
Worst	9-2011	-2.4	11-2011	2.9	12-2013	10.3	—	—
Average		13.4		14.7		14.9		
No. of Periods		92		68		44		
Pct. Positive		96.7		100.0		100.0		

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

Quarterly Commentary as at June 30, 2017

The Fund focused on Financials and Energy this quarter, with an emphasis on stocks with increasing dividend streams, superior yields and attractive valuations.

We increased exposure to the Financials sector because early in the quarter, as interest rates fell and yield curves flattened, investors sold stocks due to concerns that future earnings would be disappointing. In contrast, our view was that interest rates would likely move higher as economic data continued to suggest the economy was growing and the labour market was tightening. In addition, we expected all the largest, highly regulated banks to pass their tests for capital adequacy, allowing them to return more capital to shareholders in the form of dividends and buybacks. During the quarter, we added to existing positions in Citigroup and PNC Financial, and added a position in super-regional U.S. Bancorp. In Energy, we added positions in midstream players ONEOK, Inc. and Williams Companies.

This quarter, the price of oil fell over 10% as rapid

development of U.S. shale plays and continued improvement in well productivity, combined with new production from Nigeria and Libya, led to less progress on reducing the supply glut than expected. As a result, we have reduced our expectations for oil producers but raised our expectations for midstream players, which should benefit from increased production volumes.

In our view, recent economic data suggests the global economy is still expanding, yet slowly and from a low level. Earnings growth turned positive in the third quarter of last year and we expect further earnings improvements to drive markets somewhat higher in 2017. However, if the Trump administration enacts protectionist trade policies, we would expect corporate earnings to weaken and the stock market to come under pressure. At the moment, prospects for major tax reform and a huge infrastructure bill seem remote, so we are not factoring these outcomes into our base case. We do, however, expect significant regulatory changes and cash repatriation to provide some support for growth in 2018.

PH&N U.S. 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.

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 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, 2017 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 May 31, 2017.

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