

PH&N Canadian Income Fund

Investment Objective

To provide a reasonably consistent level of income while attempting to preserve capital by investing primarily in a well-diversified portfolio of income-producing Canadian common stocks, bonds, income trusts, real estate investment trusts, and money market securities.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF7490
Adv	Front End	CAD	RBF6490
Adv	Low Load	CAD	RBF4490

Inception Date	November 2008
Total Fund Assets \$Mil	891.5
Series A NAV \$	15.58
Series A MER %	1.87
Benchmark	66.67% S&P/TSX Dividend TR; 33.33% S&P/TSX Dividend TR ex Energy & Materials, but including Oil & Gas Refining & Marketing and Oil & Gas Storage & Transportation Sub-industries

Income Distribution	Monthly
Capital Gains Distribution	Annually

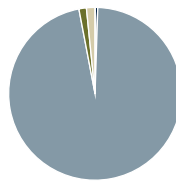
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Fund Category	Canadian Dividend and Income Equity
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Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

Portfolio Analysis as of September 30, 2018

Asset Mix

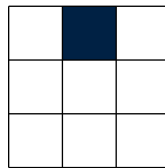


	% Assets
Cash	0.5
Fixed Income	0.0
Canadian Equity	96.5
US Equity	1.4
International Equity	1.6
Other	0.0

Top 25 Holdings

	% Assets
Royal Bank of Canada	8.4
The Toronto-Dominion Bank	7.6
Bank of Nova Scotia	6.3
Enbridge Inc	5.2
Canadian National Railway Co	5.2
Brookfield Asset Mgmt Inc CI A	4.0
Bank of Montreal	3.9
Canadian Natural Resources Ltd	3.1
Manulife Financial Corp	2.9
Nutrien Ltd	2.1
Shaw Communications Inc Class B	2.1
Sun Life Financial Inc	2.1
CIBC	2.0
Alimentation Couche-Tard Inc B	2.0
Fairfax Financial Holdings Ltd	2.0
Canadian Pacific Railway Ltd	1.8
Suncor Energy Inc	1.8
Fortis Inc	1.7
Brookfield Infrastructure Partners LP	1.6
Quebecor Inc Class B	1.5
SNC-Lavalin Group Inc	1.4
Brookfield Property Partners	1.4
TransCanada Corp	1.4
ARC Resources Ltd	1.3
Waste Connections Inc	1.3
Total % of Top 25 Holdings	73.8
Total Number of Stock Holdings	55
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Holdings	56

Equity Style



Value Blend Growth

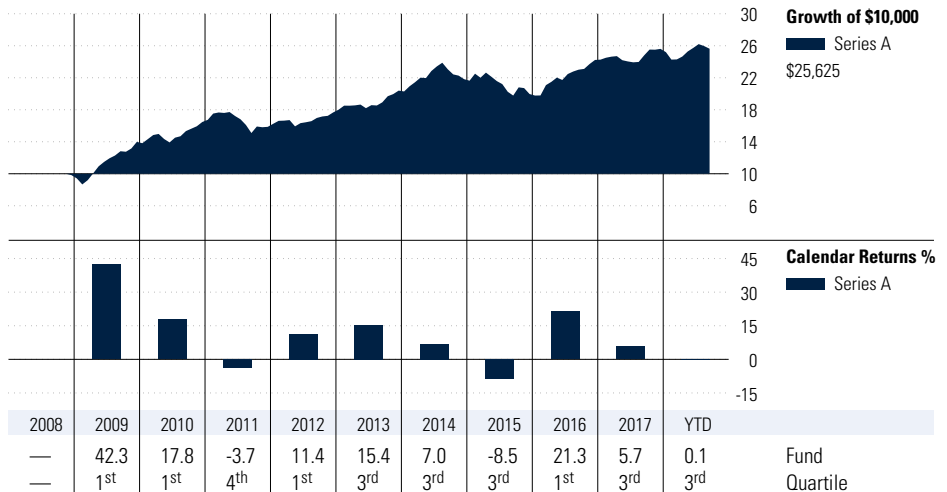
Equity Statistics

P/B Ratio	1.7
P/E Ratio	14.4
Avg. Mkt Cap. \$B	35.3

Global Equity Sectors

	% Equity
Financials	42.3
Energy	19.1
Industrials	11.9
Materials	6.2
Communication Services	5.6
Real Estate	3.6
Utilities	3.3
Consumer Discretionary	3.1
Information Technology	3.0
Consumer Staples	2.0
Health Care	0.0
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 %
	-1.3	-0.4	5.5	3.4	9.0	6.3	—	10.0	Fund
	4 th	4 th	3 rd	3 rd	2 nd	3 rd	—	—	Quartile
	641	617	606	597	434	350	177	—	No. of Funds in Category

PH&N Canadian Income Fund

Management Overview

Manager Bios

Scott Lysakowski

Phillips, Hager & North Investment Management

Scott is the Head of Canadian Equities for PH&N Investment Management and Senior Portfolio Manager on the team's core Canadian equity strategies. He joined the firm in 2002, where he was a senior research analyst and portfolio manager with the Toronto-based Canadian equity team before moving to Vancouver to join the PH&N IM team in 2009. Prior to being named Head in 2018, Scott was Co-Head of the team since 2012. Scott is a CFA charterholder.

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	0.82	0.21	0.08	0.12	0.11	0.12	0.16	0.24	0.27	0.01
Interest	0.10	0.00	0.00	—	—	—	—	0.16	0.24	0.15	0.01
Dividends	—	0.14	0.21	0.08	0.11	0.11	0.12	—	—	0.12	0.00
Capital Gains	—	0.68	—	—	0.01	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	65.3	2-2012	24.2	2-2014	19.3	—	—
Worst	8-2015	-15.2	8-2017	0.1	2-2016	2.5	—	—
Average		11.0		8.4		9.1		—
No. of Periods		107		83		59		—
Pct. Positive		76.6		100.0		100.0		—

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

Quarterly Commentary as at September 30, 2018

Economic headlines over the quarter were dominated by uncertainty surrounding Canada's participation in an updated NAFTA deal. We also saw increased U.S. protectionism and the potential for further tariffs. In addition, rising bond yields and their impact on household debt continued to loom over the economy.

The S&P/TSX Capped Composite Index was down 0.6% during the quarter, finishing behind U.S. and global equity markets. Six of the index's eleven sectors performed positively, with Health Care posting double-digit returns, thanks to the significant appreciation of cannabis stocks during the period. Other positive performers included Industrials and Real Estate.

Materials was the largest detracting sector. A strengthening U.S. dollar over the quarter depressed the prices of commodities and precious metals such as copper, gold and silver.

Within the fund, 5 of the 11 sectors contributed positively. Financials led the way.

The Financials sector benefitted from the prospect of rising interest rates, along with better-than-expected earnings reports. Among individual

securities, the largest contributors were both financial companies. Both are core portfolio holdings for us. Intact Financial was the largest contributor. It reported better-than-anticipated second quarter financial results. Brookfield Asset Management also delivered strong performance. The company continued to experience solid growth across its entire investment platform.

The Materials and Energy sectors were the largest detractors during the period. In the Materials sector, mining and metals-based companies Agnico Eagle Mines Ltd. and First Quantum Minerals Ltd. experienced depressed stock prices as a result of continued weakness in gold, silver and copper. Canadian energy stocks also continued to underperform due to an oversupply of oil in Western Canada. This was exacerbated by temporary infrastructure bottlenecks preventing Canadian oil from reaching international markets.

The Fund's trading activity is a function of our investment process. Our disciplined fundamental research process and approach to portfolio construction serve to optimize position sizes to match fundamental conviction and minimize exposure to unpredictable risk factors.

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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.

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.

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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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