

PH&N Currency-Hedged Overseas Equity Fund

Investment Objective

The fundamental investment objective of the Fund is to achieve long-term capital growth primarily through exposure to 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, while minimizing currency risk. To achieve these objectives, the Fund will invest primarily in units of other funds managed by Phillips, Hager & North. The fundamental investment objective may only be changed with the approval of a majority of unitholders at a meeting called for that purpose. However, we may change the Fund's investment strategies at our discretion.

Fund Details

| Series | Load Structure | Currency | Fund Code |
|--------|----------------|----------|-----------|
| A | No Load | CAD | RBF7570 |
| Adv | Front End | CAD | RBF6570 |
| Adv | Low Load | CAD | RBF4570 |

| | |
|-------------------------|--|
| Inception Date | November 2008 |
| Total Fund Assets \$Mil | 191.7 |
| Series A NAV \$ | 11.69 |
| Series A MER % | 2.21 |
| Benchmark | MSCI EAFE Total Return Net Index (hedged to C\$) |

| | |
|----------------------------|----------|
| Income Distribution | Annually |
| Capital Gains Distribution | Annually |

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

| | |
|---------------|----------------------|
| Fund Category | International Equity |
|---------------|----------------------|

| | |
|--------------------|----------------------------------|
| Management Company | RBC Global Asset Management Inc. |
|--------------------|----------------------------------|

| | |
|----------|----------------|
| Web Site | www.rbcgam.com |
|----------|----------------|

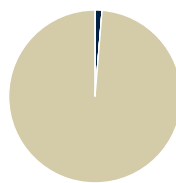
Notes

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

Please note: Holdings shown are for PH&N Overseas Equity Fund.

Portfolio Analysis as of December 31, 2017

Asset Mix

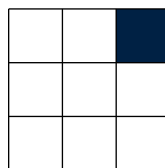


| | % Assets |
|----------------------|----------|
| Cash | 1.3 |
| Fixed Income | 0.0 |
| Canadian Equity | 0.0 |
| US Equity | 0.0 |
| International Equity | 98.7 |
| Other | 0.0 |

Top 25 Holdings

| | % Assets |
|--|-----------|
| Nidec Corp | 5.3 |
| Deutsche Post AG | 5.3 |
| Naspers Ltd Class N | 4.6 |
| Taiwan Semiconductor Manufacturing ADR | 4.4 |
| AIA Group Ltd | 4.3 |
| Komatsu Ltd | 4.3 |
| InterContinental Hotels Group PLC | 4.2 |
| Roche Holding AG Dividend Right Cert. | 4.0 |
| Anheuser-Busch InBev SA/NV | 4.0 |
| Unilever PLC | 3.9 |
| St James's Place PLC | 3.8 |
| Astellas Pharma Inc | 3.5 |
| ING Groep NV | 3.5 |
| Rio Tinto PLC | 3.3 |
| Oil Search Ltd | 2.6 |
| UBS Group AG | 2.6 |
| Systemex Corp | 2.6 |
| Linde AG Bearer Shs Br Shares | 2.6 |
| Paddy Power Betfair PLC | 2.5 |
| Novo Nordisk A/S B | 2.5 |
| Partners Group Holding AG | 2.5 |
| HDFC Bank Ltd | 2.4 |
| Royal Dutch Shell PLC B | 2.3 |
| HDFC Bank Ltd ADR | 2.2 |
| ASML Holding NV | 2.2 |
| Total % of Top 25 Holdings | 85.5 |
| Total Number of Stock Holdings | 35 |
| Total Number of Bond Holdings | 0 |
| Total Number of Other Holdings | 1 |
| Total Number of Holdings | 36 |

Equity Style



Value Blend Growth

Equity Statistics

| | |
|-------------------|------|
| P/B Ratio | 3.2 |
| P/E Ratio | 18.7 |
| Avg. Mkt Cap. \$B | 62.6 |

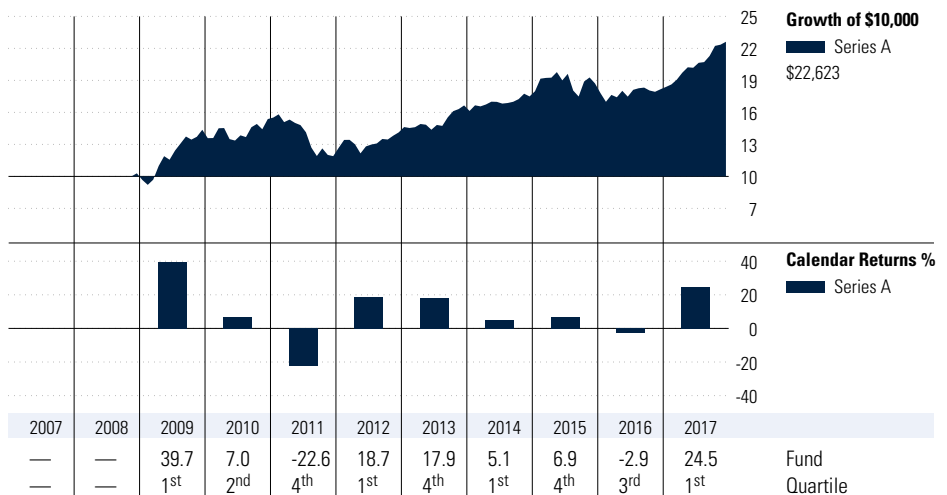
Top 5 Sectors

| | % Equity |
|------------------------|----------|
| Financials | 23.9 |
| Industrials | 19.2 |
| Health Care | 12.8 |
| Consumer Discretionary | 12.0 |
| Materials | 8.6 |

Geographic Allocations

| | % Assets |
|----------------|----------|
| United Kingdom | 23.1 |
| Japan | 18.0 |
| Switzerland | 9.2 |
| Germany | 8.6 |
| Netherlands | 5.7 |

Performance Analysis as of December 31, 2017



| 1 Mth | 3 Mth | 6 Mth | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Since Incep. | Trading Return % |
|---------|---------|----------|----------|---------|---------|-------|--------------|--------------------------|
| 1.2 1st | 6.3 1st | 12.1 1st | 24.5 1st | 8.9 3rd | 9.9 4th | — | 9.4 | Fund |
| 543 | 531 | 524 | 497 | 338 | 262 | 133 | — | No. of Funds in Category |

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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 December 31, 2017

| Distributions (\$)/Unit | 2017* | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|-------------------------|-------|------|------|------|------|------|------|------|------|------|------|
| Total Distributions | — | 0.06 | — | 0.24 | 0.05 | 0.23 | 0.16 | 0.07 | 0.07 | 0.25 | — |
| Interest | — | 0.06 | — | 0.16 | 0.05 | 0.07 | 0.16 | 0.04 | 0.07 | 0.25 | — |
| Dividends | — | — | — | — | — | — | — | — | — | — | — |
| Capital Gains | — | — | — | 0.09 | — | 0.16 | — | 0.04 | — | — | — |
| Return Of Capital | — | — | — | — | — | — | — | — | — | — | — |

| Best/Worst Periods % | Ended | 1 Yr | Ended | 3 Yr | Ended | 5 Yr | Ended | 10 Yr |
|----------------------|---------|-------|---------|------|--------|-------|-------|-------|
| Best | 3-2010 | 49.8 | 5-2015 | 17.6 | 2-2014 | 12.6 | — | — |
| Worst | 12-2011 | -22.6 | 12-2012 | -0.6 | 2-2016 | 1.4 | — | — |
| Average | | 8.5 | | 6.5 | | 7.2 | | — |
| No. of Periods | | 98 | | 74 | | 50 | | — |
| Pct. Positive | | 77.6 | | 97.3 | | 100.0 | | — |

* Final distribution attribution (interest, dividends, capital gains and return of capital) for 2017 will be reflected with January month-end profiles.

Quarterly Commentary as at December 31, 2017

South African media conglomerate, Naspers, was the biggest contributor to Fund returns over the period. The company benefited from strong underlying performance of its stake in Tencent Holdings Ltd. while Naspers' aim to get more value from its entire portfolio was also supportive. Japanese manufacturer of mining equipment, Komatsu Ltd., performed well as a result of Chinese sales, a commodity price rally and potential benefits of U.S. tax reforms. U.K.-listed hotel franchise operator, InterContinental Hotels Group PLC, performed strongly on the back of robust franchise fees and the perception that the company stands to benefit from U.S. tax reforms.

The biggest detractor from returns over the quarter was global brewer, Anheuser-Busch InBev SA/NV. The company has seen a slight decline in U.S. beer volumes and suffered supply disruptions in its largest market, the United States, after the summer's storms. Anglo-Dutch consumer stock, Unilever, fell in October after Q3 sales missed estimates and the company sold its spreads division. Irish-listed materials company, CRH PLC,

also suffered in late October as U.S. construction spending in Q3 fell markedly, impacted by the summer's hurricanes.

All major economies performed strongly over the quarter with growth and inflation returning. The Trump regime appears to have settled and the first pieces of meaningful legislation have emerged. Despite signs of discontent, the political unrest predicted at the end of 2016 has failed to materialize. Technical factors are also present and, with so much of the market now held passively, there is little price discovery and concomitant volatility in equity prices. A weak U.S. dollar has also helped the global economic expansion.

As always, our team remains committed to discovering companies 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.

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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, 2017, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the half-year period, April 1, to September 30, 2017, expressed on an annualized basis.

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 December 31, 2017.

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