

# PH&N Canadian Equity Value Fund

## Investment Objective

The fundamental investment objective of the Fund is to provide long-term capital growth. The Fund invests primarily in equity securities of Canadian issuers priced below the portfolio manager's assessment of their true value and offering long-term opportunities for growth.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF7670
Adv	Front End	CAD	RBF6670
Adv	Low Load	CAD	RBF4670

Inception Date	December 2009
Total Fund Assets \$Mil	1,176.3
Series A NAV \$	13.98
Series A MER %	1.93
Series A Adjusted MER %	1.87
Benchmark	S&P/TSX Capped Composite Total Return Index

Income Distribution	Annually
Capital Gains Distribution	Annually

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

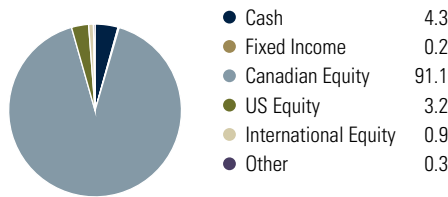
Fund Category	Canadian Equity
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Management Company	RBC Global Asset Management Inc.
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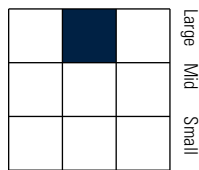
Web Site	www.rbcgam.com
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## Portfolio Analysis as of June 30, 2017

### Asset Mix



### Equity Style



Value Blend Growth

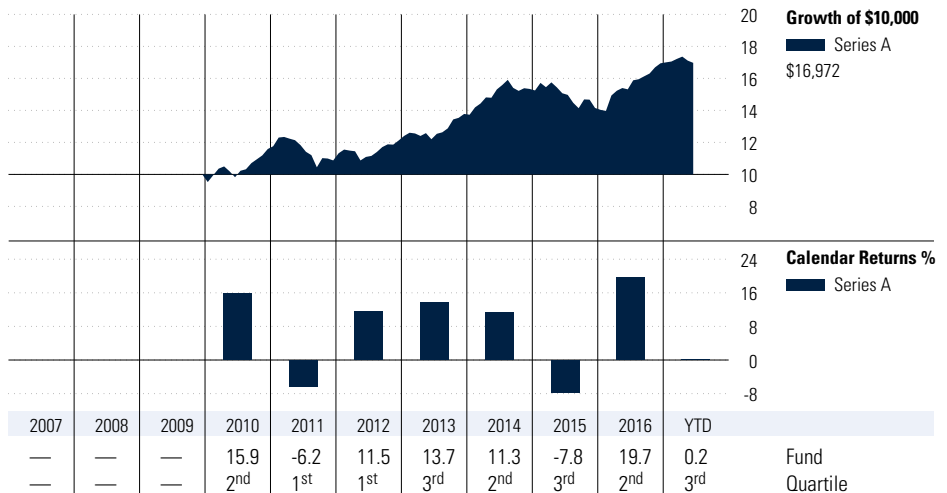
### Global Equity Sectors

Sector	% Equity
Financials	40.6
Energy	21.0
Industrials	10.1
Materials	8.8
Consumer Staples	4.6
Consumer Discretionary	3.9
Telecommunication Services	3.5
Information Technology	2.5
Utilities	2.4
Real Estate	2.0
Health Care	0.6
Unclassified	0.0

### Top 25 Holdings

Company	% Assets
Royal Bank of Canada	7.0
The Toronto-Dominion Bank	6.5
Bank of Nova Scotia	5.2
Canadian National Railway Co	4.5
Enbridge Inc	4.4
Suncor Energy Inc	3.6
Bank of Montreal	3.5
Brookfield Asset Management Inc Class A	3.3
TransCanada Corp	3.1
Canadian Natural Resources Ltd	2.7
Manulife Financial Corp	2.7
CIBC	2.2
BCE Inc	1.9
Waste Connections Inc	1.7
Canadian Pacific Railway Ltd	1.6
Loblaw Companies Ltd	1.5
CGI Group Inc A	1.4
Barrick Gold Corp	1.4
Alimentation Couche-Tard Inc B	1.3
Power Corporation of Canada	1.3
Sun Life Financial Inc	1.2
Potash Corp of Saskatchewan Inc	1.1
Onex Corp	1.1
Shaw Communications Inc Class B	1.1
SNC-Lavalin Group Inc	1.1
Total % of Top 25 Holdings	66.3
Total Number of Stock Holdings	78
Total Number of Bond Holdings	1
Total Number of Other Holdings	2
<b>Total Number of Holdings</b>	<b>81</b>

## 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 %
Fund	-0.8	-1.4	0.2	10.8	3.5	8.9	—	7.3	Fund
Quartile	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	—	—	Quartile
No. of Funds in Category	624	614	605	558	425	292	137	—	No. of Funds in Category

# PH&N Canadian Equity Value Fund

## Management Overview

### Manager Bios

#### Stuart Kedwell

##### RBC Global Asset Management Inc.

Stuart Kedwell is Senior Vice President and Co-Head, North American Equities. He has been in the investment industry since 1997.

#### Doug Raymond

##### RBC Global Asset Management Inc.

Doug Raymond is Senior Vice President and Co-Head, North American Equities. He has been in the investment industry since 1985.

#### Irene Matsyalko

##### RBC Global Asset Management Inc.

Irene Matsyalko is a Portfolio Manager and senior North American equities research analyst. She earned a Commerce degree from University of Toronto and is a CFA charterholder.

#### Sarah Neilson

##### RBC Global Asset Management Inc.

Sarah Neilson is a Portfolio Manager and senior North American equities research analyst. Sarah earned a Bachelor of Science in Mechanical Engineering at Queens University, and an MBA from McGill University. Sarah 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	—	0.11	0.53	1.00	0.04	0.32	0.14	0.33	—	—	—
Interest	—	—	—	—	—	—	—	—	—	—	—
Dividends	—	0.11	0.06	0.04	0.04	—	—	—	—	—	—
Capital Gains	—	—	0.47	0.96	—	0.32	0.14	0.33	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	8-2014	26.0	9-2014	13.8	1-2015	9.9	—	—
Worst	2-2016	-11.1	2-2016	3.5	2-2016	2.6	—	—
Average		8.1		7.8		7.3		—
No. of Periods		79		55		31		—
Pct. Positive		72.2		100.0		100.0		—

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

### Quarterly Commentary as at June 30, 2017

The S&P/TSX Composite Index pared gains after hitting an all-time high in February. Underperformance stemmed from weakness in the Materials, Financials and Energy sectors, representing approximately two-thirds of Canada's benchmark stock index.

Security selection and asset allocation were drivers of performance in the second quarter, particularly in Energy and Financials. In Energy, not holding Encana added to relative performance in the midst of uncertainty surrounding funding its capital spending plans in a weaker commodity price environment. In Financials, Brookfield Asset Management was a strong contributor after reporting Q2 results that exceeded expectations.

While the broad-based commodity shock has subsided, oil prices continue to be under pressure. They remain difficult to forecast in the short run, but remain below our estimate of marginal cost.

We continue to believe that large companies with long life reserves and strong balance sheets are set to deliver attractive levels of free cash as crude prices return to the marginal cost of production.

The large Canadian banks delivered strong earnings growth this quarter, driven by healthy loan growth, stable net-interest margins and declining provisions for credit losses. Although bank stocks pulled back amid concerns around the housing market and news coverage around mortgage lender Home Capital Group, they continue to offer investors attractive yield and growth characteristics.

Despite a slower Q2, the Canadian economy had a strong start to 2017. We expect global economic growth to trend modestly higher this year and our forecast has increased to 2.0% for Canada.

## PH&N Canadian Equity Value 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 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.

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