

# 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
T5	No Load	CAD	RBF3670

Inception Date	December 2009
Total Fund Assets \$Mil	1,199.1
Series A NAV \$	14.40
Series A 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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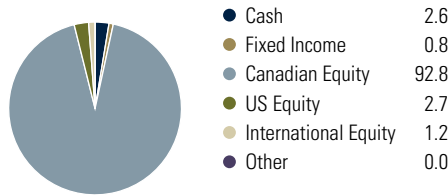
Web Site	www.rbcgam.com
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## Notes

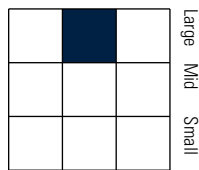
This is a continuing fund resulting from a merger effective June 27, 2014.

## Portfolio Analysis as of December 31, 2017

### Asset Mix



### Equity Style



Value Blend Growth

### Equity Statistics

P/B Ratio	1.9
P/E Ratio	17.0
Avg. Mkt Cap. \$B	30.6

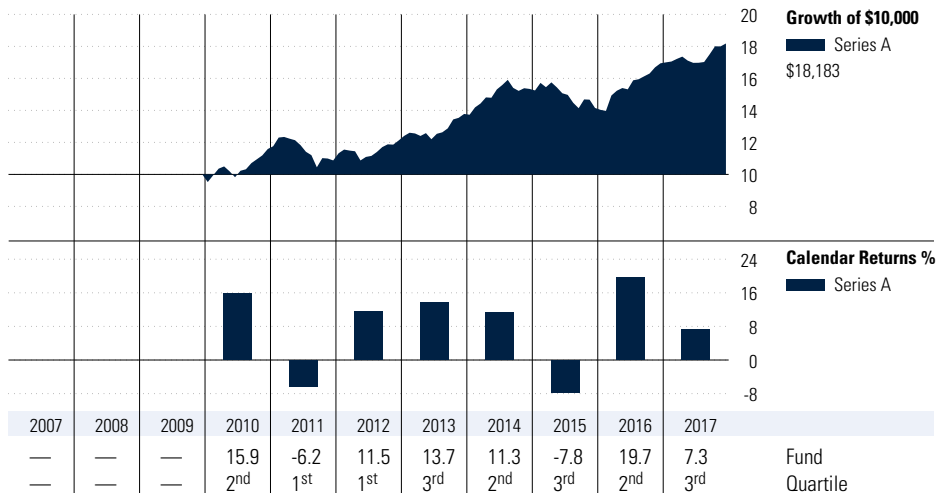
### Global Equity Sectors

Sector	% Equity
Financials	39.7
Energy	21.0
Industrials	9.9
Materials	8.9
Telecommunication Services	4.5
Consumer Staples	4.3
Consumer Discretionary	3.8
Real Estate	3.1
Utilities	2.3
Information Technology	2.0
Health Care	0.6
Unclassified	0.0

### Top 25 Holdings

Company	% Assets
Royal Bank of Canada	7.1
The Toronto-Dominion Bank	6.2
Bank of Nova Scotia	4.9
Enbridge Inc	3.5
Bank of Montreal	3.5
Suncor Energy Inc	3.5
Canadian National Railway Co	3.2
Canadian Natural Resources Ltd	3.1
Brookfield Asset Management Inc Class A	3.0
TransCanada Corp	2.7
Manulife Financial Corp	2.6
CIBC	2.5
Canadian Pacific Railway Ltd	2.2
Sun Life Financial Inc	2.0
BCE Inc	1.9
Waste Connections Inc	1.7
Rogers Communications Inc Class B	1.6
Loblaw Companies Ltd	1.4
Fairfax Financial Holdings Ltd	1.4
Nutrien Ltd	1.3
Alimentation Couche-Tard Inc B	1.3
Agrium Inc	1.2
Teck Resources Ltd Class B	1.2
Pembina Pipeline Corp	1.2
Encana Corp	1.1
Total % of Top 25 Holdings	65.1
Total Number of Stock Holdings	82
Total Number of Bond Holdings	1
Total Number of Other Holdings	1
<b>Total Number of Holdings</b>	<b>84</b>

## Performance Analysis as of December 31, 2017



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
1.0	3.9	7.1	7.3	5.8	8.4	—	7.8	Fund
2 <sup>nd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	—	—	Quartile
602	595	591	572	407	314	143	—	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 December 31, 2017

Distributions (\$)/Unit	2017*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.58	0.11	0.53	1.00	0.04	0.32	0.14	0.33	—	—	—
Interest	0.09	—	—	—	—	—	—	—	—	—	—
Dividends	—	0.11	0.06	0.04	0.04	—	—	—	—	—	—
Capital Gains	0.49	—	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	8-2017	2.3	2-2016	2.6	—	—
Average		8.1		7.5		7.5		—
No. of Periods		85		61		37		—
Pct. Positive		74.1		100.0		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

The Canadian stock market lagged most other major equity markets during 2017. The S&P/TSX Capped Composite Index was held back by the Energy sector, appreciation in the Canadian dollar and concern that the economy lacks a growth driver to offset a potential slowing of the housing market. Furthermore, market sentiment continues to be hurt by ongoing uncertainty regarding the North American Free Trade Agreement.

The Bank of Canada surprised markets this year by shifting to a hawkish stance, hiking rates twice on the back of strong economic growth. However, the Canadian economy is not without risks. In addition to housing concerns, items that may impact Canada's competitiveness include protectionism, increasing taxes, tougher labour laws, stricter environmental standards, rising electricity costs and access to global energy markets.

During the quarter, the Fund's relative performance was boosted by the Materials and Information Technology sectors while Health Care

was a drag. In Materials, the Fund benefited from an underweight exposure to gold equities as well as an overweight position in Teck Resources Ltd., which rallied as a result of healthy demand and price gains for copper and zinc. Security selection aided returns in Information Technology, particularly with the exclusion of Shopify as the stock pulled back.

The Health Care sector experienced a strong shift, fueled in large part by a rally from marijuana producers. The lack of exposure to these companies weighed on relative returns in the sector.

Global stock markets continue to be supported by synchronized global expansion and better-than-expected corporate profit growth around the world, but the recent rally has pushed equities closer to fair value. Without support from rising valuations, further gains in stocks will likely be paced by corporate profit growth.

## 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, 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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