**PH&N TOTAL RETURN BOND FUND**

**High-Quality Fixed Income at the Core of Your Portfolio**

Canadian bonds are an important core component of Canadian investor portfolios and have historically provided portfolio stability and a steady stream of interest income. PH&N Total Return Bond Fund offers investors exposure to a diversified mix of high-quality bonds issued primarily by Canadian governments and corporations.

**Why Use an Actively Managed Bond Fund?**

- **Active asset allocation** – Maintaining the right balance of government bonds, investment grade corporate bonds and high-yield bonds can help ensure that a fixed income portfolio is well positioned, regardless of the interest rate or economic environment.

- **Minimize volatility and downside risk** – Through detailed bond analysis and by identifying and managing potential risks, active managers can ensure that they hold a quality portfolio designed to minimize volatility and downside risk.

- **Interest rates and valuations** – By having a view on the direction of interest rates, and by analyzing relative bond valuations and relevant economic fundamentals, an active bond manager can add value relative to their benchmark.

**FUND FACTS**

- Invests primarily in Canadian medium-to high-quality corporate and government bonds, and may invest in U.S. and other foreign issuers.
- Quarterly distributions.
- Competitive management fee.
- Minimum investment
  - Registered plans: $500
  - Non-registered plans: $500
  - Additional investments: $25
- Fund launched July 2000.

**APPROPRIATE FOR INVESTORS WHO:**

- Are seeking a high level of current interest income and wish to access a diversified range of bond issues and strategies.
- Have a low risk tolerance.

**The Case for Canadian Bonds**

With only 3 years of negative returns over 37 years, Canadian bonds have helped provide the portfolio stability today’s investors are looking for.

Source: RBC GAM, FTSE/TMX Canada Universe Bond Index Calendar Year Returns as of December 31, 2016. An investment cannot be made directly into an index. The graph does not reflect transaction costs, investment management fees or taxes. If such costs and fees were reflected, returns would be lower. Past performance is not a guarantee of future results.
Why PH&N Total Return Bond Fund?
Focused on building a diversified portfolio, minimizing risk and delivering consistent positive returns.

An experienced and accomplished team – Phillips, Hager & North Investment Management (PH&N IM) has been managing fixed income for over 40 years and its award-winning team currently comprises over 30 investment professionals. Additionally, a structure of specialist roles allows the team to focus on all segments of the bond market.

Emphasis on risk management – PH&N IM’s proprietary risk management system – known as BondLab – allows the team to identify, measure and manage the risks that impact the value of the portfolio on a daily basis. Risk is further placed in check through adherence to strict investment guidelines that place an emphasis on owning high-quality bonds.

A multi-strategy approach to adding value – The management team utilizes three main strategies when looking to add value to the portfolio: liquidity, credit and interest rate anticipation.

The PH&N Funds family offers a comprehensive lineup of mutual funds designed to deliver effective investment solutions that help investors build better portfolios. Our funds are backed by the strength of an experienced investment team at PH&N IM.

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Please consult your advisor and read the prospectus or Fund Facts document before investing. There may be commissions, trailing commissions, management fees and expenses associated with mutual fund investments. Mutual funds are not guaranteed; their values change frequently and past performance may not be repeated. RBC Funds and PH&N Funds are offered by RBC Global Asset Management Inc. and distributed through authorized dealers.

*As of March 31, 2017.
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