

PH&N Dividend Income Fund

Investment Objective

To provide long-term capital growth and income by investing primarily in a well-diversified portfolio of dividend income-producing Canadian securities that have a relatively high yield.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF7150
Adv	Front End	CAD	RBF6150
Adv	Low Load	CAD	RBF4150

Inception Date	November 2008
Total Fund Assets \$Mil	2,545.8
Series A NAV \$	108.94
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	Quarterly
Capital Gains Distribution	Annually

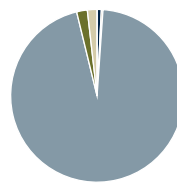
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

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 August 31, 2019

Asset Mix

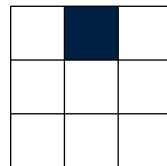


	% Assets
Cash	0.8
Fixed Income	0.3
Canadian Equity	95.1
US Equity	2.0
International Equity	1.8
Other	0.0

Top 10 Holdings

	% Assets
Royal Bank of Canada	8.1
The Toronto-Dominion Bank	7.7
Enbridge Inc	5.2
Bank of Nova Scotia	4.8
Canadian National Railway Co	4.5
Brookfield Asset Mgmt Inc CI A	3.9
Bank of Montreal	3.4
TC Energy Corp	2.8
Manulife Financial Corp	2.7
Alimentation Couche-Tard Inc Class B	2.4
Total % of Top 10 Holdings	45.5
Total Number of Stock Holdings	58
Total Number of Bond Holdings	0
Total Number of Other Holdings	2
Total Number of Holdings	60

Equity Style



Value Blend Growth

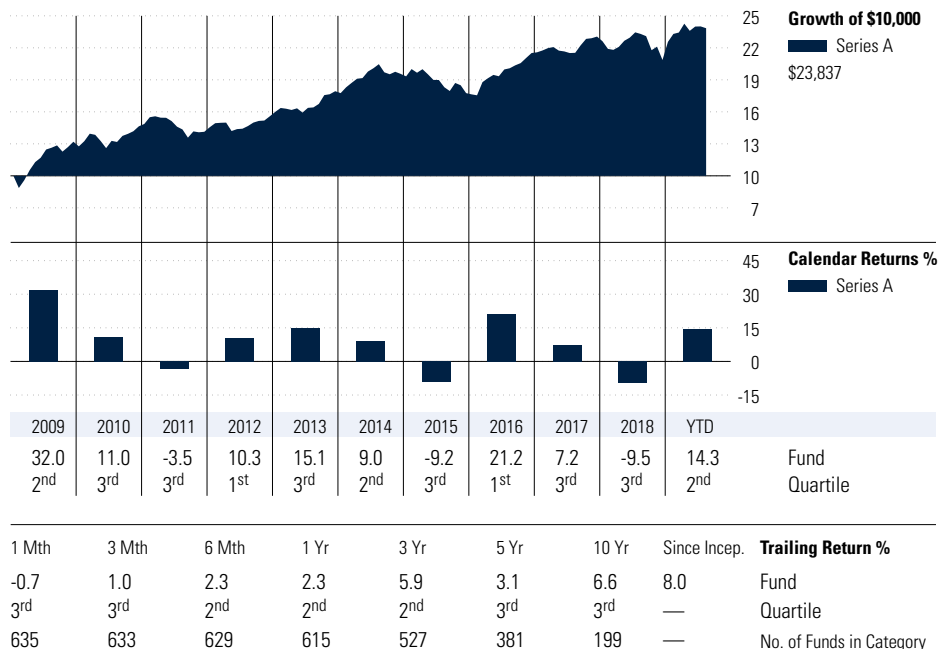
Equity Statistics

P/B Ratio	1.6
P/E Ratio	14.1
Avg. Mkt Cap. \$B	37.8

Global Equity Sectors

	% Equity
Financials	40.7
Energy	15.9
Industrials	12.2
Materials	7.8
Communication Services	6.5
Real Estate	4.6
Utilities	3.6
Consumer Staples	3.5
Consumer Discretionary	3.1
Information Technology	2.1
Unclassified	0.0
Health Care	0.0

Performance Analysis as of August 31, 2019



PH&N Dividend 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 August 31, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	0.85	1.57	3.46	1.44	1.45	1.48	1.06	1.94	1.77	0.70	1.05
Interest	0.85	0.01	0.01	—	—	—	—	—	—	0.70	—
Dividends	—	1.57	1.34	1.44	1.45	1.17	1.06	0.73	0.33	—	1.05
Capital Gains	—	—	2.11	—	—	0.31	—	1.21	1.44	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	49.5	2-2012	19.0	2-2014	15.6	2-2019	10.2
Worst	2-2016	-12.3	8-2017	1.7	2-2016	2.5	8-2019	6.6
Average		8.4		7.4		7.6		8.2
No. of Periods		118		94		70		10
Pct. Positive		77.1		100.0		100.0		100.0

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

Commentary as at June 30, 2019

The S&P/TSX Composite Index joined other global equity markets in rebounding from declines recorded in late 2018. A number of macroeconomic developments continue to be the focus for equity investors, including the outlook for global trade, the path and pace of global economic growth, and their combined impact on corporate earnings. The uncertain economic backdrop has resulted in central banks moving to a more cautious approach on monetary policy, which has supported equity valuations.

The Energy sector was the largest contributor to the Fund's performance during the first half of 2019, largely driven by a positions in Keyera and Encana. The Materials sector was another large contributor to returns, led by Barrick Gold. The Fund's overweight position in Element Fleet Management also bolstered returns.

In the Information Technology sector, returns were held back by the absence in the portfolio of Shopify, which performed well. Positions in the Industrials sector also held back performance, with the Fund's holding in SNC-Lavalin hurting returns over the period.

Looking forward, Canada's economic outlook reflects slowing U.S. growth, trade uncertainty, moderating housing activity and competitiveness concerns. There is also considerable pressure on the Canadian energy sector due to the continuously challenging environment for the production and transportation of crude oil. On a positive note, job creation in Canada has been accelerating at a swift pace. Overall, the portfolio manager expects below average economic growth in Canada over the next year.

PH&N Dividend Income Fund

Disclosure

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MER (%) for RBC Funds, PH&N Funds and BlueBay Funds is based on actual expenses for the preceding calendar year or most recent half-year period ended June 30 expressed on an annualized basis, depending on availability of data at the time of publication.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the preceding full year period ended March 31 or half-year period ended September 30 expressed on an annualized basis, depending on availability of data at the time of publication.

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.

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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).

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