RBC U.S. Dividend Fund

Investment Objective
To achieve long-term capital growth and regular dividend income by investing primarily in common and preferred securities of U.S. companies with above average dividend yields.

Fund Details
Series Load Structure Currency Fund Code
D No Load CAD RBF1019
D No Load USD RBF1541

Inception Date July 2007
Total Fund Assets $Mil 2,862.3
Series D NAV $ 24.71
Series D MER % 1.19
Series D Adjusted MER % 1.03
Benchmark S&P 500 Total Return Index (C$)

Income Distribution Quarterly
Capital Gains Distribution Annually

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

Management Company RBC Global Asset Management Inc.
Web Site www.rbcgam.com

Notes
Fund's investment objective and name changed July 4, 2006 and November 28, 2011. Fund was formerly named RBC North American Dividend Fund.

Performance Analysis as of October 31, 2016

Top 10 Holdings % Assets
Microsoft Corp 4.8
Apple Inc 4.8
JPMorgan Chase & Co 3.3
Altria Group Inc 3.2
Johnson & Johnson 3.2
CVS Health Corp 3.0
Chevron Corp 2.6
Pfizer Inc 2.5
Philip Morris International Inc 2.5
PepsiCo Inc 2.4

Global Equity Sectors % Equity
Information Technology 20.2
Health Care 15.5
Consumer Staples 11.8
Financials 11.7
Energy 8.9
Industrials 8.9
Consumer Discretionary 7.5
Utilities 4.8
Real Estate 4.8
Materials 3.1
Telecommunication Services 2.9
Unclassified 0.0

Asset Mix % Assets
Cash 1.3
Fixed Income 0.0
Canadian Equity 0.0
US Equity 98.6
International Equity 0.0
Other 0.0

Equity Style Value Blend Growth
P/B Ratio 2.5
P/E Ratio 17.8
Avg. Mkt Cap. $B 122.0

Portfolio Analysis as of October 31, 2016

Performance Analysis as of October 31, 2016

Growth of $10,000
Calendar Returns %

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Management Overview

Manager Bios
Brad Willock
RBC Global Asset Management Inc.
Brad joined RBC in May 1996 and RBC Global Asset Management in July 2002. In his current role, he is responsible for income-oriented U.S. equity mandates. Brad has a Bachelor of Commerce and a Bachelor of Science, and is a CFA charterholder.

Performance Analysis Cont’d as of October 31, 2016

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</thead>
<tbody>
<tr>
<td>Total Distributions</td>
<td>0.23</td>
<td>1.31</td>
<td>2.71</td>
<td>0.78</td>
<td>0.21</td>
<td>—</td>
<td>0.03</td>
<td>0.15</td>
<td>0.29</td>
<td>1.10</td>
<td>—</td>
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<tr>
<td>Interest</td>
<td>0.23</td>
<td>0.21</td>
<td>0.20</td>
<td>0.23</td>
<td>0.21</td>
<td>—</td>
<td>0.03</td>
<td>0.15</td>
<td>0.09</td>
<td>0.04</td>
<td>—</td>
</tr>
<tr>
<td>Dividends</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>0.20</td>
<td>0.11</td>
<td>—</td>
</tr>
<tr>
<td>Capital Gains</td>
<td>—</td>
<td>1.10</td>
<td>2.51</td>
<td>0.55</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>0.95</td>
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<tr>
<td>Return Of Capital</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
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</tbody>
</table>

Best/Worst Periods %

<table>
<thead>
<tr>
<th>No. of Periods</th>
<th>1 Yr</th>
<th>3 Yr</th>
<th>5 Yr</th>
<th>10 Yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best</td>
<td>34.2</td>
<td>24.0</td>
<td>18.0</td>
<td>—</td>
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<tr>
<td>Worst</td>
<td>-31.9</td>
<td>-8.0</td>
<td>-0.7</td>
<td>—</td>
</tr>
<tr>
<td>Average</td>
<td>9.0</td>
<td>12.1</td>
<td>11.8</td>
<td>—</td>
</tr>
<tr>
<td>Pct. Positive</td>
<td>82.0</td>
<td>80.3</td>
<td>88.5</td>
<td>—</td>
</tr>
</tbody>
</table>

Quarterly Commentary as at September 30, 2016

The U.S. equity market rose during the period as the post-Brexit recovery continued for the first three weeks of the period before settling into an extremely narrow trading range for the remainder of the quarter. The rebound was driven by better than expected economic data in the U.S., a continued pause in the U.S. Dollar’s long term rally, stabilization in economic data coming out of the emerging markets and a sense that negative implications of the Brexit decision were more local rather than global. These forces combined to reduce the likelihood of an imminent crisis which could have negatively impacted the U.S. economic outlook. In response, corporate bond spreads tightened and stocks marched higher as the worst case scenario appeared increasingly less likely.

In our opinion, market returns over the past year have been held back by slow global growth caused by aging demographics, too much debt and excess manufacturing capacity combined with a slowdown in global growth, especially in China and other emerging markets, which has increased investor anxiety about the economic outlook for the U.S. While we are late in the business cycle, it should continue to trudge forward with the strength of the U.S. just enough to offset the weakness of Japan and the Eurozone. The world’s central banks have done most of the heavy lifting during the recovery and now there is some evidence to suggest the fiscal authorities may be about to become more engaged in the fight to promote growth. If this trend catches on the cycle should continue.

During the period, the market’s best-performing sectors were the Technology, Financials and Industrials, while the rest lagged the market.

Major Buys
Helmerich & Payne
Union Pacific
Prudential Financial

Major Sells
Dollar General
General Mills
Love’s
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.

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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, 2015, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the full-year period, April 1, 2015 to March 31, 2016, expressed on an annualized basis.

Adjusted MER is provided for funds with management fee reductions effective June 30, 2016. The 2015 Adjusted MER represents what the 2015 Reported MER would have been had management fee reductions been in effect throughout 2015.

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.

PH&N Funds Series A formerly known as Series C.

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 units of the Fund as of October 31, 2016. Morningstar ratings are overall ratings reflecting risk adjusted performance as of October 31, 2016. The ratings are subject to change every month. The ratings are calculated for funds with a minimum of 3 years of performance, from a weighted average of the funds’ 3, 5 and 10 year average annual returns (as available) measured against a 91-day Treasury Bill return with appropriate fee adjustments and peer group returns. The top 10% of the funds in a category receive 5 stars (high); if the funds fall in the next 22.5%, they receive 4 stars (above average), a place in the middle 35% earns a fund 3 stars (neutral or average); those in the next 22.5% receive 2 stars (below average); and the lowest 10% get 1 star (low). Ratings are just one factor to consider when investing. For more information, please see www.morningstar.ca.

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