



RBC O'Shaughnessy U.S. Value Fund

Investment Objective

To provide a long-term total return, consisting of capital growth and current income by investing primarily in equity securities of U.S. companies based on Strategy Indexing®, a rigorous and disciplined approach to stock selection based on characteristics associated with above-average returns over long periods of time.

The investment team follows a quantitative stock selection process that is based on decades of empirical research into the historical characteristics that the best-performing value and growth stocks possess. Securities are selected using the investment team's U.S. value strategy, which comprises several stock selection factor composites. Overall, the portfolio seeks to invest in stocks selling at a discount but showing good potential for growth.

Fund Details

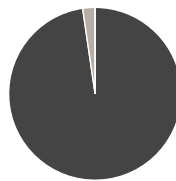
Series	Currency	Fund Code
O	CAD	RBF183
Inception Date		
		September 2006
Total Fund Assets \$Mil		1,337.3
Benchmark		Russell 1000 Value Index (USD)

Notes

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

Portfolio Analysis as of April 30, 2019

Asset Mix



	% Assets
Cash	0.0
Fixed Income	0.0
Canadian Equity	0.0
US Equity	97.7
International Equity	2.3
Other	0.0

Top 10 Holdings

	% Assets
Ameriprise Financial Inc	5.5
Citigroup Inc	5.1
MetLife Inc	4.7
Fifth Third Bancorp	4.1
Citrix Systems Inc	3.9
Yum Brands Inc	3.7
Union Pacific Corp	3.5
Voya Financial Inc	3.4
Cisco Systems Inc	3.3
Amgen Inc	3.2
Total % of Top 10 Holdings	40.1
Total Number of Stock Holdings	59
Total Number of Bond Holdings	0
Total Number of Other Holdings	0
Total Number of Holdings	59

Equity Style

	Value	Blend	Growth
Large	40	16	10
Mid	19	14	1
Small	0	0	0

Weight %
 ● > 50
 ● 25 - 50
 ● 10 - 25
 ○ 0 - 10

Equity Statistics

P/B Ratio	2.1
P/E Ratio	12.3
P/FCF	7.3
P/S	1.0
Avg. Mkt Cap. \$B	40.4
Dividend Yield	2.3

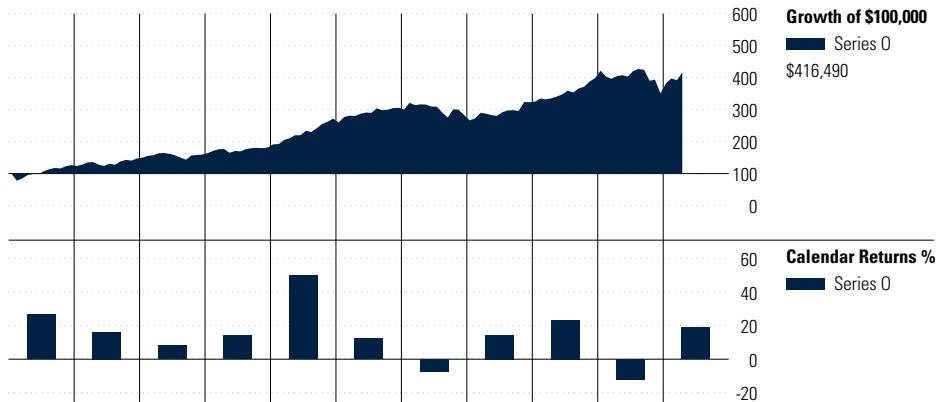
Top 5 Equity Sectors

	% Equity
Financials	31.2
Information Technology	18.8
Industrials	15.3
Consumer Discretionary	11.7
Energy	7.7
% in Top 5 Equity Sectors	84.6

Risk Measures

	Fund	Benchmark
3 Year Std Dev	13.7	10.7
5 Year Std Dev	13.7	11.2

Performance Analysis as of April 30, 2019



Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD	Fund	Benchmark
Calendar Returns %	26.6	16.2	8.3	14.1	49.7	12.4	-7.5	14.3	23.3	-12.0	18.8		
Growth of \$100,000	19.7	15.5	0.4	17.5	32.5	13.5	-3.8	17.3	13.7	-8.3	15.9		

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Fund	6.4	9.0	6.7	3.0	13.2	8.3	15.9	7.6	
Benchmark	3.5	7.5	7.9	9.1	11.0	8.3	13.8	—	



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Management Overview

Manager Bios

Jim O'Shaughnessy

O'Shaughnessy Asset Management

Jim O'Shaughnessy is the Chairman and Co-Chief Investment Officer and Portfolio Manager at O'Shaughnessy Asset Management (OSAM). As founder and Co-Chief Investment Officer of the firm, Jim is ultimately responsible for OSAM's investment strategies. Jim is an equity owner in OSAM and a member of the firm's Executive Committee. Prior to founding OSAM, Jim was the Director of Systematic Equity at Bear Stearns Asset Management and a Senior Managing Director of the firm. Prior to Bear Stearns, he was the CEO and Chairman of O'Shaughnessy Capital Management (Netfolio).

Patrick O'Shaughnessy

O'Shaughnessy Asset Management

Patrick O'Shaughnessy, CFA, Principal is the Chief Executive Officer at O'Shaughnessy Asset Management (OSAM). Patrick oversees the day-to-day business of the firm, directing OSAM's initiatives in the areas of research and portfolio management, investor education, and investor relationships. He also serves as a Portfolio Manager. Prior to his role as CEO, Patrick spent 11 years on OSAM's Research & Portfolio Management team, working to improve the firm's investment strategies.

Performance Analysis Cont'd as of April 30, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	0.08	3.24	1.94	0.32	0.31	1.72	0.28	0.32	0.25	0.21	0.18
Interest	0.08	0.34	0.36	0.32	0.31	0.57	0.28	0.32	0.25	0.21	0.18
Dividends	—	—	0.00	—	—	—	—	—	—	—	—
Capital Gains	—	2.90	1.58	—	—	1.15	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	64.7	2-2012	30.0	2-2014	28.9	2-2019	17.7
Worst	2-2009	-51.6	6-2010	-14.0	5-2012	-3.6	10-2016	5.3
Average		9.4		11.5		13.1		10.0
No. of Periods		140		116		92		32
Pct. Positive		72.1		81.9		83.7		100.0

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

Quarterly Commentary as at March 31, 2019

From a factor perspective, mega cap stocks underperformed and our underweight to them contributed to returns. Our key selection factor Shareholder Yield underperformed and thus detracted. Our Value, Momentum, and Quality (Earnings Growth, Financial Strength, and Earnings Quality) themes all underperformed and detracted from relative returns due to their subsequent overweights. Overweights in this strategy are the result of seeking strong factor profiles and screening out the lowest decile within each factor theme.

From a sector perspective, allocation effects were positive and selection effects were negative. Information Technology and Health Care were the top contributors to allocation effects. Meanwhile, Financials and having no exposure to Real Estate were the top detractors. Financials and Materials were the top contributors to selection effects. Meanwhile, Information Technology and Energy were the top detractors.

It is the policy of the Fund to maintain currency hedges at all times in order to neutralize

exchange-rate movements between the U.S. dollar and the Canadian dollar. This policy had a negative effect on returns during the period.

Based on our key themes, we believe the U.S. Value fund is well positioned versus its benchmark and relative to the overall market. The portfolio's companies have higher levels of return on capital, lower reliance on external financing, and trade at deep discounts across several valuation factors. They are also returning capital to shareholders at a significantly higher rate than the benchmark.

These combined advantages can only be delivered by a portfolio which is distinct from the benchmark. We believe that the portfolio continues to represent a unique take on the U.S. market. As the year progresses, we will continue to focus on our niche of the market: quality companies, often trading at out-of-favor prices, which are aggressively returning capital to equity shareholders through dividends and share repurchases.



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Disclosure

RBC Funds, RBC Private Pools, 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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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.

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MER (%) for RBC Funds, RBC Private Pools, 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.

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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