



# RBC Canadian Equity Fund

## Investment Objective

To provide long-term capital growth by investing primarily in equity securities of major Canadian companies in order to provide broad exposure to economic growth opportunities in Canada.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF269
Adv	Deferred Sales	CAD	RBF847
Adv	Front End	CAD	RBF747
Adv	Low Load	CAD	RBF127
T5	No Load	CAD	RBF434

Inception Date	April 1967
Total Fund Assets \$Mil	2,339.2
Series A NAV \$	24.52
Series A MER %	1.89
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

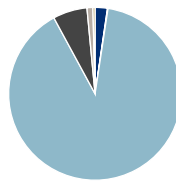
Fund Category	Canadian Equity
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Management Company	RBC Global Asset Management Inc.
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Web Site	www.rbcgam.com
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## Portfolio Analysis as of September 30, 2018

### Asset Mix

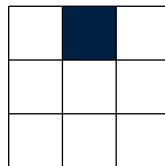


	% Assets
Cash	2.3
Fixed Income	0.1
Canadian Equity	89.6
US Equity	6.4
International Equity	1.1
Other	0.4

### Top 25 Holdings

	% Assets
Royal Bank of Canada	6.8
The Toronto-Dominion Bank	5.4
Bank of Nova Scotia	5.2
Enbridge Inc	3.4
Suncor Energy Inc	3.2
Bank of Montreal	2.9
Manulife Financial Corp	2.8
Canadian National Railway Co	2.7
Nutrien Ltd	2.6
Canadian Natural Resources Ltd	2.5
TransCanada Corp	2.4
Brookfield Asset Mgmt Inc Cl A	2.4
CIBC	2.2
Canadian Pacific Railway Ltd	1.6
Sun Life Financial Inc	1.6
Alimentation Couche-Tard Inc B	1.5
SNC-Lavalin Group Inc	1.5
BCE Inc	1.4
Thomson Reuters Corp	1.4
Pembina Pipeline Corp	1.4
UnitedHealth Group Inc	1.3
Magna International Inc Class A	1.2
Keyera Corp	1.1
Canadian Tire Corp Ltd Class A	1.0
Teck Resources Ltd Class B	1.0
Total % of Top 25 Holdings	60.5
Total Number of Stock Holdings	134
Total Number of Bond Holdings	0
Total Number of Other Holdings	4
<b>Total Number of Holdings</b>	<b>138</b>

### Equity Style



Value Blend Growth

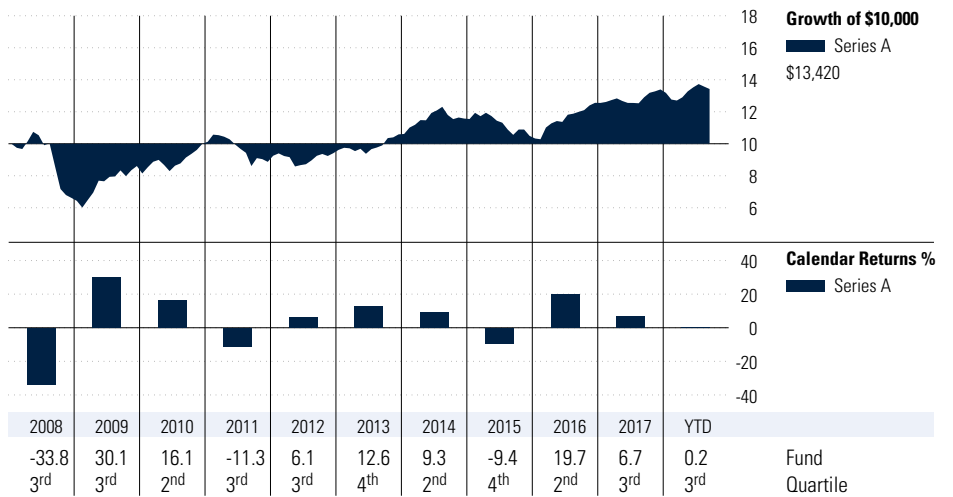
### Equity Statistics

P/B Ratio	1.7
P/E Ratio	14.2
Avg. Mkt Cap. \$B	29.2

### Global Equity Sectors

	% Equity
Financials	33.1
Energy	22.0
Industrials	10.4
Materials	9.7
Utilities	5.0
Consumer Staples	4.5
Communication Services	4.5
Real Estate	4.4
Consumer Discretionary	3.5
Health Care	1.9
Information Technology	1.3
Unclassified	0.0

## Performance Analysis as of September 30, 2018



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Return	-1.1	-0.8	5.7	4.0	8.3	6.3	4.6	8.7	Fund
Ranking	2 <sup>nd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	—	Quartile
No. of Funds in Category	648	619	612	594	436	342	161	—	



# RBC Canadian Equity Fund

## Management Overview

### Manager Bios

#### Jennifer McClelland

#### RBC Global Asset Management Inc.

Jennifer McClelland is Vice President and Senior Portfolio Manager, Canadian Equities. Jennifer began her investment career in 1993. She is a member of the North American equity team and is responsible for core and income-oriented Canadian equity mandates. Jennifer has a Bachelor Degree in Economics from the University of Western Ontario and is a CFA charterholder.

### Performance Analysis Cont'd as of September 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	1.95	0.14	0.34	3.34	0.16	0.05	1.18	1.42	0.89	—
Interest	—	—	—	—	—	—	—	—	—	—	—
Dividends	—	0.09	0.14	0.11	0.08	0.16	0.05	—	—	—	—
Capital Gains	—	1.86	—	0.23	3.26	—	—	1.18	1.42	0.89	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	8-2000	42.1	3-2006	24.5	10-2007	19.2	8-2008	11.5
Worst	2-2009	-38.3	2-2009	-9.4	5-2012	-3.0	5-2018	2.1
Average		8.2		7.8		7.5		7.1
No. of Periods		289		265		241		181
Pct. Positive		73.4		84.9		92.1		100.0

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

### Quarterly Commentary as at September 30, 2018

The S&P/TSX Composite Index hit an all-time high in mid-July, but retreated during the remainder of the quarter on uncertainty about the impact of the Trump administration's focus on global trade, in general, and NAFTA, in particular. At the very end of September, however, Canada agreed to join an updated trade deal to be called the United States-Mexico-Canada Agreement. The deal, if approved by legislators in the three countries, would avoid abandonment of one of the world's most successful trading arrangements.

Security selection was the primary driver of relative performance for the Fund during the third quarter. This was highlighted by an overweight position of Air Canada within the Industrials sector as the stock advanced after posting strong earnings and revenue growth while coming to terms on its acquisition of Aeroplan from Aimia. Additionally, the Fund's off-benchmark position in UnitedHealth Group supported returns as the company reported strong earnings and revenue, while updating its forward looking guidance.

The Fund's overweight position in PrairieSky Royalty in the Energy sector detracted from performance. Weakness arose over concerns surrounding challenged activity levels in their key basins given commodity price netback challenges – the stock tends to be more vulnerable to volatility given its high multiple.

The Canadian economy continues to show signs of strength, with the unemployment rate at its lowest level in four decades. A string of positive policy developments, coinciding with the possibility of business-tax cuts in the next federal budget, have stoked optimism that the Canadian economy can continue to expand comfortably. That said, some investors are worried about the sustainability of Canada's domestic housing market and diminishing competitiveness relative to the U.S. Canadian equities remain attractively valued, in the view of the portfolio manager, suggesting there is the potential for gains in the months ahead.



# RBC Canadian Equity 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 funds are not guaranteed or covered by the Canadian 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, 2018, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the full year period, April 1, 2017 to March 31, 2018.

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 September 30, 2018.

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