



# RBC U.S. Equity Value Class

## Investment Objective

To provide long-term capital growth. The fund invests primarily in equity securities of U.S. companies that are attractively valued relative to their peers, their own valuation history and the broader stock market, while also offering long-term opportunities for growth, either directly or indirectly through investment in other mutual funds managed by RBC GAM or an affiliate.

## Fund Details

| Series | Load Structure | Currency | Fund Code |
|--------|----------------|----------|-----------|
| A      | No Load        | CAD      | RBF3028   |
| A      | No Load        | USD      | RBF3041   |
| Adv    | Front End      | CAD      | RBF3228   |
| Adv    | Low Load       | CAD      | RBF3428   |
| Adv    | Low Load       | USD      | RBF3441   |

|                         |                                  |
|-------------------------|----------------------------------|
| Inception Date          | January 2015                     |
| Total Fund Assets \$Mil | 1.0                              |
| Series A NAV \$         | 14.38                            |
| Series A MER %          | 1.92                             |
| Benchmark               | S&P 500 Total Return Index (C\$) |

|                            |          |
|----------------------------|----------|
| Income Distribution        | Annually |
| Capital Gains Distribution | Annually |

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

|               |           |
|---------------|-----------|
| Fund Category | US Equity |
|---------------|-----------|

|                    |                                  |
|--------------------|----------------------------------|
| Management Company | RBC Global Asset Management Inc. |
|--------------------|----------------------------------|

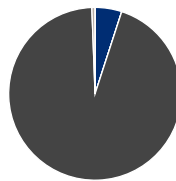
|          |                |
|----------|----------------|
| Web Site | www.rbcgam.com |
|----------|----------------|

## Notes

Performance Analysis is in CAD and for CAD series A fund (RBF3028).

## Portfolio Analysis as of April 30, 2019

### Asset Mix

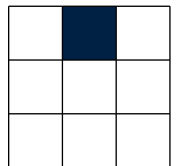


|                      | % Assets |
|----------------------|----------|
| Cash                 | 5.0      |
| Fixed Income         | 0.0      |
| Canadian Equity      | 0.0      |
| US Equity            | 94.4     |
| International Equity | 0.6      |
| Other                | 0.0      |

### Top 10 Holdings

|                                 | % Assets   |
|---------------------------------|------------|
| Microsoft Corp                  | 4.9        |
| Alphabet Inc A                  | 3.8        |
| Apple Inc                       | 3.7        |
| JPMorgan Chase & Co             | 2.5        |
| Facebook Inc A                  | 2.5        |
| Johnson & Johnson               | 2.2        |
| Berkshire Hathaway Inc B        | 1.9        |
| Bank of America Corporation     | 1.7        |
| Exxon Mobil Corp                | 1.6        |
| Chevron Corp                    | 1.5        |
| Total % of Top 10 Holdings      | 26.3       |
| Total Number of Stock Holdings  | 119        |
| Total Number of Bond Holdings   | 0          |
| Total Number of Other Holdings  | 1          |
| <b>Total Number of Holdings</b> | <b>120</b> |

### Equity Style



Value Blend Growth

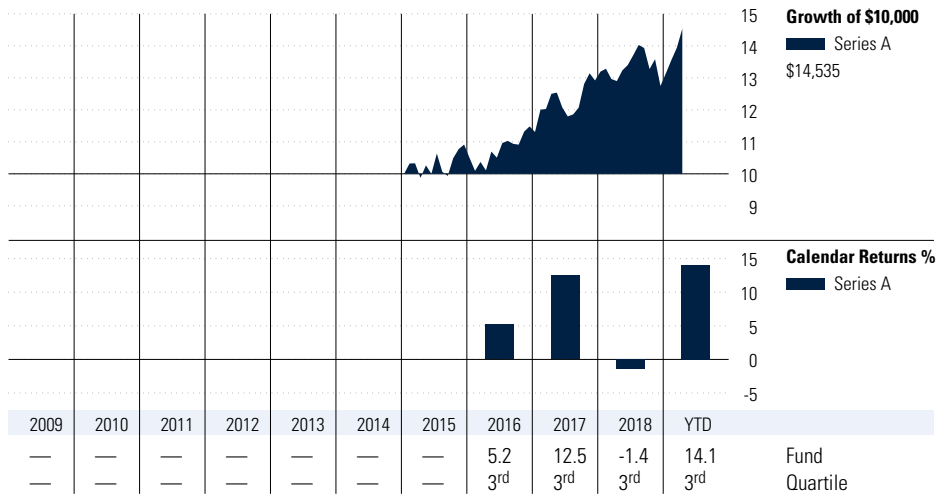
### Equity Statistics

|                   |       |
|-------------------|-------|
| P/B Ratio         | 2.8   |
| P/E Ratio         | 17.0  |
| Avg. Mkt Cap. \$B | 185.0 |

### Global Equity Sectors

|                        | % Equity |
|------------------------|----------|
| Information Technology | 19.3     |
| Financials             | 14.8     |
| Health Care            | 12.9     |
| Communication Services | 10.7     |
| Consumer Staples       | 9.7      |
| Industrials            | 9.6      |
| Consumer Discretionary | 9.3      |
| Energy                 | 8.3      |
| Real Estate            | 2.3      |
| Materials              | 1.6      |
| Utilities              | 1.3      |
| Unclassified           | 0.0      |

## Performance Analysis as of April 30, 2019



|  | 1 Mth           | 3 Mth           | 6 Mth           | 1 Yr            | 3 Yr            | 5 Yr | 10 Yr | Since Incep. | Trailing Return %        |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|------|-------|--------------|--------------------------|
|  | 4.3             | 10.6            | 9.5             | 12.7            | 12.9            | —    | —     | 8.9          | Fund                     |
|  | 2 <sup>nd</sup> | 2 <sup>nd</sup> | 3 <sup>rd</sup> | 3 <sup>rd</sup> | 3 <sup>rd</sup> | —    | —     | —            | Quartile                 |
|  | 1826            | 1819            | 1782            | 1683            | 1120            | 722  | 295   | —            | No. of Funds in Category |



# RBC U.S. Equity Value Class

## Management Overview

### Manager Bios

#### Stuart Kedwell

##### RBC Global Asset Management Inc.

Stuart Kedwell is Senior Vice President and Co-Head, North American Equities. He has been in the investment industry since 1997.

#### Doug Raymond

##### RBC Global Asset Management Inc.

Doug Raymond is Senior Vice President and Co-Head, North American Equities. He has been in the investment industry since 1985.

### Performance Analysis Cont'd as of April 30, 2019

| Distributions (\$)/Unit | YTD* | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|
| Total Distributions     | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    |
| Interest                | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    |
| Dividends               | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    |
| Capital Gains           | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    |
| Return Of Capital       | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    |

| Best/Worst Periods % | Ended  | 1 Yr | Ended   | 3 Yr  | Ended | 5 Yr | Ended | 10 Yr |
|----------------------|--------|------|---------|-------|-------|------|-------|-------|
| Best                 | 4-2017 | 23.7 | 4-2019  | 12.9  | —     | —    | —     | —     |
| Worst                | 2-2016 | -2.2 | 12-2018 | 5.3   | —     | —    | —     | —     |
| Average              |        | 8.9  |         | 9.4   |       | —    |       | —     |
| No. of Periods       |        | 40   |         | 16    |       | —    |       | —     |
| Pct. Positive        |        | 92.5 |         | 100.0 |       | —    |       | —     |

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

### Quarterly Commentary as at March 31, 2019

Thus far in 2019, U.S. equities have pivoted off the Christmas Eve lows, staging a strong rebound, if only reclaiming a portion of the losses of 2018. The main support for the rebound has been more dovish central banks, though promising trade negotiations have also contributed.

Throughout the quarter, relative performance of the fund benefited from security selection within the Consumer Staples sector. In this regard, the fund's overweight position in Conagra Brands was beneficial as shares in the packaged-food giant advanced on reports that integration of its newly acquired business, Pinnacle, is on track after some initial warning signs. In addition, the fund benefited from an overweight position in PVH as the clothing company put mistakes from its Calvin Klein brand behind them and has seen strength in its Tommy Hilfiger line.

Conversely, security selection within the Health

Care sector was a net drag on performance. The fund's overweight position in UnitedHealth weighed on returns. While it's a well-run company, it doesn't have as many levers to pull as others in the sector and we moved to eliminate this overweight position over the course of the quarter.

Looking forward, the profit outlook for the rest of 2019 may be challenged given the absence of another round of tax cuts and slower economic growth. However, moderate inflation and accommodative monetary policy should provide support for stocks. In addition, we continue to be mindful of the ongoing U.S.-China trade negotiations, the pace of global growth, and rising geopolitical concerns. Based on the balance of risks, we believe that for now, the global economy should continue to expand fast enough to support stocks in the short term, but there is less clarity to our intermediate-term view.



## RBC U.S. Equity Value Class

### 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 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.

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 April 30, 2019.

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