



# RBC U.S. Equity Value Fund

## 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.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF473
A	No Load	USD	RBF474
Adv	Front End	CAD	RBF6733
Adv	Low Load	CAD	RBF4073
Adv	Front End	USD	RBF6734
Adv	Low Load	USD	RBF4074

Inception Date	March 2014
Total Fund Assets \$Mil	50.0
Series A NAV \$	14.97
Series A MER %	1.87
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
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Management Company	RBC Global Asset Management Inc.
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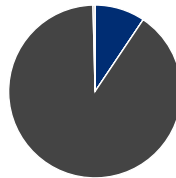
Web Site	www.rbcgam.com
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## Notes

Performance Analysis is in CAD and for CAD series A fund (RBF473).

## Portfolio Analysis as of January 31, 2018

### Asset Mix

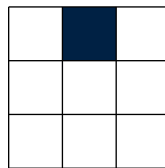


	% Assets
Cash	9.4
Fixed Income	0.0
Canadian Equity	0.0
US Equity	90.2
International Equity	0.4
Other	0.0

### Top 10 Holdings

	% Assets
Microsoft Corp	3.6
Apple Inc	3.5
Alphabet Inc A	3.5
Berkshire Hathaway Inc B	2.3
JPMorgan Chase & Co	2.3
Johnson & Johnson	2.0
Bank of America Corporation	1.8
Exxon Mobil Corp	1.7
UnitedHealth Group Inc	1.6
Facebook Inc A	1.6
Total % of Top 10 Holdings	23.8
Total Number of Stock Holdings	140
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
<b>Total Number of Holdings</b>	<b>141</b>

### Equity Style



Value Blend Growth

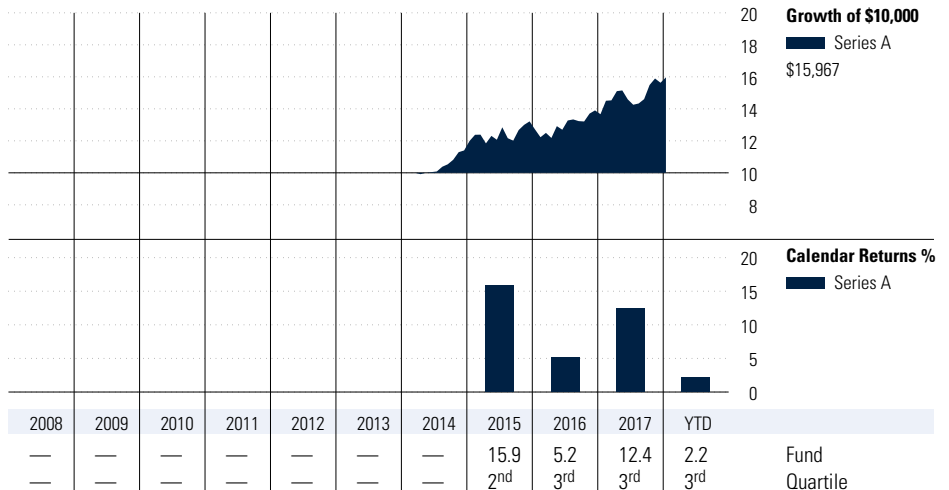
### Equity Statistics

P/B Ratio	2.8
P/E Ratio	19.2
Avg. Mkt Cap. \$B	160.6

### Global Equity Sectors

	% Equity
Information Technology	24.2
Financials	17.4
Health Care	12.9
Industrials	12.0
Consumer Discretionary	10.1
Consumer Staples	8.6
Energy	7.5
Utilities	2.4
Materials	2.3
Real Estate	1.7
Telecommunication Services	1.0
Unclassified	0.0

## Performance Analysis as of January 31, 2018



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
2.2	3.1	12.0	16.9	10.0	—	—	12.4	Fund
3 <sup>rd</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	—	—	—	Quartile
1412	1410	1386	1324	906	606	258	—	No. of Funds in Category



# RBC U.S. Equity Value Fund

## 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 January 31, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	—	—	0.64	0.03	—	—	—	—	—	—
Interest	—	—	—	0.00	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	0.64	0.03	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	7-2015	27.4	4-2017	15.1	—	—	—	—
Worst	2-2016	-1.2	1-2018	10.0	—	—	—	—
Average		12.5		12.5				
No. of Periods		35		11				
Pct. Positive		97.1		100.0				

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

### Quarterly Commentary as at December 31, 2017

The U.S. stock market finished a strong year, on the back of solid returns from cyclical sectors. The strong overall performance was driven by the continuation of the synchronized global economic expansion, still accommodative global central-bank policy and low market interest rates and inflation, which drove better-than-expected financial performance for most U.S. companies. Tax reform also helped to lift investor sentiment late in the year.

During the quarter, the Fund's relative performance was boosted by the Health Care and Utilities sectors, while Industrials was a drag.

Security selection and an underweight allocation to the Health Care sector aided returns. In particular, the exclusion of Celgene improved returns as the stock took a hit in October after the company reduced their outlook and reported disappointing sales of its psoriasis drug.

In the Utilities sector, the Fund's exclusion of PG&E, PPL Corp and The Southern Company all benefitted performance as the stocks declined.

Conversely in the Industrials sector, an overweight position in Johnson Controls weighed on performance. The stock declined as anticipated synergies from the company's acquisition of Tyco have not materialized to this point.

While our base case is for stocks to rise modestly over the next year, there are several scenarios that could lead to declines, including an escalation of tensions with North Korea, a policy mistake by the U.S. Federal Reserve (Fed) or protectionist trade moves by the Trump administration. Our indicators suggest that the odds of a recession remain fairly low, but with valuations at an eight-year high and the Fed intent on normalizing interest rates, the risks have increased and earnings growth remains key for return prospects.



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## 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, 2017, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the half-year period, April 1, to September 30, 2017, expressed on an annualized basis.

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 January 31, 2018.

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