



# 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	42.6
Series A NAV \$	14.20
Series A MER %	1.96
Series A Adjusted MER %	1.88
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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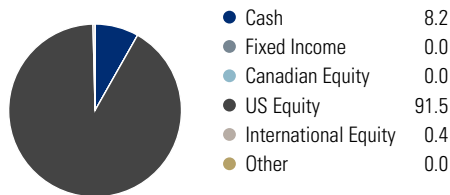
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Notes

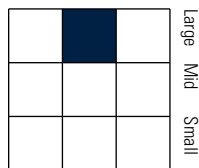
Performance Analysis is in CAD and for CAD series A fund (RBF473).

## Portfolio Analysis as of May 31, 2017

### Asset Mix



### Equity Style



Value Blend Growth

### Equity Statistics

P/B Ratio	2.7
P/E Ratio	20.4
Avg. Mkt Cap. \$B	130.3

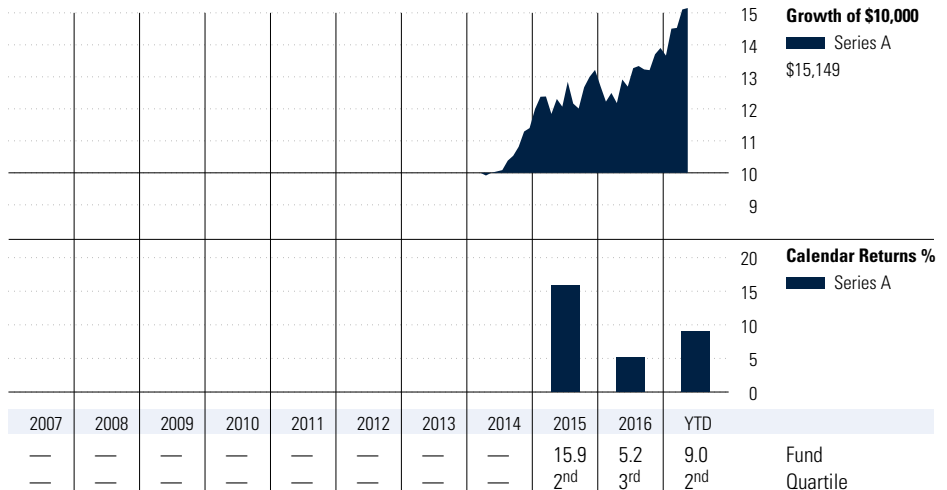
### Top 10 Holdings

Company	% Assets
Apple Inc	3.7
Alphabet Inc A	3.3
Microsoft Corp	3.1
Johnson & Johnson	2.2
Berkshire Hathaway Inc B	1.9
Exxon Mobil Corp	1.9
JPMorgan Chase & Co	1.8
Bank of America Corporation	1.5
Pfizer Inc	1.5
Facebook Inc A	1.5
Total % of Top 10 Holdings	22.6
Total Number of Stock Holdings	306
Total Number of Bond Holdings	0
Total Number of Other Holdings	3
<b>Total Number of Holdings</b>	<b>309</b>

### Global Equity Sectors

Sector	% Equity
Information Technology	23.1
Health Care	15.0
Financials	14.2
Industrials	12.4
Consumer Discretionary	11.3
Consumer Staples	8.8
Energy	6.7
Real Estate	2.6
Materials	2.3
Utilities	2.2
Telecommunication Services	1.5
Unclassified	0.0

## Performance Analysis as of May 31, 2017



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
0.3	4.4	10.6	17.3	14.8	—	—	13.4	Fund
2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	—	—	—	Quartile
1377	1367	1338	1228	841	485	213	—	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 May 31, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
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	3-2017	13.3	—	—	—	—
Average		12.4		14.4				
No. of Periods		27		3				
Pct. Positive		96.3		100.0				

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

### Quarterly Commentary as at March 31, 2017

The U.S. stock market continued to surge higher in the first quarter, extending the rally that began a little over a year ago. Much like the quarter that preceded it, this most recent period featured strong rotations in sectors and style leadership as investors weighed the likelihood of the individual elements of President Trump's legislative agenda coming to fruition. The start of 2017 has been highlighted by strength in growth over value (a change from last year) and a general reversal in sector performance, as Tech and Discretionary led the way and Energy and Telecom lagged the index. Volatility has been relatively low; the VIX averaged 12 in the first quarter.

This quarter featured a reversal of the cyclical strength seen in the final quarter of 2016. Industrials was the largest source of strength for the portfolio, particularly pertaining to security selection. Overweights in Allegion (17.4%), Stanley Black & Decker (15.3%), and Rockwell Automation (15.3%) contributed to strength in the sector.

Energy dragged down index performance due to

weaker oil prices. Concern about OPEC compliance discipline and rising rig counts in the U.S. contributed to the weakness. Seasonally weaker demand also did not help to ease investor uneasiness in a volatile sector. An overweight in Chevron (-8.8%) detracted from returns, although security selection in Energy was a positive for the portfolio overall. Chevron's weakness was due to lower-than-expected downstream revenue and higher corporate expenses. A slight overweight to the sector detracted from performance, however, the portfolio managers continue to believe in the long-term success of energy companies with strong, sustainable balance sheets, while also exhibiting healthy levels of free cash flow.

Leading economic indicators are at their best levels in several years, economic surprises have been positive and corporate earnings continue to recover. Taken together, global economic signals remain quite strong by post-crisis standards. As a result, risk assets such as equities and corporate credit have performed well.



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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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and estimates constitute RBC GAM's judgment as of the date of this document, are subject to change without notice and are provided in good faith but without legal responsibility. The Top Ten/25 Holdings may change due to ongoing portfolio transactions within the fund. The Prospectus and other information about the underlying investment funds are available at [www.sedar.com](http://www.sedar.com).

MER (%) for RBC Funds and PH&N Funds is based on actual expenses for the full-year period, January 1 to December 31, 2016, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the full-year period, April 1, 2016 to March 31, 2017, expressed on an annualized basis.

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

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 and F units of the Fund as of April 30, 2017.

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