



RBC O'Shaughnessy Canadian Equity Fund

Investment Objective

To provide a long-term total return by investing primarily in equity securities of Canadian and 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.

Fund Details

| Series | Load Structure | Currency | Fund Code |
|--------|----------------|----------|-----------|
| A | No Load | CAD | RBF550 |
| Adv | Front End | CAD | RBF775 |
| Adv | Low Load | CAD | RBF128 |

| | |
|-------------------------|---------------------------------------------|
| Inception Date | November 1997 |
| Total Fund Assets \$Mil | 716.3 |
| Series A NAV \$ | 22.42 |
| Series A MER % | 1.54 |
| 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 |

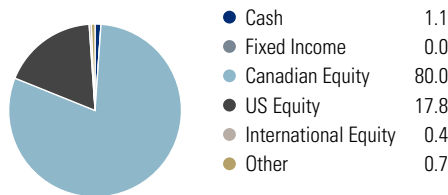
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|---------------|-------------------------|
| Fund Category | Canadian Focused Equity |
|---------------|-------------------------|

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

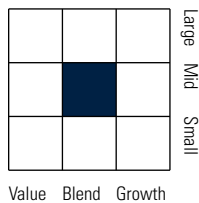
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|----------|----------------|
| Web Site | www.rbcgam.com |
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Portfolio Analysis as of January 31, 2018

Asset Mix



Equity Style



Global Equity Sectors

| Sector | % Equity |
|----------------------------|----------|
| Financials | 25.9 |
| Materials | 18.8 |
| Consumer Discretionary | 15.3 |
| Consumer Staples | 10.4 |
| Industrials | 8.3 |
| Health Care | 5.4 |
| Real Estate | 4.5 |
| Energy | 4.2 |
| Information Technology | 3.8 |
| Utilities | 2.3 |
| Telecommunication Services | 1.1 |
| Unclassified | 0.0 |

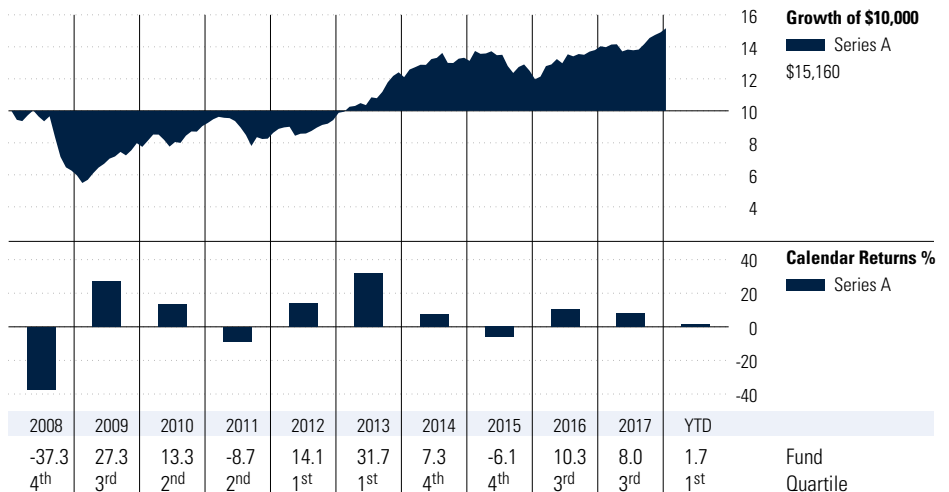
Top 10 Holdings

| Company | % Assets |
|---------------------------------|------------|
| Sun Life Financial Inc | 3.7 |
| Manulife Financial Corp | 3.5 |
| Teck Resources Ltd Class B | 3.5 |
| West Fraser Timber Co.Ltd | 3.4 |
| Royal Bank of Canada | 3.2 |
| Canadian Tire Corp Ltd Class A | 2.6 |
| The Toronto-Dominion Bank | 2.5 |
| Methanex Corp | 2.3 |
| Great-West Lifeco Inc | 2.1 |
| CI Financial Corp | 2.1 |
| Total % of Top 10 Holdings | 29.0 |
| Total Number of Stock Holdings | 142 |
| Total Number of Bond Holdings | 0 |
| Total Number of Other Holdings | 2 |
| Total Number of Holdings | 144 |

Equity Statistics

| | |
|-------------------|------|
| P/B Ratio | 1.9 |
| P/E Ratio | 13.5 |
| Avg. Mkt Cap. \$B | 11.0 |

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 % |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|--------------------------|
| 1.7 | 4.2 | 10.0 | 8.0 | 4.9 | 8.9 | 5.1 | 7.8 | Fund Quartile |
| 1 st | 1 st | 1 st | 3 rd | 3 rd | 3 rd | 3 rd | — | No. of Funds in Category |
| 739 | 736 | 732 | 699 | 535 | 425 | 208 | — | |



RBC O'Shaughnessy Canadian Equity Fund

Management Overview

Manager Bios

Jim P. O'Shaughnessy

O'Shaughnessy Asset Management

Jim O'Shaughnessy is the Chairman, Chief Investment Officer and Portfolio Manager at O'Shaughnessy Asset Management (OSAM). Jim is ultimately responsible for OSAM's investment strategies and 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).

Performance Analysis Cont'd as of January 31, 2018

| Distributions (\$)/Unit | YTD* | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|
| Total Distributions | — | 0.16 | 0.24 | 0.14 | 0.11 | 0.16 | 0.21 | 0.09 | 0.14 | 0.30 | 0.43 |
| Interest | — | 0.00 | — | — | — | — | — | — | — | 0.01 | 0.18 |
| Dividends | — | 0.16 | 0.24 | 0.14 | 0.11 | 0.16 | 0.21 | 0.09 | 0.14 | 0.28 | 0.25 |
| Capital Gains | — | — | — | — | — | — | — | — | — | — | — |
| Return Of Capital | — | — | — | — | — | — | — | — | — | — | — |

| Best/Worst Periods % | Ended | 1 Yr | Ended | 3 Yr | Ended | 5 Yr | Ended | 10 Yr |
|----------------------|--------|-------|--------|-------|---------|------|--------|-------|
| Best | 3-2010 | 49.8 | 3-2006 | 26.9 | 10-2007 | 18.9 | 8-2008 | 13.4 |
| Worst | 2-2009 | -41.8 | 2-2009 | -13.8 | 5-2012 | -4.2 | 5-2017 | 2.7 |
| Average | | 9.2 | | 9.1 | | 9.0 | | 6.9 |
| No. of Periods | | 231 | | 207 | | 183 | | 123 |
| Pct. Positive | | 73.6 | | 84.1 | | 89.1 | | 100.0 |

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

Quarterly Commentary as at December 31, 2017

Being smaller than the market aided returns as smaller cap stocks outperformed. An overweight to discounted stocks detracted from performance. Industry allocation effects were a positive, notably an underweight allocation to Energy. The Fund seeks stocks that meet certain quality criteria for earnings quality, financial strength, momentum, valuation, and earnings growth. The Fund then focuses equally on stocks that are priced at a discount relative to sales, earnings, and cash flows, and have strong momentum. In constructing the Fund we ignore market capitalization as a factor. In a market like Canada, which tends to be dominated by a narrow group of very large stocks, this means our Fund tends to skew smaller than the benchmark. This was again the case in Q4, and benefitted the Fund. Our favoritism for stocks priced at a discount modestly aided performance. Momentum ended Q4 outperforming by 1.7%. Momentum was one of the stronger factors in 2017, outperforming by 6.8% cumulatively, and contributing 0.4% to excess return. Overweights to our quality factors detracted -0.3% in Q4, and -0.7% in 2017.

Overall sector allocation effects added and security selection effects detracted from returns for Q4. An overweight allocation to Health Care and an underweight allocation to Energy aided returns while an underweight allocation to Financials detracted from returns. Security selection within Materials and Consumer Discretionary aided returns for Q4 while security selections within Energy, Health Care, and Consumer Staples detracted from returns.

Our research of individual stock data leads us to believe that Value, Momentum, and Quality are themes that are critically important to future outperformance. We consistently avoid sectors and industries that exhibit unfavorable characteristics, and hone in on areas of the market that are favorable in the ways we deem relevant. Given the Fund's positioning relative to its benchmark—measured by key characteristics we use in our stock selection process—we believe the Fund is well situated for 2018.



RBC O'Shaughnessy 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, 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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