



# RBC O'Shaughnessy U.S. Value Fund

## Investment Objective

To provide a long-term total return, consisting of capital growth and current income by investing primarily in equity securities of 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	RBF552
Adv	Front End	CAD	RBF776
Adv	Low Load	CAD	RBF134

Inception Date	November 1997
Total Fund Assets \$Mil	1,543.4
Series A NAV \$	17.64
Series A MER %	1.55
Benchmark	Russell 1000 Value Index (USD)

Income Distribution	Quarterly
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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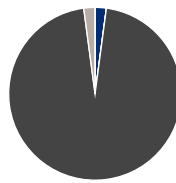
Web Site	www.rbcgam.com
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## Notes

This is a continuing fund resulting from a merger effective June 27, 2014.

## Portfolio Analysis as of September 30, 2018

### Asset Mix

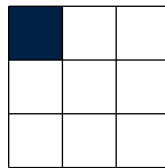


	% Assets
Cash	2.1
Fixed Income	0.0
Canadian Equity	0.0
US Equity	95.7
International Equity	2.1
Other	0.0

### Top 25 Holdings

	% Assets
Ameriprise Financial Inc	4.8
Marathon Petroleum Corp	4.7
Citigroup Inc	4.7
MetLife Inc	3.3
Fifth Third Bancorp	3.3
Voya Financial Inc	3.1
Sysco Corp	3.1
Procter & Gamble Co	3.0
Valero Energy Corp	2.9
Conagra Brands Inc	2.9
Citrix Systems Inc	2.9
The Western Union Co	2.9
Regions Financial Corp	2.8
The Hartford Financial Services Grp Inc	2.8
Corning Inc	2.5
Amgen Inc	2.5
Best Buy Co Inc	2.4
Seagate Technology PLC	2.1
Juniper Networks Inc	2.1
Ally Financial Inc	1.9
ConocoPhillips	1.9
Anadarko Petroleum Corp	1.8
Sealed Air Corp	1.8
Celanese Corp	1.7
American Airlines Group Inc	1.6
Total % of Top 25 Holdings	69.5
Total Number of Stock Holdings	55
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
<b>Total Number of Holdings</b>	<b>56</b>

### Equity Style



Value Blend Growth

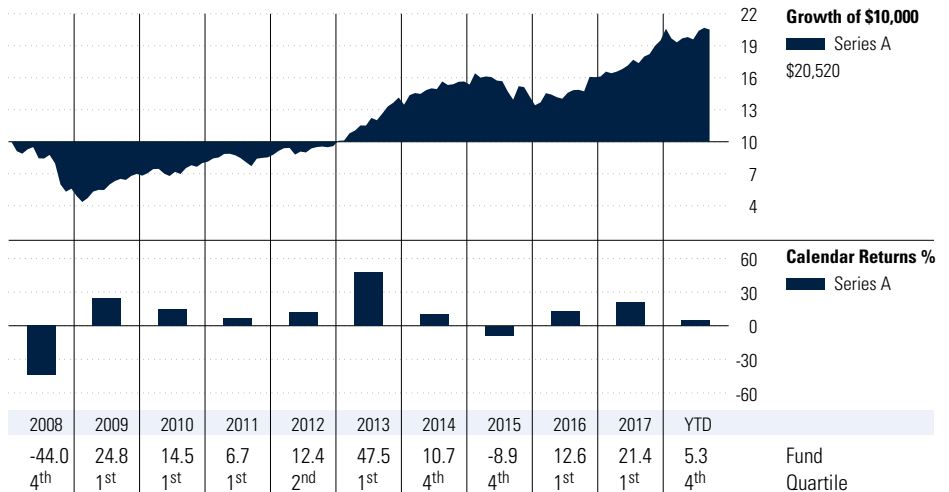
### Equity Statistics

P/B Ratio	2.1
P/E Ratio	13.1
Avg. Mkt Cap. \$B	37.4

### Global Equity Sectors

	% Equity
Financials	29.3
Information Technology	15.8
Energy	13.2
Consumer Staples	12.8
Consumer Discretionary	11.5
Industrials	9.0
Materials	4.3
Health Care	3.2
Communication Services	1.0
Utilities	0.0
Real Estate	0.0
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 %
	-0.8	4.7	6.2	14.1	13.8	10.2	9.9	6.9	Fund
		3 <sup>rd</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	—	Quartile
	1459	1424	1403	1371	939	649	266	—	No. of Funds in Category



# RBC O'Shaughnessy U.S. Value Fund

## Management Overview

### Manager Bios

#### Jim P. O'Shaughnessy

##### O'Shaughnessy Asset Management

Jim O'Shaughnessy is the Chairman of O'Shaughnessy Asset Management (OSAM). Also serving as the Chief Investment Officer of the firm, Jim is ultimately responsible for OSAM's investment strategies. He directs the Senior Portfolio Manager, Director of Research, and the Portfolio Management Team and helps to set the agenda for the team. He is also responsible for the development of OSAM's existing strategies and directs the team on idea generation and specific initiatives to improve the models and develop new factors and products.

#### Patrick O'Shaughnessy

##### O'Shaughnessy Asset Management

Patrick O'Shaughnessy is the Chief Executive Officer at O'Shaughnessy Asset Management (OSAM). Patrick oversees the day-to-day business of the firm, directing OSAM's initiatives in the areas of research and portfolio management, investor education and client service and relationships. He also serves as a Portfolio Manager. Prior to his role as CEO, Patrick spent 11 years on OSAM's Research & Portfolio Management team, working to improve the firm's investment strategies.

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

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.08	1.62	0.21	0.08	1.38	0.09	0.20	0.11	0.09	0.09	0.09
Interest	0.08	0.08	0.21	0.08	0.27	0.09	0.20	0.10	0.09	0.09	0.09
Dividends	—	0.00	—	—	—	—	—	0.01	—	—	—
Capital Gains	—	1.53	—	—	1.11	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	62.4	2-2012	28.1	2-2014	27.0	9-2018	9.9
Worst	2-2009	-52.3	2-2009	-22.4	2-2009	-11.6	2-2009	-1.8
Average		8.7		8.0		8.0		4.6
No. of Periods		239		215		191		131
Pct. Positive		74.9		81.9		72.8		93.9

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

### Quarterly Commentary as at September 30, 2018

From a factor perspective, our exposure to higher beta stocks was a positive to relative returns. An overweight exposure to the Momentum factor was also a positive. We do not specifically seek strong Momentum in the strategy, but the overweight is a result of our explicitly screening out poor Momentum. The largest factor detractors were our exposure to smaller capitalization names than the benchmark and an overweight to stocks with strong Financial Strength.

From a sector perspective, allocation effects were negative and selection effects were positive. Real Estate and Utilities were the top contributors to allocation effects. Meanwhile, Health Care and Consumer Discretionary were the top detractors. Consumer Discretionary and Energy were the top contributors to selection effects. Meanwhile, Information Technology and Materials were the top detractors.

It is the policy of the Fund to maintain currency hedges at all times in order to neutralize exchange-rate movements between the U.S. dollar

and the Canadian dollar. This policy had a positive effect on returns during the period.

Based on our key themes, we believe the Fund is well positioned versus its benchmark and relative to the overall market. The portfolio's companies have higher levels of return on capital, lower reliance on external financing, and trade at deep discounts across several valuation factors. They are also returning capital to shareholders at a significantly higher rate than the benchmark.

These combined advantages can only be delivered by a portfolio which is distinct from the benchmark. We believe that the portfolio continues to represent a unique take on the U.S. market. As the year progresses, we will continue to focus on our niche of the market: quality companies, often trading at out-of-favor prices, which are aggressively returning capital to equity shareholders through dividends and share repurchases.



## RBC O'Shaughnessy U.S. Value 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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