



# RBC North American Value Fund

## Investment Objective

To provide long-term capital growth by investing primarily in equity securities of Canadian and/or U.S. companies priced below their true value and offering long-term opportunities for growth.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF554
Adv	Deferred Sales	CAD	RBF857
Adv	Front End	CAD	RBF766
Adv	Low Load	CAD	RBF130
Adv T5	Front End	CAD	RBF6504
Adv T5	Low Load	CAD	RBF033
T5	No Load	CAD	RBF504

Inception Date	April 1998
Total Fund Assets \$Mil	3,085.3
Series A NAV \$	23.90
Series A MER %	1.94
Benchmark	50% S&P/TSX Capped Composite Total Return Index 50% S&P 500 Total Return Index (C\$)

Income Distribution	Annually
Capital Gains Distribution	Annually

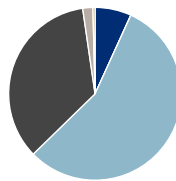
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Fund Category	Canadian Focused Equity
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Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Portfolio Analysis as of April 30, 2018

### Asset Mix



	% Assets
Cash	6.8
Fixed Income	0.0
Canadian Equity	55.9
US Equity	35.0
International Equity	1.9
Other	0.4

### Top 10 Holdings

	% Assets
Bank of Nova Scotia	3.9
The Toronto-Dominion Bank	3.9
Royal Bank of Canada	3.7
Brookfield Asset Management Inc Class A	2.8
Suncor Energy Inc	2.6
Enbridge Inc	2.2
Canadian Natural Resources Ltd	2.0
Alphabet Inc C	1.7
JPMorgan Chase & Co	1.7
UnitedHealth Group Inc	1.6
Total % of Top 10 Holdings	26.2
Total Number of Stock Holdings	120
Total Number of Bond Holdings	0
Total Number of Other Holdings	3
<b>Total Number of Holdings</b>	<b>123</b>

### Equity Style



Value Blend Growth

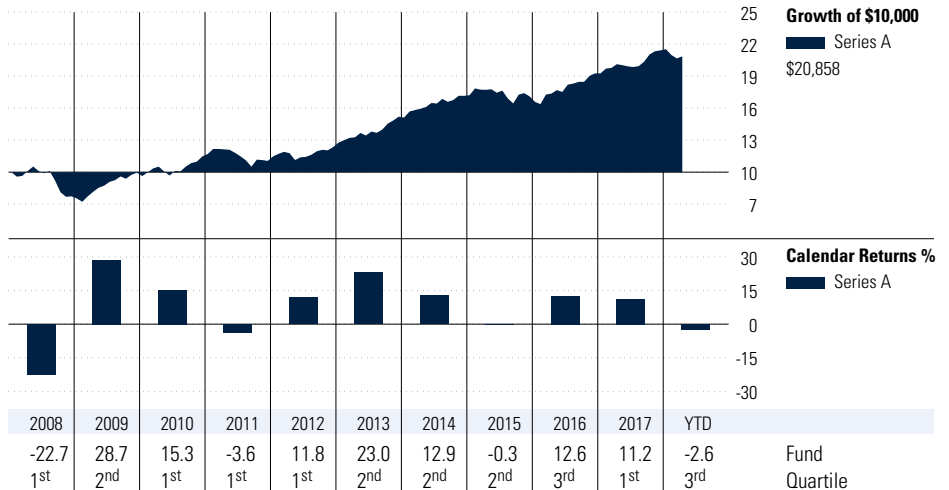
### Equity Statistics

P/B Ratio	1.8
P/E Ratio	16.4
Avg. Mkt Cap. \$B	40.4

### Global Equity Sectors

	% Equity
Financials	28.3
Energy	18.9
Consumer Discretionary	11.2
Industrials	10.8
Information Technology	8.5
Health Care	7.0
Materials	5.0
Consumer Staples	4.3
Telecommunication Services	3.0
Real Estate	1.8
Utilities	1.3
Unclassified	0.0

## Performance Analysis as of April 30, 2018



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
1.0	-3.1	-0.9	3.7	5.6	9.5	7.5	7.5	Fund
3 <sup>rd</sup>	4 <sup>th</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	—	Quartile
735	729	726	716	534	423	209	—	No. of Funds in Category



# RBC North American 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.

#### David Tron

##### RBC Global Asset Management Inc.

David is Portfolio Manager and North American Equity Analyst. He is responsible for providing research on the North American Technology sector. David is a CFA charterholder.

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

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	0.85	0.42	0.23	0.95	1.07	0.62	0.21	1.26	0.58	—
Interest	—	—	—	—	—	—	—	—	—	—	—
Dividends	—	—	0.03	0.04	—	—	0.01	—	—	—	—
Capital Gains	—	0.85	0.39	0.19	0.95	1.07	0.61	0.21	1.26	0.58	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	38.2	3-2006	21.3	2-2014	16.8	3-2013	10.4
Worst	2-2009	-24.6	2-2009	-5.4	4-2003	0.6	8-2010	5.7
Average		9.2		8.7		8.9		8.1
No. of Periods		229		205		181		121
Pct. Positive		75.5		92.2		100.0		100.0

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

### Quarterly Commentary as at March 31, 2018

Uncertainty returned to financial markets in early 2018 following a long period of strong returns and minimal volatility that lasted for most of the fiscal year. The reversal started with strong U.S. wage-growth data, which led to concerns that higher inflation may force the U.S. Federal Reserve to increase interest rates at a faster pace than previously anticipated. With markets beginning to find their feet in the latter stages of February, renewed concerns over U.S. trade protectionism resulted in additional volatility.

The valuation of the S&P/TSX Composite Index is currently around two multiple points lower than the S&P 500 Index, a gap that seems justified, given the concerns outlined above and the fact that the Financials and Energy sectors account for more than half of the Canadian market's earnings.

Security selection and asset allocation detracted mildly in Q1, but a few overweight positions performed very well. PVH Corp. reported strong

fiscal 2017 results with robust strength in its Calvin Klein and Tommy Hilfiger brands. Danaher Corp., the globally diversified conglomerate, saw its stock rise over the quarter as management increased 2018 guidance and announced the transition plan for the retirement of its CFO, which appears to be well orchestrated. Conversely, our small position in the special-purpose acquisition company, Acasta Enterprises Inc., was a detractor from performance this quarter.

The economic backdrop remains positive by post-crisis standards as many macroeconomic indicators monitored by the portfolio managers show reasons to remain positive. While key risks of an aging business cycle, rising interest rates and protectionism persist, upside potential remains from structural reforms in Japan and U.S. fiscal stimulus. On balance, the managers expect the positives to outweigh the negatives, further driving potential in the stock market.



# RBC North American 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 full year period, January 1 to December 31, 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 April 30, 2018.

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