



# 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	2,830.4
Series A NAV \$	23.63
Series A MER %	1.93
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

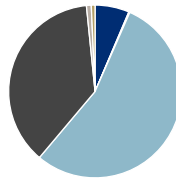
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

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 August 31, 2017

### Asset Mix

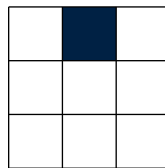


	% Assets
Cash	6.4
Fixed Income	0.2
Canadian Equity	54.6
US Equity	37.3
International Equity	0.9
Other	0.7

### Top 10 Holdings

	% Assets
The Toronto-Dominion Bank	4.4
Bank of Nova Scotia	4.1
Royal Bank of Canada	4.0
Brookfield Asset Management Inc Class A	2.9
Enbridge Inc	2.2
Canadian National Railway Co	2.1
Suncor Energy Inc	2.0
TransCanada Corp	2.0
Manulife Financial Corp	1.8
Alphabet Inc C	1.8
Total % of Top 10 Holdings	27.2
Total Number of Stock Holdings	325
Total Number of Bond Holdings	0
Total Number of Other Holdings	9
<b>Total Number of Holdings</b>	<b>334</b>

### Equity Style



Value Blend Growth

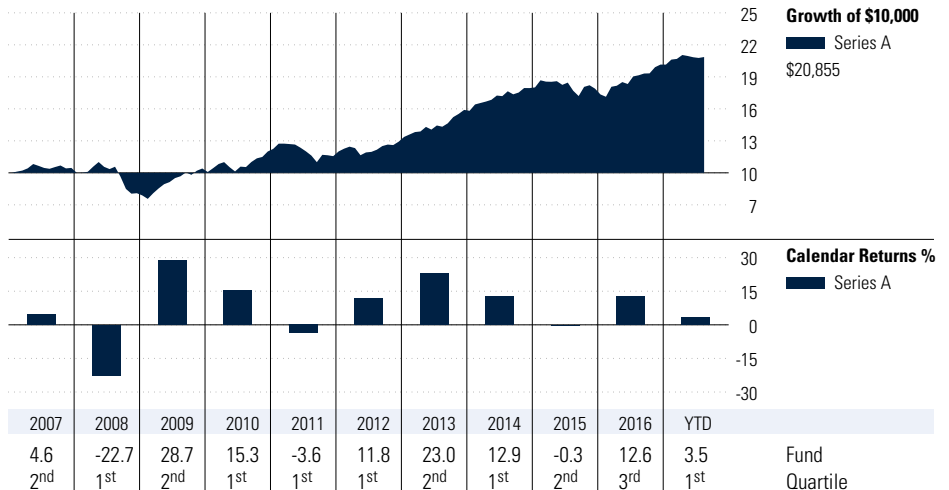
### Equity Statistics

P/B Ratio	1.9
P/E Ratio	18.3
Avg. Mkt Cap. \$B	41.6

### Global Equity Sectors

	% Equity
Financials	32.1
Energy	14.7
Information Technology	11.2
Industrials	10.4
Consumer Discretionary	8.1
Health Care	6.3
Materials	5.9
Consumer Staples	5.2
Telecommunication Services	3.1
Real Estate	1.6
Utilities	1.4
Unclassified	0.0

## Performance Analysis as of August 31, 2017



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
0.4	-0.5	1.2	8.9	5.7	11.4	7.2	7.5	Fund
2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	—	Quartile
712	710	681	649	515	375	184	—	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 Tron is an Associate 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 August 31, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	—	0.42	0.23	0.95	1.07	0.62	0.21	1.26	0.58	—	1.80
Interest	—	—	—	—	—	—	—	—	—	—	—
Dividends	—	0.03	0.04	—	—	0.01	—	—	—	—	—
Capital Gains	—	0.39	0.19	0.95	1.07	0.61	0.21	1.26	0.58	—	1.80
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		8.8		8.8		8.1
No. of Periods		221		197		173		113
Pct. Positive		74.7		91.9		100.0		100.0

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

### Quarterly Commentary as at June 30, 2017

The S&P/TSX Composite Total Return Index pared gains after hitting an all-time high in February. Underperformance stemmed from weakness in the Materials, Financials and Energy sectors, representing approximately two-thirds of Canada's benchmark stock index.

The economic uptick has continued to bloom and a synchronized global economic expansion is at hand. That said, the initial acceleration phase has arguably come to an end. As a result, risk assets are rising with less vigor than at the turn of the year. In the U.S., strong performances from the Health Care, Industrials and Financials sectors powered the advance, while returns in the Energy and Telecommunication Services sectors were a drag.

Asset allocation was a drag on Fund performance during the quarter, however security selection more than overcame the deficit. In Financials, Brookfield Asset Management was a strong contributor after reporting Q2 results that

exceeded expectations.

While the broad based commodity shock has subsided, oil prices continue to be under pressure, declining approximately 20% year-to-date. Oil prices remain difficult to forecast, but remain below our estimate of marginal cost. Despite OPEC's moves to cut production, global inventory levels remain above long-term averages. However, we continue to believe that large companies with long-life reserves and strong balance sheets should deliver attractive levels of free cash as crude prices recover to the marginal cost of production.

Despite a slower Q2, the Canadian economy has had a strong start to 2017. Global economic growth is expected to trend modestly higher this year and our forecast has increased to 2.0% for Canada. In the U.S., stock market valuations are at above-average levels, however corporate fundamentals are supporting the 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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completeness or correctness. All opinions 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, 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 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.

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 August 31, 2017.

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