



# RBC U.S. Equity Currency Neutral Fund

## Investment Objective

To provide long-term capital growth by investing primarily in U.S. equity investments and common stock equivalents, while minimizing the exposure to currency fluctuations between the U.S. and Canadian dollars.

## Fund Details

| Series | Load Structure | Currency | Fund Code |
|--------|----------------|----------|-----------|
| A      | No Load        | CAD      | RBF588    |
| Adv    | Deferred Sales | CAD      | RBF859    |
| Adv    | Front End      | CAD      | RBF768    |
| Adv    | Low Load       | CAD      | RBF133    |

|                         |                                   |
|-------------------------|-----------------------------------|
| Inception Date          | January 2006                      |
| Total Fund Assets \$Mil | 43.5                              |
| Series A NAV \$         | 15.38                             |
| Series A MER %          | 1.93                              |
| Benchmark               | S&P 500 Total Return Index (US\$) |

|                            |          |
|----------------------------|----------|
| Income Distribution        | Annually |
| Capital Gains Distribution | Annually |

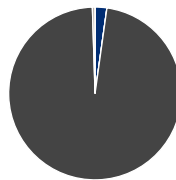
|                          |      |
|--------------------------|------|
| Sales Status             | Open |
| Min. Investment \$       | 500  |
| Subsequent Investment \$ | 25   |

|               |           |
|---------------|-----------|
| Fund Category | US Equity |
|---------------|-----------|

|                    |                                  |
|--------------------|----------------------------------|
| Management Company | RBC Global Asset Management Inc. |
| Web Site           | www.rbcgam.com                   |

## Portfolio Analysis as of January 31, 2018

### Asset Mix

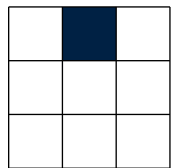


|                      | % Assets |
|----------------------|----------|
| Cash                 | 2.2      |
| Fixed Income         | 0.0      |
| Canadian Equity      | 0.0      |
| US Equity            | 97.3     |
| International Equity | 0.5      |
| Other                | 0.0      |

### Top 10 Holdings

|                                 | % Assets     |
|---------------------------------|--------------|
| Amazon.com Inc                  | 3.8          |
| Alphabet Inc A                  | 3.8          |
| Microsoft Corp                  | 3.7          |
| Apple Inc                       | 3.3          |
| Bank of America Corporation     | 2.4          |
| Chevron Corp                    | 2.2          |
| JPMorgan Chase & Co             | 2.2          |
| Citigroup Inc                   | 2.0          |
| UnitedHealth Group Inc          | 2.0          |
| Berkshire Hathaway Inc B        | 1.8          |
| Total % of Top 10 Holdings      | 27.2         |
| Total Number of Stock Holdings  | 2,337        |
| Total Number of Bond Holdings   | 0            |
| Total Number of Other Holdings  | 10           |
| <b>Total Number of Holdings</b> | <b>2,347</b> |

### Equity Style



Value Blend Growth

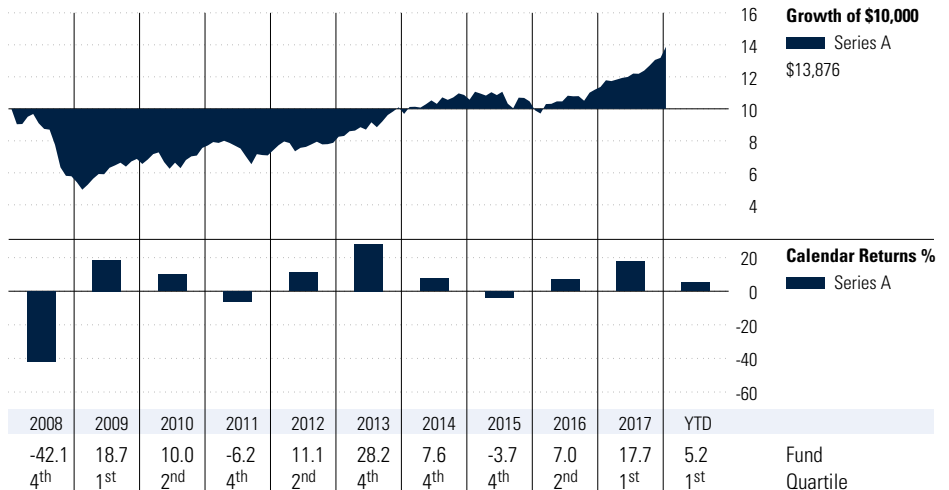
### Equity Statistics

|                   |       |
|-------------------|-------|
| P/B Ratio         | 2.9   |
| P/E Ratio         | 19.8  |
| Avg. Mkt Cap. \$B | 159.6 |

### Global Equity Sectors

|                            | % Equity |
|----------------------------|----------|
| Information Technology     | 27.0     |
| Financials                 | 14.8     |
| Health Care                | 14.2     |
| Consumer Discretionary     | 13.4     |
| Industrials                | 9.9      |
| Energy                     | 6.5      |
| Consumer Staples           | 6.2      |
| Utilities                  | 2.9      |
| Real Estate                | 2.4      |
| Telecommunication Services | 1.4      |
| Materials                  | 1.4      |
| Unclassified               | 0.0      |

## 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 %        |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|--------------------------|
| 5.2             | 9.2             | 13.7            | 22.1            | 9.5             | 10.9            | 4.2             | 4.2          | Fund Quartile            |
| 1 <sup>st</sup> | 1 <sup>st</sup> | 2 <sup>nd</sup> | 1 <sup>st</sup> | 3 <sup>rd</sup> | 4 <sup>th</sup> | 4 <sup>th</sup> | —            | No. of Funds in Category |
| 1412            | 1410            | 1386            | 1324            | 906             | 606             | 258             | —            |                          |



# RBC U.S. Equity Currency Neutral Fund

## Management Overview

### Manager Bios

#### Brad Willock

#### RBC Global Asset Management Inc.

Brad Willock joined RBC in May 1996 and RBC Global Asset Management in July 2002. In his current role, he is responsible for core and income-oriented U.S. equity mandates. Brad has a Bachelor of Commerce and a Bachelor of Science, and is a CFA charterholder.

### Performance Analysis Cont'd as of January 31, 2018

| Distributions (\$)/Unit | YTD* | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|
| Total Distributions     | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    |
| Interest                | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    |
| Dividends               | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    |
| Capital Gains           | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    |
| Return Of Capital       | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    |

| Best/Worst Periods % | Ended  | 1 Yr  | Ended  | 3 Yr  | Ended  | 5 Yr | Ended  | 10 Yr |
|----------------------|--------|-------|--------|-------|--------|------|--------|-------|
| Best                 | 2-2010 | 38.1  | 9-2014 | 17.3  | 2-2014 | 15.4 | 1-2018 | 4.2   |
| Worst                | 2-2009 | -45.3 | 2-2009 | -16.6 | 5-2012 | -5.6 | 2-2016 | 1.3   |
| Average              |        | 4.8   |        | 3.9   |        | 5.5  |        | 2.3   |
| No. of Periods       |        | 133   |        | 109   |        | 85   |        | 25    |
| Pct. Positive        |        | 69.9  |        | 69.7  |        | 64.7 |        | 100.0 |

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

### Quarterly Commentary as at December 31, 2017

The U.S. stock market made significant progress again this past quarter. Strong performances from the Consumer Discretionary, Information Technology and Financials powered the advance, while the interest rate sensitive Utilities, Real Estate and Telecommunication Services sectors, along with the relatively defensive Health Care sector were detractors.

The S&P 500 (CAD) finished up for the year, driven by a synchronized global economic expansion, accommodative global monetary policy and hopes for U.S. tax reform. The S&P 500 is on track to generate over 10% earnings growth in 2017. In addition, recent economic data and the passage of tax reform suggests that earnings momentum should remain strong at least through the first half of 2018.

During the quarter, overweight positioning in Financials and Industrials helped returns, while security selection in Energy, Information Technology and Industrials also added to performance. In Energy, overweight positions in Valero Energy and Occidental Petroleum boosted performance as investors came back to the sector

as the oil price moved higher. In Information Technology, overweight positions in semiconductor leaders, Intel and Texas Instruments boosted returns. In Industrials, an overweight position in plane-maker Boeing continued to benefit the portfolio as the company continued to generate financial results above expectations.

Conversely, our overweight allocation and security selection in Consumer Staples was a detractor. Overweight positions in retail drug store operator CVS and global tobacco heavyweight Phillip Morris hurt performance.

Stocks continue to be supported by a global synchronized expansion and renewed corporate-profit growth around the world. With many equity markets at or near all-time highs, investors are rightly concerned about the sustainability of the bull market in equities. Markets have benefited from rising earnings and price-to-earnings ratios through this bull market, but earnings rather than valuations may now be the force needed to propel the market higher.



# RBC U.S. Equity Currency Neutral 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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