



# RBC U.S. Dividend Fund

## Investment Objective

To achieve long-term capital growth and regular dividend income by investing primarily in common and preferred securities of U.S. companies with above average dividend yields.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF590
A	No Load	USD	RBF541
Adv T5	Front End	CAD	RBF6539
Adv T5	Low Load	CAD	RBF4539
Adv	Deferred Sales	CAD	RBF802
Adv	Front End	CAD	RBF702
Adv	Low Load	CAD	RBF129
Adv	Front End	USD	RBF734
Adv	Low Load	USD	RBF4541
T5	No Load	CAD	RBF539
T8	No Load	CAD	RBF599

Inception Date	July 2006
Total Fund Assets \$Mil	4,405.1
Series A NAV \$	29.43
Series A MER %	1.93
Benchmark	S&P 500 Total Return Index (C\$)

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

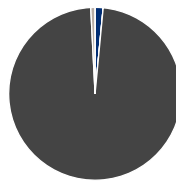
The fund's investment objective changed November 28, 2011.

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

Performance Analysis is in CAD and for CAD series A fund (RBF590).

## Portfolio Analysis as of September 30, 2018

### Asset Mix

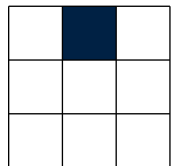


	% Assets
Cash	1.5
Fixed Income	0.0
Canadian Equity	0.0
US Equity	97.7
International Equity	0.8
Other	0.0

### Top 25 Holdings

	% Assets
Microsoft Corp	5.3
Apple Inc	4.4
Cisco Systems Inc	3.3
JPMorgan Chase & Co	2.5
Chevron Corp	2.2
UnitedHealth Group Inc	2.2
Union Pacific Corp	2.2
Texas Instruments Inc	2.1
Broadcom Inc	2.1
Altria Group Inc	2.1
Bank of America Corporation	2.1
Philip Morris International Inc	1.9
Anthem Inc	1.7
The Home Depot Inc	1.6
Johnson & Johnson	1.6
Boeing Co	1.6
CVS Health Corp	1.6
Amgen Inc	1.5
Merck & Co Inc	1.5
ConocoPhillips	1.4
AT&T Inc	1.3
Marathon Petroleum Corp	1.3
Intel Corp	1.3
Medtronic PLC	1.1
Pfizer Inc	1.1
Total % of Top 25 Holdings	51.3
Total Number of Stock Holdings	277
Total Number of Bond Holdings	0
Total Number of Other Holdings	6
<b>Total Number of Holdings</b>	<b>283</b>

### Equity Style



Value Blend Growth

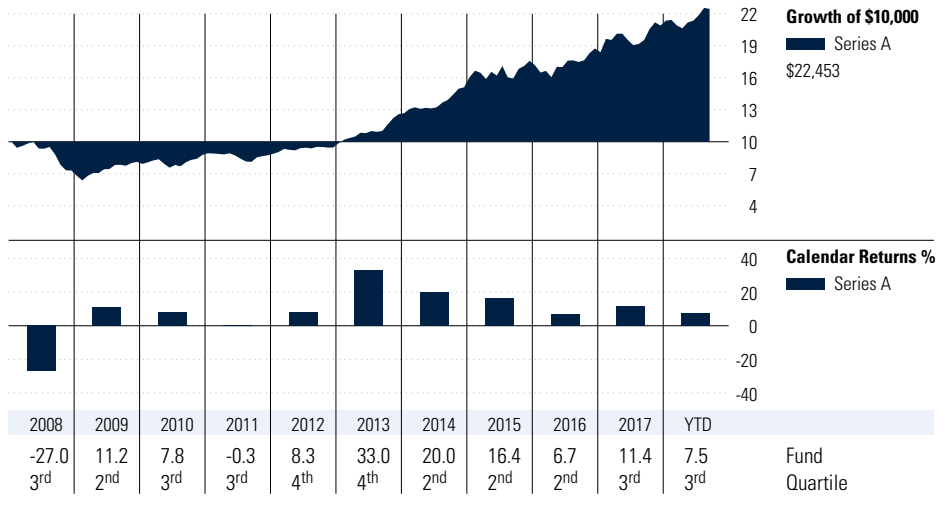
### Equity Statistics

P/B Ratio	3.0
P/E Ratio	16.8
Avg. Mkt Cap. \$B	160.8

### Global Equity Sectors

	% Equity
Information Technology	22.5
Health Care	17.2
Financials	12.0
Industrials	10.5
Energy	8.7
Consumer Staples	8.1
Consumer Discretionary	7.1
Utilities	4.3
Real Estate	4.0
Communication Services	3.9
Materials	1.6
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 %
	-0.4	5.2	7.4	14.9	12.1	15.3	9.8	7.5	Fund
		2 <sup>nd</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	4 <sup>th</sup>	—	Quartile
	1459	1424	1403	1371	939	649	266	—	No. of Funds in Category



# RBC U.S. Dividend 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 September 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.06	0.73	0.39	1.10	2.46	0.63	0.10	—	0.01	0.07	0.17
Interest	0.06	0.09	0.11	0.01	0.02	0.09	0.09	—	0.01	0.01	0.05
Dividends	—	—	—	—	—	—	0.01	—	—	0.06	0.12
Capital Gains	—	0.64	0.28	1.08	2.44	0.55	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	12-2013	33.0	12-2015	22.9	11-2017	17.5	9-2018	9.8
Worst	2-2009	-32.5	6-2010	-10.1	9-2011	-3.4	1-2017	5.9
Average		7.9		9.6		10.8		7.3
No. of Periods		135		111		87		27
Pct. Positive		80.0		75.7		79.3		100.0

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

### Quarterly Commentary as at September 30, 2018

U.S. equity markets generally outperformed the rest of the world again in the third quarter. The U.S. economy recorded impressive gains. Soaring business and consumer confidence, and strong corporate profit growth fueled the ascent.

Bolstered by large-scale tax cuts and increased government spending, the U.S. economy has accelerated to its fastest growth rate in four years. We continue to believe that the speed limit for developed-world growth has increased since the global financial crisis. Confidence among businesses and consumers has been restored.

Security selection enhanced our results in Q3, driven by the technology sector. Overweight positions in Apple Inc. and Microsoft Corp. boosted performance. Apple continues to report solid earnings from device sales, while Microsoft sees growth in their cloud computing service, Azure. Cloud computing is a fast-growing, disruptive technology and Azure has a solid market

share, second only to Amazon Web Services.

Conversely, Materials was a detractor this quarter. This was largely due to the Fund's position in multi-national chemical company LyondellBasell Industries. LyondellBasell's performance is tied to commodity chemical pricing, primarily ethylene and polyethylene. Ethylene prices have been pressured by new capacity and increasing costs for feedstock, namely ethane.

Our analysis of a variety of scenarios suggests that stocks can deliver decent upside with reasonable assumptions, as long as earnings continue to come through as analysts expect. We recognize, however, that earnings growth is now critical to sustaining the bull market in stocks. This is particularly true in light of the late stage in the business cycle and the fact that valuations are above equilibrium.



# RBC U.S. Dividend 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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