



# RBC Canadian Equity Income Fund

## Investment Objective

To provide a high level of monthly cash flow and relatively tax efficient distributions consisting primarily of returns of capital, capital gains and interest income and to provide the potential for modest capital growth.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF591
Adv	Deferred Sales	CAD	RBF856
Adv	Front End	CAD	RBF762
Adv	Low Load	CAD	RBF111

Inception Date	August 2006
Total Fund Assets \$Mil	3,290.1
Series A NAV \$	26.47
Series A MER %	1.92
Benchmark	S&P/TSX Capped Composite Total Return Index

Income Distribution	Monthly
Capital Gains Distribution	Annually
Monthly Distribution (¢/unit)	9.05
Current Payout Rate (%)*	4.10

\*Assuming 12 consecutive months at the monthly distribution set out above. The estimate does not include any year-end capital gains distributions paid in addition to the regular monthly distribution nor should it be confused with performance or rates of return.

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

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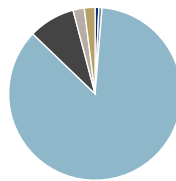
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Notes

Fund's investment objective and name changed July 1, 2009.

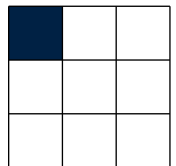
## Portfolio Analysis as of September 30, 2018

### Asset Mix



	% Assets
Cash	0.7
Fixed Income	0.6
Canadian Equity	85.8
US Equity	8.7
International Equity	2.1
Other	2.0

### Equity Style



Value Blend Growth

### Equity Statistics

P/B Ratio	1.6
P/E Ratio	13.3
Avg. Mkt Cap. \$B	26.4

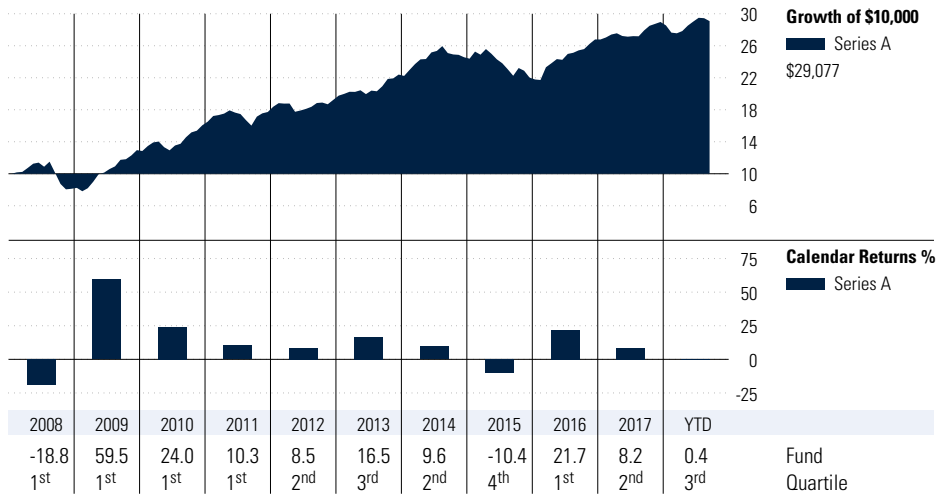
### Global Equity Sectors

	% Equity
Financials	35.1
Energy	22.0
Utilities	9.8
Materials	8.9
Real Estate	8.4
Industrials	7.9
Communication Services	4.0
Consumer Staples	2.1
Consumer Discretionary	0.8
Health Care	0.6
Information Technology	0.5
Unclassified	0.0

### Top 25 Holdings

	% Assets
Royal Bank of Canada	7.4
The Toronto-Dominion Bank	6.0
Bank of Nova Scotia	5.5
Suncor Energy Inc	3.4
Enbridge Inc	3.4
Manulife Financial Corp	3.1
TransCanada Corp	3.0
Brookfield Asset Mgmt Inc CI A	2.8
CIBC	2.4
Canadian Natural Resources Ltd	2.3
Bank of Montreal	2.1
Nutrien Ltd	2.1
Brookfield Property Partners	1.9
Sun Life Financial Inc	1.9
Canadian Pacific Railway Ltd	1.8
BCE Inc	1.6
Enbridge Income Fund Holdings Inc	1.6
Pembina Pipeline Corp	1.6
SNC-Lavalin Group Inc	1.6
Thomson Reuters Corp	1.6
Canadian National Railway Co	1.5
Brookfield Infrastructure Partners LP	1.3
Wpt Indl Real Estate Inv Tr	1.2
Keyera Corp	1.2
Algonquin Power & Utilities Corp	1.1
Total % of Top 25 Holdings	63.2
Total Number of Stock Holdings	95
Total Number of Bond Holdings	1
Total Number of Other Holdings	5
<b>Total Number of Holdings</b>	<b>101</b>

## 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 %
-1.2	0.2	5.5	4.2	9.3	6.8	11.1	9.8	Fund
3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	1 <sup>st</sup>	—	Quartile
641	617	606	597	434	350	177	—	No. of Funds in Category



# RBC Canadian Equity Income Fund

## Management Overview

### Manager Bios

#### Jennifer McClelland

##### RBC Global Asset Management Inc.

Jennifer McClelland is Vice President and Senior Portfolio Manager, Canadian Equities. Jennifer began her investment career in 1993. She is a member of the North American equity team and is responsible for core and income-oriented Canadian equity mandates. Jennifer has a Bachelor Degree in Economics from the University of Western Ontario and is a CFA charterholder.

#### Brahm Spilfogel

##### RBC Global Asset Management Inc.

Brahm Spilfogel is Vice President and Senior Portfolio Manager, Global Equities. He has been in the investment industry since 1991.

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

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.81	1.08	1.08	1.30	2.16	1.34	1.08	1.53	1.89	1.43	0.96
Interest	0.81	0.00	—	—	—	—	—	0.13	0.07	0.54	0.87
Dividends	—	0.56	0.57	0.55	0.42	0.39	0.11	0.15	0.31	0.13	0.09
Capital Gains	—	0.37	—	0.75	1.74	0.95	0.66	1.24	1.51	0.76	—
Return Of Capital	—	0.15	0.51	—	—	—	0.31	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	72.3	2-2012	34.1	2-2014	24.1	11-2017	11.5
Worst	2-2009	-23.2	8-2017	1.6	2-2016	4.8	5-2018	9.7
Average		11.5		12.2		12.4		10.8
No. of Periods		134		110		86		26
Pct. Positive		81.3		100.0		100.0		100.0

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

### Quarterly Commentary as at September 30, 2018

The S&P/TSX Composite Index hit an all-time high in mid-July, but retreated during the remainder of the quarter on uncertainty about the impact of the Trump administration's focus on global trade, in general, and NAFTA, in particular. At the very end of September, however, Canada agreed to join an updated trade deal to be called the United States-Mexico-Canada Agreement, or USMCA. The deal, if approved by legislators in the three countries, would avoid abandonment of one of the world's most successful trading arrangements.

Security selection was the primary driver of relative performance over the third quarter. This was highlighted by the Fund's overweight position in Labrador Iron Ore Royalty which benefited after a labour dispute at the Iron Ore Company of Canada was resolved.

Conversely, the largest detractor from relative performance was the Fund's underweight position in Canadian National Railway. The Fund's exposure

to the name was trimmed as the stock had a strong run related to its strategic position to negotiate advantageous crude by rail contracts – a positive, but something that appears to be priced into the stock.

The Canadian economy continues to show signs of strength, with the unemployment rate at its lowest level in four decades. A string of positive policy developments, coinciding with the possibility of business-tax cuts in the next federal budget, have stoked optimism that the Canadian economy can continue to expand comfortably. That said, some investors are worried about the sustainability of Canada's domestic housing market and the country's diminishing competitiveness relative to the U.S. Canadian equities remain attractively valued in the view of the portfolio manager, suggesting there is the potential for gains in the months ahead.



# RBC Canadian Equity Income 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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