



# 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	3,447.9
Series A NAV \$	26.71
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 (%)*	4.07

\*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.
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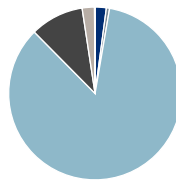
Web Site	www.rbcgam.com
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## Notes

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

## Portfolio Analysis as of January 31, 2018

### Asset Mix

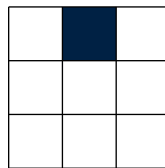


	% Assets
Cash	2.1
Fixed Income	0.6
Canadian Equity	84.8
US Equity	10.0
International Equity	2.3
Other	0.1

### Top 10 Holdings

	% Assets
Royal Bank of Canada	6.4
The Toronto-Dominion Bank	5.6
Enbridge Inc	4.6
Bank of Nova Scotia	4.2
Suncor Energy Inc	3.4
Manulife Financial Corp	3.1
TransCanada Corp	2.9
Canadian Natural Resources Ltd	2.6
Sun Life Financial Inc	2.5
Brookfield Asset Management Inc Class A	2.4
Total % of Top 10 Holdings	37.8
Total Number of Stock Holdings	105
Total Number of Bond Holdings	0
Total Number of Other Holdings	5
<b>Total Number of Holdings</b>	<b>110</b>

### Equity Style



Value Blend Growth

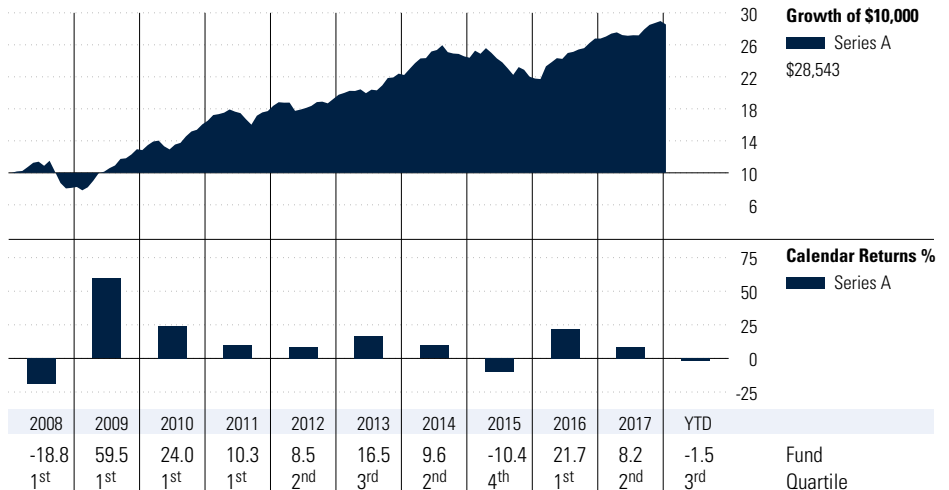
### Equity Statistics

P/B Ratio	1.7
P/E Ratio	16.0
Avg. Mkt Cap. \$B	25.2

### Global Equity Sectors

	% Equity
Financials	32.2
Energy	23.3
Real Estate	10.1
Industrials	8.6
Utilities	8.2
Materials	7.5
Telecommunication Services	2.9
Consumer Staples	2.4
Health Care	2.0
Consumer Discretionary	1.5
Information Technology	1.1
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 %
	-1.5	0.2	4.9	6.6	5.4	7.6	11.4	10.2	Fund
	3 <sup>rd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	—	Quartile
	555	552	539	517	409	313	161	—	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 January 31, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.09	1.08	1.08	1.30	2.16	1.34	1.08	1.53	1.89	1.43	0.96
Interest	0.09	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	8-2016	10.4
Average		12.0		12.7		12.9		11.0
No. of Periods		126		102		78		18
Pct. Positive		80.2		100.0		100.0		100.0

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

### Quarterly Commentary as at December 31, 2017

The Canadian stock market lagged most other major equity markets during 2017. The index was held back by the Energy sector, appreciation in the Canadian dollar and concern that the economy lacks a growth driver to offset a potential slowing of the housing market. Furthermore, market sentiment continues to be hurt by ongoing uncertainty regarding the NAFTA.

The Bank of Canada surprised markets this year by shifting to a hawkish stance, hiking rates twice on the back of strong economic growth. However, the Canadian economy is not without risks. In addition to housing concerns, items that may impact Canada's competitiveness include protectionism, increasing taxes, tougher labour laws, stricter environmental standards, rising electricity costs and access to the global energy markets.

During the quarter, the Fund's relative performance was boosted by the Materials and Industrials sectors, while Energy was a drag.

An underweight allocation to Canadian National

Railway and overweight allocation to Canadian Pacific Railway was a key driver of relative performance in Industrials. CP Rail's valuation was depressed on operating model uncertainty that we believed could become clearer in the coming quarters.

In the Materials sector, the Fund benefitted from underweight exposure to the larger gold stocks along with an allocation to Avery Dennison.

Conversely, the Fund's overweight allocation to the Energy sector was a detractor for the quarter, although this was partially offset by strong security selection.

Global stock markets continue to be supported by the synchronized global expansion and better-than-expected corporate profit growth around the world, but the recent rally has pushed equities closer to fair value. Without support from rising valuations, further gains in stocks will likely be paced by corporate profit growth.



# 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, 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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