



# RBC O'Shaughnessy All-Canadian Equity Fund

## Investment Objective

To provide a long-term total return, consisting of capital growth and current income, by investing primarily in equity securities of Canadian companies based on Strategy Indexing®, a rigorous and disciplined approach to stock selection based on characteristics associated with above average returns over long periods of time.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF593
Adv	Front End	CAD	RBF779
Adv	Low Load	CAD	RBF188

Inception Date	January 2007
Total Fund Assets \$Mil	513.1
Series A NAV \$	13.42
Series A MER %	1.82
Benchmark	S&P/TSX Capped Composite Total Return Index

Income Distribution	Annually
Capital Gains Distribution	Annually

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

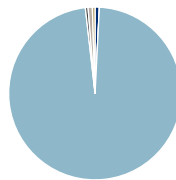
Fund Category	Canadian Small/Mid Cap Equity
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Management Company	RBC Global Asset Management Inc.
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Web Site	www.rbcgam.com
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## Portfolio Analysis as of May 31, 2017

### Asset Mix

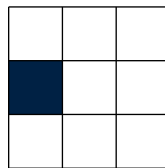


	% Assets
Cash	0.8
Fixed Income	0.0
Canadian Equity	97.4
US Equity	0.5
International Equity	0.8
Other	0.5

### Top 10 Holdings

	% Assets
Ind Alliance Insurance and Finl Serv	3.1
Cascades Inc	3.0
BRP Inc	3.0
Royal Bank of Canada	3.0
Bank of Nova Scotia	3.0
TFI International Inc	2.9
Capital Power Corp	2.7
Genworth MI Canada Inc	2.6
TMX Group Ltd	2.6
Sun Life Financial Inc	2.5
Total % of Top 10 Holdings	28.3
Total Number of Stock Holdings	90
Total Number of Bond Holdings	0
Total Number of Other Holdings	2
<b>Total Number of Holdings</b>	<b>92</b>

### Equity Style



Value Blend Growth

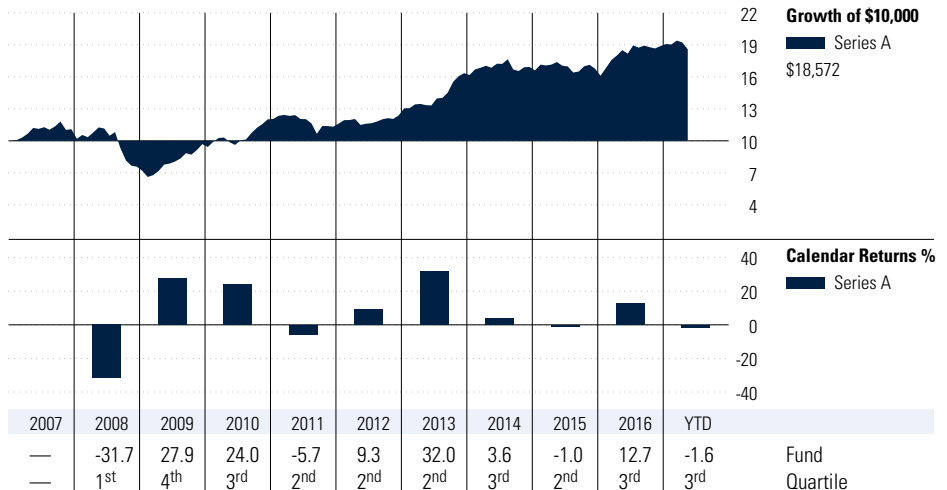
### Equity Statistics

P/B Ratio	1.6
P/E Ratio	13.1
Avg. Mkt Cap. \$B	3.8

### Global Equity Sectors

	% Equity
Financials	25.7
Materials	19.2
Industrials	15.8
Consumer Discretionary	10.6
Consumer Staples	6.4
Real Estate	5.8
Utilities	4.9
Health Care	4.2
Energy	3.9
Information Technology	3.3
Telecommunication Services	0.0
Unclassified	0.0

## Performance Analysis as of May 31, 2017



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
-3.4	-2.4	-0.5	0.4	3.3	10.1	5.2	6.3	Fund
4 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	—	Quartile
233	231	228	225	188	138	88	—	No. of Funds in Category



# RBC O'Shaughnessy All-Canadian Equity Fund

## Management Overview

### Manager Bios

#### James P. O'Shaughnessy

#### O'Shaughnessy Asset Management

Jim O'Shaughnessy is the Chairman and CEO of O'Shaughnessy Asset Management (OSAM). Also serving as the Chief Investment Officer of the firm, Jim is ultimately responsible for OSAM's investment strategies. He directs the Senior Portfolio Manager, Director of Research, and the Portfolio Management Team and helps to set the agenda for the team. He is also responsible for the development of OSAM's existing strategies and directs the team on idea generation and specific initiatives to improve the models and develop new factors and products.

### Performance Analysis Cont'd as of May 31, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	—	0.66	0.54	1.99	0.07	0.06	—	0.11	0.24	0.30	0.19
Interest	—	—	—	—	—	—	—	—	0.11	0.16	—
Dividends	—	0.14	0.13	0.09	0.07	0.06	—	0.11	0.13	0.14	—
Capital Gains	—	0.51	0.41	1.89	—	—	—	—	—	—	0.19
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	3-2010	51.2	2-2012	21.8	2-2014	20.4	1-2017	6.7
Worst	2-2009	-37.4	6-2010	-4.7	5-2012	0.5	5-2017	5.2
Average		7.6		9.2		9.6		6.2
No. of Periods		113		89		65		5
Pct. Positive		71.7		88.8		100.0		100.0

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

### Quarterly Commentary as at March 31, 2017

The three most common exposures in our portfolio are large positive exposures to the Value and Momentum factors, and a negative exposure to the Size factor.

The Momentum factor has thus far bounced back, following a very bad 2016 when Momentum underperformed by 17.6%. Most of the strong performance of the Momentum factor resulted from the fact that it kept you OUT of Energy sector. The sector was by far the worst performer across the Canadian market in Q1. The Momentum factor is useful in two ways: finding trends which tend to persist (to the portfolio's benefit) and avoiding stocks or entire sectors with very poor recent trends. This second "negative" aspect of Momentum was more important during Q1.

Using the Value factor also steered the portfolio away from Energy stocks, which continued to look expensive to start the year. While Value did bias the portfolio away from Energy stocks—which helped performance—performance of Value as a

factor or category was held back by allocations to Consumer Discretionary stocks—like Dorel Industries and Yellow Pages—which lagged. For the quarter, Value was effectively flat. Cheap stocks performed roughly in line with the overall market.

Our research of individual stock data leads us to believe that Value, Momentum, and Quality are themes that are critically important to future outperformance. We consistently avoid sectors and industries that exhibit unfavorable characteristics, and hone in on areas of the market that are favorable in the ways we deem relevant. Historically, Canadian stocks with the cheapest valuations provide an additional 6.6% of return relative to the market while stocks with stronger Momentum add an additional 8.0%. Given the portfolio's positioning relative to its benchmark—measured by key characteristics we use in our stock selection process—we believe the portfolio is well situated for the rest of 2017.



# RBC O'Shaughnessy All-Canadian Equity 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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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 and PH&N Funds is based on actual expenses for the full-year period, January 1 to December 31, 2016, 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.

PH&N Funds Series A formerly known as Series C.

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 April 30, 2017.

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