



# 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	535.1
Series A NAV \$	14.45
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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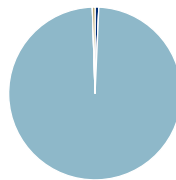
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Notes

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

## Portfolio Analysis as of January 31, 2018

### Asset Mix

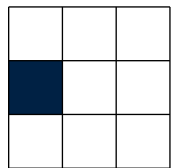


	% Assets
Cash	0.7
Fixed Income	0.0
Canadian Equity	98.8
US Equity	0.0
International Equity	0.0
Other	0.5

### Top 10 Holdings

	% Assets
Royal Bank of Canada	3.3
Genworth MI Canada Inc	3.2
Teck Resources Ltd Class B	3.2
Sun Life Financial Inc	3.0
BRP Inc	2.8
Air Canada Class B	2.7
Manulife Financial Corp	2.5
Transcontinental Inc Class A	2.4
Canfor Corp	2.3
Great-West Lifeco Inc	2.3
Total % of Top 10 Holdings	27.8
Total Number of Stock Holdings	102
Total Number of Bond Holdings	0
Total Number of Other Holdings	2
<b>Total Number of Holdings</b>	<b>104</b>

### Equity Style



Value Blend Growth

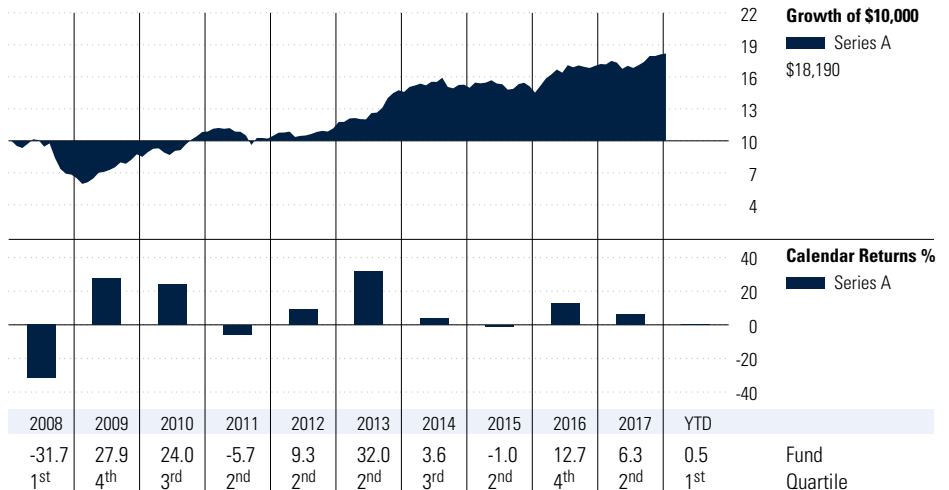
### Equity Statistics

P/B Ratio	1.6
P/E Ratio	12.2
Avg. Mkt Cap. \$B	5.3

### Global Equity Sectors

	% Equity
Financials	24.1
Materials	20.0
Consumer Discretionary	17.2
Industrials	16.8
Real Estate	6.8
Consumer Staples	4.3
Energy	3.2
Utilities	2.5
Health Care	2.4
Information Technology	1.7
Telecommunication Services	1.0
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 %
0.5	1.3	8.1	5.7	6.7	9.1	7.1	6.7	Fund
1st	1st	1st	2nd	2nd	2nd	2nd	—	Quartile
230	228	228	224	187	148	92	—	No. of Funds in Category



# RBC O'Shaughnessy All-Canadian Equity Fund

## Management Overview

### Manager Bios

#### Jim P. O'Shaughnessy

#### O'Shaughnessy Asset Management

Jim O'Shaughnessy is the Chairman, Chief Investment Officer and Portfolio Manager at O'Shaughnessy Asset Management (OSAM). Jim is ultimately responsible for OSAM's investment strategies and is an equity owner in OSAM and a member of the firm's Executive Committee. Prior to founding OSAM, Jim was the Director of Systematic Equity at Bear Stearns Asset Management and a Senior Managing Director of the firm. Prior to Bear Stearns, he was the CEO and Chairman of O'Shaughnessy Capital Management (Netfolio).

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

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	0.12	0.66	0.54	1.99	0.07	0.06	—	0.11	0.24	0.30
Interest	—	0.00	—	—	—	—	—	—	—	0.11	0.16
Dividends	—	0.12	0.14	0.13	0.09	0.07	0.06	—	0.11	0.13	0.14
Capital Gains	—	—	0.51	0.41	1.89	—	—	—	—	—	—
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	1-2018	7.1
Worst	2-2009	-37.4	6-2010	-4.7	5-2012	0.5	7-2017	5.2
Average		7.3		8.8		9.6		6.0
No. of Periods		121		97		73		13
Pct. Positive		72.7		89.7		100.0		100.0

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

### Quarterly Commentary as at December 31, 2017

Being smaller than the market aided returns as smaller cap stocks outperformed. An overweight to discounted stocks detracted from performance. Industry allocation effects were a positive, notably an underweight allocation to Energy. The Fund seeks stocks that meet certain quality criteria for earnings quality, financial strength, momentum, valuation, and earnings growth. The Fund then focuses equally on stocks that are priced at a discount relative to sales, earnings, and cash flows, and have strong momentum. In constructing the Fund we ignore market capitalization as a factor. In a market like Canada, which tends to be dominated by a narrow group of very large stocks, this means our Fund tends to skew smaller than the benchmark. This was again the case in Q4, and benefitted the Fund. Our favoritism for stocks priced at a discount detracted -0.2% from performance in Q4 as value underperformed. However, value outperformed in 2017, and contributed a positive 3.4% to year to date performance. Momentum ended Q4 outperforming by 1.7%. Momentum was one of the stronger factors in 2017, outperforming by 6.8% cumulatively, and contributing 1.4% to excess

return. Overweights to our quality factors detracted -0.2% in Q4, and -0.4% in 2017.

Overall sector allocation effects added and security selection effects detracted from returns during Q4. An underweight allocation to Energy and an overweight allocation to Health Care aided returns. Security selection within Consumer Discretionary, and Financials contributed to performance while security selection within Health Care and Utilities detracted from performance.

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. Given the Fund's positioning relative to its benchmark—measured by key characteristics we use in our stock selection process—we believe the Fund is well situated for 2018.



# 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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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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