



RBC O'Shaughnessy U.S. Growth Fund II

Investment Objective

To provide long-term capital growth by investing primarily in equity securities of U.S. 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	RBF306
Adv	Front End	CAD	RBF782
Adv	Low Load	CAD	RBF204

Inception Date	January 2008
Total Fund Assets \$Mil	37.7
Series A NAV \$	9.96
Series A MER %	2.20
Benchmark	Russell 2500 Growth Index (US\$)

Income Distribution	Annually
Capital Gains Distribution	Annually

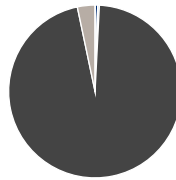
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Fund Category	US Small/Mid Cap Equity
---------------	-------------------------

Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

Portfolio Analysis as of December 31, 2017

Asset Mix



	% Assets
Cash	0.5
Fixed Income	0.0
Canadian Equity	0.3
US Equity	96.0
International Equity	3.3
Other	0.0

Top 25 Holdings

	% Assets
Cadence Design Systems Inc	1.9
Sanderson Farms Inc	1.7
Novanta Inc	1.5
Blucora Inc	1.5
Chemed Corp	1.5
NVR Inc	1.5
VMware Inc	1.4
Thor Industries Inc	1.4
Graco Inc	1.4
Cabot Microelectronics Corp	1.3
Varian Medical Systems Inc	1.3
PRA Health Sciences Inc	1.3
New York Times Co Class A	1.2
Phibro Animal Health Corp Class A	1.2
The Toro Co	1.2
Progress Software Corp	1.2
Medifast Inc	1.1
Chase Corp	1.1
The Cooper Companies Inc	1.1
Darden Restaurants Inc	1.1
Liberty Ventures Group A	1.0
VeriSign Inc	1.0
Werner Enterprises Inc	1.0
Trinet Group Inc	1.0
Visteon Corp	1.0
Total % of Top 25 Holdings	32.0
Total Number of Stock Holdings	174
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Holdings	175

Equity Style



Value Blend Growth

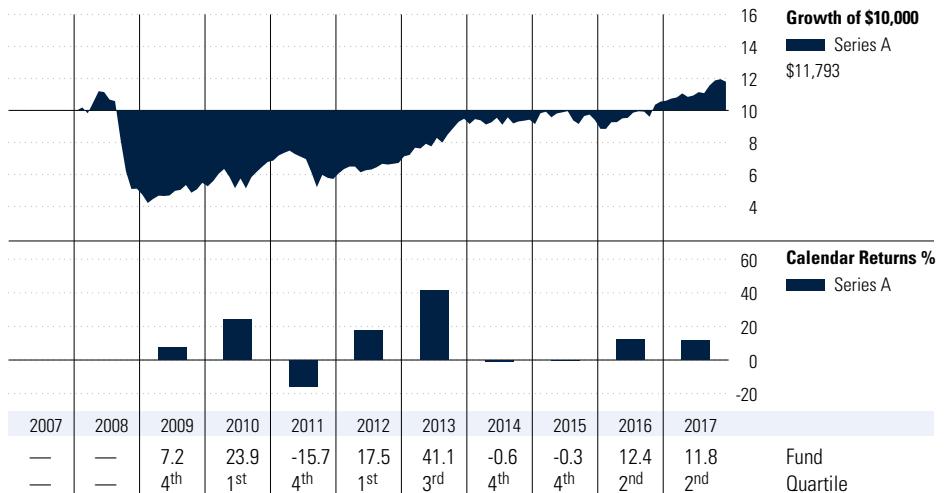
Equity Statistics

P/B Ratio	3.4
P/E Ratio	20.5
Avg. Mkt Cap. \$B	3.7

Global Equity Sectors

	% Equity
Information Technology	27.0
Industrials	19.4
Consumer Discretionary	17.7
Health Care	14.1
Financials	10.2
Materials	5.5
Consumer Staples	2.8
Energy	2.2
Real Estate	0.9
Telecommunication Services	0.3
Unclassified	0.0
Utilities	0.0

Performance Analysis as of December 31, 2017



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Fund	-1.3	2.0	7.9	11.8	7.8	11.9	—	1.3	Fund
Quartile	2 nd	4 th	1 st	2 nd	3 rd	4 th	—	—	Quartile
No. of Funds in Category	291	269	262	250	170	100	53	—	No. of Funds in Category



RBC O'Shaughnessy U.S. Growth Fund II

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 December 31, 2017

Distributions (\$)/Unit	2017*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	1.36	—	0.09	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	1.36	—	0.09	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	12-2013	41.1	9-2014	20.9	2-2014	17.5	—	—
Worst	2-2009	-58.6	8-2011	-16.6	6-2013	-7.0	—	—
Average		6.1		8.0		9.3		—
No. of Periods		108		84		60		—
Pct. Positive		67.6		88.1		86.7		—

* Final distribution attribution (interest, dividends, capital gains and return of capital) for 2017 will be reflected with January month-end profiles.

Quarterly Commentary as at December 31, 2017

During Q4, an overweight exposure to Value was the largest contributor to return. An underweight allocation to the Size factor—we were positioned smaller in market cap than the benchmark—was the largest detractor from returns. Additionally, an overweight allocation to the Momentum factor hurt returns. The Fund screens out the most poorly ranked names through Earnings Quality, Financial Strength, and Earnings Growth. The performance of these quality themes was marginally positive in aggregate for Q4.

Overall allocation effects contributed to returns while security selection effects detracted from returns for Q4. Allocation effects within Financails, Health Care, and Real Estate aided performance. Security selection within Information Technology, Financials, and Consumer Discretionary detracted from returns while security selection within Energy aided returns.

It is the policy of the Fund to maintain currency hedges at all times in order to neutralize exchange-rate movements between the U.S. dollar

and the Canadian dollar. This policy had a slightly negative effect on returns during Q4.

Above all else, we believe that long-term success comes from building a Fund around proven stock selection factors—measured using key selection criteria like quality, valuation, and momentum. Based on these key themes, the strategy is very well positioned versus its benchmark and relative to the overall market. The Fund's companies have higher momentum, lower debt ratios, and trade at deep discounts across a number of valuation factors. They are also less dilutive and returning capital to shareholders by buying back shares, instead of diluting shareholders like the average company in the index.

These combined advantages can only be delivered by a Fund which is distinct from the benchmark. Our active share of 86% means that the Fund continues to represent a unique take on its opportunity set versus the benchmark.



RBC O'Shaughnessy U.S. Growth Fund II

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.

This document has been compiled by RBC Global Asset Management Inc. (RBC GAM) from sources believed to be reliable, but no representations or warranty, express or

implied, are made by RBC GAM, its affiliates or any other person as to its accuracy, completeness or correctness. All opinions 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.

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 December 31, 2017.

® / ™ Trademark(s) of Royal Bank of Canada. Used under licence. © RBC Global Asset Management Inc. 2018