



# RBC U.S. Equity Value Fund

## Investment Objective

To provide long-term capital growth. The fund invests primarily in equity securities of U.S. companies that are attractively valued relative to their peers, their own valuation history and the broader stock market while also offering long-term opportunities for growth.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF473
A	No Load	USD	RBF474
Adv	Front End	CAD	RBF6733
Adv	Low Load	CAD	RBF4073
Adv	Front End	USD	RBF6734
Adv	Low Load	USD	RBF4074

Inception Date	March 2014
Total Fund Assets \$Mil	42.0
Series A NAV \$	13.68
Series A MER %	1.96
Series A Adjusted MER %	1.88
Benchmark	S&P 500 Total Return Index (C\$)

Income Distribution	Annually
Capital Gains Distribution	Annually

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

Fund Category	US Equity
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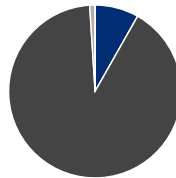
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Notes

Performance Analysis is in CAD and for CAD series A fund (RBF473).

## Portfolio Analysis as of June 30, 2017

### Asset Mix

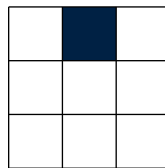


	% Assets
Cash	8.2
Fixed Income	0.0
Canadian Equity	0.0
US Equity	90.8
International Equity	1.0
Other	0.0

### Top 25 Holdings

	% Assets
Apple Inc	3.6
Alphabet Inc A	3.0
Microsoft Corp	3.0
Johnson & Johnson	2.2
JPMorgan Chase & Co	2.1
Berkshire Hathaway Inc B	1.9
Exxon Mobil Corp	1.9
Bank of America Corporation	1.6
Pfizer Inc	1.5
UnitedHealth Group Inc	1.5
Citigroup Inc	1.5
Facebook Inc A	1.4
Chevron Corp	1.4
Comcast Corp Class A	1.3
The Home Depot Inc	1.1
Medtronic PLC	1.1
PepsiCo Inc	1.1
Aetna Inc	1.0
Broadcom Ltd	1.0
General Electric Co	1.0
Eli Lilly and Co	1.0
AT&T Inc	0.9
Oracle Corp	0.9
Procter & Gamble Co	0.9
McDonald's Corp	0.9
Total % of Top 25 Holdings	38.9
Total Number of Stock Holdings	306
Total Number of Bond Holdings	0
Total Number of Other Holdings	3
<b>Total Number of Holdings</b>	<b>309</b>

### Equity Style



Value Blend Growth

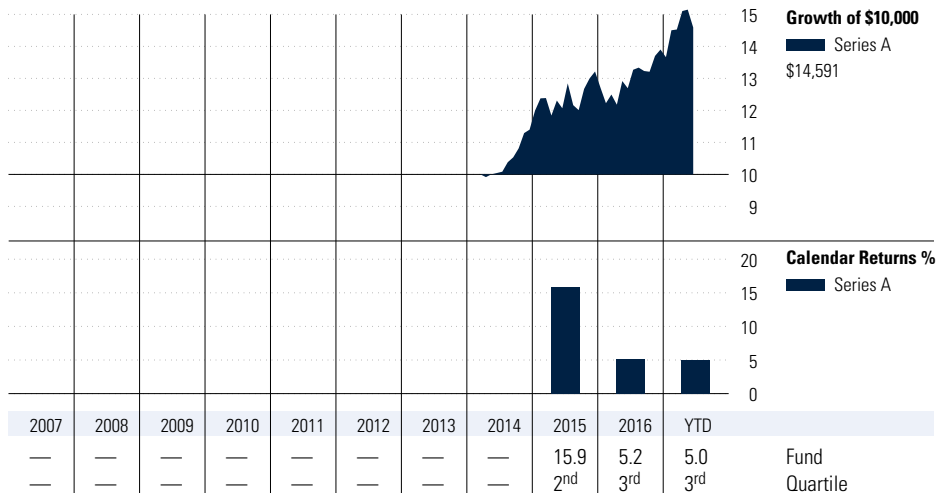
### Equity Statistics

P/B Ratio	2.7
P/E Ratio	20.3
Avg. Mkt Cap. \$B	123.5

### Global Equity Sectors

	% Equity
Information Technology	23.4
Health Care	15.1
Financials	15.0
Industrials	12.3
Consumer Discretionary	10.8
Consumer Staples	8.5
Energy	6.5
Real Estate	2.4
Utilities	2.4
Materials	2.3
Telecommunication Services	1.5
Unclassified	0.0

## Performance Analysis as of June 30, 2017



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
-3.7	0.4	5.0	14.9	13.3	—	—	11.7	Fund
4 <sup>th</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	—	—	—	Quartile
1396	1362	1334	1259	871	482	213	—	No. of Funds in Category



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## Management Overview

### Manager Bios

#### Stuart Kedwell

##### RBC Global Asset Management Inc.

Stuart Kedwell is Senior Vice President and Co-Head, North American Equities. He has been in the investment industry since 1997.

#### Doug Raymond

##### RBC Global Asset Management Inc.

Doug Raymond is Senior Vice President and Co-Head, North American Equities. He has been in the investment industry since 1985.

### Performance Analysis Cont'd as of June 30, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	—	—	0.64	0.03	—	—	—	—	—	—	—
Interest	—	—	0.00	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	0.64	0.03	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	7-2015	27.4	4-2017	15.1	—	—	—	—
Worst	2-2016	-1.2	6-2017	13.3	—	—	—	—
Average		12.4		14.1				
No. of Periods		28		4				
Pct. Positive		96.4		100.0				

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

### Quarterly Commentary as at June 30, 2017

The economic uptick has continued to bloom and a synchronized global economic expansion is at hand. That said, the initial acceleration phase has arguably ended and risk assets are rising with less vigor than at the turn of the year. Strong performances from the Health Care, Industrials and Financials sectors powered the advance, while returns in the Energy and Telecommunication Services sectors were a drag.

Security selection in Financials and Consumer Discretionary contributed to performance. An overweight position in Citigroup boosted returns, as the bank continues its multi-year turnaround with strong Q1 earnings. More than half of their revenues are from outside North America. In Consumer Discretionary, an overweight in Carnival Corporation had a positive impact, as the global cruise market continues to grow. Carnival's brands should be able to capitalize on the attractive demographic outlook of travel spending among seniors.

While the broad based commodity shock has subsided, oil prices continue to be under pressure. They remain difficult to forecast in the short run, but remain below our marginal cost estimate. We continue to believe that large companies with long-life reserves and strong balance sheets should deliver attractive levels of free cash as crude prices recover to the marginal cost of production.

The Information Technology sector plus Amazon and Netflix (Consumer Discretionary stocks), has generated roughly two-thirds of the S&P 500's gain this year.

Looking forward, our base case is that the economy will continue to expand slowly and that interest rates will rise gradually. We believe it's reasonable to expect further gains in equities and, if profits rise as analysts expect, total-return potential for stocks is still positive.



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## 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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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](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.

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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