



# RBC O'Shaughnessy Canadian Equity Fund

## Investment Objective

To provide a long-term total return by investing primarily in equity securities of Canadian and 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	RBF550
Adv	Front End	CAD	RBF775
Adv	Low Load	CAD	RBF128

Inception Date	November 1997
Total Fund Assets \$Mil	697.5
Series A NAV \$	21.10
Series A MER %	1.54
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

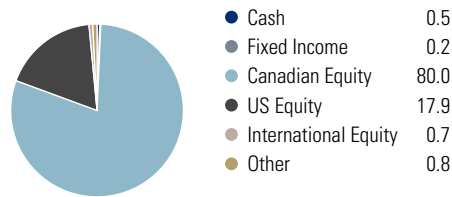
Fund Category	Canadian Focused Equity
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Management Company	RBC Global Asset Management Inc.
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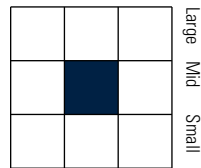
Web Site	www.rbcgam.com
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## Portfolio Analysis as of September 30, 2017

### Asset Mix



### Equity Style



Value Blend Growth

### Equity Statistics

P/B Ratio	1.9
P/E Ratio	13.6
Avg. Mkt Cap. \$B	8.9

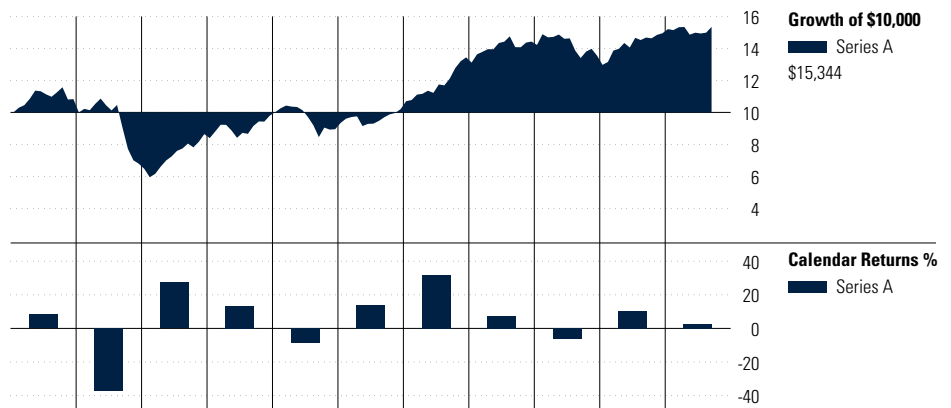
### Global Equity Sectors

Sector	% Equity
Financials	30.4
Consumer Discretionary	14.0
Materials	13.4
Consumer Staples	10.2
Industrials	9.8
Energy	6.0
Real Estate	4.3
Information Technology	4.3
Health Care	4.0
Utilities	3.0
Telecommunication Services	0.8
Unclassified	0.0

### Top 25 Holdings

Company	% Assets
Royal Bank of Canada	4.0
Sun Life Financial Inc	3.9
Manulife Financial Corp	3.8
Great-West Lifeco Inc	3.4
West Fraser Timber Co.Ltd	2.9
Canadian Tire Corp Ltd Class A	2.7
The Toronto-Dominion Bank	2.4
George Weston Ltd	2.4
CI Financial Corp	2.1
Teck Resources Ltd Class B	2.0
Loblaw Companies Ltd	2.0
Ind Alliance Insurance and Finl Serv	1.9
ZCL Composites Inc	1.9
CIBC	1.8
Finning International Inc	1.4
Magna International Inc Class A	1.4
CGI Group Inc A	1.3
CAE Inc	1.2
BRP Inc	1.2
Atco Ltd Class I	1.2
Bank of Nova Scotia	1.2
Capital Power Corp	1.1
Granite Real Estate Invest Tr of Granit	1.1
Gildan Activewear Inc	1.1
Metro Inc	1.1
Total % of Top 25 Holdings	50.5
Total Number of Stock Holdings	148
Total Number of Bond Holdings	1
Total Number of Other Holdings	2
<b>Total Number of Holdings</b>	<b>151</b>

## Performance Analysis as of September 30, 2017



Year	Calendar Returns %	Fund Quartile
2007	8.3	1 <sup>st</sup>
2008	-37.3	4 <sup>th</sup>
2009	27.3	3 <sup>rd</sup>
2010	13.3	2 <sup>nd</sup>
2011	-8.7	2 <sup>nd</sup>
2012	14.1	1 <sup>st</sup>
2013	31.7	1 <sup>st</sup>
2014	7.3	4 <sup>th</sup>
2015	-6.1	4 <sup>th</sup>
2016	10.3	3 <sup>rd</sup>
YTD	2.6	3 <sup>rd</sup>

Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trading Return %
Fund	2.4	2.4	0.1	4.5	2.9	9.6	3.1	7.6	Fund
Quartile	3 <sup>rd</sup>	2 <sup>nd</sup>	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	—	Quartile
No. of Funds in Category	714	710	681	657	518	379	191	—	No. of Funds in Category



# RBC O'Shaughnessy 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 September 30, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	—	0.24	0.14	0.11	0.16	0.21	0.09	0.14	0.30	0.43	3.26
Interest	—	—	—	—	—	—	—	—	0.01	0.18	—
Dividends	—	0.24	0.14	0.11	0.16	0.21	0.09	0.14	0.28	0.25	0.31
Capital Gains	—	—	—	—	—	—	—	—	—	—	2.95
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	3-2010	49.8	3-2006	26.9	10-2007	18.9	8-2008	13.4
Worst	2-2009	-41.8	2-2009	-13.8	5-2012	-4.2	5-2017	2.7
Average		9.2		9.2		9.0		7.0
No. of Periods		227		203		179		119
Pct. Positive		73.1		83.7		88.8		100.0

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

### Quarterly Commentary as at September 30, 2017

The three most common exposures in our portfolio are large positive exposure to the value factor, a neutral exposure to the momentum factor, and a negative exposure to the size factor. While we will always place large bets on the value and momentum factors, the size factor exposure may be less consistent. In constructing the Fund, after setting our investible universe, we ignore market capitalization as a factor.

An overweight allocation to Value was the largest contributor to returns. Additionally, an overweight allocation to Financial Strength, and Yield factors contributed to returns. An underweight allocation to the Momentum factor detracted from returns for the third quarter.

Overall allocation effects and selection effects detracted from returns for the quarter. An overweight allocation to Consumer Discretionary aided returns while overweight allocation to Health Care and Consumer Staples and an

underweight allocation to Energy detracted from returns. Security selection within Materials and Industrials aided returns for the quarter while security selections within Energy, Health Care, and Financials detracted from returns.

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 return relative to the market. 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 remainder of 2017.



# RBC O'Shaughnessy 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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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, 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 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 September 30, 2017.

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