



# 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	695.6
Series A NAV \$	22.69
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

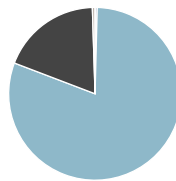
Fund Category	Canadian Focused Equity
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Management Company	RBC Global Asset Management Inc.
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Web Site	www.rbcgam.com
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## Portfolio Analysis as of June 30, 2018

### Asset Mix

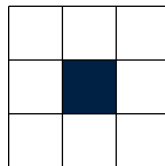


	% Assets
Cash	0.4
Fixed Income	0.0
Canadian Equity	80.4
US Equity	18.7
International Equity	0.5
Other	0.0

### Top 25 Holdings

	% Assets
Sun Life Financial Inc	3.8
Methanex Corp	3.5
Teck Resources Ltd Class B	3.3
Express Scripts Holding Co	2.7
Canadian Tire Corp Ltd Class A	2.6
Air Canada Class B	2.5
National Bank of Canada	2.1
Great-West Lifeco Inc	2.0
Loblaws Companies Ltd	2.0
West Fraser Timber Co.Ltd	2.0
Valeant Pharmaceuticals Intl Inc	2.0
Metro Inc	2.0
Lundin Mining Corp	1.9
George Weston Ltd	1.8
Canfor Corp	1.8
CGI Group Inc A	1.8
BRP Inc	1.8
Manulife Financial Corp	1.7
Husky Energy Inc	1.7
The Toronto-Dominion Bank	1.7
Boston Beer Co Inc Class A	1.7
Magna International Inc Class A	1.6
The Stars Group Inc	1.6
Premium Brands Holdings Corp	1.5
Constellation Software Inc	1.4
Total % of Top 25 Holdings	52.5
Total Number of Stock Holdings	117
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
<b>Total Number of Holdings</b>	<b>118</b>

### Equity Style



Value Blend Growth

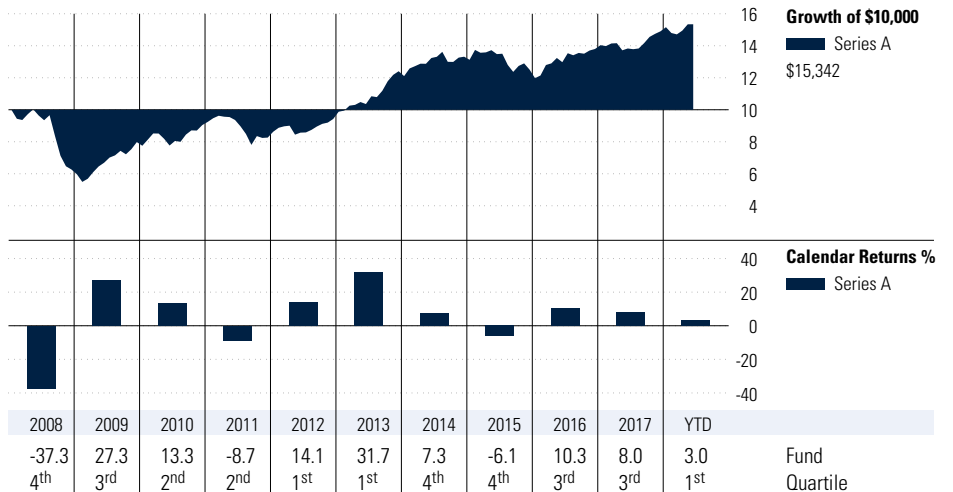
### Equity Statistics

P/B Ratio	2.0
P/E Ratio	12.0
Avg. Mkt Cap. \$B	11.5

### Global Equity Sectors

	% Equity
Materials	20.3
Financials	19.7
Consumer Discretionary	14.2
Consumer Staples	11.3
Industrials	8.8
Energy	7.3
Health Care	6.9
Information Technology	5.5
Real Estate	4.7
Telecommunication Services	1.1
Utilities	0.3
Unclassified	0.0

## Performance Analysis as of June 30, 2018



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
0.0	4.3	3.0	10.9	4.4	8.2	4.8	7.7	Fund
	4 <sup>th</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	—	Quartile
720	716	710	697	529	418	210	—	No. of Funds in Category



# RBC O'Shaughnessy Canadian Equity Fund

## Management Overview

### Manager Bios

#### Jim P. O'Shaughnessy

##### O'Shaughnessy Asset Management

Jim O'Shaughnessy is the Chairman 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.

#### Patrick O'Shaughnessy

##### O'Shaughnessy Asset Management

Patrick O'Shaughnessy is the Chief Executive Officer at O'Shaughnessy Asset Management (OSAM). Patrick oversees the day-to-day business of the firm, directing OSAM's initiatives in the areas of research and portfolio management, investor education and client service and relationships. He also serves as a Portfolio Manager. Prior to his role as CEO, Patrick spent 11 years on OSAM's Research & Portfolio Management team, working to improve the firm's investment strategies.

### Performance Analysis Cont'd as of June 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	0.16	0.24	0.14	0.11	0.16	0.21	0.09	0.14	0.30	0.43
Interest	—	0.00	—	—	—	—	—	—	—	0.01	0.18
Dividends	—	0.16	0.24	0.14	0.11	0.16	0.21	0.09	0.14	0.28	0.25
Capital Gains	—	—	—	—	—	—	—	—	—	—	—
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		9.0		9.0		6.8
No. of Periods		236		212		188		128
Pct. Positive		74.2		84.4		89.4		100.0

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

### Quarterly Commentary as at June 30, 2018

Overall security selection hurt returns for the second quarter while overall allocation marginally detracted. Security selection within the Industrials, Financials and Materials sectors hurt returns while security selection in the Consumer Staples, Health Care and Consumer Discretionary sectors aided returns. An underweight allocation to Energy and an overweight allocation to Consumer Staples also hurt performance while an overweight allocation to Financials and Health Care aided performance.

An overweight allocation to the Value factor was the largest detractor from returns for the quarter. Additionally, having a smaller size orientation than the benchmark detracted from performance this quarter. An overweight allocation to higher beta

names aided performance. Our Financial Strength, Earnings Quality and Shareholder Yield exposures also aided returns for the quarter.

Our research of individual stock data leads us to believe that Value, Momentum and Quality are critically important to future outperformance. We consistently avoid sectors and industries that exhibit unfavourable characteristics and hone in on areas of the market that are favourable in the ways we deem relevant. 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 2018.



# 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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MER (%) for RBC Funds, PH&N Funds and BlueBay Funds is based on actual expenses for the full year period, January 1 to December 31, 2017, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the full year period, April 1, 2017 to March 31, 2018.

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 June 30, 2018.

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