



# RBC O'Shaughnessy U.S. Growth Fund

## Investment Objective

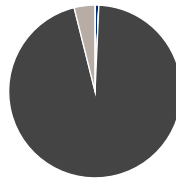
To provide long-term capital growth by investing primarily in equity securities of U.S. companies based on Strategy Indexing®, a rigorous and disciplined approach to stock selection based on characteristics associated with above-average returns over long periods of time.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF551
Inception Date		November 1997	
Total Fund Assets \$Mil		117.7	
Series A NAV \$		17.09	
Series A MER %		1.55	
Benchmark		Russell 2000 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

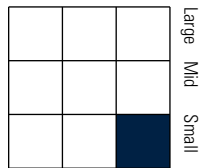


	% Assets
Cash	0.7
Fixed Income	0.0
Canadian Equity	0.0
US Equity	95.4
International Equity	3.9
Other	0.0

### Top 25 Holdings

	% Assets
Inogen Inc	1.9
Cabot Microelectronics Corp	1.9
Blucora Inc	1.7
Penn National Gaming Inc	1.7
Novanta Inc	1.6
Quaker Chemical Corp	1.6
Alamo Group Inc	1.5
Stamps.com Inc	1.5
New York Times Co Class A	1.4
Medifast Inc	1.3
OraSure Technologies Inc	1.2
KMG Chemicals Inc	1.2
Fox Factory Holding Corp	1.1
SP Plus Corp	1.1
Sanderson Farms Inc	1.1
Chase Corp	1.1
SodaStream International Ltd	1.1
CommerceHub Inc A	1.1
Zagg Inc	1.0
Atrion Corp	1.0
Phibro Animal Health Corp Class A	1.0
National Research Corp Class A	1.0
Tropicana Entertainment Inc	1.0
Aaron's Inc	0.9
PRA Health Sciences Inc	0.9
Total % of Top 25 Holdings	31.9
Total Number of Stock Holdings	183
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
<b>Total Number of Holdings</b>	<b>184</b>

### Equity Style



Value Blend Growth

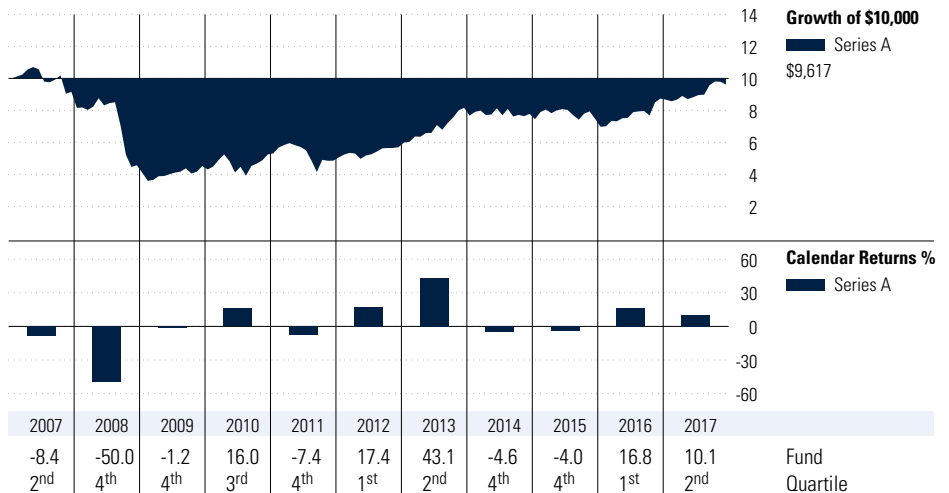
### Equity Statistics

P/B Ratio	3.3
P/E Ratio	21.2
Avg. Mkt Cap. \$B	1.8

### Global Equity Sectors

	% Equity
Information Technology	25.1
Industrials	18.4
Health Care	16.8
Consumer Discretionary	16.3
Financials	11.9
Materials	5.8
Consumer Staples	2.7
Energy	1.2
Real Estate	1.1
Telecommunication Services	0.7
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 %
-1.8	0.4	8.9	10.1	7.3	11.0	0.5	4.2	Fund
2 <sup>nd</sup>	4 <sup>th</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	—	Quartile
291	269	262	250	170	100	53	—	No. of Funds in Category



# RBC O'Shaughnessy U.S. Growth 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 December 31, 2017

Distributions (\$)/Unit	2017*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	—	—	—	—	—	—	—	—	—	—	0.55
Interest	—	—	—	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	0.55
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	3-2000	64.9	3-2006	32.0	2-2014	17.0	8-2008	11.0
Worst	2-2009	-56.0	3-2009	-29.0	9-2011	-14.9	8-2010	-4.9
Average		7.4		6.3		5.6		0.9
No. of Periods		230		206		182		122
Pct. Positive		64.3		77.2		67.6		51.6

\* 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 high momentum stocks, the primary stock selection factor, detracted -1.16% from returns. When seeking high momentum stocks, we eliminate from consideration extremely expensive names based on valuation relative to sales, earnings, and cash flows. This was a benefit and partially offset the negative returns of momentum. For the first three quarters expensive momentum names, like Biotechnology, outperformed by large margins. But in Q4, we saw a small reversal in that trend and our focus on attractive valuations contributed positively. The Fund screens out the most poorly ranked names through Earnings Quality, Financial Strength, and Earnings Growth. The performance of these quality themes was mixed for Q4, and overall detracted. Industry allocations and our position in smaller names than the benchmark had a negative impact.

Overall sector allocation effects contributed to returns while overall security selection effects detracted from returns for Q4. Security selection within Materials, Energy, and Real Estate aided returns while security selection within Industrials, Information Technology, and Consumer Discretionary detracted from returns. An underweight allocation to Health Care and overweight allocations to Financials and Consumer

Discretionary contributed to performance while a slight overweight to Information Technology detracted from 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 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 Fund 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 to shareholders than 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 86.6% means that the Fund continues to represent a unique take on its opportunity set versus the benchmark.



# RBC O'Shaughnessy U.S. Growth 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 December 31, 2017.

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