



# RBC O'Shaughnessy U.S. Value Fund

## Investment Objective

To provide a long-term total return, consisting of capital growth and current income 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	RBF552
Adv	Front End	CAD	RBF776
Adv	Low Load	CAD	RBF134

Inception Date	November 1997
Total Fund Assets \$Mil	1,743.0
Series A NAV \$	16.83
Series A MER %	1.55
Benchmark	Russell 1000 Value Index (USD)

Income Distribution	Quarterly
Capital Gains Distribution	Annually

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

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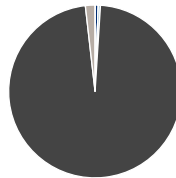
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Notes

This is a continuing fund resulting from a merger effective June 27, 2014.

## Portfolio Analysis as of December 31, 2017

### Asset Mix

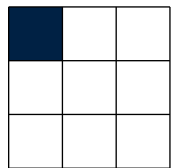


	% Assets
Cash	0.6
Fixed Income	0.0
Canadian Equity	0.4
US Equity	97.3
International Equity	1.8
Other	0.0

### Top 25 Holdings

	% Assets
LyondellBasell Industries NV	5.1
Valero Energy Corp	5.0
Boeing Co	5.0
Ameriprise Financial Inc	5.0
Procter & Gamble Co	3.6
Target Corp	3.4
Wyndham Worldwide Corp	3.1
The Hartford Financial Services Grp Inc	3.0
McDonald's Corp	3.0
Corning Inc	2.8
Best Buy Co Inc	2.8
Citigroup Inc	2.7
XL Group Ltd	2.5
Discover Financial Services	2.5
American Express Co	2.4
The Western Union Co	2.4
Sysco Corp	2.2
McKesson Corp	1.9
Conagra Brands Inc	1.8
General Mills Inc	1.8
Cadence Design Systems Inc	1.8
Yum Brands Inc	1.8
Gilead Sciences Inc	1.7
United Continental Holdings Inc	1.7
Regions Financial Corp	1.7
Total % of Top 25 Holdings	71.0
Total Number of Stock Holdings	64
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
<b>Total Number of Holdings</b>	<b>65</b>

### Equity Style



Value Blend Growth

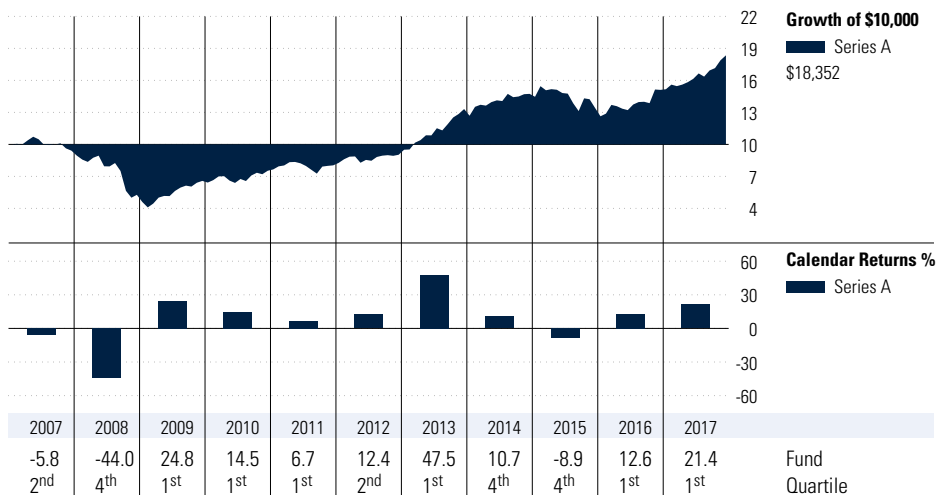
### Equity Statistics

P/B Ratio	2.7
P/E Ratio	15.3
Avg. Mkt Cap. \$B	41.6

### Global Equity Sectors

	% Equity
Financials	25.0
Consumer Discretionary	21.3
Information Technology	12.7
Industrials	11.9
Consumer Staples	10.7
Materials	6.5
Energy	6.0
Health Care	6.0
Telecommunication Services	0.0
Utilities	0.0
Real Estate	0.0
Unclassified	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 %
2.6	8.4	13.7	21.4	7.6	15.2	6.9	6.9	Fund
1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	4 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	—	Quartile
1411	1401	1367	1300	891	561	249	—	No. of Funds in Category



# RBC O'Shaughnessy U.S. Value 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	1.62	0.21	0.08	1.38	0.09	0.20	0.11	0.09	0.09	0.09	1.39
Interest	0.09	0.21	0.08	0.27	0.09	0.20	0.10	0.09	0.09	0.09	0.04
Dividends	—	—	—	—	—	—	0.01	—	—	—	—
Capital Gains	1.53	—	—	1.11	—	—	—	—	—	—	1.35
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	62.4	2-2012	28.1	2-2014	27.0	11-2007	7.2
Worst	2-2009	-52.3	2-2009	-22.4	2-2009	-11.6	2-2009	-1.8
Average		8.3		7.9		7.8		4.3
No. of Periods		230		206		182		122
Pct. Positive		73.9		81.1		71.4		93.4

\* 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

An overweight allocation to the Shareholder Yield and Value contributed to returns for Q4, adding 0.33% and 0.21% respectively. The Earnings Growth and Earnings Quality factors also contributed to performance. An underweight allocation to the Size factor—being positioned smaller than the benchmark by market cap—detracted -0.07% from returns.

Overall allocation effects and security selection effects contributed to returns for Q4. Security selection within Industrials, Consumer Discretionary, and Energy aided returns while security selection within Telecommunication Services, Health Care, and Financials detracted from returns. An overweight allocation to Information Technology and underweight allocations to Utilities and Health Care contributed to performance. An overweight allocation to Industrials and underweight allocation to Telecommunication Services and Financials hurt performance.

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.

Based on our key themes, we believe the Fund is well positioned versus its benchmark and relative to the overall market. The Fund's companies have higher levels of return on capital, lower reliance on external financing, and trade at deep discounts across a number of valuation factors. They are also returning capital to shareholders at three times the rate of the benchmark.

These combined advantages can only be delivered by a fund which is distinct from the benchmark. Our active share of 89% means that the Fund continues to represent a unique take on the U.S. market.

As the year progresses, we will continue to focus on our niche of the market: quality companies, often trading at out-of-favor prices, which are aggressively returning capital to equity shareholders through dividends and share repurchases. Given the weight of the evidence—across decades of testing and more than 15 years of live performance—we expect strong performance in the future.



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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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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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