



# RBC North American Value Fund

## Investment Objective

To provide long-term capital growth by investing primarily in equity securities of Canadian and/or U.S. companies priced below their true value and offering long-term opportunities for growth.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF554
Adv	Deferred Sales	CAD	RBF857
Adv	Front End	CAD	RBF766
Adv	Low Load	CAD	RBF130
Adv T5	Front End	CAD	RBF6504
Adv T5	Low Load	CAD	RBF033
T5	No Load	CAD	RBF504

Inception Date	April 1998
Total Fund Assets \$Mil	2,894.9
Series A NAV \$	24.13
Series A MER %	1.93
Benchmark	50% S&P/TSX Capped Composite Total Return Index 50% S&P 500 Total Return Index (C\$)

Income Distribution	Annually
Capital Gains Distribution	Annually

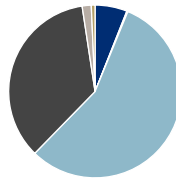
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

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

## Portfolio Analysis as of September 30, 2017

### Asset Mix

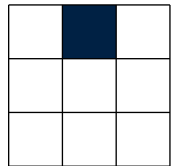


	% Assets
Cash	6.0
Fixed Income	0.2
Canadian Equity	56.1
US Equity	35.3
International Equity	1.7
Other	0.7

### Top 25 Holdings

	% Assets
Royal Bank of Canada	4.2
Bank of Nova Scotia	4.1
The Toronto-Dominion Bank	3.5
Brookfield Asset Management Inc Class A	3.1
Enbridge Inc	2.2
Suncor Energy Inc	2.2
Canadian National Railway Co	2.1
Manulife Financial Corp	2.0
TransCanada Corp	1.9
Alphabet Inc C	1.8
Berkshire Hathaway Inc B	1.5
JPMorgan Chase & Co	1.5
Canadian Natural Resources Ltd	1.4
BCE Inc	1.4
Apple Inc	1.4
UnitedHealth Group Inc	1.4
Charter Communications Inc A	1.3
Microsoft Corp	1.2
Bank of America Corporation	1.2
Citigroup Inc	1.1
PrairieSky Royalty Ltd	1.1
Potash Corp of Saskatchewan Inc	1.0
Ross Stores Inc	1.0
D.R. Horton Inc	1.0
Loblaw Companies Ltd	1.0
Total % of Top 25 Holdings	45.6
Total Number of Stock Holdings	325
Total Number of Bond Holdings	0
Total Number of Other Holdings	7
<b>Total Number of Holdings</b>	<b>332</b>

### Equity Style



Value Blend Growth

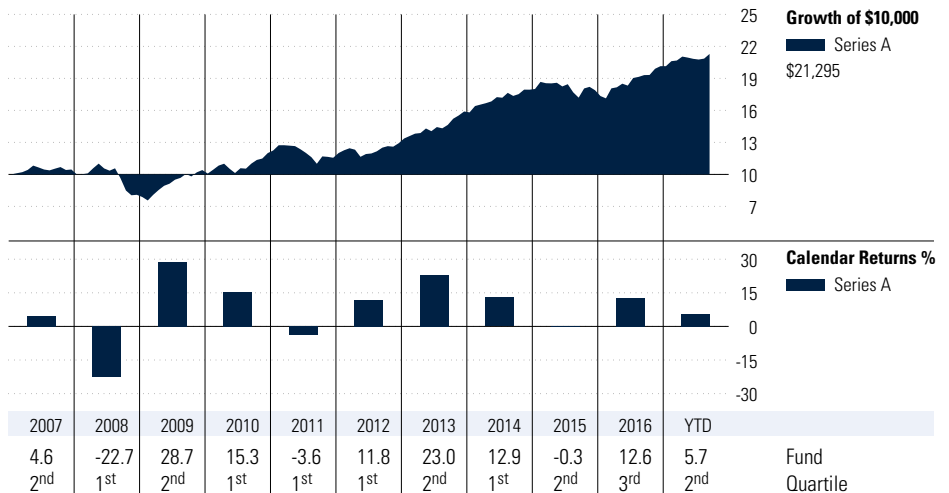
### Equity Statistics

P/B Ratio	2.0
P/E Ratio	18.8
Avg. Mkt Cap. \$B	39.0

### Global Equity Sectors

	% Equity
Financials	31.6
Energy	15.8
Information Technology	11.9
Industrials	10.3
Consumer Discretionary	7.0
Health Care	6.1
Materials	5.8
Consumer Staples	4.7
Telecommunication Services	3.5
Real Estate	1.8
Utilities	1.6
Unclassified	0.0

## Performance Analysis as of September 30, 2017



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trading Return %
Fund	2.1	2.2	3.0	10.3	7.1	11.2	7.3	7.6	Fund
Quartile	3 <sup>rd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	—	Quartile
No. of Funds in Category	714	710	681	657	518	379	191	—	No. of Funds in Category



# RBC North American Value Fund

## 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.

#### David Tron

##### RBC Global Asset Management Inc.

David Tron is an Associate Portfolio Manager and North American Equity analyst. He is responsible for providing research on the North American Technology sector. David is a CFA charterholder.

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

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	—	0.42	0.23	0.95	1.07	0.62	0.21	1.26	0.58	—	1.80
Interest	—	—	—	—	—	—	—	—	—	—	—
Dividends	—	0.03	0.04	—	—	0.01	—	—	—	—	—
Capital Gains	—	0.39	0.19	0.95	1.07	0.61	0.21	1.26	0.58	—	1.80
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	38.2	3-2006	21.3	2-2014	16.8	3-2013	10.4
Worst	2-2009	-24.6	2-2009	-5.4	4-2003	0.6	8-2010	5.7
Average		9.2		8.8		8.8		8.1
No. of Periods		222		198		174		114
Pct. Positive		74.8		91.9		100.0		100.0

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

### Quarterly Commentary as at September 30, 2017

The S&P/TSX Composite Index languished after hitting an all-time high in February 2017. During the latter part of the period, the index moved back into positive territory for the year, but remained below the aforementioned highs.

The S&P 500 is up since the November election of President Trump. Corporate fundamentals rather than politics have been the driving force for the market. After three years of essentially flat earnings, the S&P 500 is expected to generate roughly 10% earnings growth in 2017.

The strongest sectors of Canadian relative performance was in Energy and Materials, while Consumer Discretionary was the largest detractor. In the U.S., performance was aided by Consumer Discretionary and Consumer Staples, with Health Care the largest laggard.

The price of crude oil rebounded from their lows in late June on optimism that the OPEC deal will finally have a palpable effect on the global supply

glut.

Despite uncertainty in the sectors, the Consumer Discretionary and Consumer Staples sectors produced strong relative performance in the U.S. Consumers are disrupting traditional retailers by changing the way they shop and what they want to buy.

Stocks continue to be supported by a global synchronized expansion and renewed corporate-profit growth around the world. With many equity markets at or near all-time highs, investors are rightly concerned about the sustainability of the bull market in equities. While stocks are not as cheap as they were when the cycle began, they remain somewhat attractive relative to fixed income. Markets have benefited from rising earnings and price-to-earnings ratios through this bull market, but earnings rather than valuations may now be the force needed to propel the market higher.



# RBC North American Value 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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