



# RBC U.S. Dividend Fund

## Investment Objective

To achieve long-term capital growth and regular dividend income by investing primarily in common and preferred securities of U.S. companies with above average dividend yields.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF590
A	No Load	USD	RBF541
Adv T5	Front End	CAD	RBF6539
Adv T5	Low Load	CAD	RBF4539
Adv	Deferred Sales	CAD	RBF802
Adv	Front End	CAD	RBF702
Adv	Low Load	CAD	RBF129
Adv	Front End	USD	RBF734
Adv	Low Load	USD	RBF4541
T5	No Load	CAD	RBF539
T8	No Load	CAD	RBF599

Inception Date	July 2006
Total Fund Assets \$Mil	4,220.5
Series A NAV \$	28.00
Series A MER %	1.94
Benchmark	S&P 500 Total Return Index (C\$)

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.
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Web Site	www.rbcgam.com
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## Notes

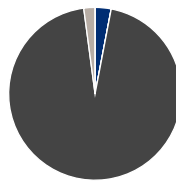
The fund's investment objective changed November 28, 2011.

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

Performance Analysis is in CAD and for CAD series A fund (RBF590).

## Portfolio Analysis as of June 30, 2018

### Asset Mix

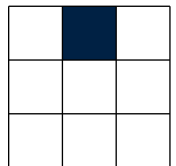


	% Assets
Cash	3.0
Fixed Income	0.0
Canadian Equity	0.0
US Equity	94.9
International Equity	2.1
Other	0.0

### Top 25 Holdings

	% Assets
Microsoft Corp	4.8
Apple Inc	4.6
Cisco Systems Inc	2.9
JPMorgan Chase & Co	2.5
Intel Corp	2.4
Texas Instruments Inc	2.3
Chevron Corp	2.3
Bank of America Corporation	2.1
Altria Group Inc	2.1
UnitedHealth Group Inc	2.1
Broadcom Inc	2.1
Johnson & Johnson	2.0
Philip Morris International Inc	2.0
Union Pacific Corp	2.0
NextEra Energy Inc	1.7
The Home Depot Inc	1.6
LyondellBasell Industries NV	1.6
DowDuPont Inc	1.5
Anthem Inc	1.5
Boeing Co	1.5
Amgen Inc	1.4
Merck & Co Inc	1.3
ConocoPhillips	1.3
Dollar General Corp	1.2
Pfizer Inc	1.2
Total % of Top 25 Holdings	52.3
Total Number of Stock Holdings	228
Total Number of Bond Holdings	0
Total Number of Other Holdings	6
<b>Total Number of Holdings</b>	<b>234</b>

### Equity Style



Value Blend Growth

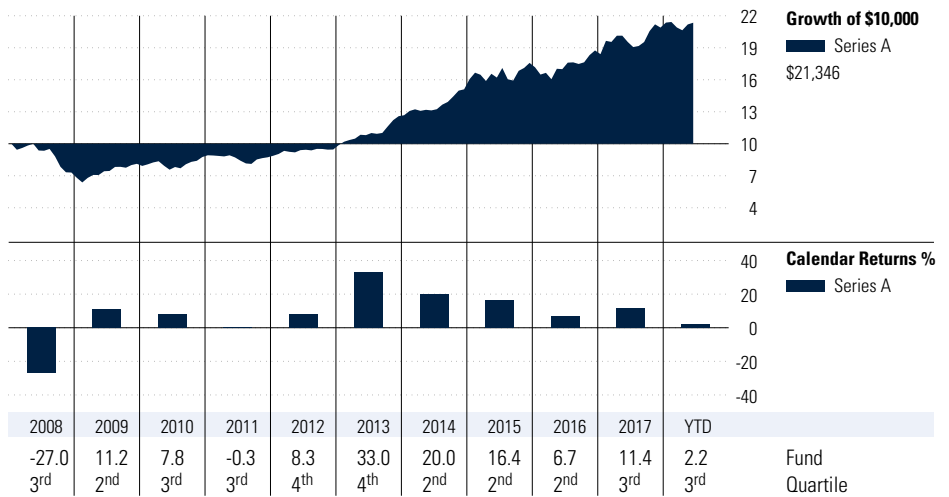
### Equity Statistics

P/B Ratio	2.7
P/E Ratio	15.6
Avg. Mkt Cap. \$B	144.3

### Global Equity Sectors

	% Equity
Information Technology	20.6
Health Care	17.3
Financials	12.8
Industrials	10.1
Consumer Discretionary	9.3
Consumer Staples	8.2
Energy	7.3
Utilities	7.1
Materials	3.2
Real Estate	3.1
Telecommunication Services	1.0
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 %
	0.8	2.1	2.2	9.2	9.6	14.6	8.6	7.2	Fund
	4 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	—	Quartile
	1446	1428	1411	1349	918	615	261	—	No. of Funds in Category



# RBC U.S. Dividend Fund

## Management Overview

### Manager Bios

#### Brad Willock

#### RBC Global Asset Management Inc.

Brad Willock joined RBC in May 1996 and RBC Global Asset Management in July 2002. In his current role, he is responsible for core and income-oriented U.S. equity mandates. Brad has a Bachelor of Commerce and a Bachelor of Science, and is a CFA charterholder.

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

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.04	0.73	0.39	1.10	2.46	0.63	0.10	—	0.01	0.07	0.17
Interest	0.04	0.09	0.11	0.01	0.02	0.09	0.09	—	0.01	0.01	0.05
Dividends	—	—	—	—	—	—	0.01	—	—	0.06	0.12
Capital Gains	—	0.64	0.28	1.08	2.44	0.55	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	12-2013	33.0	12-2015	22.9	11-2017	17.5	6-2018	8.6
Worst	2-2009	-32.5	6-2010	-10.1	9-2011	-3.4	1-2017	5.9
Average		7.7		9.5		10.7		7.0
No. of Periods		132		108		84		24
Pct. Positive		79.5		75.0		78.6		100.0

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

### Quarterly Commentary as at June 30, 2018

U.S. equity markets rebounded in the second quarter. However, sustained economic growth and accelerated earnings were accompanied by higher interest rates and faster inflation, which weighed on valuations. Against this backdrop, equities have struggled so far in 2018 to make the kind of headway that came so easily last year.

In the Fund, security selection detracted in the second quarter. On the positive side, our overweight position in ConocoPhillips Co. contributed on the back of rising commodity prices. Conversely, not holding non-dividend payers Amazon.com Inc., Facebook Inc., Netflix Inc. and Alphabet Inc. detracted significantly. In addition, our overweight position in two tobacco companies, Altria Group Inc. and Philip Morris International Inc., hurt performance. Philip Morris fell 15%

earlier this year on weak earnings, largely driven by lower adoption of its smokeless product than expected in Japan. Altria serves an entirely different market, but was also dragged down by Philip Morris's poor results.

Expanding valuations have been a significant source of gains for stocks during the decade-long rally, but sustained earnings growth will be critical to drive equities to higher levels. Earnings have indeed been growing rapidly, helped by U.S. tax cuts, and expectations are for the positive trend in profits to persist. As long as economic growth continues and the U.S. Federal Reserve raises rates gradually, stocks are likely to offer decent returns for the balance of 2018.



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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 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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