



RBC European Equity Fund

Investment Objective

To provide long-term capital growth by investing in equity securities of European companies in order to provide exposure to growth opportunities in the European economy and diversification benefits beyond North America.

The Fund provides exposure to growth opportunities in European companies. The investment team has a high-quality bias, investing in companies that can compound their economic value and generate sustainably high cash-flow returns without consuming high levels of capital. The region offers economic, geographic and sector diversification for investors, and with an all-cap mandate, the Fund is not constrained by market capitalization.

Fund Details

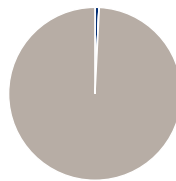
Series	Currency	Fund Code
0	CAD	RBF202
Inception Date: January 2008		
Total Fund Assets \$Mil: 7,007.7		
Benchmark: MSCI Europe Total Return Net Index (\$C)		

Notes

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

Portfolio Analysis as of April 30, 2019

Asset Mix



	% Assets
Cash	0.7
Fixed Income	0.0
Canadian Equity	0.0
US Equity	0.1
International Equity	99.3
Other	0.0

Top 10 Holdings

	% Assets
Unilever PLC	5.6
Diageo PLC	5.2
RELX PLC	5.1
London Stock Exchange Group PLC	4.9
Novo Nordisk A/S B	4.4
Heineken NV	4.1
Roche Holding AG Dividend Right Cert.	4.1
Hargreaves Lansdown PLC	3.4
SAP SE	3.3
Royal Dutch Shell PLC Class A	3.2
Total % of Top 10 Holdings	43.3
Total Number of Stock Holdings	50
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Holdings	51

Equity Style

Large	Mid	Small
14	15	53
4	5	8
0	0	0

Value Blend Growth

Weight %
● > 50
● 25 - 50
● 10 - 25
○ 0 - 10

Equity Statistics

P/B Ratio	2.7
P/E Ratio	17.2
P/FCF	14.8
P/S	2.1
Avg. Mkt Cap. \$B	50.0
Dividend Yield	2.5

Top 5 Equity Sectors

	% Equity
Financials	19.6
Consumer Staples	17.8
Industrials	16.3
Health Care	15.7
Consumer Discretionary	10.3
% in Top 5 Equity Sectors	79.7

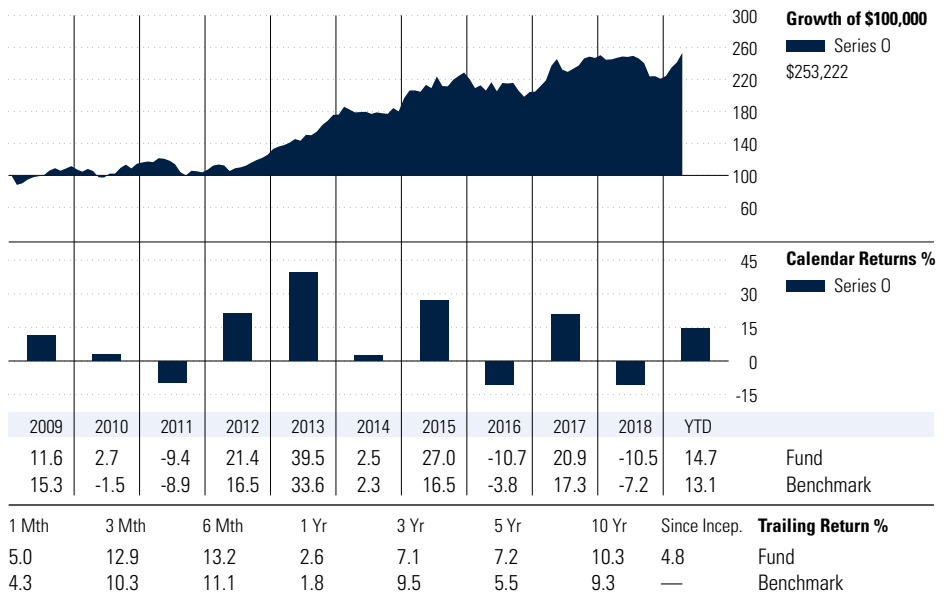
Risk Measures

	Fund	Benchmark
3 Year Std Dev	11.5	10.5
5 Year Std Dev	11.8	11.7

Geographic Allocations

	% Assets
United Kingdom	50.4
Switzerland	9.5
Germany	8.3
Denmark	7.9
Netherlands	7.8

Performance Analysis as of April 30, 2019





RBC European Equity Fund

Management Overview

Manager Bios

Dominic Wallington

RBC Global Asset Management (UK) Limited

Dominic has worked in the investment industry since 1991 and has been a portfolio manager since 1993. Prior to joining RBC Global Asset Management (UK) Limited, he worked for Invesco Perpetual. Between 2002 and July 2007, Dominic ran several Continental European equity funds for individual investors and institutions. He has a Masters in Finance and Investment from the University of Exeter. Dominic also holds the Securities Institute Diploma and is a Fellow of the Securities Institute.

David Lambert

RBC Global Asset Management (UK) Limited

David is a Portfolio Manager with the European Equity team of RBC Global Asset Management (UK) Limited. He is part of a veteran team that strives to identify superior investment opportunities while minimizing risks. David began his career with the firm in 1999 as a Quantitative Analyst and became a Portfolio Manager in 2003. He graduated from Loughborough University with a First Class BSc (Hons) degree in Mathematics and is an Associate of the UK Society of Investment Professionals (CFA UK).

Performance Analysis Cont'd as of April 30, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	—	1.25	1.38	0.78	0.50	2.30	0.47	0.42	0.46	0.35	0.47
Interest	—	0.67	0.57	0.50	0.50	0.45	0.47	0.42	0.46	0.35	0.47
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.58	0.81	0.28	—	1.85	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	12-2013	39.5	7-2015	26.7	5-2017	18.4	3-2019	10.3
Worst	2-2009	-34.4	8-2011	-7.2	1-2013	-0.5	5-2018	5.6
Average		7.8		10.2		11.8		7.8
No. of Periods		124		100		76		16
Pct. Positive		71.8		89.0		97.4		100.0

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

Quarterly Commentary as at March 31, 2019

European stocks saw their best quarter in four years as they all but erased the losses suffered in the final quarter of 2018. The key drivers of this reversal were twofold; first, dovish rhetoric emanating from the U.S. Federal Reserve (Fed) demonstrated a change in tack for U.S. monetary policy, thereby reducing the fears of more interest rate rises occurring during 2019. The second was apparent progress in the trade talks between the U.S. and China, giving cause for optimism that the effects of the trade war may be receding.

Despite the market rallying to the geo-political news and monetary policy earlier in the quarter, concerns still remain over the continued weakness in global growth. Softer Chinese domestic demand has hampered markets; questions still remain about the effect a lack of further progress in U.S.-China trade talks or a more hawkish Fed may have on global markets.

Economic activity in Europe remains subdued. After troughing in January, the IHS Markit composite PMI rose again in February, although

March saw a small decline. Manufacturing figures have been particularly poor as have export figures (industrial production is down 2.5% since its peak in December 2017). Despite this, unemployment continues to decline, with labour markets strong across Europe.

At a sector level, our position in Consumer Staples was the standout positive contributor, whereas the position in Communication Services was the smallest contributor.

The largest individual contributor was our position in London Stock Exchange Group. The second largest contributor was Heineken. The largest detractors were EssilorLuxottica and Bayer.

While we are, as always, cognisant of the wider macro environment, our focus remains on the discipline of long-term investing in companies with strong competitive positions, low capital intensity, sustainable and/or improving profitability.



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Disclosure

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MER (%) for RBC Funds, RBC Private Pools, PH&N Funds and BlueBay Funds is based on actual expenses for the preceding calendar year or most recent half-year period ended June 30 expressed on an annualized basis, depending on availability of data at the time of publication.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the preceding full year period ended March 31 or half-year period ended September 30 expressed on an annualized basis, depending on availability of

data at the time of publication.

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.

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