



# RBC North American Growth Fund

## Investment Objective

To provide long-term capital growth by investing primarily in equity securities of Canadian and/or U.S. companies that offer above-average prospects for growth.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF265
Adv	Deferred Sales	CAD	RBF858
Adv	Front End	CAD	RBF767
Adv	Low Load	CAD	RBF131

Inception Date	January 1993
Total Fund Assets \$Mil	549.3
Series A NAV \$	36.01
Series A MER %	1.92
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

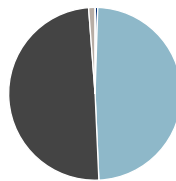
Fund Category	Canadian Focused Equity
---------------	-------------------------

Management Company	RBC Global Asset Management Inc.
--------------------	----------------------------------

Web Site	www.rbcgam.com
----------	----------------

## Portfolio Analysis as of September 30, 2018

### Asset Mix

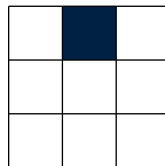


	% Assets
Cash	0.5
Fixed Income	0.0
Canadian Equity	48.8
US Equity	49.5
International Equity	1.2
Other	0.0

### Top 25 Holdings

	% Assets
Royal Bank of Canada	3.7
The Toronto-Dominion Bank	3.5
Bank of Nova Scotia	2.5
Canadian National Railway Co	2.3
Apple Inc	2.3
Suncor Energy Inc	2.2
Microsoft Corp	1.9
Amazon.com Inc	1.8
Bank of Montreal	1.6
Enbridge Inc	1.6
Alphabet Inc A	1.6
CIBC	1.4
Brookfield Asset Mgmt Inc CI A	1.4
Nutrien Ltd	1.3
Manulife Financial Corp	1.3
Canadian Natural Resources Ltd	1.3
TransCanada Corp	1.2
Canadian Pacific Railway Ltd	1.2
JPMorgan Chase & Co	1.0
Facebook Inc A	0.9
Sun Life Financial Inc	0.9
Berkshire Hathaway Inc B	0.8
Alimentation Couche-Tard Inc B	0.8
UnitedHealth Group Inc	0.8
BCE Inc	0.8
<b>Total % of Top 25 Holdings</b>	<b>40.2</b>
<b>Total Number of Stock Holdings</b>	<b>265</b>
<b>Total Number of Bond Holdings</b>	<b>0</b>
<b>Total Number of Other Holdings</b>	<b>1</b>
<b>Total Number of Holdings</b>	<b>266</b>

### Equity Style



Value Blend Growth

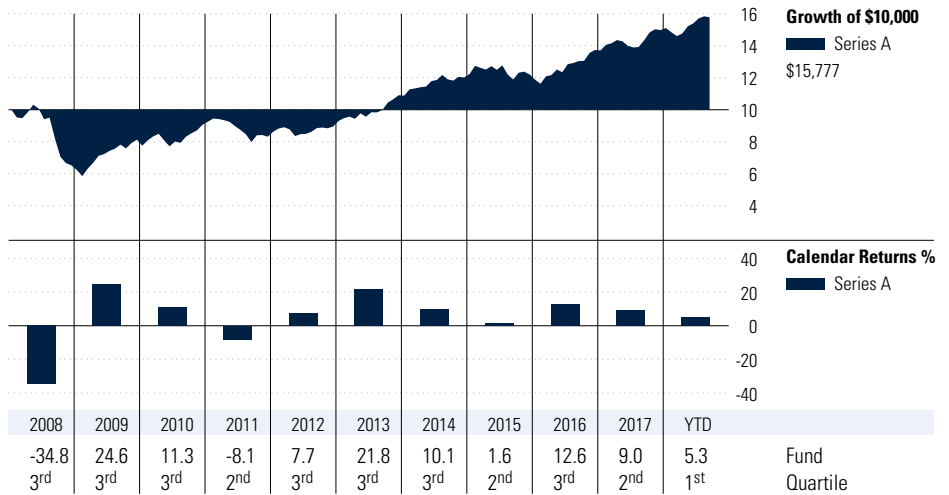
### Equity Statistics

P/B Ratio	2.2
P/E Ratio	16.3
Avg. Mkt Cap. \$B	70.9

### Global Equity Sectors

	% Equity
Financials	25.1
Energy	13.2
Information Technology	12.6
Industrials	10.1
Communication Services	8.1
Health Care	7.8
Consumer Discretionary	7.0
Materials	6.4
Consumer Staples	4.8
Real Estate	2.5
Utilities	2.4
Unclassified	0.0

## Performance Analysis as of September 30, 2018



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	-0.4	2.5	8.0	10.0	9.9	9.6	6.8	8.0	Fund
	1st	1st	1st	1st	2nd	2nd	2nd	—	Quartile
	685	671	666	651	515	436	215	—	No. of Funds in Category



# RBC North American Growth Fund

## Management Overview

### Manager Bios

#### Rob Cavallo

##### RBC Global Asset Management Inc.

Rob is a Portfolio Manager with the North American equities team. Rob joined the firm in 2012 as a Global equities analyst with a focus on analyzing companies within the Health Care and Consumer sectors. Rob earned a Bachelor of Commerce degree at the University of Toronto and is a CFA charterholder.

#### Marcello Montanari

##### RBC Global Asset Management Inc.

Marcello Montanari is Vice President and Senior Portfolio Manager, North American Equities. Marcello began his career in the investment industry in 1992. He earned a Bachelor of Commerce degree in finance from Concordia University and is a CFA charterholder.

#### David Tron

##### RBC Global Asset Management Inc.

David is 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, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	1.33	0.56	1.26	0.70	0.53	0.34	—	0.33	0.59	—
Interest	—	0.00	—	—	—	0.15	0.05	—	—	0.34	—
Dividends	—	0.05	0.52	0.08	0.30	0.38	0.28	—	0.33	0.25	—
Capital Gains	—	1.27	0.05	1.18	0.40	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2000	53.4	3-2006	27.9	10-2007	20.8	8-2008	11.6
Worst	2-2009	-38.6	2-2009	-10.7	5-2012	-3.7	4-2016	3.4
Average		8.1		7.7		7.4		6.8
No. of Periods		289		265		241		181
Pct. Positive		72.7		82.6		87.6		100.0

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

### Quarterly Commentary as at September 30, 2018

The S&P/TSX Composite Index hit an all-time high in mid-July, but retreated during the remainder of the quarter on uncertainty about the impact of the Trump administration's focus on global trade. U.S. equity markets generally outperformed the rest of the world again in the third quarter. The U.S. recorded impressive gains with soaring business and consumer confidence and corporate profit growth fueling the ascent.

Security selection within the Canadian Materials sector was the largest performance driver in Q3. Overweights like Nutrien, Neo Performance Materials and OceanaGold performed well, while many other names in the sector fell on a weakening gold price.

Conversely, the Health Care sector in both Canada and the U.S. detracted. The majority of the Fund's weight is in U.S. stocks, and both asset weighting and security selection were slightly negative in Q3. In particular, not holding CVS Health detracted.

The stock has struggled to gain traction the past few years, and Amazon's inclination to enter the pharmacy space has only added pressure. However, there appears to be optimism surrounding a potential merger with Aetna.

Our assessment of a variety of indicators leads us to believe that the economy remains at a fairly late stage in the business cycle, but that a recession is unlikely within the next year. Economic slack has diminished and demand is running slightly ahead of sustainable levels. Credit spreads are narrow and delinquency rates on a variety of loans are beginning to rise, both of which are consistent with late-cycle behaviour. Although the yield curve has flattened meaningfully, it has not inverted. An inverted yield curve has a good track record of predicting economic weakness. Stocks can continue to deliver decent upside with reasonable assumptions, but we recognize earnings growth is now critical to sustaining the bull market.



# RBC North American 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.

This document has been compiled by RBC Global Asset Management Inc. (RBC GAM) from sources believed to be reliable, but no

representations or warranty, express or implied, are made by RBC GAM, its affiliates or any other person as to its accuracy, 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, 2018, 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 September 30, 2018.

® / ™ Trademark(s) of Royal Bank of Canada. Used under licence. © RBC Global Asset Management Inc. 2018