



# RBC U.S. Mid-Cap Growth Equity Fund (US\$)

## Investment Objective

To provide long-term capital growth through investment primarily in U.S. mid-capitalized equity investments and common stock equivalents.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	USD	RBF337

Inception Date	March 1992
Total Fund Assets \$Mil	827.8
Series A NAV \$	26.24
Series A MER %	2.10
Benchmark	Russell Midcap Growth Index (US\$)

Income Distribution	Annually
Capital Gains Distribution	Annually

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

Fund Category	US Small/Mid Cap Equity
---------------	-------------------------

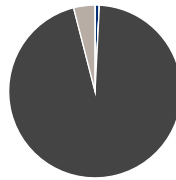
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Notes

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

## Portfolio Analysis as of January 31, 2018

### Asset Mix

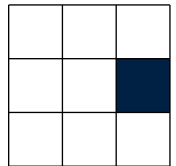


	% Assets
Cash	0.8
Fixed Income	0.0
Canadian Equity	0.0
US Equity	95.1
International Equity	4.0
Other	0.0

### Top 10 Holdings

	% Assets
MercadoLibre Inc	2.7
Abiomed Inc	2.5
Autodesk Inc	2.0
Dollar Tree Inc	1.9
Synopsys Inc	1.9
WEX Inc	1.8
Roper Technologies Inc	1.7
Red Hat Inc	1.7
Mettler-Toledo International Inc	1.6
Waters Corp	1.6
Total % of Top 10 Holdings	19.4
Total Number of Stock Holdings	81
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
<b>Total Number of Holdings</b>	<b>82</b>

### Equity Style



Value Blend Growth

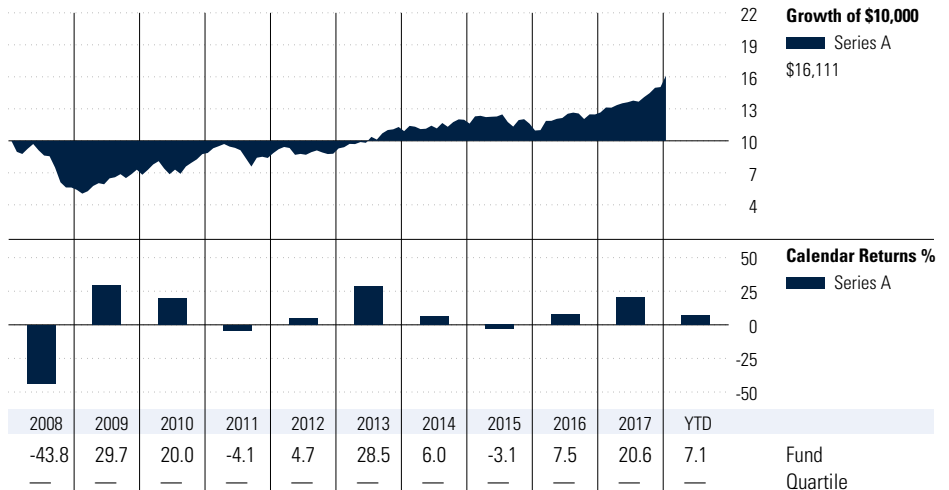
### Equity Statistics

P/B Ratio	4.2
P/E Ratio	26.8
Avg. Mkt Cap. \$B	13.7

### Global Equity Sectors

	% Equity
Information Technology	28.1
Industrials	22.1
Health Care	18.5
Consumer Discretionary	11.4
Financials	8.7
Consumer Staples	5.2
Materials	2.6
Energy	1.8
Real Estate	1.6
Telecommunication Services	0.0
Utilities	0.0
Unclassified	0.0

## Performance Analysis as of January 31, 2018



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
7.1	11.4	17.0	27.2	11.5	11.6	5.9	6.1	Fund Quartile
—	—	—	—	—	—	—	—	No. of Funds in Category



# RBC U.S. Mid-Cap Growth Equity Fund (US\$)

## Management Overview

### Manager Bios

#### Kenneth A. Tyszko

#### RBC Global Asset Management (U.S.) Inc.

Within RBC Global Asset Management (U.S.), Ken is responsible for Small-, SMid- and Mid-Cap Growth research and portfolio management. His 28 years of industry experience includes portfolio management responsibilities at Oberweis Asset Management, ABN AMRO Asset Management (USA) Inc. and Sears Investment Management Company. Ken holds a Bachelor of Science degree in accountancy from the University of Illinois; he is certified as a CPA and is a CFA charterholder.

### Performance Analysis Cont'd as of January 31, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	0.62	0.30	2.42	0.38	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.62	0.30	2.42	0.38	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	3-2010	47.6	3-2006	25.6	2-2014	17.7	3-2013	8.1
Worst	12-2008	-43.8	2-2009	-16.5	3-2003	-10.9	2-2009	-2.4
Average		6.7		6.2		5.4		3.9
No. of Periods		289		265		241		181
Pct. Positive		69.6		70.9		74.3		92.8

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

### Quarterly Commentary as at December 31, 2017

Positive returns were driven by strong stock selection while sector allocation headwinds weighed modestly on returns. Favorable stock selection within the Information Technology and Consumer Discretionary sectors contributed the most to returns and offset adverse stock selection within the Industrials and Consumer Staples sectors. Overall, sector allocation decisions had a neutral impact on returns.

The Fund's largest overweighted sectors versus the index are Health Care and Industrials, while the largest underweighted sectors are Consumer Discretionary and Materials. The Fund owned 80 stocks as of quarter end. Over the fourth quarter, one new stock was added to the Fund: Teledyne Technologies, Inc. along with one stock that was liquidated: PAREXEL International Corp.

Heading into 2018, the fundamentals underlying

the U.S. economy continue to improve. Both business and consumer confidence are already at high levels and the passage of the tax reform bill will likely accelerate overall gross domestic product growth (GDP) in 2018 from current rates. GDP should also be further bolstered by deregulation and improving international economic growth. While the administration believes that the tax bill will increase employee wages and increase consumer spending, we also believe it will spur additional corporate capital expenditure spending and result in increased dividend growth, share buybacks, and merger and acquisition activity. Keeping the potential risks in mind, we are positive on equity markets heading into the New Year and don't foresee a near term catalyst that has the potential to significantly derail this long-running bull market.



## RBC U.S. Mid-Cap Growth Equity Fund (US\$)

### 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, 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 January 31, 2018.

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