



# RBC European Mid-Cap Equity Fund

## Investment Objective

To provide long-term capital growth. The fund invests primarily in equity securities of European mid-cap companies. The fund provides exposure to growth opportunities in the European economy and diversification benefits beyond North America.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF426
Adv	Front End	CAD	RBF6426
Adv	Low Load	CAD	RBF4426

Inception Date	September 2016
Total Fund Assets \$Mil	19.9
Series A NAV \$	12.20
Series A MER %	2.18
Benchmark	MSCI Europe Mid Cap Total Return Net Index (CAD)

Income Distribution	Annually
Capital Gains Distribution	Annually

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

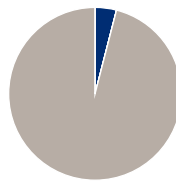
Fund Category	European Equity
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Management Company	RBC Global Asset Management Inc.
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Web Site	www.rbcgam.com
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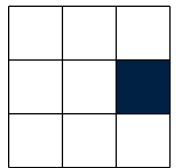
## Portfolio Analysis as of June 30, 2018

### Asset Mix



	% Assets
Cash	4.0
Fixed Income	0.0
Canadian Equity	0.0
US Equity	0.0
International Equity	96.0
Other	0.0

### Equity Style



Value Blend Growth

### Equity Statistics

P/B Ratio	2.6
P/E Ratio	15.2
Avg. Mkt Cap. \$B	8.0

### Top 5 Sectors

	% Equity
Industrials	26.2
Financials	13.7
Consumer Discretionary	13.6
Materials	12.4
Health Care	11.0

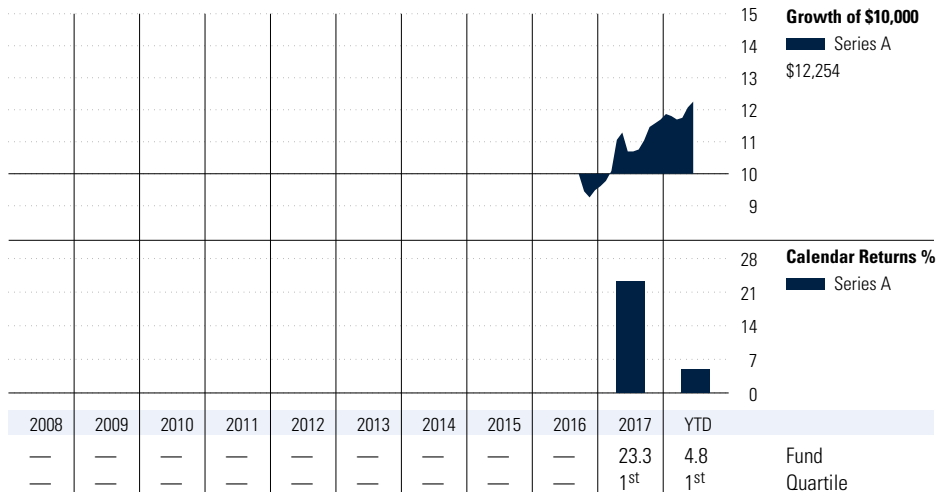
### Geographic Allocations

	% Assets
United Kingdom	45.2
Denmark	9.1
Switzerland	8.2
Spain	6.6
France	6.5

### Top 25 Holdings

	% Assets
Paddy Power Betfair PLC	3.2
InterContinental Hotels Group PLC	2.7
Ryanair Holdings PLC ADR	2.7
Moncler SpA	2.6
Virgin Money Holdings (UK) PLC	2.5
London Stock Exchange Group PLC	2.5
Ashtead Group PLC	2.4
Cranswick PLC	2.3
Fevertree Drinks PLC	2.3
Topdanmark A/S	2.2
Howden Joinery Group PLC	2.2
Chr. Hansen Holding A/S	2.2
Red Electrica Corporacion SA	2.2
Essilor International SA	2.1
Kerry Group PLC Class A	2.1
Viscofan SA	2.1
VAT Group AG	2.1
TGS-NOPEC Geophysical Co ASA	2.1
Grifols SA A	2.1
Playtech PLC	2.0
Sika AG Registered Shares	2.0
Recordati	2.0
Rightmove PLC	2.0
DCC PLC	1.9
Symrise AG	1.9
<b>Total % of Top 25 Holdings</b>	<b>56.3</b>
<b>Total Number of Stock Holdings</b>	<b>53</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>54</b>

## 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 %
1.5	4.8	4.8	14.6	—	—	—	12.0	Fund
1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	—	—	—	—	Quartile
177	177	175	173	117	77	55	—	No. of Funds in Category



# RBC European Mid-Cap Equity Fund

## Management Overview

### Manager Bios

#### 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 June 30, 2018

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

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	11-2017	25.0	—	—	—	—	—	—
Worst	4-2018	6.2	—	—	—	—	—	—
Average		16.8		—		—		—
No. of Periods		10		—		—		—
Pct. Positive		100.0		—		—		—

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

### Quarterly Commentary as at June 30, 2018

European markets had their strongest quarter since Q1 2017, which resulted in the recovery of most first-quarter losses. This occurred despite geopolitical events continuing to create volatility across global markets.

The protectionist trade policies pursued by U.S. President Trump, which has crystallized in a nascent trade war with China, was accompanied by the installation of a populist political coalition in Italy with promises to boost government spending. Brexit-centred uncertainty persisted from both a political and business perspective, with economic growth in the United Kingdom continuing to lag the rest of Europe.

European macro data plateaued after first-quarter declines and, at their current level, are still consistent with double-digit earnings growth. Leading indicators have begun to roll over; although this is not necessarily bearish for the market as a whole, it can have implications for sector rotation.

Data seems to suggest further earnings growth is possible while, from a valuation perspective, market price-to-earnings ratios are close to fair value and dividend yields in all markets look attractive relative to bond yields.

At a sector level, our position in Information Technology was the highest contributor whereas the position in Industrials was the only negative performer.

The largest individual contributor was TGS-NOPEC Geophysical Co., followed by the second-largest contributor, Virgin Money Holdings (UK) plc. The largest detractors were Pandora Jewelry A/S and VAT Group AG.

While we are, as always, cognizant 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.



# RBC European Mid-Cap Equity 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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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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