



# 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.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF457
Adv	Deferred Sales	CAD	RBF848
Adv	Front End	CAD	RBF748
Adv	Low Load	CAD	RBF174
T5	No Load	CAD	RBF5457

Inception Date	July 1987
Total Fund Assets \$Mil	6,223.5
Series A NAV \$	20.09
Series A MER %	2.15
Benchmark	MSCI Europe Total Return Net Index (\$C)

Income Distribution	Annually
Capital Gains Distribution	Annually

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

Fund Category	European Equity
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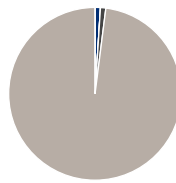
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Notes

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

## Portfolio Analysis as of January 31, 2019

### Asset Mix

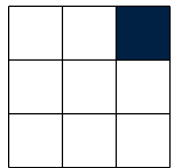


	% Assets
Cash	1.0
Fixed Income	0.0
Canadian Equity	0.0
US Equity	1.0
International Equity	98.0
Other	0.0

### Top 10 Holdings

	% Assets
RELX PLC	5.4
Unilever PLC	5.3
Diageo PLC	4.9
Roche Holding AG Dividend Right Cert.	4.9
London Stock Exchange Group PLC	4.7
Novo Nordisk A/S B	4.2
Heineken NV	3.8
Royal Dutch Shell PLC Class A	3.6
SAP SE	2.9
Sika AG Registered Shares	2.7
Total % of Top 10 Holdings	42.4
Total Number of Stock Holdings	52
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
<b>Total Number of Holdings</b>	<b>53</b>

### Equity Style



Value Blend Growth

### Equity Statistics

P/B Ratio	2.4
P/E Ratio	15.4
Avg. Mkt Cap. \$B	44.8

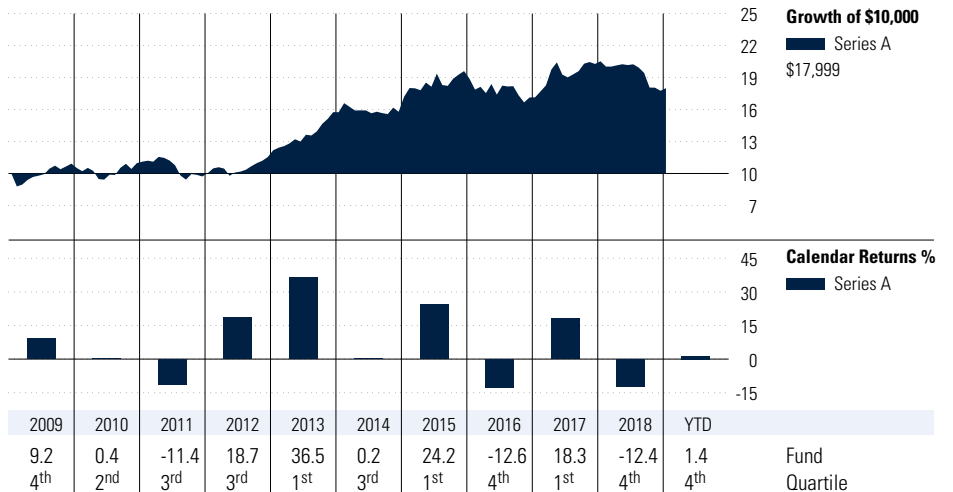
### Top 5 Sectors

	% Equity
Consumer Staples	18.5
Health Care	17.5
Financials	17.4
Industrials	16.0
Consumer Discretionary	9.7

### Geographic Allocations

	% Assets
United Kingdom	48.9
Switzerland	10.9
Germany	9.2
Denmark	8.4
Netherlands	7.6

## Performance Analysis as of January 31, 2019



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	1.4	-0.3	-11.1	-12.3	-1.6	2.7	6.8	3.8	Fund
	4 <sup>th</sup>	2 <sup>nd</sup>	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	—	Quartile
	183	181	177	175	131	88	58	—	No. of Funds in Category



# 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 January 31, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	—	0.77	0.81	0.30	—	1.88	0.05	0.14	0.13	0.03	0.25
Interest	—	0.21	0.04	0.04	—	0.05	0.05	0.14	0.13	0.03	0.25
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.56	0.78	0.26	—	1.83	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	5-1998	47.2	2-2000	28.7	2-2000	23.1	2-2004	7.2
Worst	10-2008	-35.8	3-2003	-23.0	5-2012	-9.9	6-2010	-6.0
Average		6.2		6.7		5.7		2.6
No. of Periods		289		265		241		181
Pct. Positive		67.8		65.7		58.9		71.8

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

### Quarterly Commentary as at December 31, 2018

Global markets suffered their worst quarterly fall in seven years during the quarter, although Europe fared better than many other markets. The geo-political concerns that have worried investors for much of the year were joined by signs of a general slowdown in global growth, as well as a reduction in monetary stimulus.

Within Europe, uncertainty over the terms of Brexit continues to weigh on business and consumer confidence. With the deadline looming, it is no clearer what the outcome of the political machinations within Westminster will be. The standoff between Italy and the E.U. appeared to come to a close in December as the Italian government submitted a revised budget, reducing its proposed 2019 budget deficit to 2.04%.

European macro-economic data continues to decline after the falls seen during the first half of the year, with the composite PMI falling to its

lowest level since November 2014. The slight style rotation seen in the previous quarter has gathered pace, with the Healthcare and Consumer Staples sectors continuing to outperform as the markets experienced significant volatility.

At a sector level, our position in Consumer Staples was the standout positive contributor, whereas the position in Financials was an offsetting negative. The largest individual contributor was our position in Roche Holding. The second largest contributor was Diageo. The largest detractors were Ashtead Group and Fresenius Medical.

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.



# RBC European 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 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.

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, 2019.

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