



# 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	6,431.7
Series A NAV \$	22.54
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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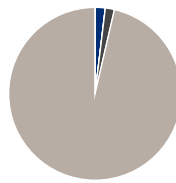
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Notes

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

## Portfolio Analysis as of September 30, 2018

### Asset Mix

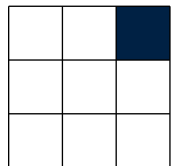


	% Assets
Cash	1.9
Fixed Income	0.0
Canadian Equity	0.0
US Equity	1.7
International Equity	96.4
Other	0.0

### Top 25 Holdings

	% Assets
Unilever PLC	5.3
RELX PLC	4.9
Novo Nordisk A/S B	4.4
London Stock Exchange Group PLC	4.3
Diageo PLC	3.9
Royal Dutch Shell PLC Class A	3.9
Heineken NV	3.5
Roche Holding AG Dividend Right Cert.	3.2
LVMH Moet Hennessy Louis Vuitton SE	3.1
Sika AG Registered Shares	2.9
SAP SE	2.9
Lonza Group Ltd	2.7
Ryanair Holdings PLC ADR	2.7
Nordea Bank Abp	2.6
Sampo Oyj A	2.6
Schroders PLC	2.6
ING Groep NV	2.2
Ashtead Group PLC	2.1
Bayer AG	2.0
Fresenius Medical Care AG & Co. KGaA	2.0
Lloyds Banking Group PLC	1.9
Paddy Power Betfair PLC	1.9
Sage Group (The) PLC	1.8
Burberry Group PLC	1.8
Hargreaves Lansdown PLC	1.7
<b>Total % of Top 25 Holdings</b>	<b>73.1</b>
<b>Total Number of Stock Holdings</b>	<b>49</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>50</b>

### Equity Style



Value Blend Growth

### Equity Statistics

P/B Ratio	2.3
P/E Ratio	17.0
Avg. Mkt Cap. \$B	41.7

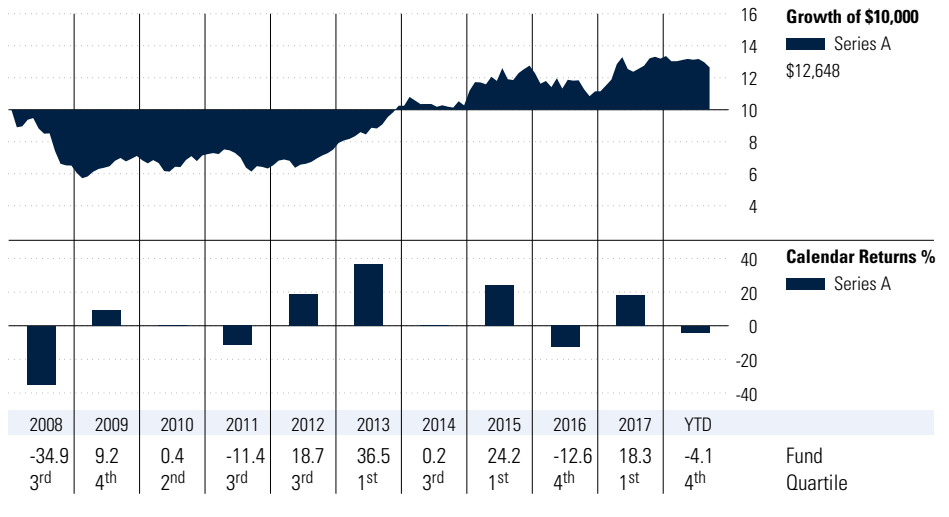
### Top 5 Sectors

	% Equity
Financials	19.9
Health Care	18.2
Industrials	16.1
Consumer Staples	14.4
Consumer Discretionary	11.8

### Geographic Allocations

	% Assets
United Kingdom	46.2
Germany	10.4
Switzerland	10.0
Netherlands	7.3
Denmark	7.2

## 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 %
-2.5	-3.6	-3.0	-0.8	2.2	6.9	5.5	4.1	Fund
4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	—	Quartile
179	177	177	174	122	83	56	—	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 September 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	0.81	0.30	—	1.88	0.05	0.14	0.13	0.03	0.25	0.34
Interest	—	0.04	0.04	—	0.05	0.05	0.14	0.13	0.03	0.25	0.34
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	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		6.6		6.9		6.0		2.6
No. of Periods		289		265		241		181
Pct. Positive		69.2		67.2		58.9		71.8

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

### Quarterly Commentary as at September 30, 2018

European markets fell slightly during the quarter, although markets are just in positive territory year to date. Geo-political concerns continue to dominate headlines as well as market performance.

The long awaited Italian budget plans were published towards the end of the quarter which appeared to confirm market fears that the government's promise of increased fiscal spending will place the country at odds with Brussels. Meanwhile, Brexit negotiations suffered a blow as European leaders rejected the U.K's exit proposal during a summit in Salzburg. This increased uncertainty continues to hamper business confidence and economic growth in the U.K. as GDP growth fell to its lowest in six years.

European macro data continues to flat-line after declining during the first half of the year. From a valuation perspective, the market P/E is marginally richer than its long-term average whilst on a price-

to-book basis, Europe continues to look cheap relative to the U.S. There has been a slight rotation into defensive styles and sectors over the quarter, such as Health Care and Consumer Staples.

At a sector level, our position in Information Technology was the standout positive contributor, whereas the position in Consumer Discretionary was an offsetting negative.

The largest individual contributor was our position in Nordea Bank, followed by the second-largest contributor, Lonza Group. The largest detractors were Paddy Power Betfair and Ryanair Holdings.

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.



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## 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 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.

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