



# 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	6,627.9
Series A NAV \$	23.16
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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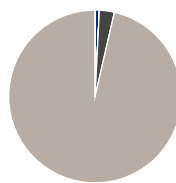
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Notes

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

## Portfolio Analysis as of August 31, 2017

### Asset Mix

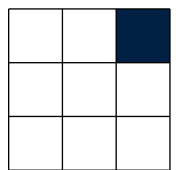


	% Assets
Cash	0.8
Fixed Income	0.0
Canadian Equity	0.0
US Equity	2.8
International Equity	96.5
Other	0.0

### Top 10 Holdings

	% Assets
Unilever PLC	5.2
Novo Nordisk A/S B	4.6
Roche Holding AG Dividend Right Cert.	4.1
RELX NV	3.8
Sampo Oyj A	3.5
Antofagasta PLC	3.4
Royal Dutch Shell PLC Class A	3.4
Ryanair Holdings PLC ADR	3.4
Heineken NV	3.4
LVMH Moet Hennessy Louis Vuitton SE	3.3
Total % of Top 10 Holdings	38.1
Total Number of Stock Holdings	50
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
<b>Total Number of Holdings</b>	<b>51</b>

### Equity Style



Value Blend Growth

### Equity Statistics

P/B Ratio	2.9
P/E Ratio	19.1
Avg. Mkt Cap. \$B	45.4

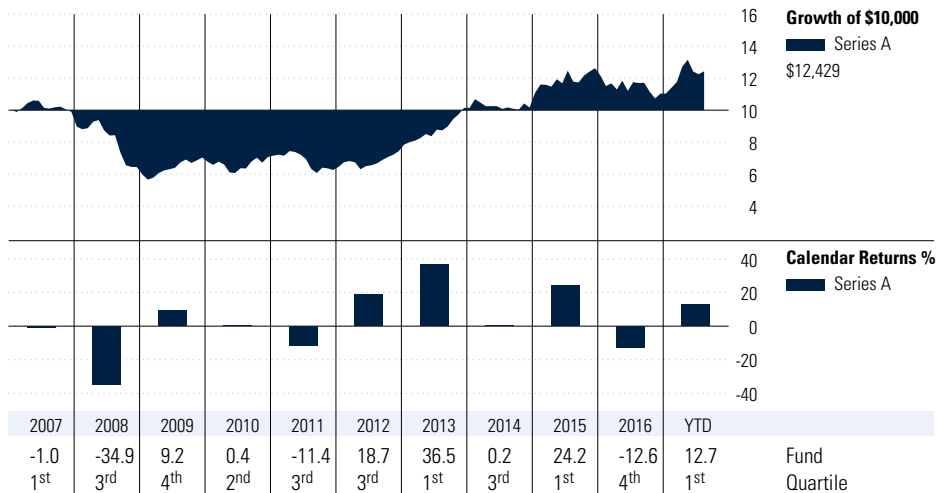
### Top 5 Sectors

	% Equity
Financials	18.9
Consumer Staples	15.8
Health Care	14.9
Industrials	14.0
Materials	12.9

### Geographic Allocations

	% Assets
United Kingdom	36.3
Germany	11.7
Netherlands	8.4
Switzerland	8.3
Denmark	8.3

## Performance Analysis as of August 31, 2017



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
1.5	-5.5	9.1	6.3	6.9	13.3	2.1	4.2	Fund
1 <sup>st</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	4 <sup>th</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	3 <sup>rd</sup>	—	Quartile
176	176	171	148	107	77	51	—	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 August 31, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	—	0.30	—	1.88	0.05	0.14	0.13	0.03	0.25	0.34	0.14
Interest	—	0.04	—	0.05	0.05	0.14	0.13	0.03	0.25	0.34	0.14
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	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	7-1998	23.6	8-2002	9.6
Worst	10-2008	-35.8	3-2003	-23.0	5-2012	-9.9	6-2010	-6.0
Average		7.5		7.5		6.7		3.0
No. of Periods		289		265		241		181
Pct. Positive		69.9		67.2		58.9		71.8

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

### Quarterly Commentary as at June 30, 2017

European equities delivered positive returns during Q2 although these were muted by a negative June. One interpretation of June's market movement is that it is the beginning of the second wave of a value rally and, as such, the quality/growth styles will be retreating versus more value/cyclical names. The other is that the dip in the last week of June was a sympathy move with bond markets. The economic backdrop in the Eurozone, nevertheless, remains robust with sentiment nearly back at 2007 peak levels and GDP growth on the rise. In contrast, economic figures reported from the UK showed a potential slowdown as the manufacturing, services and construction sub-sectors stalled due to increasing business uncertainty.

Security selection was the main driver of outperformance as asset allocation was flat. From an asset allocation perspective, our underweight position in Energy was the biggest contributor as the sector ended the quarter on a weakness. The overweight position in Materials and underweight

position in Financials both detracted from relative performance.

At the security selection level, our holdings in the Industrials and Materials sectors contributed the most to relative performance. The largest contributor was our overweight position in the Irish budget airline, Ryanair. The second largest contributor was Christian Dior, the French luxury fashion house. The largest detractor was stock selection within the Consumer Discretionary sector. The most significant detractor was a zero position in Nestlé.

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 and the right management strategy and governance structures.



# 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 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 full-year period, April 1, 2016 to March 31, 2017, expressed on an annualized basis.

Adjusted MER is provided for funds with management fee changes effective June 30, 2016. The Adjusted MER represents what the reported MER would have been had management fee changes been in effect throughout 2016.

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 August 31, 2017.

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