



# RBC U.S. Mid-Cap Growth Equity Currency Neutral Fund

## Investment Objective

To provide long-term capital growth by investing primarily in U.S. mid-capitalized equity investments and common stock equivalents while minimizing the exposure to currency fluctuations between the U.S. and Canadian dollars.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF589
Adv	Deferred Sales	CAD	RBF861
Adv	Front End	CAD	RBF770
Adv	Low Load	CAD	RBF172

Inception Date	January 2006
Total Fund Assets \$Mil	17.6
Series A NAV \$	17.21
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

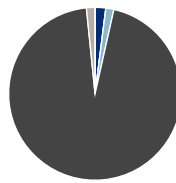
Fund Category	US Small/Mid Cap Equity
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Management Company	RBC Global Asset Management Inc.
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Web Site	www.rbcgam.com
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## Portfolio Analysis as of September 30, 2018

### Asset Mix

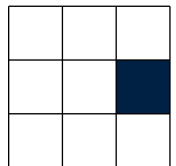


	% Assets
Cash	2.0
Fixed Income	0.0
Canadian Equity	1.5
US Equity	94.9
International Equity	1.6
Other	0.0

### Top 25 Holdings

	% Assets
Abiomed Inc	2.8
Autodesk Inc	2.3
WEX Inc	2.1
HealthEquity Inc	1.8
Aspen Technology Inc	1.7
Synopsys Inc	1.7
Tractor Supply Co	1.7
AptarGroup Inc	1.6
Raymond James Financial Inc	1.6
The Cooper Companies Inc	1.6
Red Hat Inc	1.6
MercadoLibre Inc	1.6
Ansys Inc	1.5
Roper Technologies Inc	1.5
Align Technology Inc	1.5
Globus Medical Inc Class A	1.5
Waste Connections Inc	1.5
Bright Horizons Family Solutions Inc	1.5
West Pharmaceutical Services Inc	1.5
CDW Corp	1.5
Woodward Inc	1.5
Zebra Technologies Corp	1.5
IHS Markit Ltd	1.4
VeriSign Inc	1.4
Westinghouse Air Brake Technologies Corp	1.4
<b>Total % of Top 25 Holdings</b>	<b>41.2</b>
<b>Total Number of Stock Holdings</b>	<b>81</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>82</b>

### Equity Style



Value Blend Growth

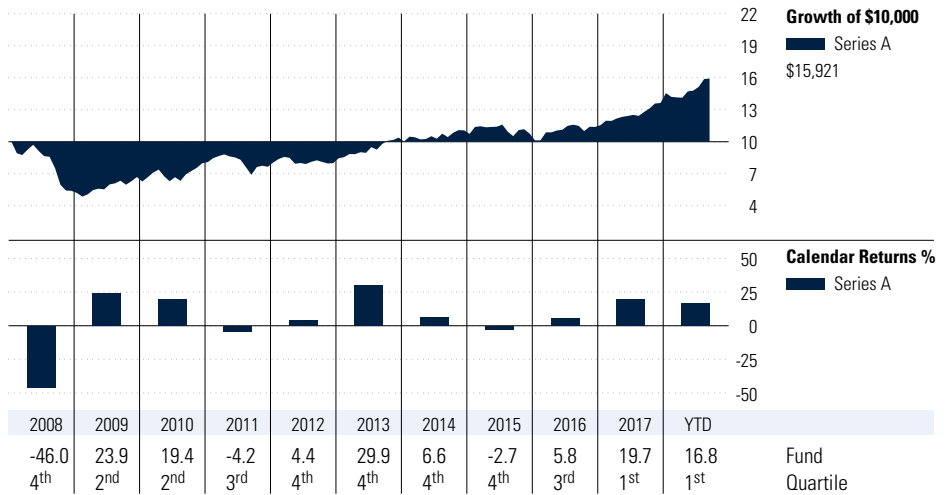
### Equity Statistics

P/B Ratio	4.6
P/E Ratio	24.8
Avg. Mkt Cap. \$B	14.7

### Global Equity Sectors

	% Equity
Information Technology	25.5
Health Care	21.8
Industrials	21.5
Consumer Discretionary	11.4
Financials	8.0
Consumer Staples	5.2
Materials	2.8
Energy	2.1
Real Estate	1.6
Unclassified	0.0
Communication Services	0.0
Utilities	0.0

## 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 %
	0.3	7.6	12.5	24.5	14.8	10.2	7.8	4.6	Fund
	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	4 <sup>th</sup>	4 <sup>th</sup>	—	Quartile
	302	298	293	271	192	125	66	—	No. of Funds in Category



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## 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 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 September 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	3-2010	40.3	2-2012	20.0	2-2014	16.6	9-2018	7.8
Worst	12-2008	-46.0	2-2009	-19.1	5-2012	-5.1	1-2016	0.9
Average		5.9		4.8		6.4		3.2
No. of Periods		141		117		93		33
Pct. Positive		72.3		71.8		68.8		100.0

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

### Quarterly Commentary as at September 30, 2018

Mid-cap growth stocks, represented by the Russell Midcap Growth Index, returned 7.6% during Q3. Top 3 performing sectors were: Health Care (12.3%), Information Technology (IT) (10.7%) and Industrials (9.4%). Lagging sectors were Materials (-5.0%), Telecommunication Services (-4.8%) and REITS (-1.8%).

The Fund's strong performance was driven by a strong combination of stock selection and sector allocation. Favorable stock selection and sector allocation within Consumer Discretionary and Materials sectors contributed the most to returns and offset adverse stock selection within IT and Health Care sectors. Our largest overweighted sectors versus the Index are Health Care and Industrials, while the largest underweighted sectors are Consumer Discretionary and IT.

With stock valuations elevated following strong Q3 and year to date returns, our outlook for equity markets is a bit more tempered than earlier in the year. U.S. tax cuts and deregulation continue to provide economic tailwinds, but global economic

conditions are not as attractive and bear monitoring. The U.S. business cycle is likely in the late innings and will ultimately roll over. With the 7th incremental increase in federal funds rates, the 10-year U.S. Treasury yield of 3.20% in early October has reached new highs not seen since 2011.

While we are neutral to mildly positive as to U.S. equity markets over the next year, there are several scenarios that could lead to a less positive outcome, particularly escalation of protectionist moves by the Trump administration or a policy mistake by the U.S. Federal Reserve moving too fast on rate hikes. However, despite these concerns and potential flare-ups, markets have remained remarkably resilient and we expect that to continue. Over the longer term, we see the potential for further economic growth, which should result in positive earnings reports, increased guidance, and continued strength in the stock market.



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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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