



# 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	15.5
Series A NAV \$	15.57
Series A MER %	2.10
Benchmark	Russell Midcap Growth Total Return Net Index (CAD Hedged)

Income Distribution	Annually
Capital Gains Distribution	Annually

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

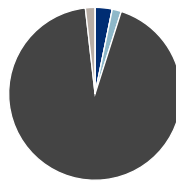
Fund Category	US Small/Mid Cap Equity
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Management Company	RBC Global Asset Management Inc.
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Web Site	www.rbcgam.com
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## Portfolio Analysis as of January 31, 2019

### Asset Mix

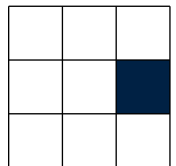


	% Assets
Cash	3.2
Fixed Income	0.0
Canadian Equity	1.7
US Equity	93.3
International Equity	1.8
Other	0.0

### Top 10 Holdings

	% Assets
Abiomed Inc	2.4
Autodesk Inc	2.2
Red Hat Inc	2.2
WEX Inc	2.0
Dollar Tree Inc	1.9
MercadoLibre Inc	1.8
Tractor Supply Co	1.8
Woodward Inc	1.8
Waste Connections Inc	1.7
Synopsys Inc	1.7
Total % of Top 10 Holdings	19.5
Total Number of Stock Holdings	78
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
<b>Total Number of Holdings</b>	<b>79</b>

### Equity Style



Value Blend Growth

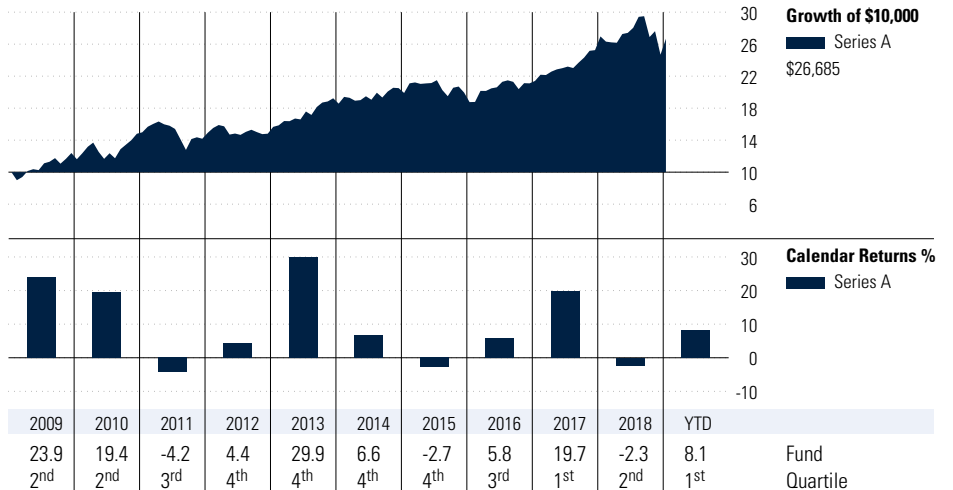
### Equity Statistics

P/B Ratio	3.7
P/E Ratio	22.1
Avg. Mkt Cap. \$B	14.2

### Global Equity Sectors

	% Equity
Information Technology	25.3
Industrials	21.1
Health Care	21.0
Consumer Discretionary	12.2
Financials	8.5
Consumer Staples	5.8
Materials	2.9
Real Estate	1.9
Energy	1.3
Communication Services	0.0
Utilities	0.0
Unclassified	0.0

## 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 %
8.1	-0.8	-4.8	-1.0	12.5	7.5	10.7	3.7	Fund
1 <sup>st</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	—	Quartile
321	321	319	312	225	144	66	—	No. of Funds in Category



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

## 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 January 31, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
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	1-2019	10.7
Worst	12-2008	-46.0	2-2009	-19.1	5-2012	-5.1	1-2016	0.9
Average		5.9		4.9		6.4		4.2
No. of Periods		145		121		97		37
Pct. Positive		71.7		72.7		70.1		100.0

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

### Quarterly Commentary as at December 31, 2018

Equity markets performed poorly in Q4 of 2018 primarily due to signs of slowing global growth rates, concerns about US monetary policy and rising interest rates, ongoing political dysfunction in Washington, and a potential trade war with China. While there were a number of factors that weighed on stocks throughout the quarter and year, a handful of headline issues were responsible for the majority of investors' escalating levels of concern. The Federal Reserve raised interest rates in December for the fourth time this year, from 2.25% to 2.50%, while also acknowledging that the economy was softening. Dysfunction in Washington has also weighed on equity markets, and with Congress now divided politically, the government shut down just prior to year-end due to a budget impasse and had yet to reopen as of the start of the New Year.

Relative to the index the Fund's largest overweighted sectors are Health Care and Industrials, while the largest underweighted sectors are Information Technology and Consumer

Discretionary. Performance was helped by stock selection in Consumer Discretionary, by a sector overweight and stock selection in Consumer Staples, and by stock selection in Industrials. Performance was hurt by a sector overweight and stock selection in Health Care, sector underweight and stock selection in Information Technology, and by stock selection in Energy.

Following the significant Q4 sell-off, with some segments of the equity market falling into bear market territory, our investment outlook is somewhat tepid heading into 2019 as many of the same Q4 challenges will continue to persist. The overall US economic backdrop remains solid, with real GDP growth for the third quarter coming in at 3.5%, jobs growth strong, and the unemployment rate a low 3.9%. We anticipate that while 2019 will still show positive corporate earnings growth for mid cap companies it will very likely be at decelerated rate compared to 2018.



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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 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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