



# RBC European Mid-Cap Equity Fund

## Investment Objective

To provide long-term capital growth. The fund invests primarily in equity securities of European mid-cap companies. The fund provides 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	RBF426
Adv	Front End	CAD	RBF6426
Adv	Low Load	CAD	RBF4426

Inception Date	September 2016
Total Fund Assets \$Mil	10.8
Series A NAV \$	11.64
Series A MER %	2.14
Benchmark	MSCI Europe Mid Cap Total Return Net Index (CAD)

Income Distribution	Annually
Capital Gains Distribution	Annually

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

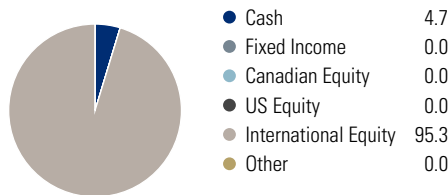
Fund Category	European Equity
---------------	-----------------

Management Company	RBC Global Asset Management Inc.
--------------------	----------------------------------

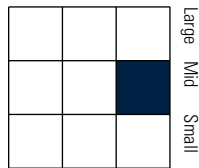
Web Site	www.rbcgam.com
----------	----------------

## Portfolio Analysis as of December 31, 2017

### Asset Mix



### Equity Style



Value Blend Growth

### Top 5 Sectors

Sector	% Equity
Industrials	26.5
Financials	15.7
Materials	13.5
Consumer Discretionary	12.7
Information Technology	10.2

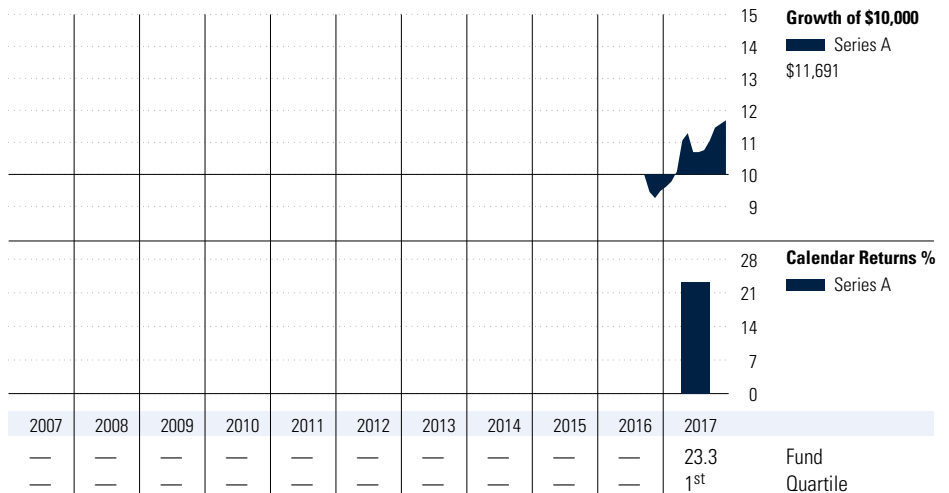
### Geographic Allocations

Geography	% Assets
United Kingdom	42.8
Denmark	10.8
Switzerland	10.3
Germany	6.1
France	5.3

### Top 25 Holdings

Company	% Assets
Paddy Power Betfair PLC	3.1
Cranswick PLC	2.9
Pandora A/S	2.8
Ashtead Group PLC	2.6
VAT Group AG	2.6
Recordati	2.5
London Stock Exchange Group PLC	2.4
InterContinental Hotels Group PLC	2.4
Essilor International SA	2.3
Sika AG Bearer Shs	2.3
Stabilus SA	2.3
Red Electrica Corporacion SA	2.3
Partners Group Holding AG	2.2
Topdanmark A/S	2.2
Playtech PLC	2.2
Novozymes A/S B	2.2
Chr. Hansen Holding A/S	2.1
Howden Joinery Group PLC	2.1
Fevertree Drinks PLC	2.1
DCC PLC	2.0
Moncler SpA	1.9
Ibstock PLC	1.9
Kerry Group PLC Class A	1.9
Grifols SA A	1.9
Protector Forsikring ASA	1.8
Total % of Top 25 Holdings	57.0
Total Number of Stock Holdings	54
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
<b>Total Number of Holdings</b>	<b>55</b>

## Performance Analysis as of December 31, 2017



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
1.0	5.9	9.3	23.3	—	—	—	12.8	Fund
1st	1st	1st	1st	—	—	—	—	Quartile
178	177	176	169	112	77	51	—	No. of Funds in Category



# RBC European Mid-Cap Equity Fund

## Management Overview

### Manager Bios

#### 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 December 31, 2017

Distributions (\$)/Unit	2017*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
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	11-2017	25.0	—	—	—	—	—	—
Worst	9-2017	10.4	—	—	—	—	—	—
Average		20.0		—		—		—
No. of Periods		4		—		—		—
Pct. Positive		100.0		—		—		—

\* Final distribution attribution (interest, dividends, capital gains and return of capital) for 2017 will be reflected with January month-end profiles.

### Quarterly Commentary as at December 31, 2017

European equities rallied in the last quarter of 2017 to cap off a strong year. The climb in the Euro we witnessed in the middle of the year stabilised over the final quarter and this coincided with renewed strength in the underlying equity market.

Stocks were hampered in the U.K. for most of the year by the ruling party's failure to win a majority in June elections and the resulting concern that the government would have a weaker negotiating position regarding talks to remove Britain from the European Union. However, in the final month of the year, the U.K. rallied strongly relative to the rest of the world as Brexit talks advanced to the next stage.

The economic environment remained robust in Germany, and improved in France and "peripheral" countries such as Spain, Italy and Portugal. Leading indicators, credit conditions and unemployment all moved in the right direction.

The best-performing stocks in the portfolio were

PaddyPowerBetfair, the Irish bookmaker and Cranswick, the U.K. pork and poultry business. On the negative side, the two Scandinavian industrials Alimak and Assa Abloy underperformed and were the biggest drag on performance.

Investors have turned more optimistic about corporate earnings due to signs of economic recovery and the alleviation of political risks across the region. The focus on the Fund remains in highly profitable, cash generating businesses at attractive valuations. We have seen a creep up in valuations across the region over the course of the year and would expect the Fund to gently add to more stocks with cheaper valuations over the near-term.

The Fund's 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 Mid-Cap 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.

This document has been compiled by RBC Global Asset Management Inc. (RBC GAM) from sources believed to be reliable, but no representations or warranty, express or

implied, are made by RBC GAM, its affiliates or any other person as to its accuracy, completeness or correctness. All opinions and estimates constitute RBC GAM's judgment as of the date of this document, are subject to change without notice and are provided in good faith but without legal responsibility. The Top Ten/25 Holdings may change due to ongoing portfolio transactions within the fund. The Prospectus and other information about the underlying investment funds are available at [www.sedar.com](http://www.sedar.com).

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 half-year period, April 1, to September 30, 2017, expressed on an annualized basis.

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 December 31, 2017.

® / ™ Trademark(s) of Royal Bank of Canada. Used under licence. © RBC Global Asset Management Inc. 2018