



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	7,005.0
Series A NAV \$	23.52
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.
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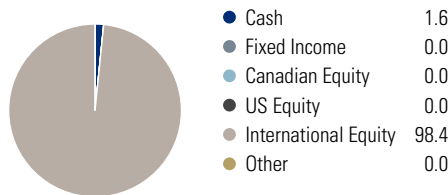
Web Site	www.rbcgam.com
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Notes

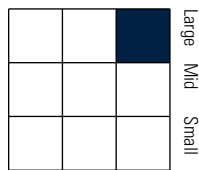
This is a continuing fund resulting from a merger effective June 27, 2014.

Portfolio Analysis as of December 31, 2017

Asset Mix



Equity Style



Value Blend Growth

Top 5 Sectors

Sector	% Equity
Financials	16.9
Consumer Discretionary	16.1
Health Care	15.0
Consumer Staples	14.3
Industrials	13.7

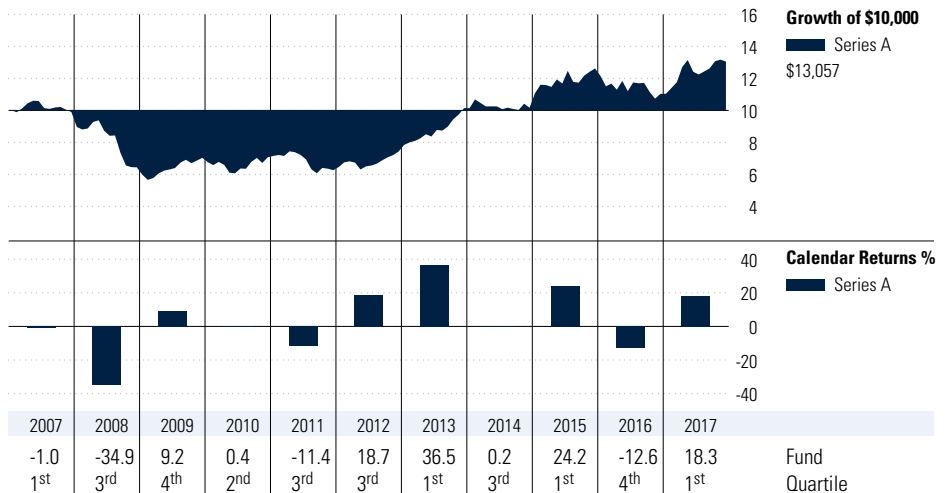
Geographic Allocations

Geography	% Assets
United Kingdom	41.9
Germany	12.9
Netherlands	9.6
Denmark	8.3
Switzerland	7.0

Top 25 Holdings

Company	% Assets
Novo Nordisk A/S B	5.2
Royal Dutch Shell PLC Class A	5.0
Unilever PLC	4.7
RELX NV	4.3
Sampo Oyj A	3.5
London Stock Exchange Group PLC	3.4
Roche Holding AG Dividend Right Cert.	3.4
Heineken NV	3.1
Paddy Power Betfair PLC	3.1
Sage Group (The) PLC	3.0
Antofagasta PLC	2.9
LVMH Moet Hennessy Louis Vuitton SE	2.9
Diageo PLC	2.8
Schroders PLC	2.7
Bayer AG	2.7
Ryanair Holdings PLC ADR	2.7
Henkel AG & Co KGaA Pfd Shs - Non-voting	2.5
Sika AG Bearer Shs	2.4
Continental AG	2.4
Burberry Group PLC	2.1
Barratt Developments PLC	2.1
Ashtead Group PLC	2.0
SAP SE	2.0
Fresenius Medical Care AG & Co. KGaA	1.9
CRH PLC	1.8
Total % of Top 25 Holdings	74.6
Total Number of Stock Holdings	50
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Holdings	51

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 %
-0.9	3.4	5.2	18.3	8.7	11.9	2.8	4.3	Fund
	2 nd	1 st	2 nd	1 st	2 nd	1 st	3 rd	Quartile
178	177	176	169	112	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 December 31, 2017

Distributions (\$)/Unit	2017*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.81	0.30	—	1.88	0.05	0.14	0.13	0.03	0.25	0.34	0.14
Interest	0.04	0.04	—	0.05	0.05	0.14	0.13	0.03	0.25	0.34	0.14
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	7-1998	23.6	12-2002	8.6
Worst	10-2008	-35.8	3-2003	-23.0	5-2012	-9.9	6-2010	-6.0
Average		7.3		7.3		6.6		2.8
No. of Periods		289		265		241		181
Pct. Positive		69.9		67.2		58.9		71.8

* 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 Q4 to cap off a strong year. The climb in the euro we witnessed in the middle of the year stabilised over Q4 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.

At a sector level, all sectors posted positive returns except Utilities and Health Care. The strongest of those were Real Estate, Energy and Materials.

The best-performing stocks in the Fund were PaddyPowerBetfair, the Irish bookmaker and Novo-Nordisk, the Danish pharmaceutical business. On the negative side, the two Scandinavian banks Swedbank and Nordea 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 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 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.

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