



# 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	13.4
Series A NAV \$	15.30
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

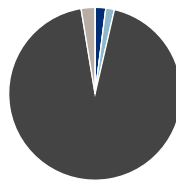
Fund Category	US Small/Mid Cap Equity
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Management Company	RBC Global Asset Management Inc.
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Web Site	www.rbcgam.com
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## Portfolio Analysis as of March 31, 2018

### Asset Mix

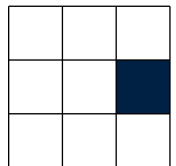


	% Assets
Cash	2.0
Fixed Income	0.0
Canadian Equity	1.6
US Equity	93.8
International Equity	2.6
Other	0.0

### Top 25 Holdings

	% Assets
Abiomed Inc	3.2
MercadoLibre Inc	2.6
Autodesk Inc	2.1
Red Hat Inc	2.0
WEX Inc	1.8
Microsemi Corp	1.8
Roper Technologies Inc	1.7
Dollar Tree Inc	1.7
Synopsys Inc	1.6
Align Technology Inc	1.6
Waste Connections Inc	1.6
Aspen Technology Inc	1.6
IPG Photonics Corp	1.5
Waters Corp	1.5
Globus Medical Inc Class A	1.5
AptarGroup Inc	1.5
Copart Inc	1.5
Ansys Inc	1.5
Raymond James Financial Inc	1.5
Arista Networks Inc	1.5
Ross Stores Inc	1.5
Bright Horizons Family Solutions Inc	1.4
Mettler-Toledo International Inc	1.4
Fidelity National Information Serv Inc	1.4
HealthEquity Inc	1.4
<b>Total % of Top 25 Holdings</b>	<b>42.2</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

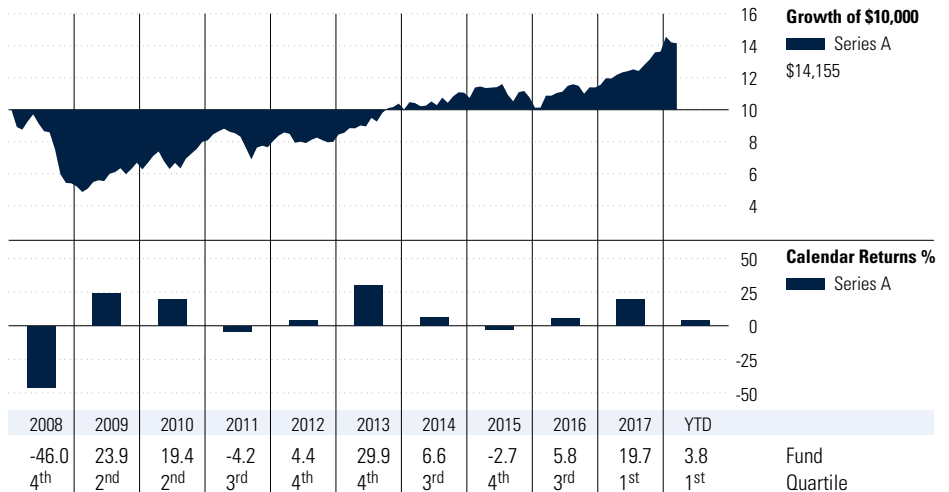
### Equity Statistics

P/B Ratio	4.1
P/E Ratio	22.7
Avg. Mkt Cap. \$B	14.0

### Global Equity Sectors

	% Equity
Information Technology	28.9
Industrials	21.9
Health Care	19.0
Consumer Discretionary	10.9
Financials	8.5
Consumer Staples	4.9
Materials	2.7
Energy	1.7
Real Estate	1.6
Telecommunication Services	0.0
Utilities	0.0
Unclassified	0.0

## Performance Analysis as of March 31, 2018



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
-0.4	3.8	10.7	18.4	7.3	9.9	4.9	3.8	Fund
	4 <sup>th</sup>	1 <sup>st</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	4 <sup>th</sup>	4 <sup>th</sup>	—	Quartile
292	292	269	255	180	102	58	—	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 March 31, 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	3-2018	4.9
Worst	12-2008	-46.0	2-2009	-19.1	5-2012	-5.1	1-2016	0.9
Average		5.2		4.4		6.1		2.6
No. of Periods		135		111		87		27
Pct. Positive		71.1		70.3		66.7		100.0

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

### Quarterly Commentary as at March 31, 2018

Mid-cap growth stocks, represented by the Russell Midcap Growth Index, returned 2.2% in Q1. The top three performing sectors in the Index were Information Technology (IT; 7.3%), Utilities (7.3%) and Health Care (5.4%). Five out of 11 sectors had negative returns.

The Fund's strong performance was driven by a strong combination of stock selection and sector allocation. Favourable stock selection within the IT and Health Care sectors contributed the most to returns and offset adverse stock selection within the Financials and Consumer Staples sectors. Overall, sector allocation largely contributed in the Health Care and Materials sectors.

The portfolio's largest overweighted sectors versus the Index are Industrials and Health Care while the largest underweighted sectors are Consumer Discretionary and Materials. We believe the portfolio is well-positioned to withstand the increased volatility we expect for the remainder of the year.

Looking ahead, both corporate and personal tax cuts and increased government spending should help accelerate an already strong economy. GDP growth for 2018 is expected to range between 2.5-3.0% and the risk of recession remains low. Inflation will likely hover around the 2.0% range and we see no reason the U.S. Federal Reserve will not stick with its previously announced policy regarding continued increases in its funds rate.

Equity valuations are high, which may limit prospective equity gains. Ramped-up tariff and trade war banter from the Trump Administration is not helpful to equity markets, but we are hopeful that cooler heads will prevail and that the U.S. and China do not embark on a full-scale trade war. After nine years of relatively smooth sailing and plentiful equity gains, we suggest that investors continue to take a long-term view of the equity markets and prepare for increased volatility in the near term.



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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 full year period, January 1 to December 31, 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 March 31, 2018.

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