



# RBC Enterprise Fund

## Fund Strategy

Seeks to provide superior long-term investment returns compared to the Russell Microcap Index while taking a low risk approach to microcap investing. We believe that portfolios of neglected microcap companies with low valuations, long-term attractive business fundamentals and near-term profitability improvement potential should produce superior absolute and risk-adjusted returns over time.

## Portfolio Construction

### Portfolio Construction is Primarily Driven by Stock Selection

- Well-diversified portfolios holding 60-90 issues
- Majority of returns sought from stock selection
- Maximum in a single security: 5%
- Fully invested in equities - no market timing
- Low portfolio turnover

## Investment Performance (as of 9.30.18)

### Without Sales Charge

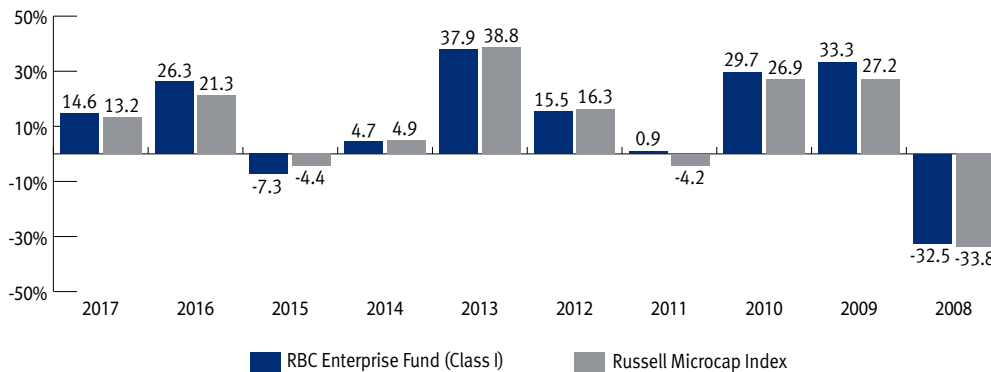
	Total Returns		Average Annual Total Returns			
	Quarter	YTD	1 Year	3 Years	5 Years	10 Years
A Shares	2.10%	5.94%	6.79%	15.14%	6.29%	9.39%
I Shares	2.22%	6.14%	7.08%	15.44%	6.56%	9.65%
Russell Microcap Index	0.83%	11.64%	13.65%	16.41%	10.51%	10.82%

### With Maximum Sales Charge - Average Annual Total Returns

	1 Year	3 Years	5 Years	10 Years
A Shares	0.64%	12.89%	5.04%	8.74%

Note: Class I Shares do not have sales charges.

### Calendar Year Returns



Performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. For performance data current to the most recent month-end, visit our website at <https://us.rbcgam.com/mutual-funds> after the seventh business day after month-end or call 800.973.0073. Class A performance with maximum sales charge reflects a maximum 5.75% sales charge.

Performance shown reflects contractual fee waivers. Without such waivers, total returns would be reduced. Performance does not reflect the 2% fee on shares redeemed or exchanged within 30 days of purchase. If such redemption fee was included, performance would be reduced.

<sup>1</sup>The Adviser has contractually agreed to waive fees and/or pay operating expenses to limit the Fund's total expenses (excluding brokerage and other investment-related costs, interest, taxes, dues, fees and other charges of governments and their agencies, extraordinary expenses such as litigation and indemnification, other expenses not incurred in the ordinary course of the Fund's business and acquired fund fees and expenses) to the net expenses in the table. This expense limitation agreement is in place until 1.31.19 and may not be terminated by the Adviser before that date. Net expense ratios are as of the most recent prospectus/supplement dated 1.26.18 and applicable to investors.

## Fund Facts

**Fund Adviser:** RBC Global Asset Management (U.S.) Inc.

**Fund Managers:** Team managed

### Expense Ratio:

	Gross	Net <sup>1</sup>
A Shares	1.89%	1.33%
I Shares	1.21%	1.08%

### CUSIP:

A Shares	74926P605
I Shares	74926P803

### Ticker:

A Shares	TETAX
I Shares	TETIX

### Minimum Initial Investment:

A Shares	\$1,000.00
I Shares	\$250,000.00

### Inception Date:

A Shares	4.19.04
I Shares	9.30.04

**Net Fund Assets:** \$86.52 million

**Dividend Frequency:** Annually

## Investment Team

**Lance F. James**, Lead Portfolio Manager  
Industry Experience: 38 years

**George Prince**, Portfolio Manager  
Industry Experience: 23 years

**Robert Henderson**, Portfolio Manager  
Industry Experience: 3 years

**Richard C. Johnson, CPA**, Senior Equity Analyst  
Industry Experience: 43 years

**Eric Autio**, Senior Equity Analyst  
Industry Experience: 16 years

**Murphy O'Flaherty**, Senior Equity Analyst  
Industry Experience: 23 years

**Alison Kerivan**, Equity Analyst  
Industry Experience: 22 years

**Michael Schantz**, Director, Equity Client Service  
Industry Experience: 17 years

**Kristen Patrie**, Equity Trader  
Industry Experience: 24 years

**Ryan Larson**, Head of Equity Trading  
Industry Experience: 18 years

## Sector Allocation

Sector	Weight
Industrials	29.10%
Financials	20.54
Consumer Discretionary	17.47
Information Technology	13.13
Materials	7.00
Energy	3.57
Healthcare	3.21
Real Estate	2.49
Consumer Staples	2.15
Utilities	1.33

## Top Ten Holdings

Company Name	Weight
Patrick Industries Inc	4.56%
Compass Diversified Holdings	4.34
Columbus McKinnon Corp	4.33
Novanta Inc	3.93
Grand Canyon Education Inc	2.96
Universal Stainless & Alloy Products	2.96
Malibu Boats Inc	2.86
Ducommun Inc	2.54
Northrim Bancorp Inc	2.45
ZAGG Inc	2.45

Source: RBC, FactSet

**Alpha** - a risk-adjusted performance measurement of a portfolio's excess return relative to its benchmark after considering its risk relative to the benchmark.

**Beta** - a volatility measurement of a portfolio compared to a benchmark or the overall market and indicates the sensitivity of a portfolio's returns to benchmark or market movements.

**R-Squared** - a statistical measure of the strength of the relationship between a portfolio's returns and its benchmark's returns and therefore a measurement of what portion of a portfolio's performance can be explained by movements in its benchmark.

**Sharpe Ratio** - a risk-adjusted return measurement of efficiency and is calculated using a portfolio's standard deviation and excess return relative to a risk-free rate to determine reward per unit of risk.

**Standard Deviation** - a volatility measurement and represents the average, or standard, deviation of a return series from its mean, or average, return.

**Upside Capture** - a performance measurement of a portfolio compared to its benchmark when the benchmark had positive returns and is calculated by dividing a portfolio's returns by its benchmark returns and multiplying by 100.

**Downside Capture** - a performance measurement of a portfolio compared to its benchmark when the benchmark had negative returns and is calculated by dividing a portfolio's returns by its benchmark returns and multiplying by 100.

## Risk Characteristics

10 Years through 9.30.18

	Alpha	Beta	Standard Deviation	R-Squared	Upside Capture	Downside Capture	Sharpe Ratio
RBC Enterprise Fund	-0.26%	0.94	20.33%	90.81%	75.48%	97.93%	0.42
Russell Microcap Index	0.00	1.00	20.58	100.00	100.00	100.00	0.46

## Portfolio Characteristics

As of 9.30.18

	RBC Enterprise Fund	Russell Microcap Index
<b>Valuation</b>		
Price/Earnings Ratio (Forward 1 Year)	14.4x	16.3x
Price/Book Ratio (Last 12 Months)	2.2x	2.2x
Price/Sales Ratio (Last 12 Months)	1.6x	2.7x
Price/Cash Flow (Trailing 12 Months)	13.5x	14.2x
<b>Growth</b>		
EPS Growth (Forward 2 Years)	42.2%	23.3%
EPS Growth (Trailing 5 Years)	10.5%	6.5%
Return on Equity (Trailing 5 Year Average)	10.1%	5.7%
<b>Risk</b>		
Long-Term Debt/Total Capitalization (Last 12 Months)	25.0%	16.1%
<b>Other</b>		
Weighted Median Market Cap (Millions)	\$920	\$591
Weighted Average Market Cap (Millions)	\$1,295	\$661
Turnover (Prior Fiscal Year-End)	26.0%	N/A
Number of Holdings (Including Cash)	76	1,566

## Transfer Agent

U.S. Bancorp Fund Services, LLC

### For Account Set-Up & Trade Placement

Call: 800.422.2766

Fax: 414.773.6933

(Please call the toll free number above prior to faxing information)

### Wire Transfer Instructions

U.S. Bank, N.A.

Milwaukee, Wisconsin

ABA #075000022

U.S. Bancorp Fund Services, LLC

Acct 182380369377

(RBC Fund name)

(your account registration)

(your account number)

Call 800.422.2766 prior to wiring or for questions

**EPS Growth is not a measure of the Fund's future performance.** Projected EPS growth rates provide the mutual fund investor details on the underlying stock holdings and their estimated growth in earnings per share. This does not imply an increase in earnings to the mutual fund investor, it only illustrates the expected increase in EPS growth rates of the underlying stocks that are owned within the mutual fund. It is the belief of the portfolio management team that there is a correlation between earnings growth rates and stock performance.

**Long-Term Debt/Total Capitalization** - a ratio used to show a company's financial leverage by comparing its long-term debt to its available capital.

**Price/Book (P/B)** - a ratio used to compare the market value of a company's stock to its book value.

**Price/Cash Flow (P/CF)** - a ratio used to compare a company's market value to its cash flow.

**Price/Earnings (P/E)** - a ratio for valuing a company that measures its current share price relative to its per-share earnings.

**Price to Sales (P/S)** - a ratio that measures the price of company's stock against its annual sales.

**Return on Equity (ROE)** - a measurement of a company's profitability and reveals how much profit a company generates with the money shareholders have invested.

**Weighted Average Market Cap** - an average market capitalization of a portfolio calculated by giving more value to stocks with greater portfolio weights than stocks with lesser portfolio weights.

The Russell Microcap Index measures the performance of the micro capitalization segment of the U.S. equity market. It comprises the smallest 1,000 companies in the Russell 2000 Index plus 1,000 smaller U.S. equities. You cannot invest directly in an index.

Fund holdings and/or sector allocations are subject to change at any time and are not recommendations to buy or sell any security. Current and future holdings are subject to risk.

*Mutual fund investing involves risk. Principal loss is possible. The Fund invests in small and micro capitalization companies, which involve greater risks such as more volatility and less liquidity than larger companies. These risks are described more fully in the prospectus.*

**Diversification does not assure a profit or protect against loss in a declining market.**

***Before investing, you should consider carefully a fund's investment objectives, risks, charges, and expenses. This and other information is in the prospectus, which you can request by visiting <https://us.rbcgam.com/mutual-funds/literature/content/default.js> or calling 800.422.2766. Please read the prospectus carefully before investing.***

RBC Global Asset Management (U.S.) Inc. is the Adviser for the RBC Funds. The Funds are distributed by Quasar Distributors, LLC. Securities are offered through RBC Wealth Management, a division of RBC Capital Markets, LLC, member NYSE/FINRA/SIPC.

NOT FDIC INSURED. NO BANK GUARANTEE. MAY LOSE VALUE.

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