



RBC U.S. Mid-Cap Value Equity Fund

Investment Objective

To provide long-term capital growth. The fund invests primarily in equity securities of U.S. mid-cap companies that are deemed to be undervalued in order to provide broad exposure to economic growth opportunities in the equity markets.

The investment team conducts bottom-up fundamental research to identify mid-cap companies that have long-term attractive business fundamentals (e.g. proven product/service, leading market share, strong finances, sustainable competitive advantages) and are attractively valued.

Fund Details

Series	Currency	Fund Code
0	USD	RBF242
0	USD	RBF292

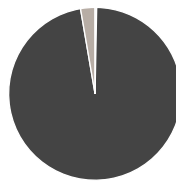
Inception Date	January 2012
Total Fund Assets \$Mil	707.6
Benchmark	Russell Midcap Value Index (C\$)

Notes

Performance Analysis is in CAD and for CAD series 0 fund (RBF292).

Portfolio Analysis as of April 30, 2019

Asset Mix



	% Assets
Cash	0.3
Fixed Income	0.0
Canadian Equity	0.0
US Equity	97.1
International Equity	2.7
Other	0.0

Top 10 Holdings

	% Assets
Popular Inc	2.7
Kansas City Southern	2.5
Post Holdings Inc	2.4
Arcosa Inc	2.4
Zebra Technologies Corp	2.4
Nexstar Media Group Inc Class A	2.3
Eagle Materials Inc	2.3
Fidelity National Financial Inc	2.3
VICI Properties Inc Ordinary Shares	2.3
Vistra Energy Corp	2.3
Total % of Top 10 Holdings	23.9
Total Number of Stock Holdings	66
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Holdings	67

Equity Style

	Large	Mid	Small
Value	8	25	6
Blend	8	30	10
Growth	1	11	0

Weight %
 ● > 50
 ● 25 - 50
 ● 10 - 25
 ○ 0 - 10

Equity Statistics

P/B Ratio	1.6
P/E Ratio	13.9
P/FCF	3.2
P/S	1.1
Avg. Mkt Cap. \$B	11.0
Dividend Yield	1.9

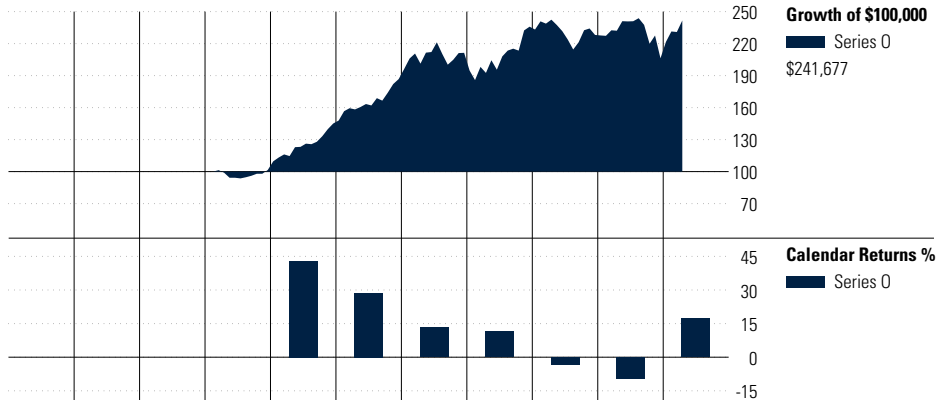
Top 5 Equity Sectors

	% Equity
Industrials	19.6
Financials	16.8
Real Estate	11.4
Utilities	9.1
Materials	9.0
% in Top 5 Equity Sectors	65.9

Risk Measures

	Fund	Benchmark
3 Year Std Dev	13.7	10.9
5 Year Std Dev	13.7	11.0

Performance Analysis as of April 30, 2019



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD	Fund	Benchmark
Growth of \$100,000	—	—	—	—	42.9	28.7	13.2	11.6	-3.3	-9.6	17.2	—	—
Calendar Returns %	—	—	—	—	42.4	25.1	14.2	15.8	5.9	-4.4	16.4	—	—
Trailing Return %	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.					
	4.7	9.1	9.9	4.1	7.9	8.8	—	13.5					
	4.0	9.7	10.9	11.0	12.6	12.3	—	—					



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Management Overview

Manager Bios

Robert A. Henderson

RBC Global Asset Management (U.S.) Inc.

Rob is the lead Portfolio Manager for our Mid Cap Value strategy and serves as Research Analyst for our Small Cap Core and Small Cap Value strategies. Rob began his career in the investment industry in 1991 and prior to joining the firm, he was a portfolio manager, equity analyst and partner at Rutabaga Capital Management. Rob earned a BA from Harvard College and an MBA from Stanford University.

Performance Analysis Cont'd as of April 30, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	—	0.22	1.01	0.32	1.74	3.98	1.38	0.14	—	—	—
Interest	—	0.22	0.14	0.12	0.08	0.11	0.12	0.07	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	0.88	0.20	1.66	3.87	1.26	0.08	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	12-2013	42.9	7-2015	33.2	5-2017	20.3	—	—
Worst	2-2016	-9.8	12-2018	-0.8	12-2018	7.3	—	—
Average		15.7		15.8		15.3		
No. of Periods		76		52		28		
Pct. Positive		77.6		98.1		100.0		

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

Quarterly Commentary as at March 31, 2019

Following one of the worst Decembers on record to conclude a dismal 2018, the January effect was in full swing as markets snapped back to start the year. Despite a fair amount of volatility, equity markets remained strong throughout the quarter. While a bounce-back rally on the back of the capitulation of December was not entirely unexpected, the primary drivers of the markets' optimism were increased expectations of a U.S.-China trade agreement, a far more accommodative U.S. Federal Reserve (Fed), and some investors beginning to come off the sidelines on fear of missing out on another market rally. Despite these strong results, the market still needed to shrug off a litany of challenges including ongoing concerns about the sustainability of global economic growth, mixed U.S. economic data, and significant geopolitical uncertainty.

The Fund performed in line with its benchmark for the quarter as favorable stock selection contributed positively to returns, while sector allocation decisions slightly detracted. Favorable stock selection was concentrated within the

Communication Services, Financials, and Information Technology sectors, while adverse stock selection within the Energy and Health Care sectors detracted slightly from returns. From a sector allocation standpoint, the moderate underweight to the relatively strong performing Information Technology sector weighed on returns for the period.

The Fund seeks to be invested in companies with attractive business fundamentals whose stocks are trading at a discount. Overall positioning of the portfolio is done primarily on a bottom-up basis with relative valuation gaps influencing portfolio construction within defined limits. The portfolio continues to be based on the premise that a diversified portfolio of companies with attractive return characteristics, opportunity for improvement, and low absolute and relative stock valuation metrics provide an attractive investment option and seek to avoid and at times exploit excesses that arise in both bear and bull markets.



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Disclosure

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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 fund securities are not guaranteed or covered by the Canada 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

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MER (%) for RBC Funds, RBC Private Pools, 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.

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.

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