



RBC U.S. Small-Cap Value Equity Fund

Investment Objective

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

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF435
Adv	Front End	CAD	RBF6435
Adv	Low Load	CAD	RBF4435

Inception Date	September 2015
Total Fund Assets \$Mil	63.1
Series A NAV \$	11.74
Series A MER %	2.04
Benchmark	Russell 2000 Value Index (CDNS)

Income Distribution	Annually
Capital Gains Distribution	Annually

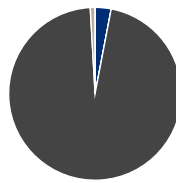
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Fund Category	US Small/Mid Cap Equity
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Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

Portfolio Analysis as of January 31, 2019

Asset Mix

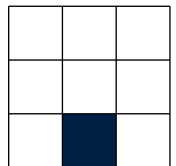


	% Assets
Cash	3.0
Fixed Income	0.0
Canadian Equity	0.0
US Equity	96.1
International Equity	0.9
Other	0.0

Top 10 Holdings

	% Assets
Spire Inc	2.8
Portland General Electric Co	2.5
Columbus McKinnon Corp	2.5
Compass Diversified Holdings	2.4
EnerSys	2.0
Kaiser Aluminum Corp	1.8
Steven Madden Ltd	1.7
John B Sanfilippo & Son Inc	1.7
PC Connection Inc	1.7
Novanta Inc	1.7
Total % of Top 10 Holdings	20.9
Total Number of Stock Holdings	85
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Holdings	86

Equity Style



Value Blend Growth

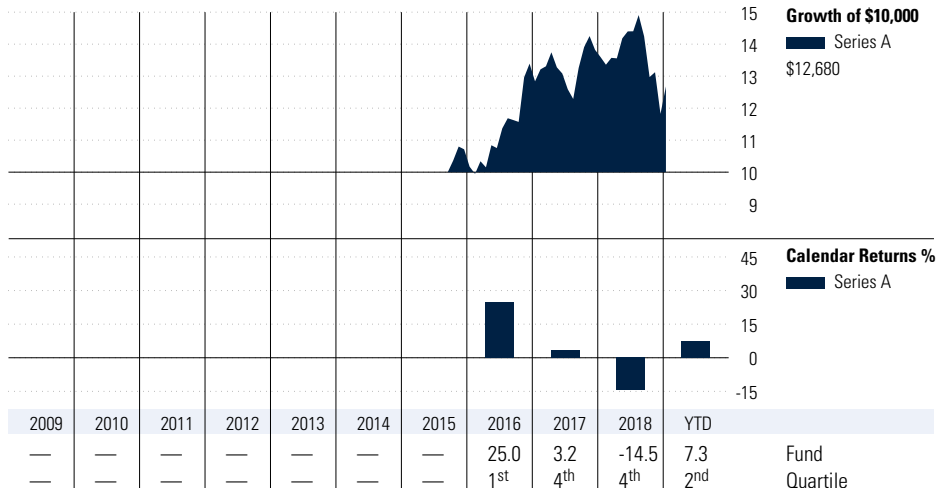
Equity Statistics

P/B Ratio	1.5
P/E Ratio	13.9
Avg. Mkt Cap. \$B	2.4

Global Equity Sectors

	% Equity
Financials	21.9
Industrials	20.0
Consumer Discretionary	11.3
Real Estate	10.7
Information Technology	7.6
Utilities	6.8
Materials	5.7
Health Care	5.1
Energy	4.5
Communication Services	3.6
Consumer Staples	2.8
Unclassified	0.0

Performance Analysis as of January 31, 2019



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Fund	7.3	-2.3	-12.0	-6.8	7.6	—	—	6.8	Fund
Quartile	2 nd	4 th	4 th	4 th	3 rd	—	—	—	Quartile
No. of Funds in Category	321	321	319	312	225	144	66	—	No. of Funds in Category



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Management Overview

Manager Bios

Lance F. James

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

Lance F. James is Managing Director and Senior Portfolio Manager. He has been in the investment industry since 1980.

Performance Analysis Cont'd as of January 31, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	—	0.49	—	0.10	0.09	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.49	—	0.10	0.09	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	4-2017	35.4	9-2018	12.5	—	—	—	—
Worst	12-2018	-14.5	12-2018	3.3	—	—	—	—
Average		11.6		7.7				
No. of Periods		29		5				
Pct. Positive		82.8		100.0				

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

Quarterly Commentary as at December 31, 2018

Punctuated by a brutal December, equity markets of all sizes and styles collapsed in the Q4, leading to the biggest annual declines for broad market indexes since the financial crisis. The Dow Jones Industrial Average (-8.7%) and the S&P 500 Index (-9.0%) both recorded their worst December performances since the Great Depression (1931). Perhaps most notable for the quarter and the year was the significant volatility experienced by markets.

The S&P 500 increased or decreased more than 1% nine times in December, versus eight times in all of 2017. Impressively, the index moved that same amount 64 times over the course of the year. This was never more evident than late December, when the Dow lost a record 653 points on December 24th only to surge to its highest single day gain ever of more than 1,000 points when markets reopened on December 26th.

The Fund is modestly underweight to Energy, slightly overweight Health Care, slightly underweight Materials, and has no holdings in the Communication Services sector. Adverse stock

selection was concentrated within Financials, Industrials, and Consumer Discretionary sectors. However, this was partially offset by favorable stock selection within the Energy and Real Estate sectors. Overall sector allocation decisions added to returns with the Fund's modest underweight to the relatively weak performing Energy sector.

The Fund focuses on neglected small cap companies with attractive long-term fundamentals, near-term profitability improvement potential, and low relative valuations. The strategy emphasizes market leaders with proven products or services, sustainable competitive advantages, solid balance sheets, and attractive cash flows. While sector weightings are a result of bottom-up research and stock selection, the strategy remains positioned for economic recovery with overweight positions in the economically sensitive industrials, materials, and consumer discretionary sectors. The strategy continues to trade at a valuation discount to the Russell 2000 Value Index on several measures while providing superior projected earnings growth and return on equity.



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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 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.

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 January 31, 2019.

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