



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.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF492
A	No Load	USD	RBF542
Adv	Deferred Sales	CAD	RBF892
Adv	Front End	CAD	RBF792
Adv	Low Load	CAD	RBF092
Adv	Front End	USD	RBF6542
Adv	Low Load	USD	RBF4542

Inception Date	January 2012
Total Fund Assets \$Mil	695.7
Series A NAV \$	12.45
Series A MER %	2.03
Benchmark	Russell Midcap Value Index (C\$)

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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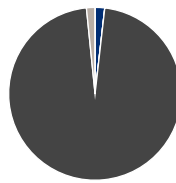
Web Site	www.rbcgam.com
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Notes

Performance Analysis is in CAD and for CAD series A fund (RBF492).

Portfolio Analysis as of June 30, 2018

Asset Mix

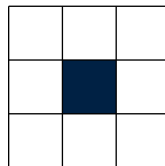


	% Assets
Cash	1.8
Fixed Income	0.0
Canadian Equity	0.0
US Equity	96.7
International Equity	1.6
Other	0.0

Top 25 Holdings

	% Assets
Jazz Pharmaceuticals PLC	2.8
Synchrony Financial	2.5
National General Holdings Corp	2.4
Steel Dynamics Inc	2.3
Citizens Financial Group Inc	2.0
Envision Healthcare Corp	2.0
Mohawk Industries Inc	1.8
Andeavor	1.8
Chemical Financial Corp	1.7
Signature Bank	1.7
Texas Capital Bancshares Inc	1.7
Centene Corp	1.7
Brunswick Corp	1.7
JM Smucker Co	1.6
Kennametal Inc	1.6
Hostess Brands Inc A	1.6
Vistra Energy Corp	1.6
Popular Inc	1.6
CMS Energy Corp	1.6
Carlisle Companies Inc	1.6
Patrick Industries Inc	1.5
Cypress Semiconductor Corp	1.5
Oshkosh Corp	1.5
Euronet Worldwide Inc	1.5
Edison International	1.5
Total % of Top 25 Holdings	44.9
Total Number of Stock Holdings	76
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Holdings	77

Equity Style



Value Blend Growth

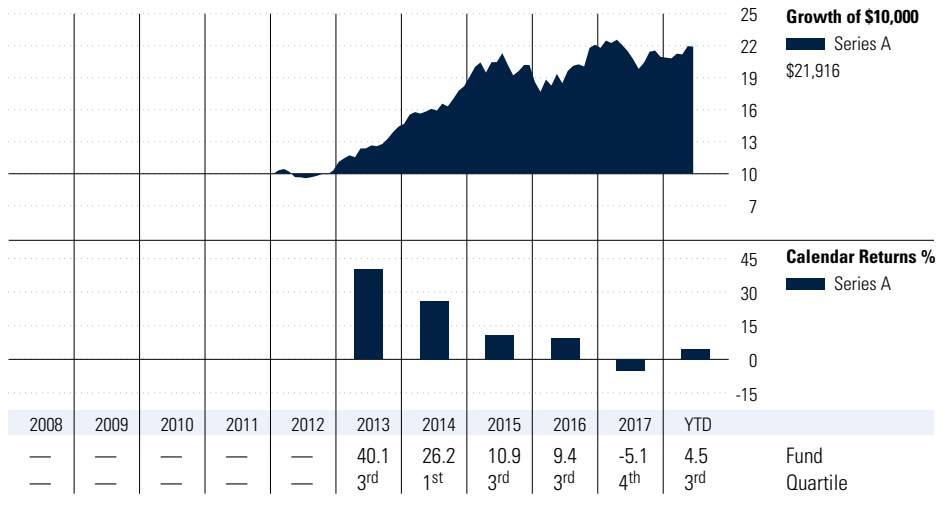
Equity Statistics

P/B Ratio	1.7
P/E Ratio	13.8
Avg. Mkt Cap. \$B	10.3

Global Equity Sectors

	% Equity
Financials	20.8
Consumer Discretionary	15.0
Industrials	13.0
Utilities	8.9
Information Technology	8.9
Real Estate	8.8
Energy	8.4
Health Care	7.8
Materials	5.2
Consumer Staples	3.3
Telecommunication Services	0.0
Unclassified	0.0

Performance Analysis as of June 30, 2018



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	-0.2	3.1	4.5	2.0	2.3	12.1	—	13.1	Fund
	4 th	4 th	3 rd	4 th	4 th	3 rd	—	—	Quartile
	298	293	293	264	186	122	63	—	No. of Funds in Category



RBC U.S. Mid-Cap Value Equity Fund

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 June 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	0.81	0.18	1.56	3.87	1.26	0.08	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.81	0.18	1.56	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	40.1	7-2015	30.5	5-2017	17.9	—	—
Worst	2-2016	-11.7	2-2018	1.3	6-2018	12.1	—	—
Average		15.6		15.8		15.3		
No. of Periods		66		42		18		
Pct. Positive		75.8		100.0		100.0		

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

Quarterly Commentary as at June 30, 2018

Following a challenging first quarter, U.S. equity markets were mostly higher in the second quarter. While the primary concerns that drove first-quarter headwinds – interest-rate increases and the Trump administration’s trade policy – continued to weigh on markets and drive significant volatility, these were more than offset by continued strong U.S. economic data and expectations of further benefits from the combination of tax cuts, low unemployment and confidence levels.

The Fund trailed its Russell Midcap Value benchmark for the quarter as both stock selection and sector allocation modestly detracted from returns. Favourable stock selection within the Health Care, Financials and Consumer Discretionary sectors were more than offset by adverse stock selection in the Energy and Information Technology sectors. From a sector-

allocation standpoint, the significant underweight to the relatively strong Real Estate sector weighed on returns.

The Fund’s strategy 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 mix of companies with attractive return characteristics, opportunity for improvement as well as low absolute and relative stock valuation metrics provides an attractive investment option and seeks to avoid and, at times, exploit excesses that arise in both bear and bull markets.



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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 full year period, April 1, 2017 to March 31, 2018.

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 June 30, 2018.

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