



RBC Canadian Small & Mid-Cap Resources Fund

Investment Objective

The fund invests primarily in small- and mid-cap equity securities of companies listed on an exchange in Canada within the Energy and Materials sector. The fund may invest no more than 10% of its assets in foreign securities.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF527

Inception Date	February 2015
Total Fund Assets \$Mil	288.9
Series A NAV \$	7.38
Series A MER %	2.03
Benchmark	S&P/TSX SmallCap Index (CAD)

Income Distribution	Annually
Capital Gains Distribution	Annually

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

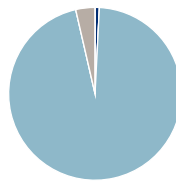
Fund Category	Natural Resources Equity
---------------	--------------------------

Management Company	RBC Global Asset Management Inc.
--------------------	----------------------------------

Web Site	www.rbcgam.com
----------	----------------

Portfolio Analysis as of September 30, 2018

Asset Mix

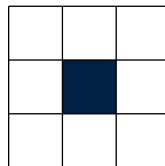


	% Assets
Cash	0.8
Fixed Income	0.0
Canadian Equity	95.6
US Equity	0.0
International Equity	3.6
Other	0.0

Top 25 Holdings

	% Assets
Methanex Corp	9.0
Parex Resources Inc	6.9
Tourmaline Oil Corp	6.3
Enerplus Corp	5.4
West Fraser Timber Co.Ltd	5.2
Lundin Mining Corp	4.8
Vermilion Energy Inc	4.7
Precision Drilling Corp	3.9
Seven Generations Energy Ltd	3.8
MEG Energy Corp	3.7
Gran Tierra Energy Inc	3.6
Labrador Iron Ore Royalty Corp	3.2
PrairieSky Royalty Ltd	3.1
Kelt Exploration Ltd	3.1
Whitecap Resources Inc	3.0
NuVista Energy Ltd	2.8
Turquoise Hill Resources Ltd	2.6
Enerflex Ltd	2.5
Hudbay Minerals Inc	2.2
Interfor Corp	2.1
Chemtrade Logistics Income Fund	2.0
Shawcor Ltd Class A	2.0
Birchcliff Energy Ltd	1.8
Norbord Inc	1.7
Ivanhoe Mines Ltd A	1.5
Total % of Top 25 Holdings	91.0
Total Number of Stock Holdings	35
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Holdings	36

Equity Style



Value Blend Growth

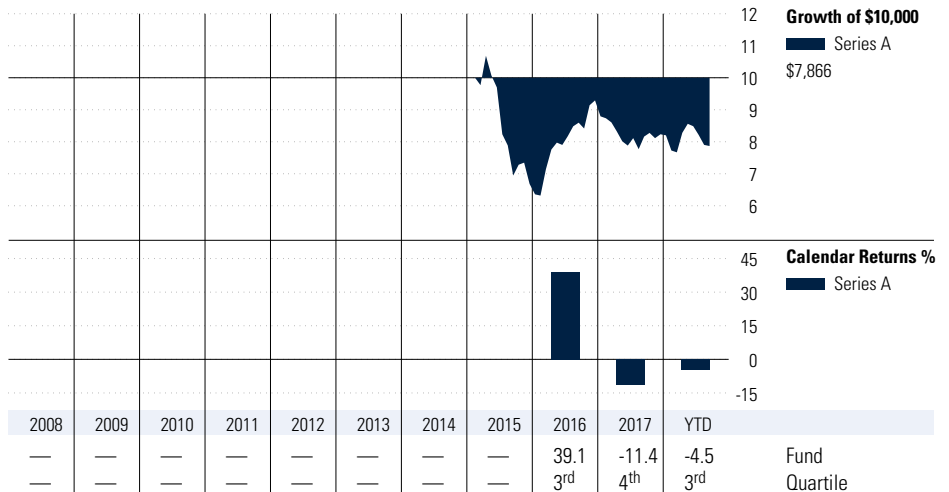
Equity Statistics

P/B Ratio	1.4
P/E Ratio	12.6
Avg. Mkt Cap. \$B	3.1

Global Equity Sectors

	% Equity
Energy	60.4
Materials	39.6
Industrials	0.0
Consumer Discretionary	0.0
Consumer Staples	0.0
Health Care	0.0
Financials	0.0
Information Technology	0.0
Communication Services	0.0
Utilities	0.0
Real Estate	0.0
Unclassified	0.0

Performance Analysis as of September 30, 2018



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	-0.4	-7.3	2.6	-3.6	4.2	—	—	-7.8	Fund
	3 rd	3 rd	2 nd	3 rd	3 rd	—	—	—	Quartile
	131	129	128	125	102	87	53	—	No. of Funds in Category



RBC Canadian Small & Mid-Cap Resources Fund

Management Overview

Manager Bios

Chris Beer

RBC Global Asset Management Inc.

Chris Beer is Vice President and Senior Portfolio Manager, Canadian and Global Equities. He has been in the investment industry since 1993.

Brahm Spilfogel

RBC Global Asset Management Inc.

Brahm Spilfogel is Vice President and Senior Portfolio Manager, Global Equities. He has been in the investment industry since 1991.

Performance Analysis Cont'd as of September 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	—	—	0.07	—	—	—	—	—	—	—
Interest	—	—	—	0.00	—	—	—	—	—	—	—
Dividends	—	—	—	0.06	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	12-2016	39.1	9-2018	4.2	—	—	—	—
Worst	2-2016	-36.8	2-2018	-8.2	—	—	—	—
Average		0.9		-3.5				
No. of Periods		32		8				
Pct. Positive		43.8		25.0				

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

Quarterly Commentary as at September 30, 2018

Security selection and asset weighting were the main reasons for the Fund's underperformance during Q3. The Fund's returns were impacted by the Energy sector, specifically in companies that explore for and produce oil and gas. Overweight positions in MEG Energy and Strategic Oil and Gas Ltd, and an underweight in Peyto Exploration impacted performance. The global energy sector was relatively flat in Q3 as the price of crude oil was subdued following strong performance in the prior quarter. West Texas Intermediate (WTI) traded within the US\$65-75 range, and closed out the period at a healthy US\$73 per barrel. Brent oil prices outperformed, rising 4% to end at \$83 per barrel. Robust consumer demand for crude and petroleum products and strong compliance by OPEC members have meaningfully reduced U.S and global stockpiles. Natural gas prices rose 4% and continue to hover around the US\$3 per million per British thermal units level.

In the Materials sector, underweights in packaging company Winpak and containerboard company Cascades contributed to the negative result.

Packaging and containerboard companies saw strong results as consumption continued to grow along with manageable raw material costs. Lumber prices fell 39% as supply announcements and better transportation put pressure on the commodity. Increasing rates which showed some slowdown in the housing numbers also contributed to the weakness in lumber pricing. As a result, an overweight in lumber related companies Conifex, West Fraser and Interfor contributed to the negative performance for Q3.

We believe that the market still underappreciates numerous risks to supply that could lead to price spikes including continued deterioration of Venezuela's crude output; capacity constraints limiting production growth in the Permian and the U.S. demand for allies to stop importing Iranian oil by November. Although housing data has been mixed more recently, we still see improving housing and a seasonal period of lumber strength as a catalyst leading into 2019.



RBC Canadian Small & Mid-Cap Resources Fund

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.

This document has been compiled by RBC Global Asset Management Inc. (RBC GAM) from sources believed to be reliable, but no

representations or warranty, express or implied, are made by RBC GAM, its affiliates or any other person as to its accuracy, completeness or correctness. All opinions and estimates constitute RBC GAM's judgment as of the date of this document, are subject to change without notice and are provided in good faith but without legal responsibility. The Top Ten/25 Holdings may change due to ongoing portfolio transactions within the fund. The Prospectus and other information about the underlying investment funds are available at www.sedar.com.

MER (%) for RBC Funds, PH&N Funds and BlueBay Funds is based on actual expenses for the half-year period, January 1 to June 30, 2018, 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 September 30, 2018.

® / ™ Trademark(s) of Royal Bank of Canada. Used under licence. © RBC Global Asset Management Inc. 2018