



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 | 72.6 |
| Series A NAV \$ | 12.66 |
| Series A MER % | 2.04 |
| Series A Adjusted MER % | 2.00 |
| Benchmark | Russell 2000 Value Index (CDN\$) |

| | |
|----------------------------|----------|
| Income Distribution | Annually |
| Capital Gains Distribution | Annually |

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

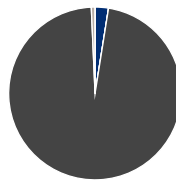
| | |
|---------------|-------------------------|
| Fund Category | US Small/Mid Cap Equity |
|---------------|-------------------------|

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

| | |
|----------|----------------|
| Web Site | www.rbcgam.com |
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Portfolio Analysis as of June 30, 2017

Asset Mix

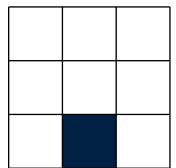


| | % Assets |
|----------------------|----------|
| Cash | 2.5 |
| Fixed Income | 0.0 |
| Canadian Equity | 0.0 |
| US Equity | 96.8 |
| International Equity | 0.7 |
| Other | 0.0 |

Top 25 Holdings

| | % Assets |
|-----------------------------------|-----------|
| Compass Diversified Holdings | 2.5 |
| Novanta Inc | 2.3 |
| Spire Inc | 2.1 |
| ACCO Brands Corp | 2.0 |
| Patrick Industries Inc | 2.0 |
| Synovus Financial Corp | 1.9 |
| Texas Capital Bancshares Inc | 1.9 |
| Coherent Inc | 1.9 |
| Chemical Financial Corp | 1.9 |
| Greenbrier Companies Inc | 1.9 |
| Omnova Solutions Inc | 1.9 |
| EnerSys | 1.8 |
| United Community Banks Inc | 1.8 |
| Pacific Premier Bancorp Inc | 1.7 |
| Heritage Financial Corp | 1.7 |
| Reinsurance Group of America Inc | 1.7 |
| NN Inc | 1.7 |
| Portland General Electric Co | 1.6 |
| Steven Madden Ltd | 1.6 |
| Casella Waste Systems Inc Class A | 1.6 |
| Reliance Steel & Aluminum Co | 1.6 |
| Lydall Inc | 1.5 |
| Sterling Bancorp | 1.5 |
| Mercantile Bank Corp | 1.4 |
| Ducommun Inc | 1.3 |
| Total % of Top 25 Holdings | 44.8 |
| Total Number of Stock Holdings | 88 |
| Total Number of Bond Holdings | 0 |
| Total Number of Other Holdings | 1 |
| Total Number of Holdings | 89 |

Equity Style



Value Blend Growth

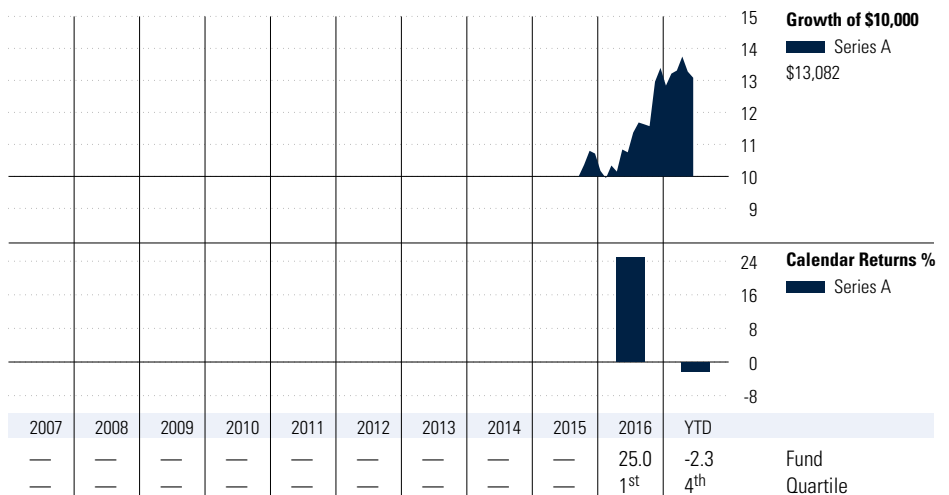
Equity Statistics

| | |
|-------------------|------|
| P/B Ratio | 1.9 |
| P/E Ratio | 19.0 |
| Avg. Mkt Cap. \$B | 2.1 |

Global Equity Sectors

| | % Equity |
|----------------------------|----------|
| Financials | 27.3 |
| Industrials | 21.4 |
| Consumer Discretionary | 12.9 |
| Real Estate | 8.7 |
| Information Technology | 8.6 |
| Materials | 5.5 |
| Utilities | 5.2 |
| Energy | 4.9 |
| Health Care | 3.8 |
| Consumer Staples | 1.7 |
| Unclassified | 0.0 |
| Telecommunication Services | 0.0 |

Performance Analysis as of June 30, 2017



| 1 Mth | 3 Mth | 6 Mth | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Since Incep. | Trailing Return % |
|-----------------|-----------------|-----------------|-----------------|------|------|-------|--------------|--------------------------|
| -1.5 | -1.7 | -2.3 | 21.7 | — | — | — | 15.1 | Fund |
| 3 rd | 4 th | 4 th | 1 st | — | — | — | — | Quartile |
| 272 | 265 | 260 | 255 | 159 | 103 | 48 | — | No. of Funds in Category |



RBC U.S. Small-Cap Value Equity Fund

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.

Stephen E. Kylander

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

Stephen E. Kylander is Vice President and Senior Portfolio Manager. He has been in the investment industry since 1986.

Performance Analysis Cont'd as of June 30, 2017

| Distributions (\$)/Unit | YTD* | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|
| Total Distributions | — | 0.10 | 0.09 | — | — | — | — | — | — | — | — |
| Interest | — | — | — | — | — | — | — | — | — | — | — |
| Dividends | — | — | — | — | — | — | — | — | — | — | — |
| Capital Gains | — | 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 | — | — | — | — | — | — |
| Worst | 10-2016 | 11.6 | — | — | — | — | — | — |
| Average | | 24.0 | | — | | — | | — |
| No. of Periods | | 10 | | — | | — | | — |
| Pct. Positive | | 100.0 | | — | | — | | — |

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

Quarterly Commentary as at June 30, 2017

Broad equity markets continued their march upward in Q2. Small cap and value stocks continued to trail their large cap and growth counterparts as investors grappled with the uncertainty surrounding the new administration's ability to execute on its pro-growth policy changes. Despite these challenges, markets have remained resilient on the back of modestly accelerating economic growth and broadly positive leading economic indicators, so called "soft data" – though it remains to be seen how long this upward trend can persist without "hard data" following the leading indicators' move upward and earnings growth accelerating meaningfully.

The Fund's outperformance was driven by both favorable stock selection and sector allocation decisions. Strong stock selection within the Energy, Information Technology, and Real Estate sectors added the most to returns, and more than offset adverse stock selection within the Industrials and Financials sectors. Overall sector

allocation decisions had a positive effect as the benefit of being significantly overweight to the relatively strong performing industrials sector boosted returns.

The Fund's strategy 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 Fund seeks downside protection through a superior return on equity and balance sheet profile compared to the index and the market leadership positions of most portfolio companies.



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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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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 and PH&N Funds is based on actual expenses for the full-year period, January 1 to December 31, 2016, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the full-year period, April 1, 2016 to March 31, 2017, expressed on an annualized basis.

Adjusted MER is provided for funds with management fee changes effective June 30, 2016. The Adjusted MER represents what the reported MER would have been had management fee changes been in effect throughout 2016.

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 April 30, 2017.

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