



RBC U.S. Small-Cap Core Equity Fund

Investment Objective

To provide long-term capital growth. The Fund invests primarily in equity securities of U.S. small-cap companies 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	RBF493
A	No Load	USD	RBF543
Adv	Deferred Sales	CAD	RBF893
Adv	Front End	CAD	RBF793
Adv	Low Load	CAD	RBF093
Adv	Front End	USD	RBF6543
Adv	Low Load	USD	RBF4543

Inception Date	January 2012
Total Fund Assets \$Mil	212.0
Series A NAV \$	20.70
Series A MER %	2.11
Series A Adjusted MER %	2.05
Benchmark	Russell 2000 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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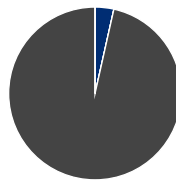
Web Site	www.rbcgam.com
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Notes

Performance Analysis is in CAD and for CAD series A fund (RBF493).

Portfolio Analysis as of March 31, 2017

Asset Mix

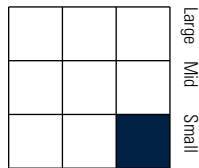


	% Assets
Cash	3.5
Fixed Income	0.0
Canadian Equity	0.0
US Equity	96.4
International Equity	0.0
Other	0.0

Top 25 Holdings

	% Assets
Patrick Industries Inc	4.0
Universal Electronics Inc	3.2
Compass Diversified Holdings	3.1
ACCO Brands Corp	2.7
EnerSys	2.7
InterDigital Inc	2.6
Grand Canyon Education Inc	2.6
West Pharmaceutical Services Inc	2.6
MKS Instruments Inc	2.5
AMERISAFE Inc	2.2
LCI Industries Inc	2.1
Tyler Technologies Inc	2.0
AZZ Inc	1.9
United Community Banks Inc	1.8
Insteel Industries Inc	1.8
Columbus McKinnon Corp	1.8
Chemical Financial Corp	1.7
Pacific Premier Bancorp Inc	1.7
Take-Two Interactive Software Inc	1.7
NN Inc	1.6
Texas Capital Bancshares Inc	1.6
Lydall Inc	1.6
Astronics Corp	1.5
Greenbrier Companies Inc	1.5
Coherent Inc	1.5
Total % of Top 25 Holdings	54.0
Total Number of Stock Holdings	1,969
Total Number of Bond Holdings	0
Total Number of Other Holdings	6
Total Number of Holdings	1,975

Equity Style



Value Blend Growth

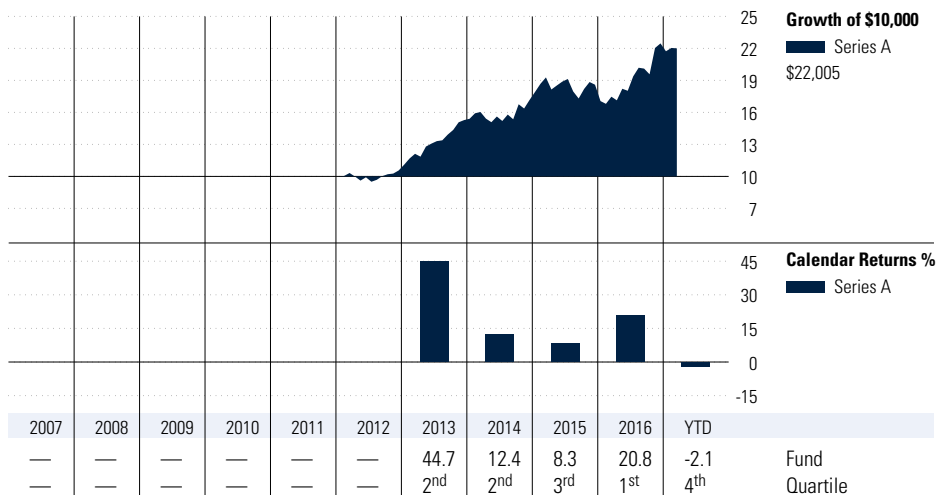
Equity Statistics

P/B Ratio	2.3
P/E Ratio	20.2
Avg. Mkt Cap. \$B	2.1

Global Equity Sectors

	% Equity
Industrials	26.8
Financials	19.3
Consumer Discretionary	17.9
Information Technology	14.3
Health Care	7.4
Materials	5.2
Energy	3.8
Real Estate	2.6
Utilities	1.3
Telecommunication Services	0.9
Consumer Staples	0.5
Unclassified	0.0

Performance Analysis as of March 31, 2017



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Fund	-0.2	-2.1	9.4	25.9	11.1	16.4	—	16.4	Fund
Quartile	3 rd	4 th	3 rd	1 st	2 nd	2 nd	—	—	Quartile
No. of Funds in Category	265	260	259	252	146	102	47	—	No. of Funds in Category



RBC U.S. Small-Cap Core 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 March 31, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	—	—	—	0.27	0.11	0.35	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	0.27	0.11	0.35	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	11-2013	46.9	7-2015	26.3	2-2017	17.0	—	—
Worst	2-2016	-10.1	10-2016	10.9	3-2017	16.4	—	—
Average		18.8		17.4		16.7		—
No. of Periods		51		27		3		—
Pct. Positive		88.2		100.0		100.0		—

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

Quarterly Commentary as at March 31, 2017

The post-election equity market that reached record highs in 2016 continued in the new year. However, there was a stark shift in investment style performance as the darlings of 2016 – small-cap and value stocks, which were buoyed by post-election promises of tax reform, deregulation, and infrastructure stimulus – ceded performance leadership to large-cap and growth stocks. This shift can partially be attributed to investors' realization that the new administration's proposed pro-growth policy changes will take time to incorporate, and are far from guaranteed.

Stock selection had an adverse impact on fund's performance, while overall sector allocation decisions had a moderately negative impact on returns. Adverse stock selection in Industrials, Financials, and Health Care sectors detracted the most from returns. In terms of sector allocation, the strategy's significant underweight to the strong performing Health Care sector detracted

from performance. Despite a number of stock-specific headwinds in the quarter, the team remains confident that we can outperform the benchmark in 2017 due to the conviction in the fundamentals of the companies we hold and our positioning versus the index.

The Small-Cap Core Equity 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.



RBC U.S. Small-Cap Core Equity 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.

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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 half-year period, April 1, 2016 to September 30, 2016, 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.

PH&N Funds Series A formerly known as Series C.

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 March 31, 2017.

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