



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 | 300.4 |
| Series A NAV \$ | 7.39 |
| Series A MER % | 2.02 |
| Series A Adjusted MER % | 1.98 |
| Benchmark | S&P/TSX SmallCap Index (CAD) |

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

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

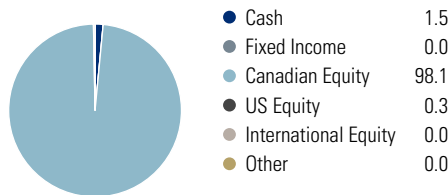
| | |
|---------------|--------------------------|
| Fund Category | Natural Resources Equity |
|---------------|--------------------------|

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

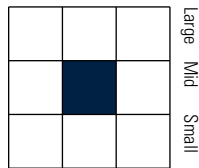
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| Web Site | www.rbcgam.com |
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Portfolio Analysis as of June 30, 2017

Asset Mix



Equity Style



Value Blend Growth

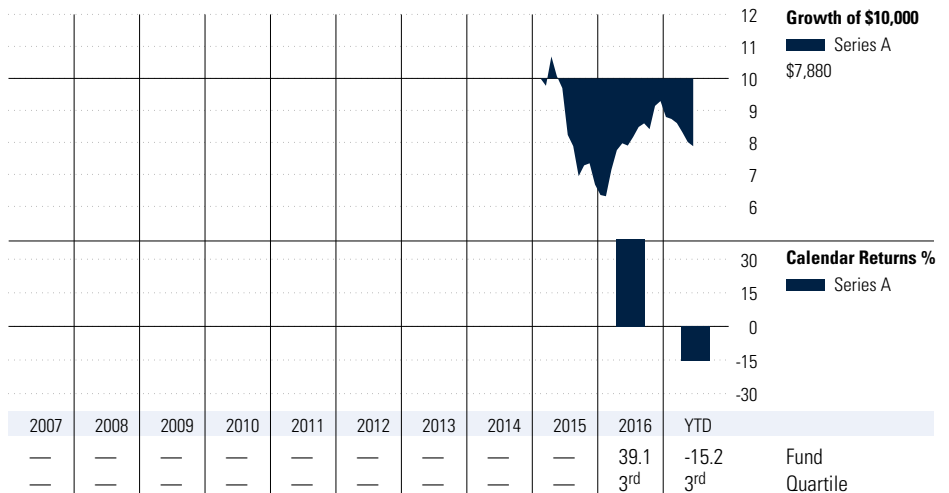
Global Equity Sectors

| Sector | % Equity |
|----------------------------|----------|
| Energy | 63.6 |
| Materials | 36.4 |
| Industrials | 0.0 |
| Consumer Discretionary | 0.0 |
| Consumer Staples | 0.0 |
| Health Care | 0.0 |
| Financials | 0.0 |
| Information Technology | 0.0 |
| Telecommunication Services | 0.0 |
| Utilities | 0.0 |
| Real Estate | 0.0 |
| Unclassified | 0.0 |

Top 25 Holdings

| Company | % Assets |
|---------------------------------------|-------------|
| Seven Generations Energy Ltd | 8.2 |
| Lundin Mining Corp | 5.9 |
| Parex Resources Inc | 5.0 |
| Vermilion Energy Inc | 4.6 |
| Enerplus Corp | 4.3 |
| Whitecap Resources Inc | 4.2 |
| West Fraser Timber Co.Ltd | 4.2 |
| Tourmaline Oil Corp | 3.9 |
| Interfor Corp | 3.5 |
| Peyto Exploration & Development Corp | 3.4 |
| Birchcliff Energy Ltd | 3.2 |
| Raging River Exploration Inc | 3.1 |
| Kelt Exploration Ltd | 3.0 |
| Norbord Inc | 3.0 |
| Methanex Corp | 2.9 |
| Enerflex Ltd | 2.8 |
| Hudbay Minerals Inc | 2.8 |
| CCL Industries Inc B- Non-Voting | 2.8 |
| NuVista Energy Ltd | 2.6 |
| Spartan Energy Corp | 2.3 |
| Yangarra Resources Ltd | 2.3 |
| Shawcor Ltd Class A | 2.1 |
| Trevali Mining Corp | 2.0 |
| Winpak Ltd | 1.9 |
| CES Energy Solutions Corp | 1.8 |
| Total % of Top 25 Holdings | 85.9 |
| Total Number of Stock Holdings | 39 |
| Total Number of Bond Holdings | 0 |
| Total Number of Other Holdings | 1 |
| Total Number of Holdings | 40 |

Performance Analysis as of June 30, 2017



| Period | 1 Mth | 3 Mth | 6 Mth | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Since Incep. | Trailing Return % |
|--------|-------|-------|-------|------|------|------|-------|--------------|--------------------------|
| | -1.6 | -8.4 | -15.2 | -0.3 | — | — | — | -11.6 | Fund |
| | 1st | 2nd | 3rd | 2nd | — | — | — | — | Quartile |
| | 143 | 141 | 141 | 139 | 107 | 90 | 56 | — | 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 June 30, 2017

| Distributions (\$)/Unit | YTD* | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|
| 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 | — | — | — | — | — | — |
| Worst | 2-2016 | -36.8 | — | — | — | — | — | — |
| Average | | 4.9 | | — | | — | | — |
| No. of Periods | | 17 | | — | | — | | — |
| Pct. Positive | | 58.8 | | — | | — | | — |

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

Quarterly Commentary as at June 30, 2017

Crude oil prices are likely to remain volatile as the market looks for clear indications that the global inventory levels have begun to decrease. Investor attention has turned to the potential for rebounding U.S. shale production growth offset the impact of the reduced OPEC supply. Continuation of reduced costs and improving technology have driven break-even prices lower for North American unconventional oil and could limit the upside to prices in the medium term.

On the Materials side, label and packaging companies like CCL Industries, Intertape and Winpak performed well in Q2, along with the forest product names. Metals names were mostly weaker in Q2 as concerns over Chinese credit and housing impacted the equities. The Fund was underweight label and packaging names, which negatively impacted performance. This was partially offset by positive contributions from the overweights in Arizona Mining and Mason Graphite. The Fund's performance was negatively

impacted by its overweight exposure to the Energy sector in Q2, which delivered weak quarterly performance amid falling oil prices.

In the Energy sector positions in companies focused on producing Canadian natural gas were a drag on performance including Birchcliff Energy and Crew Energy as infrastructure constraints and pricing uncertainty weighed on valuations. However, lack of exposure to levered heavy oil producer, MEG Energy added to relative performance. Solid security selection in the metals and mining sub-sector of the Materials sector was offset by an underweight position in CCL Industries.

The portfolio manager's approach remains to invest in companies with high-quality assets, strong management and the ability to finance growth projects under reasonable commodity price expectations.



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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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