



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	309.5
Series A NAV \$	7.96
Series A MER %	2.01
Benchmark	S&P/TSX SmallCap Index (CAD)

Income Distribution	Annually
Capital Gains Distribution	Annually

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

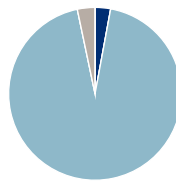
Fund Category	Natural Resources Equity
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Management Company	RBC Global Asset Management Inc.
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Web Site	www.rbcgam.com
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Portfolio Analysis as of June 30, 2018

Asset Mix

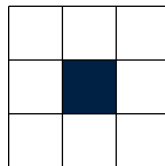


	% Assets
Cash	2.9
Fixed Income	0.0
Canadian Equity	93.8
US Equity	0.0
International Equity	3.3
Other	0.0

Top 25 Holdings

	% Assets
Methanex Corp	7.3
Parex Resources Inc	6.4
Tourmaline Oil Corp	6.3
Enerplus Corp	5.8
West Fraser Timber Co.Ltd	5.1
Whitecap Resources Inc	5.1
Vermilion Energy Inc	4.9
MEG Energy Corp	3.9
Lundin Mining Corp	3.7
Kelt Exploration Ltd	3.5
Precision Drilling Corp	3.4
PrairieSky Royalty Ltd	3.3
Seven Generations Energy Ltd	3.3
Turquoise Hill Resources Ltd	3.3
Gran Tierra Energy Inc	3.1
NuVista Energy Ltd	2.9
Norbord Inc	2.9
Interfor Corp	2.8
Labrador Iron Ore Royalty Corp	2.5
Yangarra Resources Ltd	2.0
Enerflex Ltd	1.8
Canfor Corp	1.8
Shawcor Ltd Class A	1.7
Chemtrade Logistics Income Fund	1.5
Stella-Jones Inc	1.5
Total % of Top 25 Holdings	89.7
Total Number of Stock Holdings	38
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Holdings	39

Equity Style



Value Blend Growth

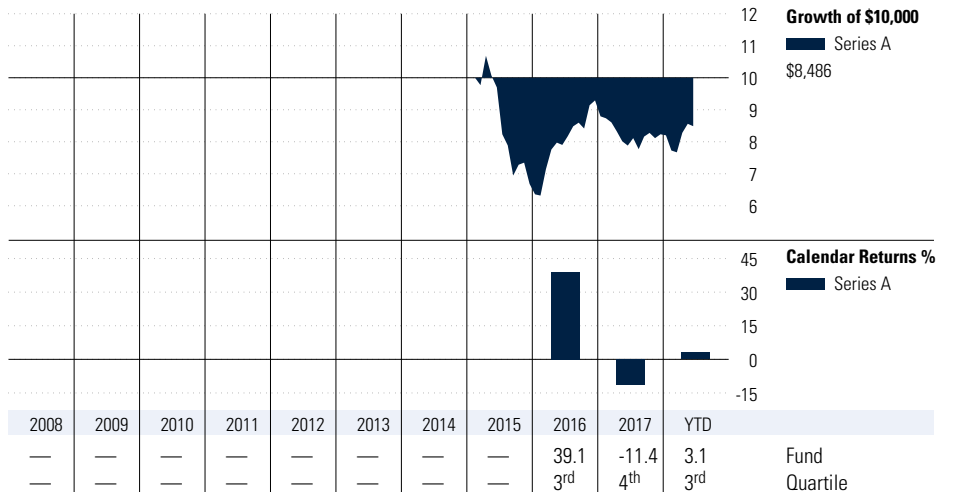
Equity Statistics

P/B Ratio	1.5
P/E Ratio	14.6
Avg. Mkt Cap. \$B	3.3

Global Equity Sectors

	% Equity
Energy	61.7
Materials	38.3
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

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 %
	-0.9	10.7	3.1	7.7	-4.4	—	—	-6.3	Fund
	4 th	2 nd	3 rd	4 th	4 th	—	—	—	Quartile
	128	128	127	125	102	84	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 June 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	6-2018	-4.4	—	—	—	—
Worst	2-2016	-36.8	2-2018	-8.2	—	—	—	—
Average		1.0		-6.7				
No. of Periods		29		5				
Pct. Positive		41.4		0.0				

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

Quarterly Commentary as at June 30, 2018

The global energy sector delivered strong gains in Q2. Robust consumer demand for crude and petroleum products as well as strong compliance by OPEC members to previously announced cuts have meaningfully reduced U.S. and global stockpiles.

The Fund's relative performance versus the benchmark was positively impacted by a handful of events that improved the relative performance of some of the Fund's largest overweights. The 20% spot oil price increase benefited the Energy complex in general, particularly the exploration and production companies which were up 2.3% against the benchmark. Overweights in Parex Resources Inc., Kelt Exploration Ltd., Gran Tierra Energy Inc. and Yangarra Resources Ltd. contributed a large percentage of this quarter's alpha.

The Materials sector delivered solid results in Q2 despite trade-war concerns, which saw the U.S. dollar strengthen by 5.6% in the quarter. Concerns over potential slowing global growth had base

metals like copper and zinc down 2.5% and 12.8%, respectively. Although volatile, lumber showed resilience as its pricing, which is levered toward the U.S. housing market, climbed 10.5%. The Fund's relative performance was positively impacted by overweights in junior zinc miner, Arizona Mining Inc., which is the target of a takeover offer by South 32. Overweights in methanol producer, Methanex Corp., which benefited from strong supply/demand fundamentals. Steel-related companies, Labrador Iron Ore Corp. and Champion Iron Ltd., as well as forest product producer, Norbord Inc., also contributed to positive alpha this quarter.

The portfolio manager believes that OPEC's decision to bring its production levels to 100% compliance with its November 2016 established targets is not negative for crude and for energy equities. On the other hand, the portfolio manager sees demand destruction from a potential global economic slowdown due to trade tariffs as the greatest risk to the energy 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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