



# 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	63.4
Series A NAV \$	12.14
Series A MER %	2.04
Benchmark	Russell 2000 Value Index (CDNS)

Income Distribution	Annually
Capital Gains Distribution	Annually

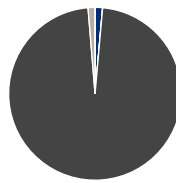
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Fund Category	US Small/Mid Cap Equity
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Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

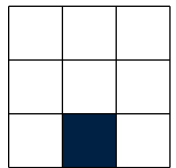
## Portfolio Analysis as of June 30, 2019

### Asset Mix



	% Assets
Cash	1.4
Fixed Income	0.0
Canadian Equity	0.0
US Equity	97.3
International Equity	1.3
Other	0.0

### Equity Style



Value Blend Growth

### Equity Statistics

P/B Ratio	1.5
P/E Ratio	14.2
Avg. Mkt Cap. \$B	2.7

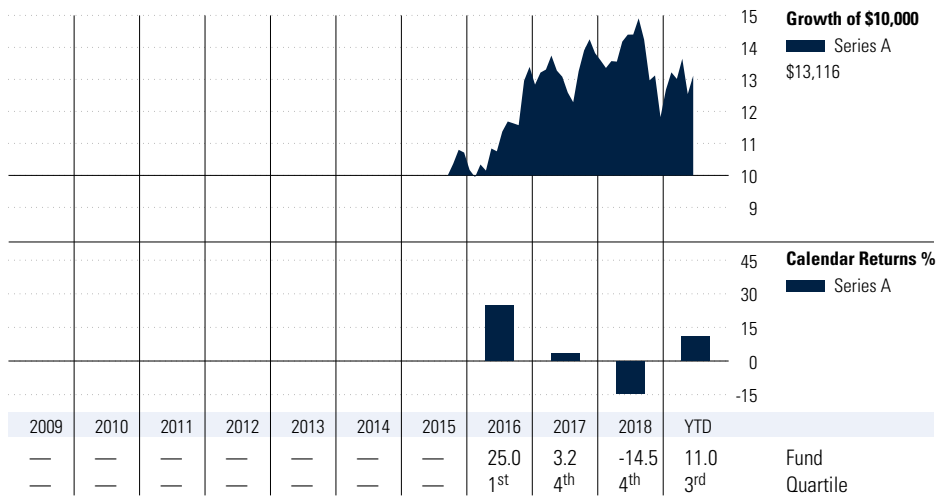
### Global Equity Sectors

	% Equity
Financials	26.6
Industrials	18.7
Real Estate	10.7
Consumer Discretionary	9.0
Information Technology	8.2
Utilities	7.9
Materials	4.7
Health Care	4.6
Energy	4.4
Communication Services	3.3
Consumer Staples	2.1
Unclassified	0.0

### Top 25 Holdings

	% Assets
Columbus McKinnon Corp	3.3
Compass Diversified Holdings	3.3
Portland General Electric Co	3.0
Spire Inc	2.9
United Community Banks Inc	2.4
Delek US Holdings Inc	2.1
Chemical Financial Corp	2.1
Novanta Inc	2.0
Reinsurance Group of America Inc	1.7
LegacyTexas Financial Group Inc	1.7
First Busey Corp Class A	1.7
EnerSys	1.7
Ducommun Inc	1.7
AMERISAFE Inc	1.6
Community Healthcare Trust Inc	1.6
John B Sanfilippo & Son Inc	1.6
Pacific Premier Bancorp Inc	1.6
Sterling Bancorp	1.5
Teleflex Inc	1.5
Patrick Industries Inc	1.5
Steven Madden Ltd	1.5
Gray Television Inc	1.5
Reliance Steel & Aluminum Co	1.5
Mercantile Bank Corp	1.5
ACCO Brands Corp	1.4
<b>Total % of Top 25 Holdings</b>	<b>47.9</b>
<b>Total Number of Stock Holdings</b>	<b>77</b>
<b>Total Number of Bond Holdings</b>	<b>0</b>
<b>Total Number of Other Holdings</b>	<b>1</b>
<b>Total Number of Holdings</b>	<b>78</b>

## Performance Analysis as of June 30, 2019



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Fund	4.6	0.8	11.0	-8.9	6.8	—	—	7.0	Fund
Quartile	2 <sup>nd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	—	—	—	Quartile
No. of Funds in Category	372	370	370	363	256	156	73	—	No. of Funds in Category



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## 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.

### Performance Analysis Cont'd as of June 30, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	—	0.49	—	0.10	0.09	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.49	—	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	9-2018	12.5	—	—	—	—
Worst	12-2018	-14.5	12-2018	3.3	—	—	—	—
Average		9.1		7.9				
No. of Periods		34		10				
Pct. Positive		73.5		100.0				

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

### Commentary as at June 30, 2019

U.S. equities recovered in the first half of 2019 following significant global stock declines in late 2018. Stocks advanced for much of the period on expectations that the U.S. Federal Reserve would stimulate economic growth by lowering short-term interest rates and curtail bond purchases amid signs that the global economy remains on a solid footing, even if there were indications that the expansion was starting to lose momentum. Protectionist measures by the U.S. and China were another source of concern for investors, as a breakdown in trade talks between the countries stoked worries that global trade would be inhibited.

The Fund's returns were aided by stock selection while sector allocation had a negative impact on overall returns. Favourable stock selection in the Financials, Consumer Staples and Information Technology contributed the most to relative returns, more than offsetting weak stock selection in Materials. In terms of sector allocation, the portfolio's underweight allocation to the relatively strong-performing Information Technology sector

weighed on returns. The portfolio's cash position held back returns during a strong period for equity gains.

Individual stocks that contributed to returns included Compass Diversified Holdings, Columbus McKinnon Corp. and Novanta, while Greenbrier Inc. and Stamps.com Inc. were among the holdings that had a negative impact on performance.

A lack of progress on resolving the U.S.-China trade conflict continues to be the primary near-term threat to U.S. economic growth, and the sub-advisor has therefore been making more investments that tend to be less sensitive to the pace of economic growth. The sub-advisor believes any significant progress on the trade front has the potential to significantly boost equity markets further, especially in the more economically sensitive sectors that would be supported by expectations of continued economic growth.



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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 preceding calendar year or most recent half-year period ended June 30 expressed on an annualized basis, depending on availability of data at the time of publication.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the preceding full year period ended March 31 or half-year period ended September 30 expressed on an annualized basis, depending on availability of data at the time of publication.

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).

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