



# RBC Funds (Lux) – U.S. Mid Cap Value Equity Fund

## Investment objective

To provide long-term capital appreciation by investing primarily in equity securities of mid-cap companies that the Investment Manager deems to be undervalued relative to their future opportunities. The Investment Manager seeks to build a portfolio of mature U.S. companies that is typically well-diversified across industry sectors in the U.S. market.

### INVESTMENT MANAGER

RBC Global Asset Management Inc.

### SUB-INVESTMENT MANAGER

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

### BENCHMARK

Russell Midcap Value Index

### FUND SIZE (USD)

31.4mm

## Fund information

Share class	Mgmt fees	Total expense ratio	NAV per share	Bloomberg code	ISIN code
O (acc) USD	0.75%	0.85%	193.45	RBCUSMO LX	LU0687667450
A (acc) USD	1.70%	2.00%	182.30	RBCUSMA LX	LU0687666213
B (acc) USD	0.85%	1.15%	190.42	RBCUSMB LX	LU0687666726
B (dist) GBP (H)	0.85%	1.15%	139.66	RBCUBGH LX	LU0954298153

## Investment performance (total return) \*

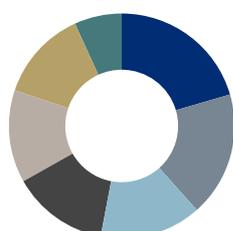
Share class	1 mo.	3 mo.	1 yr.	3 yr.	5 yr.	Since inception	Launch date
O (acc) USD	1.5%	7.0%	14.2%	8.2%	14.2%	14.1%	03-Nov-11
A (acc) USD	1.4%	6.7%	12.9%	6.9%	12.9%	12.8%	03-Nov-11
B (acc) USD	1.5%	7.0%	13.8%	7.8%	13.8%	13.8%	03-Nov-11
B (dist) GBP (H)	1.4%	7.0%	12.3%	7.3%	--	10.9%	29-Aug-13
Benchmark (USD)	1.8%	5.5%	20.0%	9.5%	15.7%	15.7%	--

\* Returns more than one year are annualized. Since Inception performance is calculated from the first month-end following inception. Benchmark Since Inception performance is calculated from the first month-end following Class O (acc) USD inception.

\* Returns may increase or decrease as a result of currency fluctuations.

## Sector breakdown

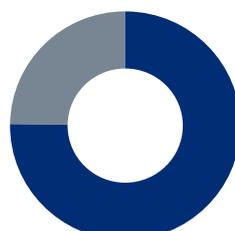
(As at December 31, 2016)



- Financials 20.5%
- Consumer Discretionary 17.9%
- Other 14.6%
- Health Care 13.8%
- Energy 13.3%
- Information Technology 13.1%
- Utilities 6.8%

## Market capitalization

(As at December 31, 2016)



- (>5B) 75.2%
- (1B - 5B) 24.8%
- (<1B) 0.0%

## Top 10 holdings

Current

Amtrust Financial Services Inc	4.8%
Jazz Pharmaceuticals PLC	4.6%
National General Holdings Corp	4.0%
Envision Healthcare Corp	3.4%
Synchrony Financial	3.3%
DTE Energy Company	3.1%
Toll Brothers Inc	3.0%
Mallinckrodt PLC	2.6%
Western Digital Corp	2.5%
Tesoro Corp	2.4%
<b>Total</b>	<b>33.9%</b>
<b>Cash and Equivalents</b>	<b>0.7%</b>
<b>No. of Holdings</b>	<b>66</b>

## Purchases

TRI Pointe Group Inc  
Envision Healthcare Corp

## Sales

Synchronoss Technologies Inc  
Jones Lang Lasalle Inc  
Tenneco Inc  
Wabtec Corp

## Investment performance

Top 5 contributors  
(for the month)

	Beginning weight	Security return	Security contribution
National General Holdings Corp	4.0%	10.6	0.43
Amtrust Financial Services Inc	4.9%	7.5	0.37
Jazz Pharmaceuticals PLC	4.6%	5.2	0.24
Synchrony Financial	3.9%	4.9	0.19
Brunswick Corp	2.0%	8.8	0.18

Bottom 5 contributors  
(for the month)

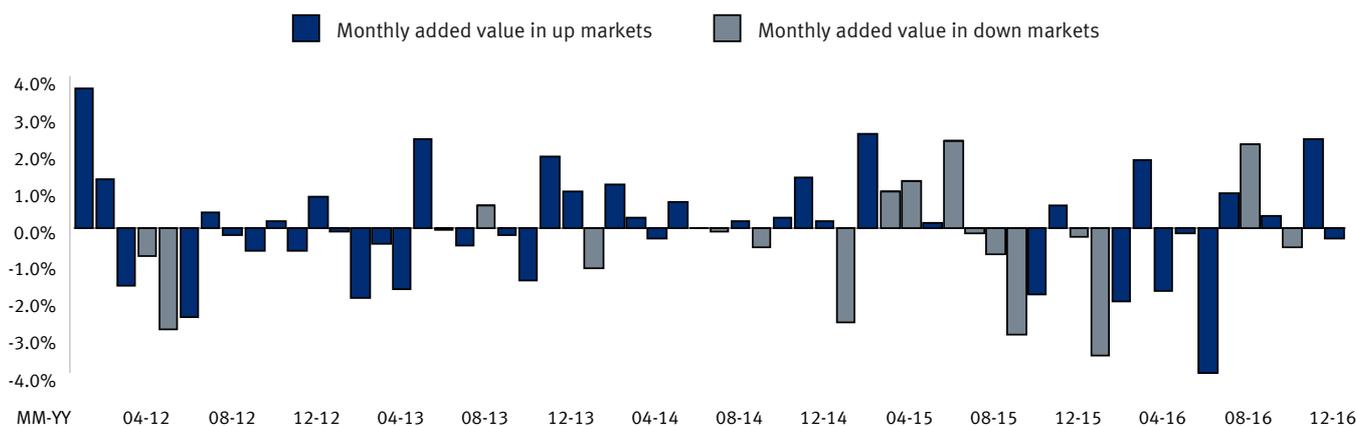
	Beginning weight	Security return	Security contribution
Callon Petroleum Co	1.4%	(12.9)	(0.18)
Newfield Exploration Co	1.5%	(10.4)	(0.15)
Parsley Energy Inc	2.0%	(7.6)	(0.15)
Mallinckrodt PLC	2.5%	(5.5)	(0.14)
Concho Resources Inc	1.5%	(7.3)	(0.11)

## Performance attribution

	Fund		Benchmark		Attribution Effects			
	Weight	Return	Weight	Return	Allocation	Selection	Interaction	Total
US Equity	100.00	16.24	100.00	20.00	(0.94)	(6.63)	2.67	(4.90)
Consumer Discretionary	18.36	14.54	8.58	8.21	(1.39)	0.64	1.33	0.58
Consumer Staples	0.00	--	3.87	8.71	0.29	(0.53)	0.53	0.29
Energy	9.37	47.47	9.20	35.11	(0.06)	1.08	(0.23)	0.78
Financials	26.27	17.49	29.72	29.62	0.87	(3.92)	0.59	(2.46)
Health Care	12.43	(18.90)	5.27	(4.32)	(1.71)	(0.94)	(1.48)	(4.12)
Industrials	6.71	34.15	10.62	29.72	(0.31)	0.55	(0.04)	0.21
Information Technology	14.00	30.35	9.06	27.34	0.49	0.26	0.14	0.89
Materials	5.94	43.32	6.05	39.32	0.05	0.27	(0.31)	0.00
Telecommunication Services	0.24	--	1.55	9.22	0.25	(0.50)	0.34	0.09
Utilities	4.98	(9.34)	12.45	17.42	0.56	(3.54)	1.80	(1.17)

Attribution results are calculated over a trailing 12 month period or since inception (if data is less than 12 months). Attribution is intended to demonstrate trends in performance due to security selection and sector/country allocation and is calculated from the underlying segregated asset positions and may not add up to the total portfolio return calculated using the NAV of the fund. Fund sector/country weights in the attribution table are based on beginning market values, adjusted for purchases and sales activities during the year.

## Value added chart



Value added calculation is based on performance of Class O (acc) USD shares.

**Important Risk Considerations:**

- **Currency Risk:** Sub-Funds are invested in securities denominated in different currencies other than the Reference currency. As a result, changes in the value of the Reference Currency compared to other currencies will affect the value in the Reference Currency of any securities denominated in another currency.
- **Currency Hedging Risk:** Hedging currency risks may protect investors against a decrease in the value of the Reference Currency relative to the Hedged Share Class, but it may also preclude investors from benefiting from an increase in the value of such currencies. All costs and gains/losses of hedging transactions are borne by the relevant Hedged Share Classes.
- **Derivative Risk:** Derivative instruments are highly sensitive to changes in the value of the underlying asset that they are based on. Certain derivatives may result in losses greater than the amount originally invested.
- **Large Shareholder Risk:** Investors holding a large portion of issued and outstanding shares of a Sub-Fund are likely to incur transaction costs in case of redemptions.
- **Market Risk:** The market value of a Sub-Fund's investments will fluctuate based on specific company developments, broader equity or fixed-income market conditions, economic and financial conditions.
- **Securities Lending Risk:** The risk that the Sub-Fund may be left holding the collateral delivered by the other party to secure securities lending transactions.
- **Specialization Risk:** Sub-Funds specializing in a particular sector may lead to underperformance relative to less specialized investments.

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Past performance is not a reliable guide to future performance. The value of investments and any income from them is not guaranteed and may fall or rise and the investor may not get back the original investment. Exchange rate movement could increase or decrease the value of underlying investments/ holdings. The Sub-Fund may be invested in securities denominated in a number of different currencies other than the Reference Currency. As a result, changes in the value of the Reference Currency compared to other currencies will affect the value, in the Reference Currency, of any securities denominated in another currency. While it is the intention of the Sub-Fund to achieve its investment objective, there can be no assurance that it will.

Index returns are for illustrative purposes only, do not represent actual fund performance and do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index.

The value of the Sub-Fund can change from day to day because the value of the securities in which it invests can be affected by changes in interest rates, the general financial market and economic conditions or individual company news. As a result, at the time of redemption, Sub-Fund Shares may be worth more or less than the original purchase price. There can be a number of risk factors that impact the value of an investment in a Sub-Fund. Investors should refer to the section called "Risk Factors" in the Prospectus before investing.

None of the Shares of the Sub-Funds has been or will be registered for sale or distribution in Canada or in the United States.

Copies of the Articles of Incorporation of the SICAV, the current Prospectus, the KIIDs and the latest financial reports may be obtained free of charge during normal office hours at the registered office of the SICAV in Luxembourg: 14, Porte de France, L- 4360 Esch-sur-Alzette, Grand Duchy of Luxembourg, or at [rbcgam.lu](http://rbcgam.lu). The Prospectus is available in the English and German languages. The KIIDs are available in the local language(s) of the jurisdictions in which the Sub-Fund(s) are registered.

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