



# RBC Private Canadian Dividend Pool

## Investment Objective

To achieve long-term total returns consisting of regular dividend income, which benefits from the preferential tax treatment given to dividends from Canadian companies, and modest long-term capital growth. The Fund invests primarily in common shares, with above-average dividend yields. The Fund also invests in preferred shares of major Canadian companies.

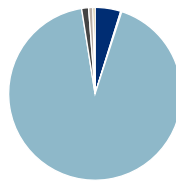
The investment team invests in a concentrated selection of blue-chip Canadian companies, taking a conservative approach and concentrating on companies with stable earnings and strong long-term growth prospects. Emphasis is placed on companies whose shares are attractively valued and that have an above-average dividend yield. The investment team seeks out growth opportunities by targeting companies that have a good ability to compound their business over time and increase their dividends along with that growth.

## Fund Details

Series	Currency	Fund Code
0	CAD	RBF10124
Inception Date August 2003		
Total Fund Assets \$Mil 2,760.6		
Benchmark 66.67% S&P/TSX Dividend TR, 33.33% S&P/TSX Dividend TR ex Energy & Materials, but including Oil & Gas Refining & Marketing and Oil & Gas Storage & Transportation Sub-industries		

## Portfolio Analysis as of April 30, 2019

### Asset Mix



	% Assets
Cash	4.8
Fixed Income	0.2
Canadian Equity	92.5
US Equity	1.3
International Equity	0.8
Other	0.4

### Top 10 Holdings

	% Assets
Royal Bank of Canada	8.1
The Toronto-Dominion Bank	7.3
Bank of Nova Scotia	5.9
Enbridge Inc	4.9
Canadian National Railway Co	4.9
Brookfield Asset Mgmt Inc Cl A	4.1
TransCanada Corp	3.4
Bank of Montreal	3.0
Suncor Energy Inc	2.6
CIBC	2.6
Total % of Top 10 Holdings	46.7
Total Number of Stock Holdings	76
Total Number of Bond Holdings	0
Total Number of Other Holdings	5
<b>Total Number of Holdings</b>	<b>81</b>

### Equity Style

	Large	Mid	Small
Value	38	23	19
Blend	8	7	1
Growth	2	1	0

Weight %  
 ● > 50  
 ● 25 - 50  
 ● 10 - 25  
 ○ 0 - 10

### Equity Statistics

P/B Ratio	1.7
P/E Ratio	14.3
P/FCF	5.0
P/S	1.4
Avg. Mkt Cap. \$B	39.5
Dividend Yield	3.5

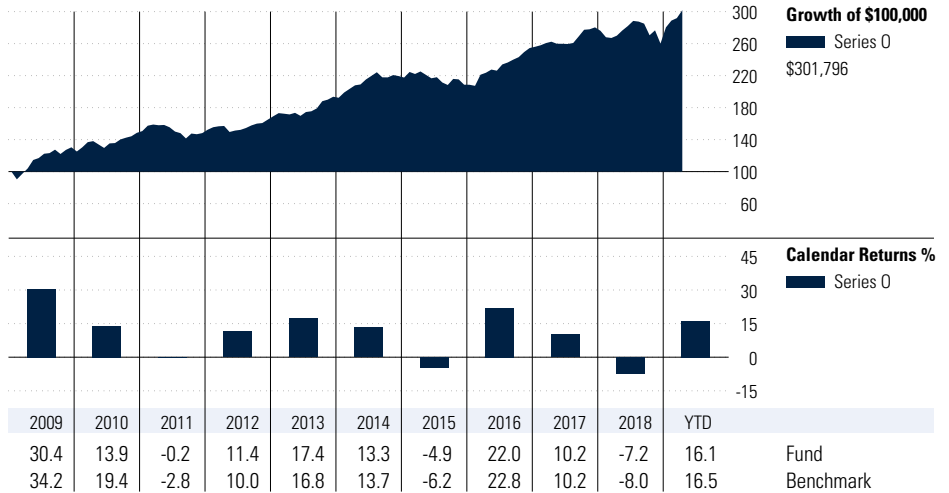
### Top 5 Equity Sectors

	% Equity
Financials	42.7
Energy	18.4
Industrials	11.6
Utilities	7.3
Communication Services	6.9
% in Top 5 Equity Sectors	86.8

### Risk Measures

	Fund	Benchmark
3 Year Std Dev	8.4	8.6
5 Year Std Dev	8.3	8.7

## Performance Analysis as of April 30, 2019



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Fund	3.4	7.7	11.6	11.8	10.5	7.7	11.2	10.0	Fund
Benchmark	3.4	7.6	12.3	11.0	10.1	7.6	11.6	—	Benchmark



# RBC Private Canadian Dividend Pool

## Management Overview

### Manager Bios

#### Doug Raymond

##### RBC Global Asset Management Inc.

Doug Raymond is Senior Vice President and Co-Head, North American Equities. He has been in the investment industry since 1985.

#### Stuart Kedwell

##### RBC Global Asset Management Inc.

Stuart Kedwell is Senior Vice President and Co-Head, North American Equities. He has been in the investment industry since 1997.

#### Sean McCurley

##### RBC Global Asset Management Inc.

Sean is Portfolio Manager and North American Equities Research Analyst. Sean holds a Bachelor of Arts from McGill University and MBA from Rotman School of Management, and is a CFA charterholder.

#### Jonathan Millman

##### RBC Global Asset Management Inc.

Jonathan is Portfolio Manager and Analyst for the North American equities team, responsible for the Consumer Discretionary, Consumer Staples, Health Care and Utilities sectors. He holds a Bachelor of Arts in Economics from Wilfrid Laurier University and is a CFA charterholder.

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

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	0.50	1.75	1.38	1.30	1.14	1.10	1.06	0.94	0.94	0.89	0.82
Interest	0.50	0.04	0.01	0.09	0.04	0.06	0.00	0.03	0.01	0.00	0.08
Dividends	—	1.45	1.37	1.21	1.11	1.03	1.06	0.92	0.88	0.89	0.74
Capital Gains	—	0.25	—	—	—	—	—	—	0.05	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	44.4	5-2007	21.1	2-2014	17.1	2-2019	12.3
Worst	2-2009	-30.2	2-2009	-7.4	5-2012	1.6	2-2016	6.2
Average		10.2		9.3		8.5		8.6
No. of Periods		177		153		129		69
Pct. Positive		80.2		93.5		100.0		100.0

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

### Quarterly Commentary as at March 31, 2019

The S&P/TSX Composite Index bounced back substantially during the first quarter of 2019 and is slightly ahead of other global markets in Canadian dollar terms. Strength throughout the quarter is primarily attributed to a more dovish tone from central banks and higher domestic oil prices.

Throughout the quarter, security selection and sector allocation within Utilities boosted relative performance. In particular, the fund benefited from its overweight position in TransAlta as shares in the Calgary-based utility advanced following strong financial results and a deal it struck with Brookfield Asset Management that included an investment of \$750 million. Additionally, an overweight position in Thomson Reuters within the Industrials sector helped relative performance as the company has been buying back shares while finding support from the market with a shifted focus towards their legal and tax units.

Conversely, the fund's overweight position of SNC-Lavalin was detrimental to relative performance.

Shares in the company were impacted by a number of headwinds including negative earnings guidance, a troubled mining project in Chile, a large write-down of goodwill and deteriorating Saudi-Canada relations. Going forward, we believe that liquidity from its partial sale of Highway 407 will go a long way in generating cash flow and deleveraging its balance sheet.

Looking forward, investors continue to monitor global economic and financial conditions for signs of a recession, and recent financial-market volatility suggests the jury is still out on whether an economic downturn is on the way. A challenging domestic environment for the production and transport of crude oil, and concerns surrounding the health of the Canadian consumer remain as Canada-specific headwinds. However, with the broad Canadian equity market trading at a discount to the S&P 500, we currently view Canada as a good place to pick up income at attractive valuations.



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MER (%) for RBC Funds, RBC Private Pools, 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.

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.

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