



RBC Private U.S. Small-Cap Equity Pool

Investment Objective

To provide long-term growth primarily through capital appreciation by investing in a portfolio of common stocks and equivalent securities of small to mid-capitalization U.S. corporations.

The investment team's fundamentals-based investment process seeks strong companies with low analyst coverage and little institutional ownership. Preferred investment candidates generate above-average rates of return on assets and have solid balance sheets and a long-term catalyst. The portfolio is built from a bottom-up perspective and typically holds between 45 and 60 small-cap equities, including a mix of value and growth stocks.

Fund Details

Series	Currency	Fund Code
0	CAD	RBF10270
0	USD	RBF10170

Inception Date	August 2003
Total Fund Assets \$Mil	197.6
Benchmark	Russell 2000 (C\$)

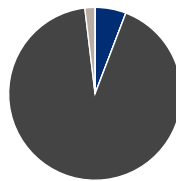
Notes

Pool sub-advisor changed in April 2008.

Performance Analysis is in CAD and for CAD series 0 fund (RBF10270).

Portfolio Analysis as of April 30, 2019

Asset Mix



	% Assets
Cash	5.8
Fixed Income	0.0
Canadian Equity	0.0
US Equity	92.3
International Equity	1.9
Other	0.0

Top 10 Holdings

	% Assets
Euronet Worldwide Inc	3.4
Children's Place Inc	3.3
Omniceil Inc	3.2
Pros Holdings Inc	3.0
Spire Inc	3.0
West Pharmaceutical Services Inc	2.8
Advanced Energy Industries Inc	2.5
John Bean Technologies Corp	2.5
ESCO Technologies Inc	2.5
WNS (Holdings) Ltd ADR	2.5
Total % of Top 10 Holdings	28.8
Total Number of Stock Holdings	52
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Holdings	53

Equity Style

	Value	Blend	Growth
Large	0	0	0
Mid	5	3	15
Small	23	25	29

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

Equity Statistics

P/B Ratio	2.0
P/E Ratio	14.9
P/FCF	9.2
P/S	1.8
Avg. Mkt Cap. \$B	3.0
Dividend Yield	1.2

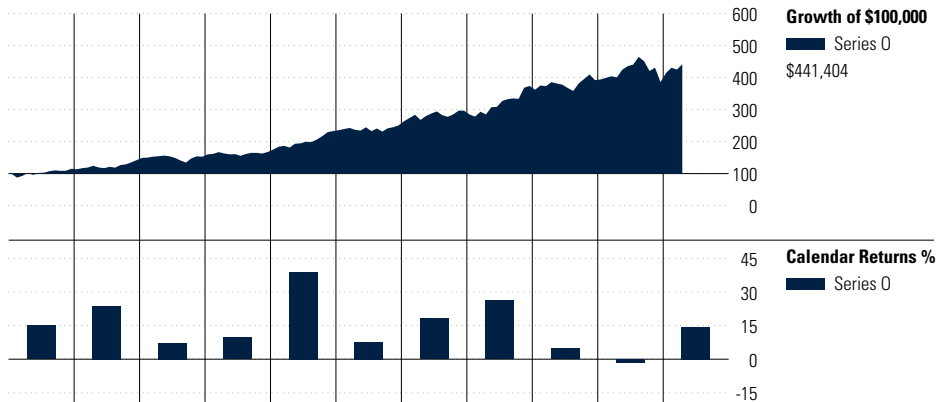
Top 5 Equity Sectors

	% Equity
Information Technology	25.8
Industrials	19.5
Health Care	18.4
Financials	13.2
Consumer Discretionary	5.8
% in Top 5 Equity Sectors	82.8

Risk Measures

	Fund	Benchmark
3 Year Std Dev	14.7	15.3
5 Year Std Dev	13.8	15.2

Performance Analysis as of April 30, 2019



Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD	Fund	Benchmark
Calendar Returns %	15.0	23.7	7.3	9.7	38.9	7.7	18.2	26.1	4.9	-1.6	14.4		
Growth of \$100,000	9.9	20.4	-2.1	13.4	48.5	14.7	13.8	17.7	7.3	-3.4	16.3		
Trailing Return %	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.					
	3.8	6.6	5.0	10.2	15.7	13.2	15.7	8.9	Fund				
	3.7	8.6	7.9	9.2	16.1	13.1	15.4	—	Benchmark				



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Management Overview

Manager Bios

Kennedy Capital Management Inc

Kennedy Capital Management, Inc., headquartered in St. Louis, Missouri, currently manages approximately US\$5.83 billion in total assets.

Performance Analysis Cont'd as of April 30, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	0.37	22.96	12.25	13.25	22.55	17.82	4.21	0.62	0.50	0.62	0.47
Interest	0.37	1.27	1.20	1.44	1.38	1.02	0.86	0.62	0.50	0.62	0.47
Dividends	—	—	0.00	—	—	—	—	—	—	—	—
Capital Gains	—	21.69	11.05	11.81	21.17	16.80	3.35	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	11-2013	41.3	7-2015	23.7	2-2014	22.3	2-2019	17.3
Worst	2-2008	-29.9	2-2009	-13.5	2-2009	-8.0	8-2013	5.6
Average		9.7		10.3		10.9		10.2
No. of Periods		177		153		129		69
Pct. Positive		80.8		76.5		80.6		100.0

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

Quarterly Commentary as at March 31, 2019

U.S. equity markets rallied for a substantial gain in Q1 that nearly erased the fourth quarter 2018 decline. The rally can most likely be attributed to the almost complete reversal of the fears that drove the earlier market decline. Fear of the U.S./China trade row turned to optimism about a potential positive agreement. Fear of additional interest rate increases from the Federal Reserve melted away as the Fed signaled no more raises for this year.

Our largest relative positive contributor to performance was the Financials sector. This was aided by the performance of our holding in BrightSphere Investment Group Plc. (BSIG). We also did well in the Consumer Staples sector.

We significantly underperformed in the Energy sector as our only holding in the sector, Centennial Resource Development, Inc. (CDEV) performed very poorly. With the lower oil price environment of the past several months, the company thought it prudent to reduce its number of wells drilled. Of course, less drilling means less production growth.

The lowering of the production growth profile caused investors to severely punish the stock. We think the company's decision was a prudent move by a seasoned management. We added to our position.

We also underperformed in the Real Estate sector. The sector rallied meaningfully in the quarter as U.S. interest rates declined rapidly. We see this as a chase for yield and not as a longer-term, sustainable investment thesis. We are underweight the sector and tend to hold the more conservative stocks within the sector.

We remain underweight the Energy, Consumer Staples, Consumer Discretionary, Financials, Real Estate, Commercial Services and Utilities sectors. We are overweight the Industrials, Information Technology, Health Care and Materials sectors. These weightings continue to reflect where we are finding our best investment ideas through our bottom-up process and not the result of any macro, top-down analysis.



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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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