



# RBC Private U.S. Large-Cap Value Equity Pool

## Investment Objective

To provide long-term total returns primarily through capital appreciation by investing in common stocks and equivalent securities of U.S. corporations trading below their potential intrinsic value.

The investment team undertakes universe screening, fundamental analysis and valuation analysis as part of its security selection process. Preferred companies for investment tend to exhibit free cash-flow yield and return on equity greater than the benchmark and lower debt to equity levels than the benchmark. The portfolio will follow a focused investment strategy and will normally contain 40 to 60 selected stocks that are well diversified across industry sectors.

## Fund Details

Series	Currency	Fund Code
0	CAD	RBF10275
0	USD	RBF10175

Inception Date	August 2003
Total Fund Assets \$Mil	338.2
Benchmark	Russell 1000 Value Index (C\$)

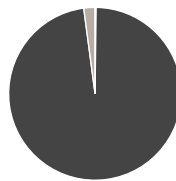
## Notes

Pool sub-advisor changed in July 2009.

Performance Analysis is in CAD and for CAD series 0 fund (RBF10275).

## Portfolio Analysis as of April 30, 2019

### Asset Mix



	% Assets
Cash	0.2
Fixed Income	0.0
Canadian Equity	0.0
US Equity	97.8
International Equity	2.1
Other	0.0

### Top 10 Holdings

	% Assets
Bank of America Corporation	3.8
AT&T Inc	3.6
JPMorgan Chase & Co	3.6
Motorola Solutions Inc	3.1
Johnson & Johnson	3.1
CVS Health Corp	3.0
Wells Fargo & Co	2.9
The Walt Disney Co	2.5
Microsoft Corp	2.5
Becton, Dickinson and Co	2.4
Total % of Top 10 Holdings	30.5
Total Number of Stock Holdings	46
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
<b>Total Number of Holdings</b>	<b>47</b>

### Equity Style

	Value	Blend	Growth
Large	44	35	12
Mid	0	8	1
Small	0	0	0

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

### Equity Statistics

P/B Ratio	2.6
P/E Ratio	16.0
P/FCF	8.6
P/S	1.9
Avg. Mkt Cap. \$B	124.2
Dividend Yield	2.4

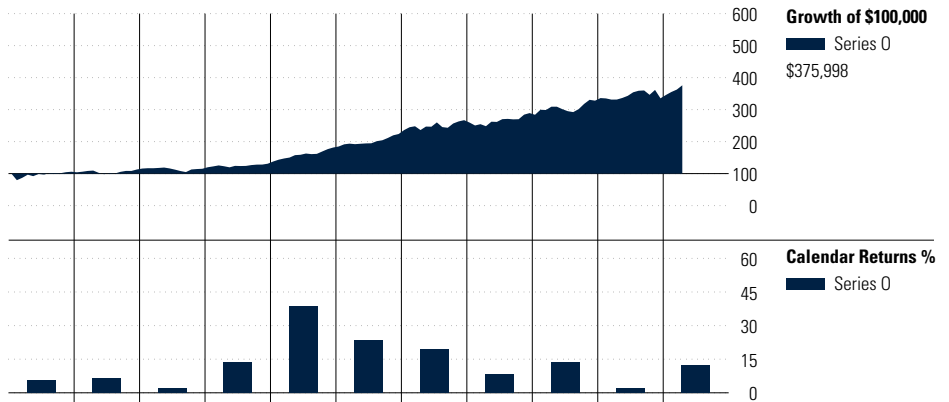
### Top 5 Equity Sectors

	% Equity
Financials	20.0
Health Care	15.2
Industrials	14.3
Information Technology	10.3
Consumer Staples	8.7
% in Top 5 Equity Sectors	68.4

### Risk Measures

	Fund	Benchmark
3 Year Std Dev	9.9	10.0
5 Year Std Dev	10.3	10.2

## Performance Analysis as of April 30, 2019



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD	Fund	Benchmark
Growth of \$100,000	5.8	6.6	2.0	13.8	38.7	23.3	19.3	8.3	13.4	2.2	12.2	375.998	
Calendar Returns %	3.4	9.6	2.5	14.6	41.7	24.1	14.5	13.9	6.4	-0.4	13.7		
1 Mth	3.7	8.8	8.6	13.5	14.9	14.4	14.6	6.6	13.4	15.1	6.6		
3 Mth	3.8	9.6	9.8	13.8	13.4	12.7	15.1	—	13.7	—	—		
6 Mth													
1 Yr													
3 Yr													
5 Yr													
10 Yr													
Since Incep.													
Trailing Return %													
Fund													
Benchmark													



# RBC Private U.S. Large-Cap Value Equity Pool

## Management Overview

### Manager Bios

#### Westwood Management Corp

Westwood Management Corp., a registered investment advisors, was founded and registered with the SEC in 1983 with a focus on serving institutional clients. The firm is a wholly-owned subsidiary of Westwood Holdings Group (NYSE: WHG), a publicly traded New York Stock Exchange corporation.

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

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	1.83	30.38	11.33	4.23	3.89	3.17	2.53	2.13	4.57	1.60	2.36
Interest	1.83	5.78	4.78	4.23	3.89	3.17	2.53	2.13	4.57	1.60	2.36
Dividends	—	—	0.00	—	—	—	—	—	—	—	—
Capital Gains	—	24.60	6.55	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	12-2013	38.7	7-2015	28.1	5-2017	20.9	2-2019	16.2
Worst	1-2009	-37.1	2-2009	-16.6	2-2009	-11.5	8-2013	1.9
Average		7.9		8.8		9.4		7.6
No. of Periods		177		153		129		69
Pct. Positive		76.3		71.2		58.9		100.0

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

### Quarterly Commentary as at March 31, 2019

Looking forward in 2019, corporate earnings growth remains the most likely outcome for the full year. While some companies may report slight declines in year-over-year earnings, the majority of companies are expected to remain positive. Consumer strength remains a driver for continued economic growth as labor markets remain tight. Corporate investments continue to face headwinds from the global uncertainty, and investors remain focused on the behavior of companies regarding their uses of cashflow.

All sectors were positive during the quarter. Information Technology and Real Estate posted the strongest gains while Health Care and Financials gained the least.

Positive stock selection in Consumer Staples and an underweight in Materials contributed to relative performance. General Mills saw their recent pet food acquisition, Blue Buffalo, help bolster topline results. Honeywell shares posted

strong results with aerospace driving revenues and cashflows. Bank of America saw their sixteenth straight quarter of operating leverage. Boeing rallied on strong cash generation and earnings even after being pressured by issues with the 737 Max. Union Pacific saw their first quarter with precision scheduled railroading help drive productivity improvements.

Unfavorable stock selection in Health Care and stock selection and an overweight in Financials weighed on relative performance. CVS Health's results and guidance fell short of expectations as management cited pressures on reimbursement and long-term care weighing on their retail segment. Discussions in Washington regarding a single payer system pressured the whole sector. Medtronic and ConocoPhillips were very modest headwinds to performance while UnitedHealth and Walt Disney were the smallest contributors.



# RBC Private U.S. Large-Cap Value Equity Pool

## Disclosure

RBC Funds, RBC Private Pools, BlueBay Funds, PH&N Funds and RBC Corporate Class Funds are offered by RBC Global Asset Management Inc. and distributed through authorized dealers.

Series O units are available to individuals, institutional clients or dealers who have entered into an agreement directly with RBC GAM. No management fees are payable by the fund in respect of Series O units. Unitholders of Series O units pay a negotiated fee directly or indirectly to RBC GAM.

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 fund securities are not guaranteed or covered by the Canada 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.

This document has been compiled by RBC Global Asset Management Inc. (RBC GAM) from sources believed to be reliable, but no representations or warranty, express or implied, are made by RBC GAM, its affiliates or any other person as to its accuracy, completeness or correctness. All opinions and estimates constitute RBC GAM's judgment as of the date of this document, are subject to change without notice and are provided in good faith but without legal responsibility. The Top Ten/25 Holdings may change due to ongoing portfolio transactions within the fund. The Prospectus and other information about the underlying investment funds are available at [www.sedar.com](http://www.sedar.com).

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.

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.

Phillips, Hager & North Investment Management (PH&N IM) is a division of RBC Global Asset Management Inc. (RBC GAM). RBC GAM is the manager of PH&N Funds and the principal portfolio adviser for PH&N Funds. The principal distributor of PH&N Funds is Phillips, Hager & North Investment Funds Ltd. (PH&NIF), which uses the trade name PH&N Investment Services. RBC GAM is an indirect, wholly-owned subsidiaries of Royal Bank of Canada.

® / ™ Trademark(s) of Royal Bank of Canada. Used under licence. © RBC Global Asset Management Inc. 2019