



RBC Private Fundamental Canadian Equity Pool

Investment Objective

To provide a competitive current income stream relative to that generally available in the broad Canadian equity market and the potential for long-term growth through capital appreciation by investing primarily in select common stocks and equivalent securities of Canadian corporations.

The investment team employs a disciplined combination of quantitative screening and qualitative assessment to build an income-oriented portfolio of approximately 30 large- to mid-capitalization companies diversified across industry sectors. Typically, the companies whose stocks are purchased for the portfolio will be dividend paying, have above-average financial strength and have predictable and growing levels of profitability.

Fund Details

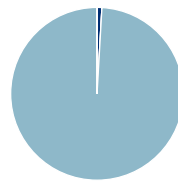
Series	Currency	Fund Code
0	CAD	RBF10450
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Inception Date	August 2003	
Total Fund Assets \$Mil	53.8	
Benchmark	80% S&P/TSX Capped Composite Total Return Index 5% S&P/TSX Index – Utilities (CAD) 5% S&P/TSX Index – Telecommunication Services (CAD) 5% S&P/TSX Index – Oil & Gas Storage & Transportation (CAD) 5% S&P/TSX Index – Real Estate Investment Trusts (CAD)	

Notes

Fund's name changed effective February 27, 2019.

Portfolio Analysis as of April 30, 2019

Asset Mix



	% Assets
Cash	0.9
Fixed Income	0.0
Canadian Equity	99.1
US Equity	0.0
International Equity	0.0
Other	0.0

Equity Style

	Value	Blend	Growth
Large	35	26	15
Mid	8	9	6
Small	0	0	0

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

Equity Statistics

P/B Ratio	1.8
P/E Ratio	13.6
P/FCF	5.4
P/S	1.2
Avg. Mkt Cap. \$B	37.6
Dividend Yield	2.9

Top 5 Equity Sectors

	% Equity
Financials	41.5
Communication Services	11.7
Consumer Staples	10.6
Industrials	9.7
Energy	8.5
% in Top 5 Equity Sectors	82.1

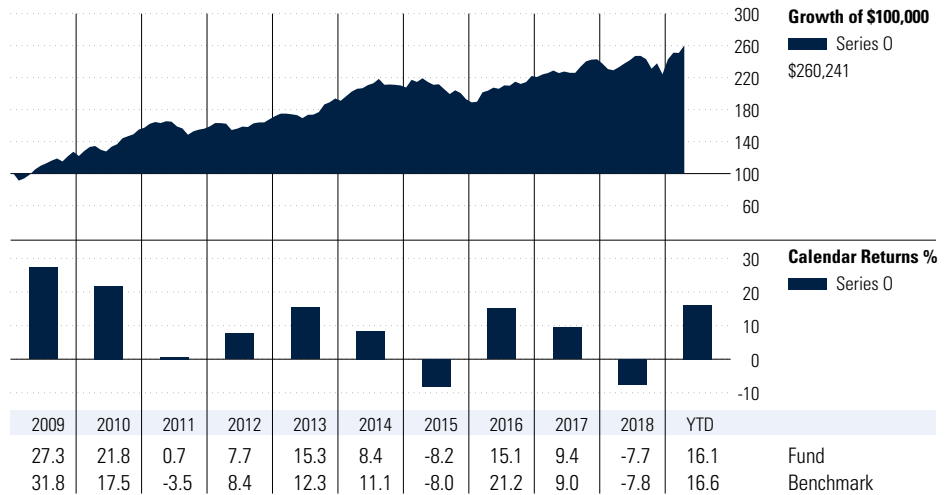
Risk Measures

	Fund	Benchmark
3 Year Std Dev	8.9	8.4
5 Year Std Dev	8.8	8.4

Top 10 Holdings

	% Assets
Royal Bank of Canada	9.4
The Toronto-Dominion Bank	8.7
Rogers Communications Inc Class B	7.5
Magna International Inc Class A	5.2
Nutrien Ltd	4.9
Metro Inc	4.9
Canadian Natural Resources Ltd	4.9
Brookfield Asset Mgmt Inc Cl A	4.6
Bank of Nova Scotia	4.3
Sun Life Financial Inc	3.9
Total % of Top 10 Holdings	58.4
Total Number of Stock Holdings	30
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Holdings	31

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	3.8	7.2	12.6	11.7	8.5	4.8	10.2	10.1	Fund
Benchmark	2.5	7.4	13.0	11.4	9.2	6.1	9.9	—	Benchmark



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Management Overview

Manager Bios

Beutel, Goodman & Company Ltd.

Established in 1967, Beutel, Goodman & Company Ltd. is a privately-owned, independent Canadian investment manager and offers its investment management expertise to institutional, private wealth and retail clients.

Performance Analysis Cont'd as of April 30, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	0.28	0.78	0.78	0.82	0.77	0.81	0.67	0.50	0.72	0.65	0.68
Interest	0.28	0.00	0.01	0.02	0.03	0.02	0.03	0.02	0.01	0.14	0.20
Dividends	—	0.77	0.77	0.80	0.74	0.79	0.64	0.48	0.71	0.51	0.48
Capital Gains	—	—	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	9-2005	41.8	9-2006	27.8	8-2008	19.4	9-2013	11.9
Worst	2-2009	-27.2	2-2009	-7.1	5-2012	2.1	5-2017	4.9
Average		10.3		8.9		7.8		8.1
No. of Periods		177		153		129		69
Pct. Positive		77.4		86.9		100.0		100.0

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

Quarterly Commentary as at March 31, 2019

The market was supported by a more benign interest rate outlook and progress in U.S.-China trade talks. Heightened macroeconomic concerns pressured markets causing U.S. bond yields to drop. By quarter end, the yield curve inverted as 10-year U.S. Treasury yields fell below yields of 3-month Treasuries. This was mirrored in Canada, signaling that keeping rates steady or even rate cuts may be in the cards going forward.

While posting a positive return, the portfolio underperformed its benchmark during Q1. The primary area of relative weakness was stock selection in Industrials, Communication Services, Consumer Discretionary and Energy whereas Materials was an area of outperformance. The most notable detractor on an absolute-return basis was SNC-Lavalin Group Inc. The recent news from the company has been very disappointing, especially the 2018 earnings guidance, which has been revised twice now, primarily due to poor project execution.

This was offset somewhat by the positive performance of several Financials, including Brookfield Asset Management, Royal Bank of

Canada and Toronto-Dominion Bank. Brookfield benefitted from the declining interest rate backdrop and the company continues to deploy capital effectively, as evidenced by the Oaktree Capital acquisition. Royal Bank and TD Bank reported decent quarterly earnings, pointing to a slowing Canadian personal lending environment but strong overall returns and excellent fundamentals in their non-Canadian businesses.

We continue to believe our bank holdings are amongst the best businesses in Canada, and their proportionate weights reflect our belief in their quality and resilience as long-term investments. Currently, our two largest holdings are Royal Bank of Canada and Toronto-Dominion Bank, both of which have dominant retail franchises—the highest-returning business within banking. Our focus on uncovering value on a stock-by-stock basis has led our largest sector overweights to be in Financials, Consumer Staples and Communication Services, and our greatest underweights versus the index to be in Energy and Materials.



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Disclosure

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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.

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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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