



# RBC Private Overseas Equity Pool

## Investment Objective

To provide long-term total returns through capital appreciation by investing in equity securities of companies domiciled primarily in the developed countries of Europe, Australasia and the Far East (EAFE). It may also hold equity securities of companies not domiciled in EAFE, excluding Canada and the United States.

The investment team analyzes all securities on a five-year time horizon, and stocks are ranked according to their five-year central price-to-earnings ratio. A research meeting is attended by the entire investment team and ratings for each stock are agreed upon: buy, hold, sell or watch. Stocks on the buy list are combined to construct a non-risk-adjusted, equally weighted portfolio. After a number of iterations, a final concentrated portfolio is produced.

## Fund Details

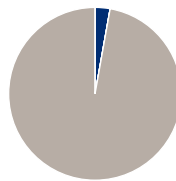
Series	Currency	Fund Code
0	CAD	RBF10190
0	USD	RBF10191
Inception Date August 2007		
Total Fund Assets \$Mil 191.8		
Benchmark MSCI EAFE Total Return Net Index (C\$)		

## Notes

Performance Analysis is in CAD and for CAD series 0 fund (RBF10190).

## Portfolio Analysis as of June 30, 2019

### Asset Mix



	% Assets
Cash	2.8
Fixed Income	0.0
Canadian Equity	0.0
US Equity	0.0
International Equity	97.2
Other	0.0

### Top 25 Holdings

	% Assets
Roche Holding AG Dividend Right Cert.	4.3
AstraZeneca PLC	3.8
Tesco PLC	3.4
Sanofi SA	3.2
Orange SA	3.1
BP PLC	3.0
Royal Dutch Shell PLC Class A	3.0
Novartis AG	3.0
Total SA	2.9
ING Groep NV	2.8
Singapore Telecommunications Ltd	2.8
East Japan Railway Co	2.8
Eni SpA	2.8
Vodafone Group PLC	2.8
Telefonica SA	2.8
China Mobile Ltd	2.7
Lenovo Group Ltd	2.6
Panasonic Corp	2.6
Galaxy Entertainment Group Ltd	2.6
CK Hutchison Holdings Ltd	2.6
Sumitomo Mitsui Financial Group Inc	2.5
Adecco Group AG	2.5
Swire Pacific Ltd Class A	2.5
Sumitomo Mitsui Trust Holdings Inc	2.5
Nokia Oyj	2.5
Total % of Top 25 Holdings	71.8
Total Number of Stock Holdings	40
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
<b>Total Number of Holdings</b>	<b>41</b>

### Equity Style

Large	Mid	Small
58	31	5
6	0	0
0	0	0

Value Blend Growth

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

### Equity Statistics

P/B Ratio	1.0
P/E Ratio	11.6
P/FCF	3.5
P/S	0.8
Avg. Mkt Cap. \$B	57.9
Dividend Yield	4.3

### Top 5 Equity Sectors

	% Equity
Financials	22.8
Health Care	18.8
Communication Services	14.5
Energy	11.9
Industrials	8.1
% in Top 5 Equity Sectors	76.1

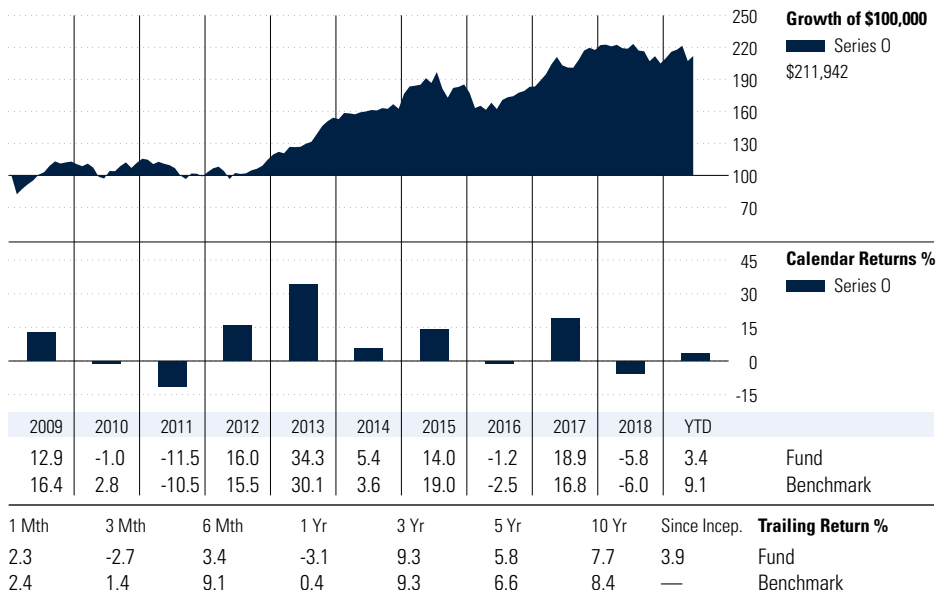
### Risk Measures

	Fund	Benchmark
3 Year Std Dev	9.0	9.2
5 Year Std Dev	11.3	11.2

### Geographic Allocations

	% Assets
United Kingdom	18.4
Japan	17.7
France	11.7
Switzerland	10.5
Hong Kong	7.9

## Performance Analysis as of June 30, 2019





# RBC Private Overseas Equity Pool

## Management Overview

### Manager Bios

#### Edinburgh Partners Limited

Edinburgh Partners Limited ("Edinburgh Partners", the "Firm") is a specialist equity manager with expertise in global, international, European and emerging market equities.

Edinburgh Partners has four subsidiaries; Edinburgh Partners North America, Inc. (EPNA), Edinburgh Partners AIFM Ltd (EPAL); Edinburgh Partners EM GP LLC; and Theseus Investment Partners Limited, a dormant company.

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

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	0.25	0.77	0.49	0.81	0.69	0.42	0.18	0.22	0.24	0.18	0.19
Interest	0.25	0.30	0.26	0.31	0.31	0.32	0.18	0.22	0.24	0.18	0.19
Dividends	—	—	0.00	—	—	—	—	—	—	—	—
Capital Gains	—	0.46	0.23	0.50	0.39	0.10	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	11-2013	38.4	5-2015	25.6	5-2017	16.9	2-2019	10.1
Worst	2-2009	-31.3	8-2010	-8.9	8-2012	-5.8	8-2017	3.9
Average		6.1		8.0		9.2		6.9
No. of Periods		131		107		83		23
Pct. Positive		61.8		81.3		91.6		100.0

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

### Commentary as at June 30, 2019

During the first half of 2019 the performance of the Fund was heavily influenced by the evolution of the trade and technology dispute between the U.S. and China.

The Fund's economically sensitive holdings, mainly in banks and the Industrials sector, struggled against this backdrop. Japanese electronics makers such as Panasonic and Alps Alpine were among the stocks that recorded declines. Chinese stocks such as China Mobile, the largest mobile-phone operator by number of customers, and Galaxy Entertainment, which owns hotels and casinos, fell during the period.

The trade impasse had an impact on the outlook for interest rates. Expectations of further increases in U.S. rates were put on hold and this shift washed through other markets, notably Europe, where sovereign bond yields fell sharply. The drop in rates weighed on the Fund's European and Japanese bank holdings given the generally negative impact of lower interest rates on bank profits and concern that slower economic growth

could morph into a recession.

The sub-advisor sold the Fund's holdings in the Dutch retailer Ahold Delhaize, as well as the Japanese industrial companies Omron and Mitsubishi, on concern that the stocks were no longer attractively valued. The sub-advisor added a position in French telecommunications operator Orange, which has a good asset base and a solid dividend yield. The net effect of the Fund's trading reduced Japanese exposure to about 17% of the Fund's assets and increased European exposure to 43%.

The sub-advisor has gradually reduced the portfolio's exposure to a slowdown in economic growth, notably by decreasing the allocation to banks and adding telecommunications providers. While the sub-advisor believes that subdued growth is a more likely outcome than recession, there are risks. The focus will be, therefore, on balance-sheet strength and the ability to continue paying dividends.



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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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