



RBC Private Canadian Mid-Cap Equity Pool

Investment Objective

To provide long-term total returns primarily consisting of capital appreciation. The Fund invests primarily in equity securities of mid-sized Canadian companies that offer above-average prospects for growth. The Fund may also invest in smaller capitalization companies that have adequate liquidity.

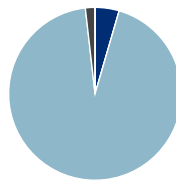
The portfolio is constructed using a combination of top-down sector weighting and bottom-up stock selection. A multi-discipline security screen helps identify sectors and stocks with superior growth prospects and favourable valuations. The investment team typically invests in 50–80 holdings, focusing on companies that can grow their earnings over time.

Fund Details

Series	Currency	Fund Code
0	CAD	RBF10208
Inception Date: August 2003		
Total Fund Assets \$Mil: 225.6		
Benchmark: Custom S&P/TSX Mid Cap TR (Custom Index)		

Portfolio Analysis as of June 30, 2019

Asset Mix



	% Assets
Cash	4.5
Fixed Income	0.0
Canadian Equity	93.7
US Equity	1.8
International Equity	0.0
Other	0.0

Top 25 Holdings

	% Assets
Power Financial Corp	3.7
First Quantum Minerals Ltd	2.4
Parex Resources Inc	2.3
Algonquin Power & Utilities Corp	2.2
Canadian Apartment Ppty Real Estate Inv	2.2
George Weston Ltd	2.0
Hydro One Ltd	2.0
Lundin Mining Corp	1.9
Alamos Gold Inc	1.9
Allied Ppty Real Est Investment Tr Unit	1.9
B2Gold Corp	1.9
Tourmaline Oil Corp	1.9
Onex Corp	1.8
Atco Ltd Class I	1.8
Brookfield Renewable Partners LP	1.8
Parkland Fuel Corp	1.7
FirstService Corp	1.7
Husky Energy Inc	1.7
Toromont Industries Ltd	1.7
Gibson Energy Inc	1.6
AltaGas Ltd	1.6
First Capital Realty Inc	1.5
iA Financial Corp	1.5
WSP Global Inc	1.5
Choice Properties REIT	1.5
Total % of Top 25 Holdings	47.5
Total Number of Stock Holdings	77
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Holdings	78

Equity Style



Equity Statistics	
P/B Ratio	1.4
P/E Ratio	15.0
P/FCF	5.3
P/S	0.9
Avg. Mkt Cap. \$B	4.9
Dividend Yield	2.4

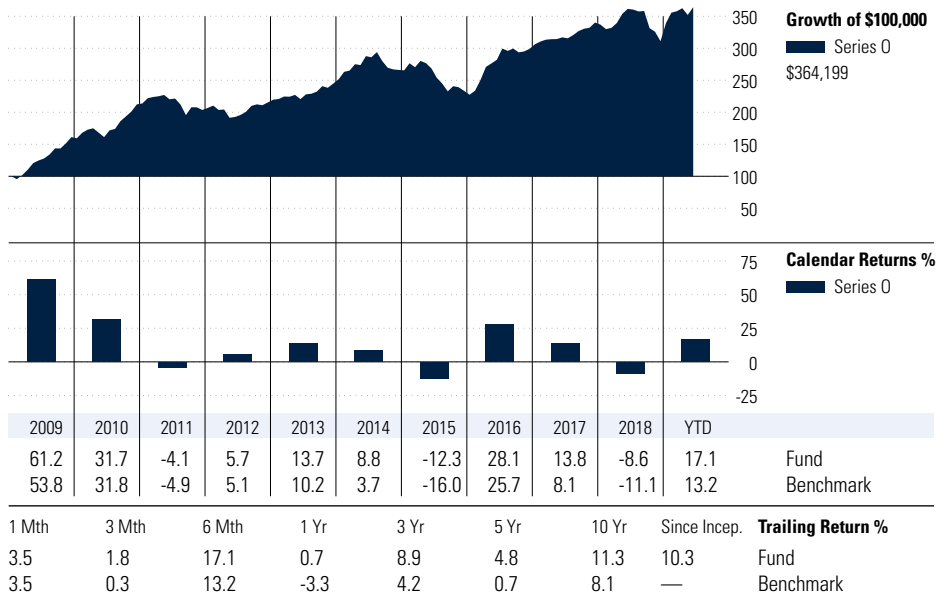
Top 5 Equity Sectors

	% Equity
Materials	17.9
Energy	14.0
Real Estate	13.9
Financials	11.9
Utilities	11.9
% in Top 5 Equity Sectors	69.5

Risk Measures

	Fund	Benchmark
3 Year Std Dev	10.0	9.5
5 Year Std Dev	11.2	11.5

Performance Analysis as of June 30, 2019





RBC Private Canadian Mid-Cap Equity Pool

Management Overview

Manager Bios

Marcello Montanari

RBC Global Asset Management Inc.

Marcello Montanari is Vice President and Senior Portfolio Manager, North American Equities. Marcello began his career in the investment industry in 1992. He earned a Bachelor of Commerce degree in finance from Concordia University and is a CFA charterholder.

Martin Paleczny

RBC Global Asset Management Inc.

Martin Paleczny is Vice President and Senior Portfolio Manager, Asset Allocation and Derivatives. He has been in the investment industry since 1994.

Performance Analysis Cont'd as of June 30, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	0.34	1.58	1.05	0.76	0.58	1.95	0.71	0.36	2.30	0.65	0.32
Interest	0.34	0.06	0.05	0.07	0.11	0.06	—	0.03	0.02	0.14	0.15
Dividends	—	0.45	0.43	0.34	0.47	0.44	0.49	0.33	0.40	0.20	0.17
Capital Gains	—	1.08	0.57	0.35	—	1.45	0.22	—	1.88	0.31	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	76.0	2-2012	30.1	2-2014	22.5	2-2019	14.1
Worst	10-2008	-40.6	2-2009	-11.0	2-2009	-0.3	1-2016	5.0
Average		11.3		9.8		8.7		9.2
No. of Periods		179		155		131		71
Pct. Positive		75.4		91.0		99.2		100.0

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

Commentary as at June 30, 2019

The S&P/TSX Composite Index joined other global equity markets in rebounding from declines recorded in late 2018. A number of macroeconomic developments continue to be the focus for equity investors, including the outlook for global trade, the path and pace of global economic growth, and their combined impact on corporate earnings. The uncertain economic backdrop has resulted in central banks moving to a more cautious approach on monetary policy, which has supported equity valuations.

The Fund's relative performance in the first half of 2019 benefited from overall security selection in the Materials and Health Care sectors. An overweight position in Kirkland Lake Gold boosted returns given the mining company's ability to generate strong financial returns with no long-term debt. The Fund's positions in Air Canada and Westjet also bolstered relative performance, as domestic airlines benefit from a positive backdrop for air travel in Canada. Also supporting Air Canada shares were the carrier's proposed

acquisitions of the Aeroplan rewards business and Air Transat, while Westjet shares jumped after it agreed to be acquired at a premium price.

While security selection in the Energy sector was positive overall for the Fund's performance, an overweight position in Husky Energy held back returns amid concern about production cuts and the impact of efforts to block construction of new petroleum pipelines.

Canada's economic outlook reflects slowing U.S. growth, trade uncertainty, moderating housing activity and competitiveness concerns. There is also considerable pressure on the Canadian energy sector due to the continuously challenging environment for the production and transportation of crude oil. On a positive note, job creation in Canada has been accelerating at a swift pace. Overall, the portfolio manager expects below average economic growth in Canada over the next year.



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Disclosure

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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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