



RBC Private U.S. Large-Cap Value Equity Currency Neutral Pool

Investment Objective

To provide long-term total returns primarily through capital appreciation by investing primarily in one or more mutual funds managed by RBC GAM or an affiliate of RBC GAM (called the underlying funds), which are invested in common stocks and equivalent securities of U.S. corporations trading below their potential intrinsic value. The Fund also seeks to minimize the exposure to currency fluctuations between the U.S. and Canadian dollars.

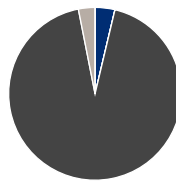
The investment team undertakes universe screening, fundamental analysis and valuation analysis as part of its security selection process. Preferred companies for investment tend to exhibit free cash-flow yield and return on equity greater than the benchmark and lower debt-to-equity levels than the benchmark. 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	RBF10222
Inception Date: January 2010		
Total Fund Assets \$Mil: 18.0		
Benchmark: Russell 1000 Value Index (USD)		

Portfolio Analysis as of June 30, 2019

Asset Mix



	% Assets
Cash	3.7
Fixed Income	0.0
Canadian Equity	0.0
US Equity	93.1
International Equity	3.1
Other	0.0

Top 25 Holdings

	% Assets
Bank of America Corporation	3.5
AT&T Inc	3.5
CVS Health Corp	3.4
JPMorgan Chase & Co	3.4
Microsoft Corp	3.1
Chevron Corp	3.1
Wells Fargo & Co	3.0
Johnson & Johnson	3.0
Motorola Solutions Inc	3.0
Medtronic PLC	2.5
Becton, Dickinson and Co	2.5
General Dynamics Corp	2.1
Abbott Laboratories	2.1
Equifax Inc	2.1
Boeing Co	2.1
Chubb Ltd	2.1
The Walt Disney Co	2.0
American International Group Inc	2.0
Northrop Grumman Corp	2.0
Arthur J. Gallagher & Co	2.0
The Home Depot Inc	2.0
Union Pacific Corp	2.0
US Bancorp	2.0
CMS Energy Corp	2.0
Alphabet Inc A	2.0
Total % of Top 25 Holdings	62.9
Total Number of Stock Holdings	45
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Holdings	46

Equity Style

	Value	Blend	Growth
Large	45	35	12
Mid	0	8	1
Small	0	0	0

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

Equity Statistics

P/B Ratio	2.5
P/E Ratio	16.3
P/FCF	9.1
P/S	1.9
Avg. Mkt Cap. \$B	118.5
Dividend Yield	2.4

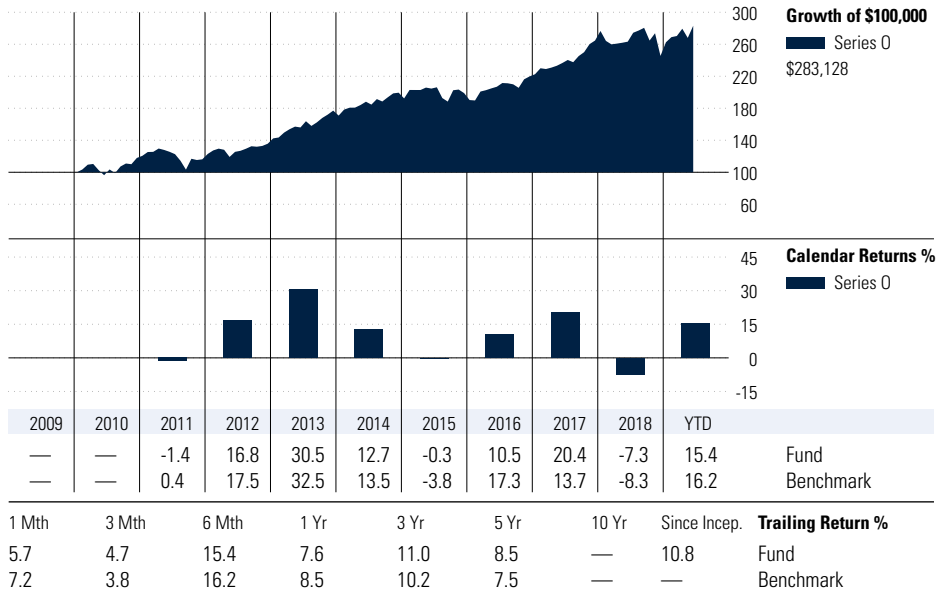
Top 5 Equity Sectors

	% Equity
Financials	20.0
Health Care	15.7
Industrials	14.0
Information Technology	10.0
Utilities	8.6
% in Top 5 Equity Sectors	68.3

Risk Measures

	Fund	Benchmark
3 Year Std Dev	11.6	12.1
5 Year Std Dev	11.4	11.9

Performance Analysis as of June 30, 2019





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Management Overview

Manager Bios

Sarah Riopelle

RBC Global Asset Management Inc.

Sarah Riopelle is Vice President and Senior Portfolio Manager, Investment Solutions. Sarah began her investment career in 1996. She is a member of the RBC Investment Strategy Committee and is responsible for the firm's Portfolio Solutions. Sarah has a Bachelor of Commerce in Finance and International Management from the University of Ottawa and is a CFA charterholder.

Performance Analysis Cont'd as of June 30, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	0.18	2.01	1.50	0.23	1.01	0.24	0.21	0.24	0.37	0.61	—
Interest	0.18	0.34	0.29	0.23	0.26	0.24	0.21	0.18	0.37	0.14	—
Dividends	—	—	0.00	—	—	—	—	—	—	—	—
Capital Gains	—	1.67	1.21	—	0.75	—	—	0.06	—	0.47	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	5-2013	31.8	9-2014	22.2	6-2015	16.3	—	—
Worst	12-2018	-7.3	10-2016	7.0	12-2018	6.7	—	—
Average		12.1		12.4		12.0		—
No. of Periods		102		78		54		—
Pct. Positive		86.3		100.0		100.0		—

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

Commentary as at June 30, 2019

Stocks rebounded for much of the first half of 2019 as investors shook off fears of a recession and uncertainty about the outlook for trade. However, volatility returned in May on worries that the U.S. and China would fail to resolve their trade conflict and global economic growth slowed. In response, the U.S. Federal Reserve (the "Fed") indicated that it might lower interest rates, a welcome change for investors seeking economic stimulus.

Relative performance was aided by strong security selection across the Consumer Staples, Utilities, and Industrials sectors. Top individual contributors included Motorola Solutions, which continued to reap the benefits of increasing revenue from services and software rather than hardware. Honeywell rose after posting higher-than-expected growth, driven by aerospace sales and solid free cash flow.

Unfavourable security selection in the Health Care, Financials, and Energy sectors hurt the Fund's relative performance. Individual stocks that hurt

returns included CVS Health, where pressures in their retail segment caused guidance to fall short of expectations. The decrease in oil prices also held back returns at Halliburton, an oil-field services company whose business was hurt by lower demand for exploration and production services.

Looking to the second half of 2019, investors are clearly concerned about the slowing economy and the lingering, negative impact of the trade conflict with China, as market expectations are for multiple Fed interest-rate cuts by year-end. Uncertainty continues to weigh on corporations looking to make long-term investments and the rising potential for lower-quality businesses to have lower sales and profit margins. The sub-advisor continues to focus on high-quality businesses that offer underappreciated growth prospects and whose stocks the sub-advisor believes would fall less than the market in event of a downturn.



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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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