



RBC Private U.S. Small-Cap Equity Pool

Investment Objective

To provide long-term growth primarily through capital appreciation by investing in a portfolio of common stocks and equivalent securities of small to mid-capitalization U.S. corporations.

The investment team's fundamentals-based investment process seeks strong companies with low analyst coverage and little institutional ownership. Preferred investment candidates generate above-average rates of return on assets and have solid balance sheets and a long-term catalyst. The portfolio is built from a bottom-up perspective and typically holds between 45 and 60 small-cap equities, including a mix of value and growth stocks.

Fund Details

Series	Currency	Fund Code
0	CAD	RBF10270
0	USD	RBF10170

Inception Date	August 2003
Total Fund Assets \$Mil	187.6
Benchmark	Russell 2000 (C\$)

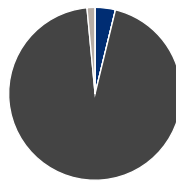
Notes

Pool sub-advisor changed in April 2008.

Performance Analysis is in CAD and for CAD series 0 fund (RBF10270).

Portfolio Analysis as of June 30, 2019

Asset Mix



	% Assets
Cash	3.8
Fixed Income	0.0
Canadian Equity	0.0
US Equity	94.7
International Equity	1.5
Other	0.0

Top 25 Holdings

	% Assets
Euronet Worldwide Inc	3.9
Spire Inc	3.0
West Pharmaceutical Services Inc	2.9
Pros Holdings Inc	2.8
Children's Place Inc	2.8
John Bean Technologies Corp	2.8
Cubic Corp	2.8
ESCO Technologies Inc	2.8
WNS (Holdings) Ltd ADR	2.6
Omniceil Inc	2.6
Advanced Energy Industries Inc	2.5
Harsco Corp	2.4
AngioDynamics Inc	2.3
ICU Medical Inc	2.2
AMN Healthcare Services Inc	2.1
FireEye Inc	2.1
Woodward Inc	2.0
Silgan Holdings Inc	2.0
Atlantic Union Bankshares Corp	2.0
e.l.f. Beauty Inc	2.0
Lumentum Holdings Inc	2.0
Easterly Government Properties Inc	2.0
BioTelemetry Inc	1.9
LogMeln Inc	1.9
Apogee Enterprises Inc	1.9
Total % of Top 25 Holdings	60.2
Total Number of Stock Holdings	55
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
Total Number of Holdings	56

Equity Style

	Value	Blend	Growth
Small	0	0	0
Mid	3	1	18
Large	24	22	32

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

Equity Statistics

P/B Ratio	2.0
P/E Ratio	14.9
P/FCF	9.2
P/S	1.8
Avg. Mkt Cap. \$B	2.9
Dividend Yield	1.2

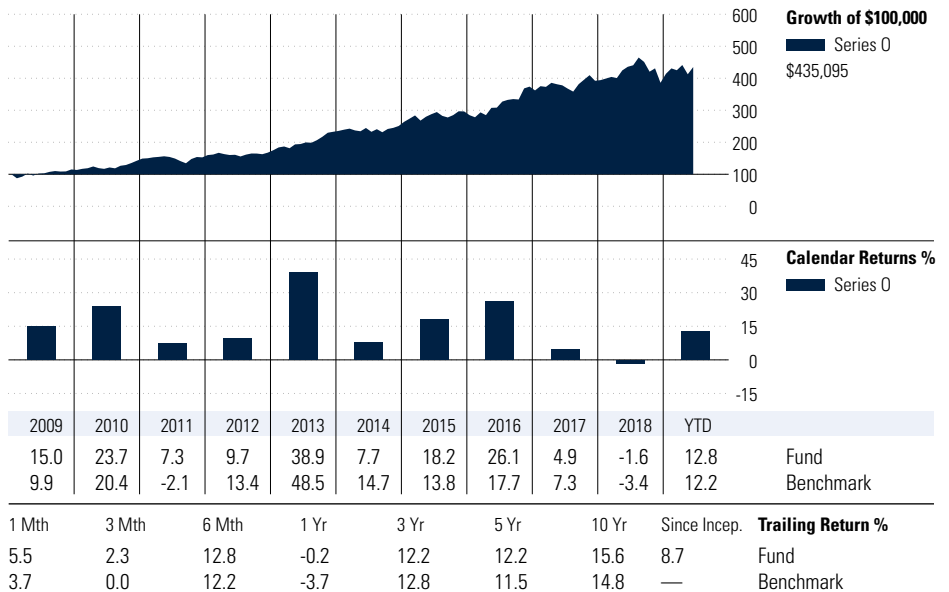
Top 5 Equity Sectors

	% Equity
Information Technology	24.7
Health Care	21.2
Industrials	19.7
Financials	12.4
Real Estate	5.1
% in Top 5 Equity Sectors	83.2

Risk Measures

	Fund	Benchmark
3 Year Std Dev	15.0	15.6
5 Year Std Dev	14.3	15.6

Performance Analysis as of June 30, 2019





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Management Overview

Manager Bios

Kennedy Capital Management Inc

Kennedy Capital Management, Inc., headquartered in St. Louis, Missouri, currently manages approximately US\$5.83 billion in total assets.

Performance Analysis Cont'd as of June 30, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	0.74	22.96	12.25	13.25	22.55	17.82	4.21	0.62	0.50	0.62	0.47
Interest	0.74	1.27	1.20	1.44	1.38	1.02	0.86	0.62	0.50	0.62	0.47
Dividends	—	—	0.00	—	—	—	—	—	—	—	—
Capital Gains	—	21.69	11.05	11.81	21.17	16.80	3.35	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	11-2013	41.3	7-2015	23.7	2-2014	22.3	2-2019	17.3
Worst	2-2008	-29.9	2-2009	-13.5	2-2009	-8.0	8-2013	5.6
Average		9.6		10.3		10.9		10.4
No. of Periods		179		155		131		71
Pct. Positive		79.9		76.8		80.9		100.0

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

Commentary as at June 30, 2019

The Fund's performance benefited most from exposure to the Industrials sector during the first half of 2019. Woodward Inc. and John Bean Technologies were big contributors in the sector after strong earnings reports. Underweight exposure to the Consumer Staples sector was positive for performance, while a rebound in a sector holding e.l.f. Beauty, a cosmetics company, aided returns. Other sectors that boosted performance were Information Technology, Financials sector and Materials.

The Fund's returns were hurt most by the portfolio's allocation in the Consumer Discretionary sector, with Nautilus Inc., the maker of fitness equipment, declining on weak revenue. The Energy sector also held back performance.

Two holdings in the Health Care sector had a negative impact on the Fund's returns. Surmodics fell after the company suspended clinical trials of a treatment targeting insufficient blood flow to the limbs due to safety concerns. The Fund's holdings of Surmodics have been sold. Shares of another

holding, LivaNova, fell after competition involving a key product led to lower-than-expected earnings. The Fund continues to hold LivaNova because the sub-advisor believes that the situation is temporary.

The Fund remains overweight in the Health Care and Information Technology sectors, and the Fund is now also overweight the Industrials sector as its weight was increased in the first half of the year. Exposure to the Consumer Discretionary was also increased during the period. Underweight positions remain in the Financials, Communication Services and Real Estate sectors.

The sub-advisor remains equally weighted between value and growth stocks in the portfolio, and will likely stay so for the rest of 2019. The sub-advisor believes this balance gives unitholders guards against the possibility of a downturn while offering the potential for continued gains if the stock markets continue to rally.



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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.

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