



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

Investment Objective

To provide long-term total returns primarily through capital appreciation by investing in common stocks and equivalent securities of U.S. corporations trading below their potential intrinsic value.

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	RBF10275
0	USD	RBF10175

Inception Date	August 2003
Total Fund Assets \$Mil	316.7
Benchmark	Russell 1000 Value Index (C\$)

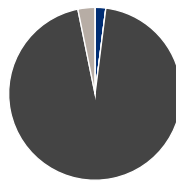
Notes

Pool sub-advisor changed in July 2009.

Performance Analysis is in CAD and for CAD series 0 fund (RBF10275).

Portfolio Analysis as of June 30, 2019

Asset Mix



	% Assets
Cash	2.0
Fixed Income	0.0
Canadian Equity	0.0
US Equity	94.8
International Equity	3.2
Other	0.0

Top 25 Holdings

	% Assets
Bank of America Corporation	3.6
AT&T Inc	3.6
CVS Health Corp	3.5
JPMorgan Chase & Co	3.5
Microsoft Corp	3.1
Chevron Corp	3.1
Wells Fargo & Co	3.1
Johnson & Johnson	3.1
Motorola Solutions Inc	3.0
Medtronic PLC	2.6
Becton, Dickinson and Co	2.5
General Dynamics Corp	2.2
Abbott Laboratories	2.2
Equifax Inc	2.2
Boeing Co	2.1
Chubb Ltd	2.1
The Walt Disney Co	2.1
American International Group Inc	2.1
Northrop Grumman Corp	2.1
Arthur J. Gallagher & Co	2.1
The Home Depot Inc	2.1
Union Pacific Corp	2.0
US Bancorp	2.0
CMS Energy Corp	2.0
Alphabet Inc A	2.0
Total % of Top 25 Holdings	64.0
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	34	12
Mid	0	8	1
Small	0	0	0

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

Equity Statistics

P/B Ratio	2.4
P/E Ratio	16.1
P/FCF	9.0
P/S	1.8
Avg. Mkt Cap. \$B	121.8
Dividend Yield	2.4

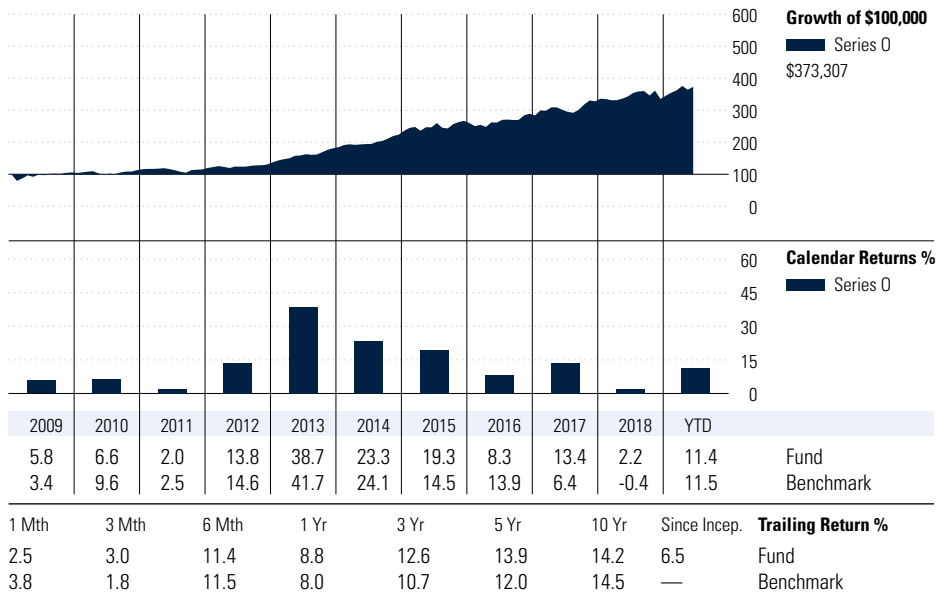
Top 5 Equity Sectors

	% Equity
Financials	20.4
Health Care	16.2
Industrials	14.3
Information Technology	9.5
Consumer Staples	8.2
% in Top 5 Equity Sectors	68.7

Risk Measures

	Fund	Benchmark
3 Year Std Dev	9.8	10.4
5 Year Std Dev	10.5	10.7

Performance Analysis as of June 30, 2019





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

Management Overview

Manager Bios

Westwood Management Corp

Westwood Management Corp., a registered investment advisors, was founded and registered with the SEC in 1983 with a focus on serving institutional clients. The firm is a wholly-owned subsidiary of Westwood Holdings Group (NYSE: WHG), a publicly traded New York Stock Exchange corporation.

Performance Analysis Cont'd as of June 30, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	3.36	30.38	11.33	4.23	3.89	3.17	2.53	2.13	4.57	1.60	2.36
Interest	3.36	5.78	4.78	4.23	3.89	3.17	2.53	2.13	4.57	1.60	2.36
Dividends	—	—	0.00	—	—	—	—	—	—	—	—
Capital Gains	—	24.60	6.55	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	12-2013	38.7	7-2015	28.1	5-2017	20.9	2-2019	16.2
Worst	1-2009	-37.1	2-2009	-16.6	2-2009	-11.5	8-2013	1.9
Average		7.9		8.9		9.4		7.8
No. of Periods		179		155		131		71
Pct. Positive		76.5		71.6		59.5		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.



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

Disclosure

RBC Funds, RBC Private Pools, BlueBay Funds, PH&N Funds and RBC Corporate Class Funds are offered by RBC Global Asset Management Inc. and distributed through authorized dealers.

Series O units are available to individuals, institutional clients or dealers who have entered into an agreement directly with RBC GAM. No management fees are payable by the fund in respect of Series O units. Unitholders of Series O units pay a negotiated fee directly or indirectly to RBC GAM.

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.

Mutual fund securities are not guaranteed or covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer. For money market funds, there can be no assurances that the fund will be able to maintain its net asset value per unit at a constant amount or that the full

amount of your investment in the fund will be returned to you. The value of mutual funds change frequently and past performance may not be repeated.

This document has been compiled by RBC Global Asset Management Inc. (RBC GAM) from sources believed to be reliable, but no representations or warranty, express or implied, are made by RBC GAM, its affiliates or any other person as to its accuracy, completeness or correctness. All opinions and estimates constitute RBC GAM's judgment as of the date of this document, are subject to change without notice and are provided in good faith but without legal responsibility. The Top Ten/25 Holdings may change due to ongoing portfolio transactions within the fund. The Prospectus and other information about the underlying investment funds are available at www.sedar.com.

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.

The fund profile is provided for informational purposes only. Particular investments and/or trading strategies should be evaluated relative to each individual's investment objectives. The information contained in the fund profile is not, and should not be construed as, investment or tax advice. You should not act or rely on the information contained in the fund profile without seeking the advice of an appropriate professional advisor.

Phillips, Hager & North Investment Management (PH&N IM) is a division of RBC Global Asset Management Inc. (RBC GAM). RBC GAM is the manager of PH&N Funds and the principal portfolio adviser for PH&N Funds. The principal distributor of PH&N Funds is Phillips, Hager & North Investment Funds Ltd. (PH&NIF), which uses the trade name PH&N Investment Services. RBC GAM is an indirect, wholly-owned subsidiaries of Royal Bank of Canada.

® / ™ Trademark(s) of Royal Bank of Canada. Used under licence. © RBC Global Asset Management Inc. 2019