



Alternative Investment Strategies

In an effort to reduce volatility and minimize correlations within portfolios, Canadian investors are increasingly looking to alternative investment strategies. To meet this growing interest and demand, RBC Global Asset Management (RBC GAM) offers alternative investment solutions tailored across major asset classes and geographies. RBC GAM's capabilities include eight investment teams globally that manage alternative investment strategies with over \$14 billion¹ in client assets.

RBC GAM – Global Alternative Capabilities

| EQUITIES | GLOBAL FIXED INCOME | MULTI-STRATEGY | PRIVATE MARKET |
|--|--|--|--|
| <ul style="list-style-type: none">▪ Market neutral▪ Active extension | <ul style="list-style-type: none">▪ Global credit▪ Global macro▪ Emerging markets | <ul style="list-style-type: none">▪ Absolute return▪ Fund of funds | <ul style="list-style-type: none">▪ Commercial mortgages▪ Direct lending |
| <ul style="list-style-type: none">▪ Quantitative equity market neutral and active extension strategies in Canadian and world equity markets. | <ul style="list-style-type: none">▪ Absolute return strategies in developed, global, and emerging markets fixed income, credit and currencies markets. | <ul style="list-style-type: none">▪ Multi-strategy absolute return approaches in stand-alone and pooled proprietary multi-strategy format. | <ul style="list-style-type: none">▪ Canadian commercial mortgages and European private debt. |



Equity strategies

Drawing on the expertise of our Canadian-based Quantitative Investment team, we offer market-neutral and active extension strategies in Canadian and world equities.

Canadian and world market-neutral equity strategies

The market-neutral strategies seek to provide consistent absolute returns that are independent of the performance of the S&P/TSX Composite Index and MSCI World Index. These strategies invest in those securities that are expected to outperform while selling short an equivalent dollar amount of those securities that are expected to underperform. The strategies are actively managed using a proprietary quantitative investment process designed to implement traditional fundamental investment principles and also leverage the advantages inherent to quantitative tools, including breadth and depth of coverage and objectivity of analysis.

Active extension strategy

The 120/20 Canadian equity strategy seeks to provide long-term capital appreciation through investment in Canadian equities, and to achieve lower volatility of returns than the S&P/TSX Composite Index. The strategy targets 120% exposure to long equity positions and 20% exposure to short equity positions.

Global fixed income strategies

Through the capabilities of BlueBay Asset Management LLP (BlueBay), our U.K.-based affiliate, we offer alternative strategies in global fixed income and credit across both developed and emerging markets.

Investment grade absolute return bond strategy

BlueBay Investment Grade Absolute Return Bond Fund aims to generate positive risk-adjusted returns by investing across global interest rates, currencies, and sovereign and corporate credit, through the full range of cash and derivatives securities available. The strategy uses bottom-up analysis and intends to have very low correlations to market movements over a typical market cycle. This relative value strategy aims to generate alpha in periods of both rising and falling government yields and/or credit spreads.

Credit alpha long-short strategy²

This strategy seeks to generate positive risk-adjusted returns by taking advantage of mispricing and volatility in corporate and sovereign credits, interest rates and foreign exchange. Price differentials should generate most of its return from relative value opportunities while using a variety of

instruments to hedge market risk, including equity, currency and credit derivatives. It is also expected to have a low correlation to the broader credit markets.

Global sovereign opportunities strategy²

BlueBay Global Sovereign Opportunities Fund is a top-down, macro-thematic approach to interest rates, currencies, and sovereign credit across global markets. Investment theses are based on the team's short-, medium-, and long-term thematic outlook, as supported by fundamentals, valuations, and technical analysis. This strategy employs a range of derivatives to achieve its objectives and emphasizes liquidity and downside risk mitigation.

Event driven credit strategy²

This strategy aims to achieve its return objectives by investing in global credit, using a multi-strategy approach of event driven/opportunistic, distressed, stressed, and restructuring opportunities in global high yield and leveraged loan markets. Core income and market hedging strategies are used to reduce risk and offset both long and short idiosyncratic credit positions.

Multi-strategy strategies

Our multi-strategy approaches offer investors absolute-return focused opportunities.

Absolute return strategy²

PH&N Absolute Return Fund is a multi-strategy solution targeting consistent long-term returns by investing in a portfolio of equities and fixed income securities, and by deploying a range of alternative investment strategies. The Fund employs multiple strategies to achieve its goals, including fixed income, relative value credit, long/short equities, merger arbitrage, event-driven situations and market risk hedging. It trades actively and may take concentrated positions on high conviction views.

Proprietary multi-strategy fund

We manage a core multi-strategy solution, RBC Multi-Strategy Alpha Fund, which draws upon RBC GAM's proprietary alternative investment capabilities. This solution offers Canadian investors a strategically and tactically managed portfolio of RBC GAM alternative strategies in an easy-to-access pooled fund structure. The Fund seeks to generate positive absolute returns with moderate risk of annual drawdown, and moderate correlation to traditional asset classes.

Private market strategies

Our private market strategies are managed by teams in both Vancouver and London, and offer credit, complexity, and liquidity premiums as diversifying source of income in a portfolio.

High-quality high-yield mortgage strategy²

PH&N High Yield Mortgage Fund invests in high-quality, high-yield subordinate and senior mortgages in Canada. The pooled structure allows investors to access a relatively illiquid asset class across a portfolio diversified geographically and by property type. The additional credit and liquidity considerations in this strategy generate its higher yields.

Private debt strategies³

As part of BlueBay's deep leveraged finance capability set, this strategy focuses on providing direct lending solutions to high-quality, medium-sized enterprises in Europe. By offering new senior secured and select subordinated loans, it aims to capitalize on the financing gap created by reduced bank and alternative lending sources. The focus is on event-driven lending opportunities with the goal of capturing premium returns from acquisitions, growth, and refinancings.

IMPLEMENTING ALTERNATIVES IN PORTFOLIOS

RBC GAM's broad selection of alternative strategies presents Canadian investors with options that suit a diverse spectrum of investment goals, preferences, and objectives. Our alternative investment solutions offer Canadian investors the potential to enhance risk-adjusted returns, reduce correlations, and dampen the overall volatility of their portfolios.

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Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the fund's offering documents before investing. The performance data provided assumes reinvestment of distributions only and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

¹ Does not include conventional mortgages.

² These strategies are not available on a stand-alone basis to Canadian investors but are available through the RBC Multi-Strategy Alpha Fund.

³ This strategy is available through select authorized dealers.

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