



# RBC QUBE Low Volatility Canadian Equity Fund

## Investment Objective

To provide long-term capital growth by investing primarily in equity securities of Canadian companies using a quantitative investment approach. The fund seeks to achieve a reduced level of volatility of returns as compared to the broader Canadian equity market.

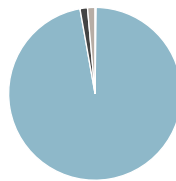
The investment team uses a quantitative approach to build a portfolio that first minimizes the expected volatility of returns and then seeks to maximize risk-adjusted returns. In building the portfolio, each stock in the Canadian universe is evaluated according to its stability, growth and quality characteristics. The end result is a broadly diversified portfolio with holdings spread across most of the 19 custom sectors in Canada.

## Fund Details

Series	Currency	Fund Code
0	CAD	RBF289
Inception Date		
November 2012		
Total Fund Assets \$Mil		
1,988.7		
Benchmark		
S&P/TSX Capped Composite Total Return Index		

## Portfolio Analysis as of April 30, 2019

### Asset Mix



	% Assets
Cash	0.2
Fixed Income	0.0
Canadian Equity	97.0
US Equity	1.4
International Equity	1.4
Other	0.0

### Top 10 Holdings

	% Assets
Bank of Nova Scotia	5.1
Royal Bank of Canada	5.1
Bank of Montreal	5.1
TELUS Corp	4.0
BCE Inc	4.0
Power Financial Corp	3.9
Hydro One Ltd	3.8
Waste Connections Inc	3.7
George Weston Ltd	3.7
Canadian National Railway Co	3.7
Total % of Top 10 Holdings	42.1
Total Number of Stock Holdings	74
Total Number of Bond Holdings	0
Total Number of Other Holdings	1
<b>Total Number of Holdings</b>	<b>75</b>

### Equity Style

	Value	Blend	Growth
Large	27	11	20
Mid	19	10	6
Small	2	4	1

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

### Equity Statistics

P/B Ratio	1.8
P/E Ratio	15.1
P/FCF	4.7
P/S	1.4
Avg. Mkt Cap. \$B	20.5
Dividend Yield	3.3

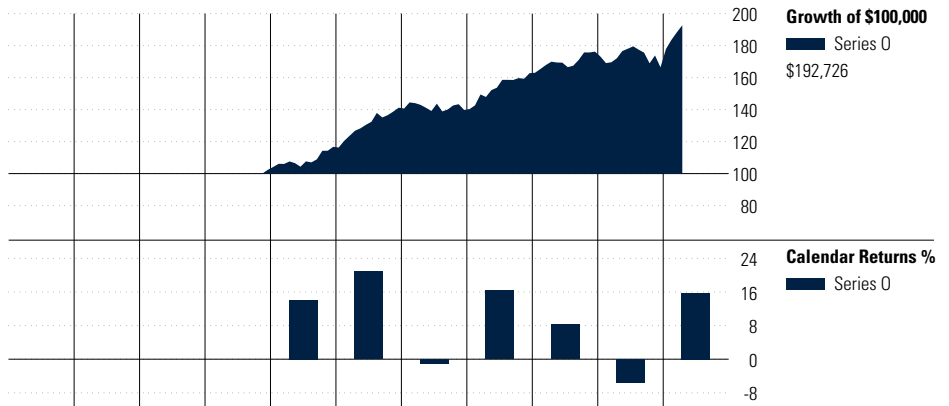
### Top 5 Equity Sectors

	% Equity
Financials	27.1
Industrials	14.5
Consumer Staples	13.0
Communication Services	11.0
Utilities	9.8
% in Top 5 Equity Sectors	75.4

### Risk Measures

	Fund	Benchmark
3 Year Std Dev	7.4	8.8
5 Year Std Dev	7.2	9.0

## Performance Analysis as of April 30, 2019



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD	
Series 0	—	—	—	—	14.1	20.9	-1.0	16.4	8.3	-5.6	15.8	Fund
Benchmark	—	—	—	—	13.0	10.6	-8.3	21.1	9.1	-8.9	16.9	Benchmark

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Fund	2.4	8.4	14.1	12.0	9.2	8.7	—	11.0	Fund
Benchmark	3.2	7.5	12.2	9.6	9.1	5.6	—	—	Benchmark



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## Management Overview

### Manager Bios

#### Bill Tilford

##### RBC Global Asset Management Inc.

Bill is Head of Quantitative Investments at RBC Global Asset Management Inc. (RBC GAM). He has been working in the investment industry since 1986. Prior to joining RBC GAM, Bill was VP & Head of Global Corporate Securities (Public Market Investments) at a federal Crown corporation, where he managed one of the world's largest Global market neutral/overlay portfolios. For 12 years, he was a partner at a large Canadian asset manager. He holds an M.Math (Statistics & Finance) and a BA in Math (Hons).

#### Oliver McMahon

##### RBC Global Asset Management

Oliver is Senior Portfolio Manager, specializing in the management of quantitative equity mandates at RBC Global Asset Management (RBC GAM). Prior to joining the firm in 2012, Oliver headed the product management team for the Canadian arm of one of the world's largest investment management firms and before that was a senior member of that same firm's quantitative investments team. Oliver holds a BSc (Hons) from the University of East London and became a CFA charterholder in 2003.

#### Norman So

##### RBC Global Asset Management

Norman is Portfolio Manager on the Quantitative Investments team at RBC Global Asset Management (RBC GAM). Norman's focus is on researching, designing, and managing investment solutions that are rooted in quantitative discipline. Prior to joining the team in 2004, he facilitated the development of quantitative resources for research initiatives within the Quantitative Research Group (QRG) at PH&N IM. Norman became a CFA charterholder in 2007.

### Performance Analysis Cont'd as of April 30, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	—	0.70	0.81	0.88	0.58	1.10	0.39	0.10	—	—	—
Interest	—	0.03	0.02	0.06	0.04	0.04	0.00	0.00	—	—	—
Dividends	—	0.47	0.40	0.39	0.32	0.39	0.28	0.08	—	—	—
Capital Gains	—	0.21	0.40	0.44	0.22	0.67	0.12	0.03	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	8-2014	28.9	8-2016	14.0	11-2017	11.9	—	—
Worst	12-2018	-5.6	2-2018	5.4	12-2018	7.3	—	—
Average		10.1		9.5		9.8		—
No. of Periods		66		42		18		—
Pct. Positive		90.9		100.0		100.0		—

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

### Quarterly Commentary as at March 31, 2019

The Fund rebounded sharply in the first quarter of 2019, along with broader equity markets. This was a welcome development following the sharp decline experienced by the Canadian equity market in the final quarter of 2018.

Within the Fund, every sector generated positive returns, which is a rare occurrence. Information Technology delivered the highest returns and Consumer Discretionary the lowest. One of the largest contributors to returns was Constellation Software. The diversified software company continued to grow by acquiring other industry players that fit into their vertically integrated customer service channels. Constellation has

amassed a number of companies globally that are quite profitable and generate strong levels of cash flow. In fact, the company recently announced a special dividend of \$20/share.

Within Financials, two holdings – Bank of Montreal and Power Financial – drove returns. The Fund owns both companies due to their consistent operations, as well as their attractive dividend yields. Moreover, Power Financial recently announced a program to return capital to shareholders by way of a share buyback and dividend increase, a sign of financial strength.



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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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