



# RBC QUBE Low Volatility U.S. Equity Currency Neutral Fund

## Investment Objective

To provide long-term capital growth while minimizing the exposure to currency fluctuations between the U.S. and Canadian dollars.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF432
Adv	Front End	CAD	RBF6432
Adv	Low Load	CAD	RBF4432
T5	No Load	CAD	RBF508

Inception Date	May 2016
Total Fund Assets \$Mil	33.1
Series A NAV \$	11.83
Series A MER %	1.89
Benchmark	S&P 500 Total Return Index (US\$)

Income Distribution	Annually
Capital Gains Distribution	Annually

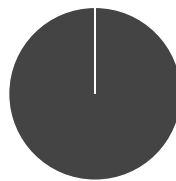
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Fund Category	US Equity
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Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Portfolio Analysis as of June 30, 2018

### Asset Mix



	% Assets
Cash	0.0
Fixed Income	0.0
Canadian Equity	0.0
US Equity	100.0
International Equity	0.0
Other	0.0

### Top 25 Holdings

	% Assets
Consolidated Edison Inc	3.0
TJX Companies Inc	3.0
Johnson & Johnson	3.0
Mastercard Inc A	2.9
Intuit Inc	2.9
UnitedHealth Group Inc	2.9
PepsiCo Inc	2.9
Xcel Energy Inc	2.9
Danaher Corp	2.9
Coca-Cola Co	2.8
Amdocs Ltd	2.8
American Electric Power Co Inc	2.7
Alphabet Inc C	2.6
Procter & Gamble Co	2.5
Colgate-Palmolive Co	2.3
Loews Corp	2.2
DTE Energy Co	2.2
Accenture PLC A	2.1
Republic Services Inc Class A	2.1
Pfizer Inc	2.0
US Bancorp	1.7
Citigroup Inc	1.7
Walmart Inc	1.7
The Home Depot Inc	1.6
WEC Energy Group Inc	1.5
Total % of Top 25 Holdings	60.9
Total Number of Stock Holdings	107
Total Number of Bond Holdings	0
Total Number of Other Holdings	0
<b>Total Number of Holdings</b>	<b>107</b>

### Equity Style



Value Blend Growth

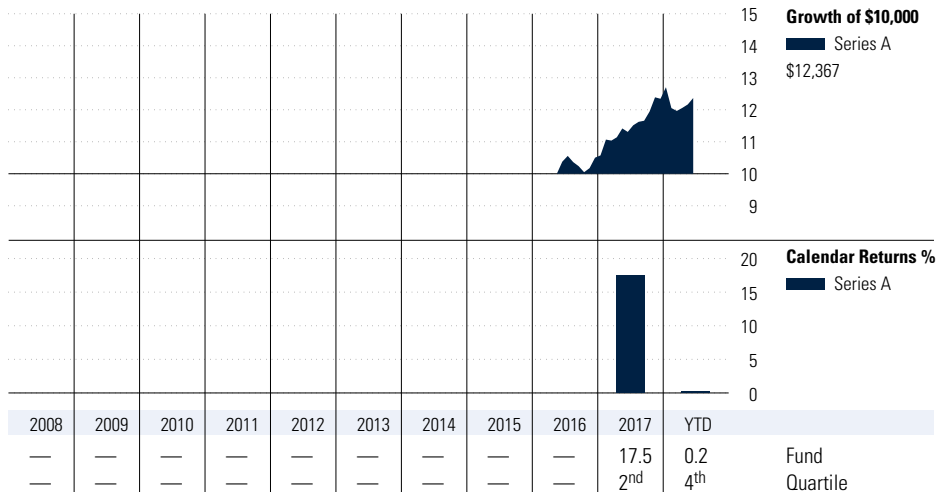
### Equity Statistics

P/B Ratio	3.1
P/E Ratio	18.9
Avg. Mkt Cap. \$B	69.1

### Global Equity Sectors

	% Equity
Information Technology	19.6
Health Care	19.6
Utilities	17.1
Consumer Staples	15.4
Consumer Discretionary	8.6
Financials	7.9
Industrials	7.4
Materials	1.9
Real Estate	1.4
Telecommunication Services	0.6
Energy	0.6
Unclassified	0.0

## Performance Analysis as of June 30, 2018



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	1.7	3.4	0.2	9.4	—	—	—	10.4	Fund
	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	—	—	—	—	Quartile
	1446	1428	1411	1349	918	615	261	—	No. of Funds in Category



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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).

### Performance Analysis Cont'd as of June 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	0.52	—	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.52	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	11-2017	21.7	—	—	—	—	—	—
Worst	5-2018	6.6	—	—	—	—	—	—
Average		12.7		—		—		—
No. of Periods		14		—		—		—
Pct. Positive		100.0		—		—		—

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

### Quarterly Commentary as at June 30, 2018

The S&P 500 returned 5.6% over the quarter in Canadian-dollar terms, with nine of 11 sectors performing positively. The Energy and Consumer Discretionary sectors each posted double-digit returns, boosted by rising oil prices and low unemployment figures, respectively. In contrast, Industrials lagged due to cost pressures and protectionist concerns as trade tensions between the United States and China, Canada and Mexico escalated over the period. The Financials sector also lagged the index as long-term interest rates continue to be depressed. U.S. economic strength persisted over the quarter and the U.S. Federal Reserve (Fed) continued to tighten its overnight rate, despite the potential ripple effects of a trade war on the broader economic environment.

In the Consumer Staples sector, positions in Walmart Inc. and Johnson & Johnson Inc. held back the Fund's returns. The Energy sector also weighed on performance, with a position in Exxon Mobil Corp. having a negative impact.

In the Financials sector, the Fund's positions in JPMorgan Chase & Co. and Berkshire Hathaway Inc. added significantly to returns. Positive contributions also came from Mastercard Inc. and Intuit Inc. in the Information Technology sector.

Expanding valuations have been a significant source of gains for stocks during the decade-long rally, but sustained earnings growth will be critical to drive equities even higher. Earnings have indeed been growing rapidly, helped by U.S. tax cuts, and expectations are for the positive trend in profits to persist. The key point is that, as long as economic growth continues and the Fed raises rates gradually, stocks are likely to offer decent returns for the rest of 2018.

There are several scenarios that could lead to a more negative outcome for stocks, the most likely of which are an excessive rise in borrowing costs and/or an escalation of trade protectionism by the Trump administration.



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### Disclosure

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

Commissions, trailing commissions, 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 funds are not guaranteed or covered by the Canadian 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.

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MER (%) for RBC Funds, PH&N Funds and BlueBay Funds is based on actual expenses for the full year period, January 1 to December 31, 2017, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the full year period, April 1, 2017 to March 31, 2018.

Series H and Series I are not available for purchase by new investors. Existing investors who hold Series H or Series I units can continue to make additional investments into the same series of the funds they hold.

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.

Quartile rankings are determined by Morningstar Research Inc., an independent research firm, based on categories maintained by the Canadian Investment Funds Standards Committee (CIFSC). Quartile rankings are comparisons of the performance of a fund to other funds in a particular category and are subject to change monthly. The quartiles divide the data into four equal segments expressed in terms of rank (1, 2, 3 or 4). This is the Morningstar quartile ranking of Series A and F units of the Fund as of June 30, 2018.

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