



# 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.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF489
Adv	Deferred Sales	CAD	RBF819
Adv	Front End	CAD	RBF719
Adv	Low Load	CAD	RBF019
T5	No Load	CAD	RBF419

Inception Date	November 2012
Total Fund Assets \$Mil	1,877.0
Series A NAV \$	13.36
Series A MER %	1.88
Benchmark	S&P/TSX Capped Composite Total Return Index

Income Distribution	Annually
Capital Gains Distribution	Annually

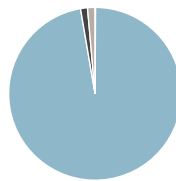
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

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

## Portfolio Analysis as of September 30, 2018

### Asset Mix

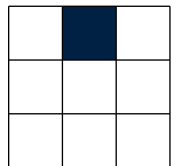


	% Assets
Cash	0.1
Fixed Income	0.0
Canadian Equity	97.3
US Equity	1.3
International Equity	1.4
Other	0.0

### Top 25 Holdings

	% Assets
Royal Bank of Canada	5.0
Bank of Nova Scotia	5.0
Bank of Montreal	5.0
Canadian National Railway Co	4.0
Constellation Software Inc	4.0
BCE Inc	4.0
TELUS Corp	4.0
Hydro One Ltd	3.7
George Weston Ltd	3.7
Saputo Inc	3.7
Power Financial Corp	3.6
Riocan Real Estate Investment Trust	3.2
Metro Inc	3.1
Wheaton Precious Metals Corp	3.1
CAE Inc	3.1
The Toronto-Dominion Bank	2.9
Intact Financial Corp	2.8
Imperial Oil Ltd	2.5
Maple Leaf Foods Inc	1.9
H&R Real Estate Investment Trust	1.9
First Capital Realty Inc	1.8
Magna International Inc Class A	1.5
Brookfield Infrastructure Partners LP	1.4
Shaw Communications Inc Class B	1.4
Canadian Pacific Railway Ltd	1.4
Total % of Top 25 Holdings	77.6
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

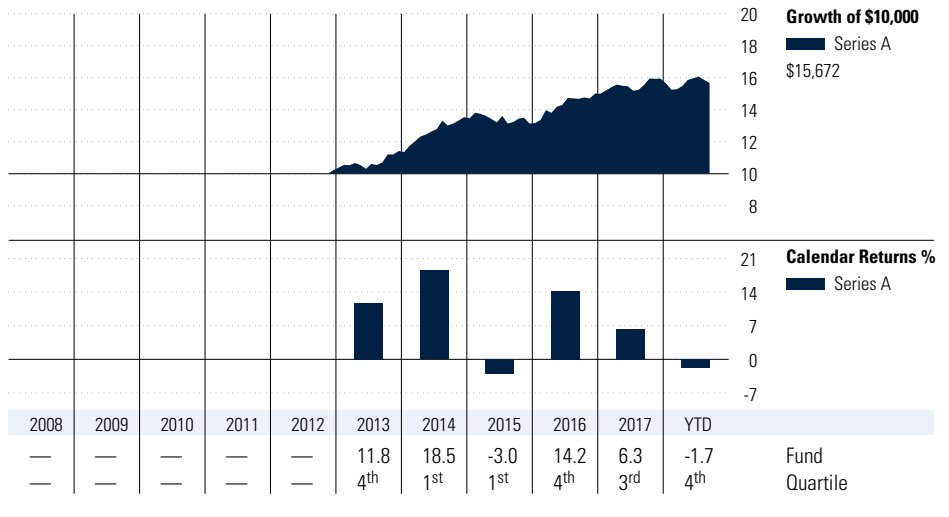
### Equity Statistics

P/B Ratio	1.9
P/E Ratio	13.9
Avg. Mkt Cap. \$B	19.2

### Global Equity Sectors

	% Equity
Financials	27.2
Consumer Staples	13.2
Industrials	10.7
Communication Services	10.4
Real Estate	10.0
Utilities	9.4
Information Technology	5.4
Materials	4.9
Energy	3.7
Consumer Discretionary	3.3
Health Care	1.8
Unclassified	0.0

## Performance Analysis as of September 30, 2018



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	-1.2	-1.8	2.6	0.8	5.8	7.9	—	8.2	Fund
	3 <sup>rd</sup>	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	2 <sup>nd</sup>	—	—	Quartile
	648	619	612	594	436	342	161	—	No. of Funds in Category



# RBC QUBE Low Volatility Canadian Equity Fund

## 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 September 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	0.48	0.56	0.28	0.69	0.19	0.04	—	—	—	—
Interest	—	0.00	0.02	0.01	0.01	—	—	—	—	—	—
Dividends	—	0.11	0.14	0.07	0.09	0.08	0.01	—	—	—	—
Capital Gains	—	0.36	0.40	0.20	0.59	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	26.3	8-2016	11.8	11-2017	9.8	—	—
Worst	2-2016	-3.3	2-2018	3.4	2-2018	7.6	—	—
Average		8.8		7.8		8.5		
No. of Periods		59		35		11		
Pct. Positive		89.8		100.0		100.0		

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

### Quarterly Commentary as at September 30, 2018

Economic headlines over Q3 were dominated by uncertainty surrounding Canada's participation in an updated NAFTA deal, as well as increased U.S. protectionism and the potential for further tariffs. In addition, rising bond yields and their impact on household debt continued to loom over the economy. The S&P/TSX Capped Composite Index was down 0.6% during Q3, finishing behind U.S. and global equity markets. Six of eleven sectors performed positively, with Health Care posting double-digit returns thanks to the significant appreciation of cannabis stocks during the period. Materials was the largest detracting sector as commodity prices such as copper, gold, and silver were depressed due to the strengthening of the U.S. dollar over the quarter.

Within the Fund, the largest positive contributions came from its bank holdings: Bank of Montreal, Bank of Nova Scotia, and the Royal Bank of Canada. The group delivered strong quarterly financial results owing to steady wealth management operations and increased contributions from capital markets activity.

In terms of detractors, several holdings suffered weak share price performance due to company-specific developments; among the top detractors were Saputo, Metro, and Dollarama, which hurt returns in the Consumer Discretionary and Staples sectors. Dairy producer Saputo was caught up in the NAFTA negotiations surrounding Canada's dairy industry, and the company's shares declined as a result.

Recent economic headlines have been dominated by U.S. protectionism and the potential for escalating tariff conflicts. This year's uptick in volatility has been caused in part by increasing global bond yields, and emerging markets have experienced especially sharp declines, hindered by U.S. dollar strength. With the Brexit deadline six months away, there is still no exit agreement in place between the U.K. and the European Union. The failure of the sides to reach an agreement could lead to European equity volatility in the coming months.



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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 half-year period, January 1 to June 30, 2018, 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 September 30, 2018.

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