



# 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	1,888.7
Series A NAV \$	13.61
Series A MER %	1.88
Benchmark	S&P/TSX Capped Composite Total Return Index

Income Distribution	Annually
Capital Gains Distribution	Annually

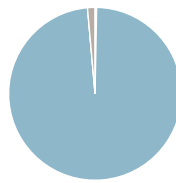
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

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

## Portfolio Analysis as of June 30, 2018

### Asset Mix

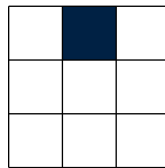


	% Assets
Cash	0.3
Fixed Income	0.0
Canadian Equity	98.3
US Equity	0.0
International Equity	1.4
Other	0.0

### Top 25 Holdings

	% Assets
Royal Bank of Canada	5.0
Bank of Nova Scotia	4.9
Bank of Montreal	4.4
TELUS Corp	4.0
Canadian National Railway Co	4.0
George Weston Ltd	4.0
Saputo Inc	3.9
Constellation Software Inc	3.9
Hydro One Ltd	3.9
BCE Inc	3.9
Metro Inc	3.6
CAE Inc	3.5
Power Financial Corp	3.5
Imperial Oil Ltd	3.4
Riocan Real Estate Investment Trust	3.1
Intact Financial Corp	2.7
Suncor Energy Inc	2.3
Wheaton Precious Metals Corp	2.2
The Toronto-Dominion Bank	2.2
Maple Leaf Foods Inc	2.0
Magna International Inc Class A	2.0
First Capital Realty Inc	1.8
H&R Real Estate Investment Trust	1.7
Dollarama Inc	1.6
Shaw Communications Inc Class B	1.5
<b>Total % of Top 25 Holdings</b>	<b>78.8</b>
<b>Total Number of Stock Holdings</b>	<b>74</b>
<b>Total Number of Bond Holdings</b>	<b>0</b>
<b>Total Number of Other Holdings</b>	<b>1</b>
<b>Total Number of Holdings</b>	<b>75</b>

### Equity Style



Value Blend Growth

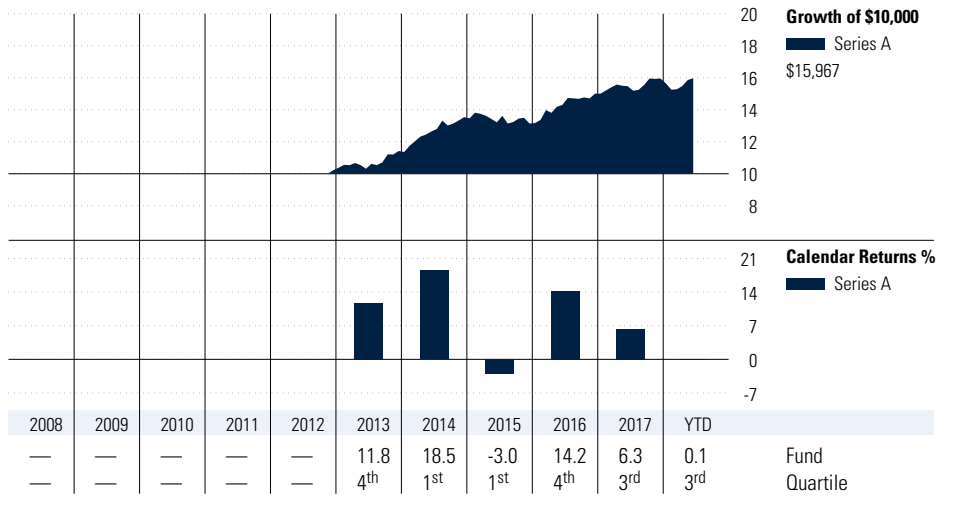
### Equity Statistics

P/B Ratio	1.9
P/E Ratio	14.3
Avg. Mkt Cap. \$B	19.4

### Global Equity Sectors

	% Equity
Financials	24.8
Consumer Staples	14.3
Industrials	10.1
Utilities	9.8
Real Estate	9.5
Telecommunication Services	8.3
Energy	6.3
Consumer Discretionary	5.6
Information Technology	5.3
Materials	4.4
Health Care	1.7
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 %
	0.7	4.5	0.1	3.2	6.5	9.1	—	9.0	Fund
	4 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	—	—	Quartile
	622	618	610	595	419	329	155	—	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).

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

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	0.48	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		9.0		8.0		8.6		—
No. of Periods		56		32		8		—
Pct. Positive		89.3		100.0		100.0		—

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

### Quarterly Commentary as at June 30, 2018

Economic headlines over the last three months were dominated by uncertainty surrounding NAFTA negotiations and increased U.S. protectionism; as a result, investors have experienced growing concern about the impact of steel and aluminum tariffs as well as the potential for further tariffs on the auto sector. Rising interest rates and their impact on household debt continue to loom over the economy. Despite headwinds, all sectors except Utilities contributed to positive performance in the second quarter, which finished ahead of all major equity markets. Energy was the strongest-performing sector, driven by strengthening oil prices for domestic producers.

In the Financials sector, positions in Power Financial Corp. and Intact Financial Corp. held back the Fund's returns. The Utilities sector also weighed on performance as a position in Hydro One Ltd. had a large negative impact during the period.

In the Industrials sector, the Fund's overweight position in CAE Inc. added significantly to returns.

Various positions in the Information Technology sector also aided performance, with a large contribution from Constellation Software Inc.

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 U.S. Federal Reserve raises rates gradually, stocks are likely to offer decent returns for the rest of 2018. A scenario of strong economic growth is generally good for Canada's resources-reliant stock market.

There are several scenarios that could lead to a more negative outcome for Canadian 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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