RBC U.S. Banks Yield Index ETF

RBC U.S. Banks Yield Index ETF (RUBY / RUBY.u / RUBH) tracks the performance of 21 of the largest U.S. dividend paying bank stocks, as measured by market cap, weighted based on their indicated annual dividend yields.

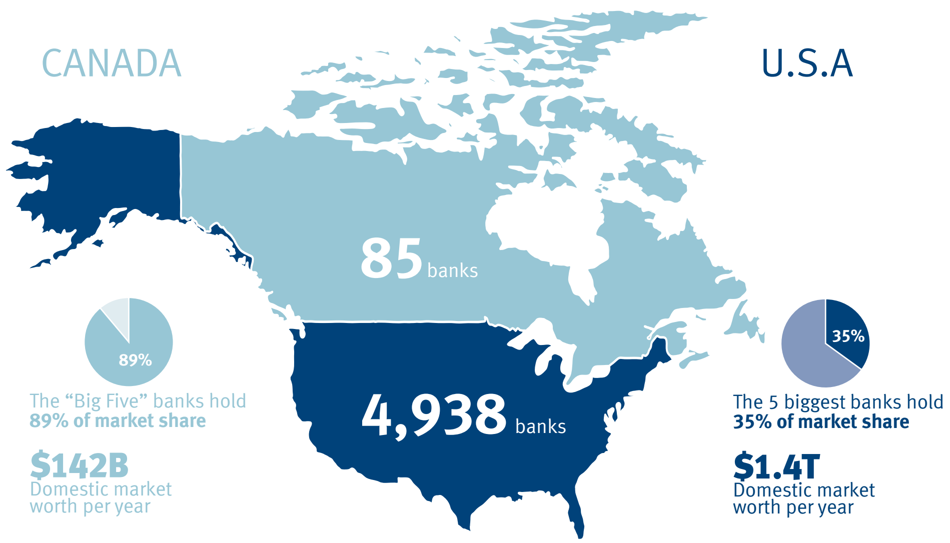
Why U.S. banks?

- U.S. banks have significantly improved their balance sheets and capital structure over the past decade to be better positioned for future market cycles.
- Stronger U.S. economic growth combined with changing monetary policy created a positive environment for U.S. banks to benefit from increased business and consumer demand and wider interest rate spreads.
- Recent tax cuts and deregulation are likely to benefit U.S. banks, as cost savings stand to contribute to earnings per share, and potentially lead to higher dividend payouts along with share buybacks.

Why invest in RUBY?

- Simple and low cost way to invest in a portfolio of the largest U.S. banks
- The unique stock weighting methodology is designed to provide enhanced dividend yield and return potential
- USD and CAD hedged options allow investors to choose their currency exposure

The banking sector in the U.S. is highly diversified



Source: Visual Capitalist, as of April 30, 2018.

RUBY U.S. Banks Yield | RUBY.u U.S. Banks Yield (USD) | RUBH U.S. Banks Yield (CAD Hedged)

ETF DETAILS

- Tickers: RUBY (CAD), RUBY.u (USD), RUBH (CAD hedged)
- Exchange: TSX
- Inception date: May 15, 2018
- Distribution frequency: Monthly
- Eligibility: All registered plans

ETF CHARACTERISTICS

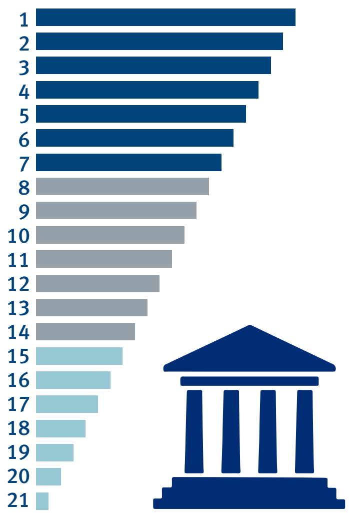
- Number of underlying holdings: 21
- Management fee: 0.29%
- Reconstitutes quarterly
- Benchmark: Solactive U.S. Banks Yield Index

How it works

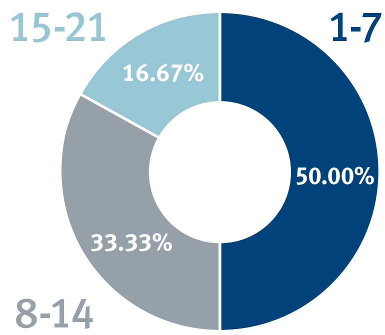
From the universe of US dividend-paying banks, securities with a dividend yield higher than 150% of the universe average are excluded to avoid securities with unsustainable yield and risk of dividend cuts.

The remaining securities are ranked according to their market capitalization and the largest 21 are selected for the portfolio.

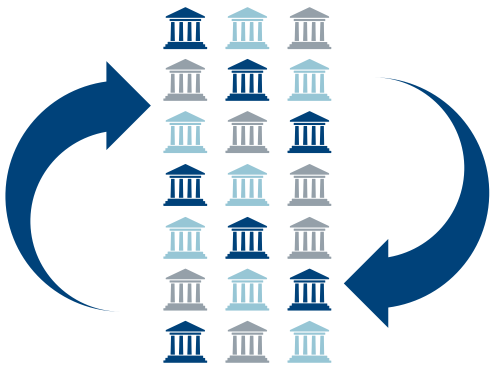
I Each stock is ranked by its dividend yield



II Top seven yielding stocks receive 50% weight (7.14% each), next seven yielding stocks receive 33.33% weight (4.76% each) and the bottom seven yielding stocks receive 16.67% (2.38% each)



III The portfolio is reconstituted quarterly to include 21 largest banks, weighted based on their indicated annual dividend yields.



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