



# RBC QUBE Low Volatility Global Equity Currency Neutral Fund

## Investment Objective

To provide long-term capital growth. The fund invests primarily in units of other mutual funds managed by RBC GAM or an affiliate of RBC GAM (called the underlying funds), emphasizing mutual funds that invest in equity securities of companies throughout the world using a quantitative investment approach. The fund seeks to achieve a reduced level of volatility of returns as compared to the broader global equity market while minimizing the exposure to currency fluctuations between foreign currencies and the Canadian dollar.

## Fund Details

| Series | Load Structure | Currency | Fund Code |
|--------|----------------|----------|-----------|
| A      | No Load        | CAD      | RBF523    |
| Adv    | Low Load       | CAD      | RBF110    |
| Adv    | No Load        | CAD      | RBF1523   |

|                         |   |
|-------------------------|---|
| Inception Date          | January 2018                                      |
| Total Fund Assets \$Mil | 18.2  |
| Series A NAV \$         | 10.47   |
| Series A MER %          | 2.11  |
| Benchmark               | MSCI World Total Return Net Index (Hedged to CAD) |

|                            |          |
|----------------------------|----------|
| Income Distribution        | Annually |
| Capital Gains Distribution | Annually |

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

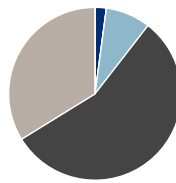
|               |               |
|---------------|---------------|
| Fund Category | Global Equity |
|---------------|---------------|

|                    |                                  |
|--------------------|----------------------------------|
| Management Company | RBC Global Asset Management Inc. |
| Web Site           | www.rbcgam.com                   |

## Portfolio Analysis as of June 30, 2019

### Asset Mix

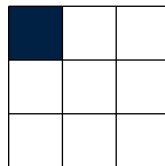


|                      | % Assets |
|----------------------|----------|
| Cash                 | 2.1      |
| Fixed Income         | 0.0      |
| Canadian Equity      | 8.4      |
| US Equity            | 55.7     |
| International Equity | 33.8     |
| Other                | 0.0      |

### Top 25 Holdings

|                                       | % Assets    |
|---------------------------------------|-------------|
| Royal Bank of Canada                  | 2.9         |
| Roche Holding AG Dividend Right Cert. | 2.9         |
| Exelon Corp                           | 2.7         |
| BCE Inc                               | 2.1         |
| NTT DOCOMO Inc                        | 2.1         |
| Johnson & Johnson                     | 2.1         |
| Yum Brands Inc                        | 2.0         |
| Procter & Gamble Co                   | 1.9         |
| Coca-Cola Co                          | 1.9         |
| Consolidated Edison Inc               | 1.9         |
| PepsiCo Inc                           | 1.8         |
| Bank of Montreal                      | 1.7         |
| Swiss Life Holding AG                 | 1.7         |
| Starbucks Corp                        | 1.7         |
| Honeywell International Inc           | 1.6         |
| Duke Energy Corp                      | 1.6         |
| Colgate-Palmolive Co                  | 1.5         |
| The Home Depot Inc                    | 1.5         |
| Etablissements Franz Colruyt NV       | 1.5         |
| Loews Corp                            | 1.4         |
| Texas Instruments Inc                 | 1.4         |
| Simon Property Group Inc              | 1.4         |
| CLP Holdings Ltd                      | 1.3         |
| Xcel Energy Inc                       | 1.3         |
| Amgen Inc                             | 1.2         |
| <b>Total % of Top 25 Holdings</b>     | <b>45.4</b> |
| <b>Total Number of Stock Holdings</b> | <b>168</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>169</b>  |

### Equity Style



### Equity Statistics

|                   |      |
|-------------------|------|
| P/B Ratio         | 1.9  |
| P/E Ratio         | 16.4 |
| Avg. Mkt Cap. \$B | 58.3 |

Value Blend Growth

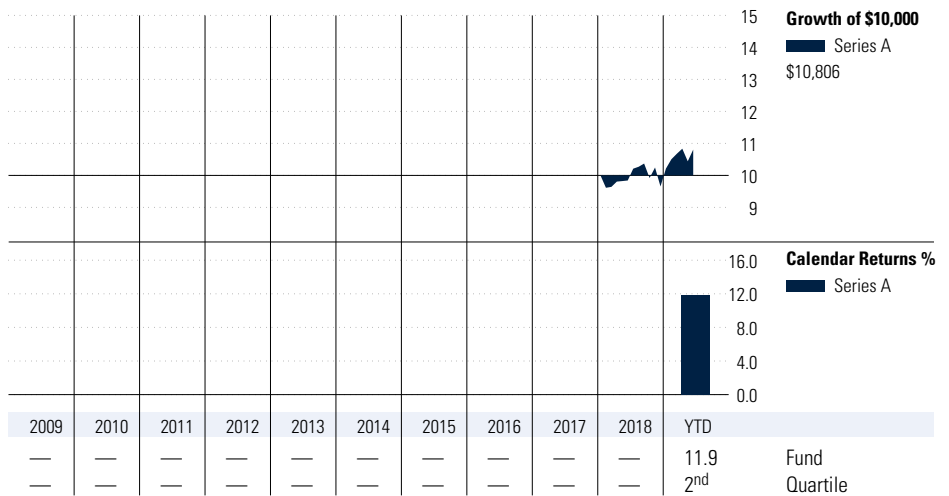
### Top 5 Sectors

|                        | % Equity |
|------------------------|----------|
| Utilities              | 16.3     |
| Financials             | 15.9     |
| Consumer Staples       | 15.1     |
| Consumer Discretionary | 12.3     |
| Health Care            | 11.3     |

### Geographic Allocations

|               | % Assets |
|---------------|----------|
| United States | 56.7     |
| Japan         | 13.1     |
| Canada        | 8.5      |
| Switzerland   | 7.0      |
| Hong Kong     | 4.2      |

## Performance Analysis as of June 30, 2019



| 1 Mth           | 3 Mth           | 6 Mth           | 1 Yr            | 3 Yr | 5 Yr | 10 Yr | Since Incep. | Trailing Return %        |
|-----------------|-----------------|-----------------|-----------------|------|------|-------|--------------|--------------------------|
| 3.5             | 1.2             | 11.9            | 9.8             | —    | —    | —     | 5.4          | Fund                     |
| 1 <sup>st</sup> | 3 <sup>rd</sup> | 2 <sup>nd</sup> | 1 <sup>st</sup> | —    | —    | —     | —            | Quartile                 |
| 2484            | 2467            | 2439            | 2208            | 1396 | 937  | 452   | —            | No. of Funds in Category |



# RBC QUBE Low Volatility Global Equity Currency Neutral 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 June 30, 2019

| Distributions (\$)/Unit | YTD* | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|
| Total Distributions     | —    | 0.26 | —    | —    | —    | —    | —    | —    | —    | —    | —    |
| Interest                | —    | 0.07 | —    | —    | —    | —    | —    | —    | —    | —    | —    |
| Dividends               | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    |
| Capital Gains           | —    | 0.19 | —    | —    | —    | —    | —    | —    | —    | —    | —    |
| Return Of Capital       | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    |

| Best/Worst Periods % | Ended  | 1 Yr  | Ended | 3 Yr | Ended | 5 Yr | Ended | 10 Yr |
|----------------------|--------|-------|-------|------|-------|------|-------|-------|
| Best                 | 3-2019 | 10.7  | —     | —    | —     | —    | —     | —     |
| Worst                | 1-2019 | 2.1   | —     | —    | —     | —    | —     | —     |
| Average              |        | 8.1   |       | —    |       | —    |       | —     |
| No. of Periods       |        | 6     |       | —    |       | —    |       | —     |
| Pct. Positive        |        | 100.0 |       | —    |       | —    |       | —     |

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

### Commentary as at June 30, 2019

Global equity markets rallied in the first half of 2019, rebounding from declines at the end of last year, as hopes for more accommodative central-bank policies offset uncertainty about the macroeconomic backdrop. Among the issues weighing on investors were the trade conflict between the U.S. and China and slowing global economic momentum.

The Financials sector was the Fund's largest overall contributor to performance over the first half of 2019, due in part to positioning in Swiss Life and Mizrahi-Tefahot Bank. Overweight positions in Estée Lauder and Intuit also boosted returns.

Positioning in the Information Technology sector hurt the Fund's performance during the period, due in part to F5 Networks and Microsoft. The Fund's overweight allocation to Colruyt had the largest negative impact on performance during the period.

The Fund's currency hedging strategy had a positive impact on returns as unitholders were protected against the overall decline in global currencies versus the Canadian dollar during the first half of 2019.

Global equities ended the period near all-time highs, and the U.S. economic expansion, at more than 10 years, is now one of the longest on record. The length of the U.S. expansion has prompted debate about whether this period of growth will begin to taper.

The economic backdrop is mixed, but the overall picture suggests that the trajectory for global GDP is not that bad. The most significant risk is protectionism, but other threats stem from slowing Chinese growth and European politics (i.e., Brexit). Central banks have abandoned their prior tightening agendas and markets are pricing in the likelihood of interest-rate cuts.



# RBC QUBE Low Volatility Global Equity Currency Neutral Fund

## 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 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.

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.

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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).

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