



# RBC LW Quant Securities, Series 3F, Due November 8, 2023

GLOBAL INVESTMENT SOLUTIONS

FOR THE INFORMATION OF INVESTORS IN OUTSTANDING RBC LW QUANT SECURITIES, SERIES 3F, DUE NOVEMBER 8, 2023 ONLY

**Investment Objective:**

The RBC LW Quant Securities, Series 3F, Due November 8, 2023 is designed for investors seeking long term growth of capital by holding a portfolio of large-cap Canadian equities that are selected and transacted based on a proprietary multifactor model.

**Tax:**

All holders of Securities should consult their own tax advisors with respect to their tax positions and the tax consequences of holding the Securities.

**Benchmark:**

S&P/TSX Composite Index

**Note Inception:**

November 6, 2013

**Holdings:**

25 stocks

**Strategy:**

Quantitative: a rules based, systematic approach to investing in large-cap, dividend paying stocks.

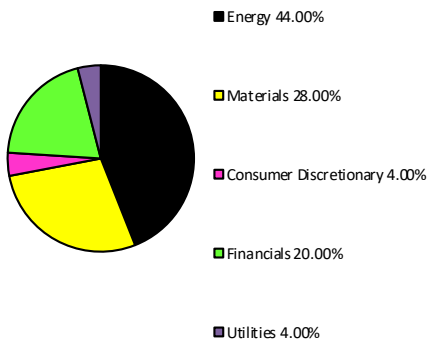
**Asset Class:**

Canadian equity

**Minimum Purchase:**

\$5,000

## INDUSTRY ALLOCATION



## PORTFOLIO HOLDINGS – JULY 2022

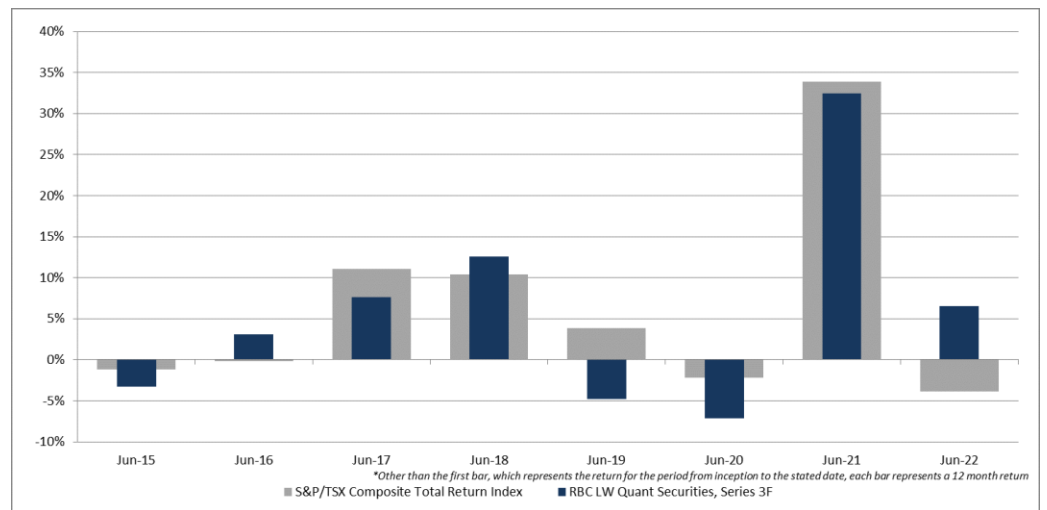
Sector	Symbol	Company	Weight	Rank	Dividend Yield (%)
Energy	VET	Vermilion Energy Inc.	4.00%	1	0.98
	SU	Suncor Energy Inc.	4.00%	2	4.16
	CPG	Crescent Point Energy Corp.	4.00%	3	2.84
	CVE	Cenovus Energy Inc.	4.00%	4	1.72
	CNQ	Canadian Natural Resources Ltd.	4.00%	6	4.34
	WCP	Whitecap Resources Inc.	4.00%	7	4.03
	TOU	Tourmaline Oil Corp.	4.00%	8	1.34
	ERF	Enerplus Corp.	4.00%	10	1.29
	ARX	ARC Resources Ltd.	4.00%	11	2.96
	IMO	Imperial Oil Ltd.	4.00%	15	2.24
	KEY	Keyera Corp.	4.00%	23	6.54
Materials	WFG	West Fraser Timber Co. Ltd.	4.00%	5	1.57
	TECK.B	Teck Resources Ltd.	4.00%	9	1.27
	MX	Methanex Corp.	4.00%	13	1.53
	NTR	Nutrien Ltd.	4.00%	14	2.41
	LUN	Lundin Mining Corp.	4.00%	22	4.41
	YRI	Yamana Gold Inc.	4.00%	28	2.58
	FM	First Quantum Minerals Ltd.	4.00%	31	0.04
Consumer Discretionary	GIL	Gildan Activewear Inc.	4.00%	32	2.34
Financials	FFH	Fairfax Financial Holdings Ltd.	4.00%	12	1.83
	NA	National Bank of Canada	4.00%	24	4.36
	IFC	Intact Financial Corp.	4.00%	33	2.20
	BNS	The Bank of Nova Scotia	4.00%	36	5.41
	BMO	Bank of Montreal	4.00%	50	4.49
Utilities	CPX	Capital Power Corp.	4.00%	16	4.87

The indicated dividend yield of the Portfolio as of June 30, 2022 was 2.87%.

Portfolio Addition	Price
CPX Capital Power Corp.	\$44.96

Portfolio Deletion	Price
TD The Toronto-Dominion Bank	\$83.67

## HISTORICAL SECONDARY MARKET PRICE<sup>1, 2</sup>



Returns as of June 30, 2022	1 month	3 months	YTD	1 year	Since Inception
RBC LW Quant Securities, Series 3F	-14.21%	-11.17%	-3.84%	6.56%	4.58%
S&P/TSX Composite Index	-8.71%	-13.19%	-9.87%	-3.87%	6.53%

<sup>1</sup>See footnote 1 on page 2.

<sup>2</sup>See footnote 2 on page 2.

This fact sheet is qualified in its entirety by a term sheet dated November 6, 2013 (the "Term Sheet").



## THE INVESTMENT METHODOLOGY

The Portfolio: Review Portfolio on a monthly basis and adjust notional holdings and weights.

- > Only the largest 100 qualifiers by market cap are eligible to be included
- > The Portfolio is reviewed each month after ranks have been updated
- > Stocks are removed if they drop below the 50th position in terms of their rank
- > Stocks are removed if they are removed from the Index or suspend their dividend
- > Replacement stocks are the best-ranked stocks not already included in the Portfolio
- > At the end of each quarter the Portfolio is rebalanced to equal weights

THE UNIVERSE  
Dividend yielding large-cap Canadian equities



THE MODEL	Rank stocks based on an equally weighted combination of 8 factors that fall into 4 distinct investment themes	
ATTRACTIVE VALUATIONS	Low Price to Earnings	x 1/8
	Low Price to Book Value	x 1/8
SUSTAINABLE GROWTH	High Quarterly Earnings Growth	x 1/8
	High Return On Equity	x 1/8
POSITIVE SENTIMENT	High Earnings Surprise	x 1/8
	High Estimate Revisions	x 1/8
MARKET RECOGNITION	High 3-Month Price Change	x 1/8
	High 6-Month Price Change	x 1/8
	= Total Score	

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<sup>1</sup>This Historical Secondary Market Price chart reflects the historical closing secondary market price of RBC LW Quant Securities, Series 3F, Due November 8, 2023 ("Series 3F") for each day such secondary market was open for trading and the percentage change of the level of the S&P/TSX Composite Index since the Issue Date of Series 3F on November 6, 2013. The secondary market price at any particular time is the price at which a holder of Series 3F could dispose of such securities resold over-the-counter. The secondary market price may not be the same as, and may be substantially different from the NAV per Security. Prior historical secondary market prices of Series 3F are not necessarily indicative of any future secondary market price for Series 3F. There is no assurance that a secondary market for the Securities will develop or be sustained. RBC DS has indicated to the Bank that it intends to use its best reasonable efforts to establish and maintain an over-the-counter market for the Securities by making itself available as a purchaser of the Securities if and so long as RBC DS in its sole discretion believes that there is a reasonable likelihood that it will be able to sell such Securities at a profit or at no more than a nominal loss. RBC DS may, in its sole discretion, cease to offer to purchase Securities without any requirement to provide notice to Securityholders, registered or beneficial, including in circumstances where RBC DS perceives that the supply of Securities exceeds demand or if any change occurs in conditions imposed by regulatory or legislative action such that RBC DS determines that it can no longer lawfully purchase or sell Securities without incurring unreasonable expenses or complying with onerous conditions. If RBC DS offers to purchase Securities in connection with a secondary market transaction, there is no assurance that the purchase price will be the highest possible price available in any secondary market for the Securities. No early trading charge will be deducted from an amount received by a holder of Securities as sales proceeds if the Securityholder sells Securities at any time.

<sup>2</sup>The secondary market price of Series 3F at any time will generally depend on, among other things, (a) how much the prices of the underlying interests have risen or fallen since the Issue Date of such Securities and (b) a number of other interrelated factors, including, without limitation, volatility in the prices of the underlying interests, the level of interest rates in the applicable markets, dividend yields on any of the securities, if any, comprising the underlying interest, and the Maturity Date. The relationship among these factors is complex and may also be influenced by various political, economic and other factors that can affect the secondary market price of a Security.

Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Term Sheet.

An investment in the Securities involves risks. An investment in the Securities is not the same as a direct investment in the securities that comprise the Portfolio and investors have no rights with respect to the securities in the Portfolio. The Securities are considered to be "specified derivatives" under applicable Canadian securities laws. If you purchase Securities, you will be exposed to fluctuations in interest rates and changes in the value of the Portfolio, among other factors. Price changes may be volatile and an investment in the Securities may be considered to be speculative. Since the Securities are not principal protected and the Principal Amount will be at risk, you could lose substantially all of your investment. The Securities are not fixed income securities and are not designed to be alternatives to fixed income or money market instruments. The Securities are structured products that possess downside risk.

The Securities will not constitute deposits insured under the *Canada Deposit Insurance Corporation Act*.

Clients should evaluate the financial, market, legal, regulatory, credit, tax and accounting risks and consequences of the proposal before entering into any transaction, or purchasing any instrument. Clients should evaluate such risks and consequences independently of Royal Bank of Canada and RBC Dominion Securities Inc.