

Daily Global Insight



Wealth
Management

Wednesday, May 23, 2018

| Walkthrough |



BOIS WEALTH MANAGEMENT ADVISORY GROUP

Risk Management Flexibility Transparency



Wealth Management
Dominion Securities

1. “Introduction” Section

Global Insight is a range of client-friendly publications produced by the Global Portfolio Advisory Committee, within the Portfolio Advisory Group, made up of senior investment professionals in Canada, U.S., UK, Switzerland, and China. The Committee leverages the broad market outlook as developed by the RBC Investment Strategy Committee (RISC), providing additional tactical and thematic support utilizing research from RISC, RBC Capital Markets, and third-party resources.

We begin with the first page of the Global Insights. In this highlighted section, a daily overview of investment markets, economics and returns information are presented by our in-house Analysts to provide a brief overview of how the markets might react in the upcoming trading day.



2. “Market Today” Section

1

The Market Pulse chart included in the “Market Today” section of the Global Insights, provides you with an overview of the Futures of local Markets (ex: US Market), the Overseas Markets (ex: Shanghai), Commodities (ex: Gold (\$/oz)), Currencies (ex: CADUSD) and Fixed Income (ex: 10-Yr Treasury). Also included is the price each were last traded at and the percentage change Pre-Market.

2

The Advancers and Decliners chart included in the “Market Today” section of the Global Insights, provides you with an overview of the top performing and top declining stocks Pre-Market. Also included is the last traded price each for each equity and the percentage change Pre-Market.

2 | Global Insight Daily – Wednesday, May 23, 2018

Markets today

Equities

Global markets are weaker as risk for potential trade wars escalates again. Oil is lower on reports that OPEC may increase output. S&P futures are down 18 points (-0.7%) ahead of the open.

Fixed Income

Following the decision to hold rates steady at the May 2nd FOMC meeting, the minutes are set to be released at 2 pm EST today. It is expected that the focus will be on, of course, inflation, as well as a debate about the neutral rate of interest. The previous minutes from the March FOMC meeting indicated an expectation that further firming in the economy and labour market tightening will drive an increase in inflation in the coming months, although the expected increase in inflation is unlikely to justify any change to the expected rate hiking path.

Market Pulse			
Updated as of 5/23/18 7:31 AM			
Equity New			
Dow	24,651	Last	-0.6%
S&P 500	2,710	Last	-0.6%
Nasdaq	6,841	Last	-1.0%
Overseas			
FTSE 100 (UK)	7,828	Last	-0.6%
DAX (Germany)	12,982	Last	-1.4%
Euro Stoxx 50	3,543	Last	-1.2%
Hang Seng	30,666	Last	-1.8%
Nikkei 225	22,690	Last	-1.2%
Shanghai	3,169	Last	-1.4%
Commodities			
WTI Crude	\$71.77	Last	-0.6%
Gold (\$/oz)	\$1,301	Last	0.3%
Silver (\$/oz)	\$17	Last	-0.1%
Copper (\$/lb)	\$6.950	Last	1.5%
Natural Gas(\$/Mmbtu)	\$2.91	Last	0.1%
Currencies			
CADUSD	\$0.78	Last	-0.6%
EURUSD	\$1.17	Last	-0.6%
USDJPY	¥109.72	Last	-1.1%
Fixed Income			
10-yr Treasury	3.01%	Yield	-5.0
10-Yr Canadian	2.45%	Yield	-3.6
Germany 10 Yr Yield	0.51%	Yield	-5.4
Spain 10 Yr Yield	1.45%	Yield	-0.6
France 10 Yr Yield	0.80%	Yield	-3.1

Market Pulse			
Updated as of 5/23/18 7:31 AM			
Equity New			
Dow	24,651	Last	-0.6%
S&P 500	2,710	Last	-0.6%
Nasdaq	6,841	Last	-1.0%
Overseas			
FTSE 100 (UK)	7,828	Last	-0.6%
DAX (Germany)	12,982	Last	-1.4%
Euro Stoxx 50	3,543	Last	-1.2%
Hang Seng	30,666	Last	-1.8%
Nikkei 225	22,690	Last	-1.2%
Shanghai	3,169	Last	-1.4%
Commodities			
WTI Crude	\$71.77	Last	-0.6%
Gold (\$/oz)	\$1,301	Last	0.3%
Silver (\$/oz)	\$17	Last	-0.1%
Copper (\$/lb)	\$6.950	Last	1.5%
Natural Gas(\$/Mmbtu)	\$2.91	Last	0.1%
Currencies			
CADUSD	\$0.78	Last	-0.6%
EURUSD	\$1.17	Last	-0.6%
USDJPY	¥109.72	Last	-1.1%
Fixed Income			
10-yr Treasury	3.01%	Yield	-5.0
10-Yr Canadian	2.45%	Yield	-3.6
Germany 10 Yr Yield	0.51%	Yield	-5.4
Spain 10 Yr Yield	1.45%	Yield	-0.6
France 10 Yr Yield	0.80%	Yield	-3.1

Source: Bloomberg

Advancers and Decliners			
Updated as of 5/23/18 7:31 AM			
S&P/TSX Top Movers			
Advancers			
PROMETIC LIFE SCIENCES INC	\$ 0.81	Last	10.96%
CANOPY GROWTH CORP	\$ 39.44	Last	9.43%
ELDORADO GOLD CORP	\$ 1.41	Last	9.30%
TAHOE RESOURCES INC	\$ 6.54	Last	5.31%
FAIRFAX FINANCIAL HLDGS LTD	\$ 737.80	Last	4.21%
Decliners			
CAMECO CORP	\$ 13.65	Last	-6.83%
SHOPIFY INC - CLASS A	\$ 177.66	Last	-6.12%
NOVAGOLD RESOURCES INC	\$ 5.85	Last	-5.95%
KIRKLAND LAKE GOLD LTD	\$ 24.11	Last	-4.02%
NUVISTA ENERGY LTD	\$ 9.41	Last	-3.88%
S&P 500 Top Movers			
Advancers			
MICRON TECHNOLOGY INC	\$ 59.03	Last (USD)	6.40%
TJX COMPANIES INC	\$ 87.45	Last (USD)	3.25%
FIFTH THIRD BANCORP	\$ 31.89	Last (USD)	3.20%
KIMCO REALTY CORP	\$ 15.10	Last (USD)	3.14%
FREEMONT-MCMORAN INC	\$ 17.17	Last (USD)	2.88%
Decliners			
AUTOZONE INC	\$ 602.00	Last (USD)	-9.49%
KOHL'S CORP	\$ 60.61	Last (USD)	-7.42%
MACYS INC	\$ 33.12	Last (USD)	-4.31%
CONCHO RESOURCES INC	\$ 147.44	Last (USD)	-4.20%
UNITED RENTALS INC	\$ 166.78	Last (USD)	-4.03%

Advancers and Decliners			
Updated as of 5/23/18 7:31 AM			
S&P/TSX Top Movers			
Advancers			
PROMETIC LIFE SCIENCES INC	\$ 0.81	Last	10.96%
CANOPY GROWTH CORP	\$ 39.44	Last	9.43%
ELDORADO GOLD CORP	\$ 1.41	Last	9.30%
TAHOE RESOURCES INC	\$ 6.54	Last	5.31%
FAIRFAX FINANCIAL HLDGS LTD	\$ 737.80	Last	4.21%
Decliners			
CAMECO CORP	\$ 13.65	Last	-6.83%
SHOPIFY INC - CLASS A	\$ 177.66	Last	-6.12%
NOVAGOLD RESOURCES INC	\$ 5.85	Last	-5.95%
KIRKLAND LAKE GOLD LTD	\$ 24.11	Last	-4.02%
NUVISTA ENERGY LTD	\$ 9.41	Last	-3.88%
S&P 500 Top Movers			
Advancers			
MICRON TECHNOLOGY INC	\$ 59.03	Last (USD)	6.40%
TJX COMPANIES INC	\$ 87.45	Last (USD)	3.25%
FIFTH THIRD BANCORP	\$ 31.89	Last (USD)	3.20%
KIMCO REALTY CORP	\$ 15.10	Last (USD)	3.14%
FREEMONT-MCMORAN INC	\$ 17.17	Last (USD)	2.88%
Decliners			
AUTOZONE INC	\$ 602.00	Last (USD)	-9.49%
KOHL'S CORP	\$ 60.61	Last (USD)	-7.42%
MACYS INC	\$ 33.12	Last (USD)	-4.31%
CONCHO RESOURCES INC	\$ 147.44	Last (USD)	-4.20%
UNITED RENTALS INC	\$ 166.78	Last (USD)	-4.03%

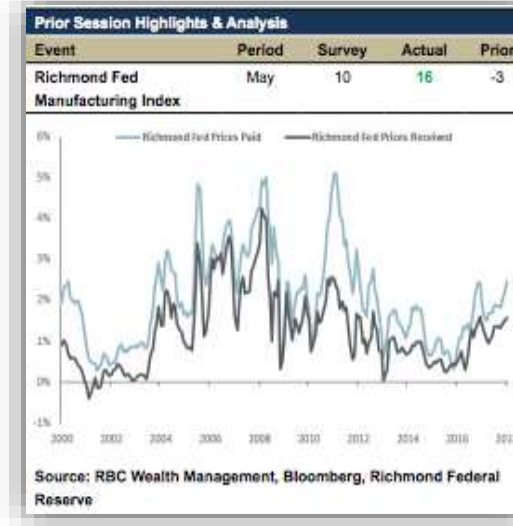
3. “Strategy and Economics” Section

1

The Key U.S. Economic Data Release chart included in the “Strategy and Economics ” section of the Global Insights, provides you with an overview of key daily events and Analyst commentary on how these events can affect the overall markets.

2

The Prior Session Highlights and Analysis chart included in the “Strategy and Economics ” section of the Global Insights, provides you with a visual explanation of the history about a specified key event and also a commentary on how the trends within this event can affect the overall outcome of the market.



3 | Global Insights Daily – Wednesday, May 23, 2018

Strategy and economics

Key developments

Key U.S. Economic Data Releases					Commentary
Event	Period	Survey	Actual	Prior	
MBA Mortgage Applications	May 18	-	-2.6%	-2.7%	New home sales are expected to have cooled a bit in April after a fairly strong start to the year. Higher mortgage rates have yet to take a material bite out of sales, with elevated home prices acting as the biggest headwind, though economists expect another positive contribution to GDP in Q2.
New Home Sales m/m	Apr	-2.1%	-	4.0%	

Source: RBC Wealth Management, Bloomberg

1

Key U.S. Economic Data Releases					Commentary
Event	Period	Survey	Actual	Prior	
MBA Mortgage Applications	May 18	-	-2.6%	-2.7%	New home sales are expected to have cooled a bit in April after a fairly strong start to the year. Higher mortgage rates have yet to take a material bite out of sales, with elevated home prices acting as the biggest headwind, though economists expect another positive contribution to GDP in Q2.
New Home Sales m/m	Apr	-2.1%	-	4.0%	

Source: RBC Wealth Management, Bloomberg

2



2

Our Thoughts

Companies slow to pass on higher costs to customers

In the only economic data release of the day, the Richmond Fed bounced back for the month of May to a level of 16 after a dismal April fell to -3 – the lowest level since 2016. Regional manufacturing readings rarely garner any attention outside of economists, but there are always little kernels of information that investors may find noteworthy. For example, the Richmond Fed publishes its sub-indices that comprise the headline reading, including how prices are trending. Today's print indicated that managers are reporting increases in both prices paid and prices received, rising 2.63% and 1.75%, respectively. Both of which are near the highest levels of the last 5 years, yet the important kernel here is that prices paid are accelerating much faster, which highlights the stickiness of company pricing to consumers. This region is essentially reporting that despite strong levels of demand in the form of new orders and shipments, input prices are rising 0.88% faster than end-prices are being raised. The chart shows that inflation peaks for consumers are often lower than for input prices, and given the level of competition in the current marketplace, companies are likely to absorb much of the impact from higher costs, keeping inflation tame relative to past cycles.

4. “Research Highlights” Section

1

In our “Research highlights” section of the Global Insights, we provide you with RBCCM Analyst information on U.S. and Canadian stocks of interest, which include research and a detailed commentary. We will also be providing you with the analyst overall recommendation for the highlighted companies.

U.S. equities

1

ExxonMobil (XOM) – \$78.42

Attempting to turn the super tanker, upgrading to Outperform

RBCCM: Outperform from Sector Perform (PT \$100 from \$90)

A combination of disappointing results and the acceleration of its investment plans has led Exxon to underperform peers significantly recently. That said, from now to 2025 RBCCM sees the potential for substantial dividend growth alongside superior returns, both of which appear underappreciated to RBCCM, so they are upgrading XOM to Outperform and raising their PT to \$100 from \$90. Exxon notes its key upstream projects should generate a 20% ROACE in a \$60/bbl environment, while the majority of its growth is also oil-linked, implying uncapped upside in a higher oil price environment. RBCCM sees Exxon's future opportunity set as one of the most attractive in the sector, and expect it to start bearing fruit from 2019.

Salesforce.com (CRM) - \$126.88

Moving Ahead

RBCCM: Outperform (PT \$146 from \$130)

RBCCM is raising estimates for revenue and EPS in FY19 and FY20, and increasing their price target to reflect the impact of the MULE acquisition consolidation and adoption of new accounting standards. Underlying growth was raised for FY19 and despite a lowering of cash flow from operations (CFFO) growth guidance for FY19, RBCCM anticipates a re-acceleration of cash flow growth in FY20 and beyond as one-times costs associated with the acquisition are digested. Underlying fundamentals were strong with the service cloud segment growing 29% y/y compared to 28% last quarter, marketing and commerce cloud grew 41% y/y compared to +33% last quarter, and the company signed the largest deal in its history during the quarter. On the negative side, billings growth of 16% was a smaller beat compared to history, FY19 CFFO guidance was less than expected, and MULE revenue didn't beat expectations.

5 | Global insight Daily - Wednesday, May 23, 2018

Research highlights

Canadian equities

SNC-Lavalin Group Inc. (SNC) – \$55.24

All the pieces coming together in 2018; valuations likely to follow higher (eventually)

RBCCM: Outperform (PT \$72 from \$70)

SNC-Lavalin announced this morning that it has reached a settlement agreement, in relation to the class actions in Quebec and Ontario that were filed in 2012 on behalf of security holders. As part of the agreement, SNC will contribute \$88MM (as opposed to the initial \$1.25B) to the settlement of both class actions. In RBCCM's view, everything is coming together for SNC-Lavalin in 2018. The class action lawsuits are being settled, the federal government is moving ahead with a DPA regime, the Champlain Bridge is tracking to targets, and the company has won several multi-billion dollar infrastructure projects.

1

BRP Inc. (DOO) – \$54.97

Five-year earnings scenarios point to ~\$80+ share price potential

RBCCM: Sector Perform (PT \$55)

RBCCM anticipates solid growth in SSVs, continued strength in PWCs, and potential for improved sales of Spyder with a lower cost entry-level product launching in Sept 2018. The Sea-Doo Spark helped BRP grow both the PWC market and BRP's share, and RBCCM anticipates further growth from both new customers and existing customers upgrading to a larger or more powerful PWC. RBCCM's base forecast projects EPS reaching \$4.71 by F2024E, a ~12% CAGR driven by revenue growth of ~5% annually. Operating margins have improved ~40bps over the past two years and RBCCM forecasts further improvement through F2024E, yielding EBITDA margins of 15.1%. Applying current target multiples to these forecasts, RBCCM sees the shares trading to ~\$80 over the next 3-4 years.

BRP Inc. (DOO) – \$54.97

Five-year earnings scenarios point to ~\$80+ share price potential

RBCCM: Sector Perform (PT \$55)

RBCCM anticipates solid growth in SSVs, continued strength in PWCs, and potential for improved sales of Spyder with a lower cost entry-level product launching in Sept 2018. The Sea-Doo Spark helped BRP grow both the PWC market and BRP's share, and RBCCM anticipates further growth from both new customers and existing customers upgrading to a larger or more powerful PWC. RBCCM's base forecast projects EPS reaching \$4.71 by F2024E, a ~12% CAGR driven by revenue growth of ~5% annually. Operating margins have improved ~40bps over the past two years and RBCCM forecasts further improvement through F2024E, yielding EBITDA margins of 15.1%. Applying current target multiples to these forecasts, RBCCM sees the shares trading to ~\$80 over the next 3-4 years.

5. “Technical Corner” Section

1 The “Technical Corner” section of the Global Insights, provides you with a detail explanation as to how a specific events can effect the Markets in the short-term, intermediate term and long-term by including research and a visual representations such as a chart to better explain key market trends .

7 | Global Insight Daily - Wednesday, May 23, 2018

Technical corner

Bob Dickey: Current market trends

1

Short-Term (Days to weeks): Rally. The market indexes have been strong over the past few weeks and have recovered about half of the decline since the peak in January. The rally has lifted many stocks and continues to favor growth stocks over the value stocks that tend to perform better when investors are more uncertain. There is a possibility that the Dow Industrials and the S&P 500 could get back to their previous highs, such as the small-cap Russell 2000 has done, but we believe there is a lot of resistance to overcome on those indexes and they may peak before that happens. We are noting what looks like the beginning of some topy patterns forming in some of the previously leading Tech names, along with some maturing trends in the recently stronger Energy stocks that could cause the markets to stall out. It does not appear to us that a major move to the upside is developing in the indexes at this time, but just another move up to the higher end of the range that has been the trend so far this year.

Intermediate-Term (Weeks to months): Neutral. The strong uptrend in the indexes during 2016 and 2017 appears to be in a consolidating range that could last several more months into year-end 2018. It is very normal for even the strongest long-term market trends to trade in a range for periods of time that allow the fundamental valuation measures to catch up to the higher stock prices, and to alleviate some of the increased bullish optimism that also becomes over-extended during long rising trends. We note in our own work that there is a general lack of concern about the potential risks and a strong desire to participate in the stocks that have already made big moves to the upside. We think that better buying opportunities are created when the mood is a lot less optimistic.

Long-Term (Four to ten years): Bullish. The Dow Industrials and the S&P have been in bull markets since 2009, and they continue to trade in rising technical channels that imply further gain potential for many more years. We continue to believe that the U.S. stock market is still in the mid-point of a longer-term secular bull market that we expect to rise until the economy and business climate become much more improved, which could still take many more years to develop. The theme of the bull market has been that of changing group rotation where different market sectors and groups do better, or worse, at various times, and we expect that kind of a cycle to continue. It is usually not until much later in the long-term trend when the market gets to the point where most groups and stocks are rising, so we think that a long-term holder of a diversified portfolio can expect to see the current trend of varied performance between different stock groups for possibly several more years within an overall bull market.

7 | Global Insight Daily - Friday, May 18, 2018

Technical corner

Bob Dickey: Rate resistance.

The trend on interest rates has been rising over the past 18 months, with the most recent move bringing the yield on the 10-year Treasury note up to the 3.1% area and to the longer-term resistance area. From here we would expect to see some kind of a consolidation or pullback in yields in more of a range over the next several months. The support area on the 10-year yield is around 2.5% for a possible range of mostly 2.5% to 3.1% that could hold for the rest of this year. A clear breakout and holding above the 3.2% level would be a stronger indication of a reversal of the long-term decline in yields, in our opinion. But as we can see on the chart, these shorter-term moves up in rates have occurred many times during the past 30 years of the declining trend in rates, and we believe it is still too early to pronounce a longer-term shift in the overall trend, despite that being a popular topic among interest rate followers.

1

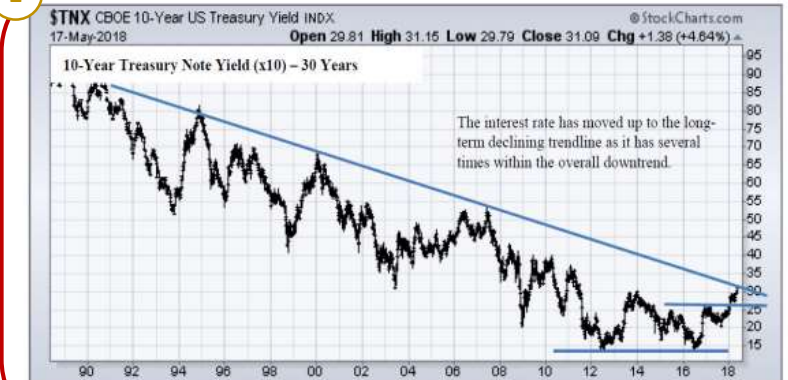


Chart courtesy StockCharts.com and RBC Wealth Management

6. "Market Snapshot" Section

8 | Global Insight Daily - Wednesday, May 23, 2018

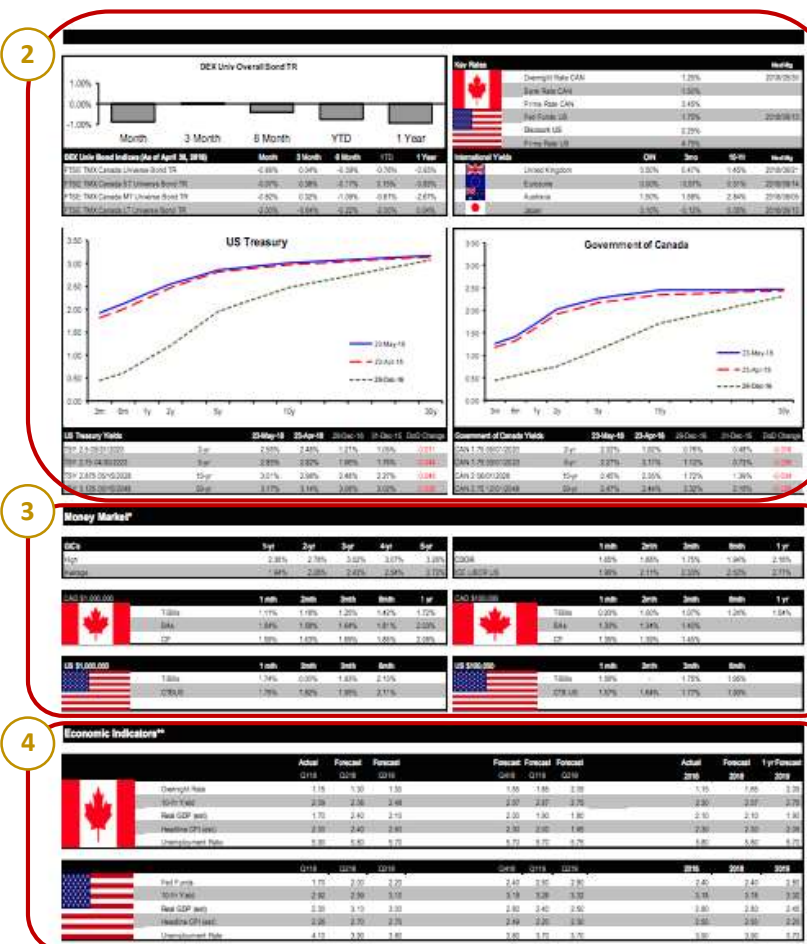
Market snapshot

Calendar of events

Date	Time	Event	Survey	Actual	Prior	Revised
05/22/2018	10:00	US Richmond Fed Manufact. Index	May	10	--	--
05/23/2018	7:00	US MBA Mortgage Applications	18-May	--	-2.70%	--
05/23/2018	9:45	US Markit US Manufacturing PMI	May P	56.5	--	56.5
05/23/2018	9:45	US Markit US Services PMI	May P	55	--	54.6
05/23/2018	9:45	US Markit US Composite PMI	May P	--	--	54.9
05/23/2018	10:00	US New Home Sales	Apr	679k	--	694k
05/23/2018	10:00	US New Home Sales MoM	Apr	-2.20%	--	4.00%
05/23/2018	10:00	US Revisions: New Homes	--	--	--	--
05/23/2018	14:00	US FOMC Meeting Minutes	02-May	--	--	--
05/24/2018	8:30	US Initial Jobless Claims	19-May	220k	--	222k
05/24/2018	8:30	US Continuing Claims	12-May	1748k	--	1707k
05/24/2018	9:00	US House Price Purchase Index QoQ	1Q	0.70%	--	1.60%
05/24/2018	9:00	US FHFA House Price Index MoM	Mar	0.60%	--	0.60%
05/24/2018	9:45	US Bloomberg Consumer Comfort	20-May	--	--	54.6
05/24/2018	10:00	US Existing Home Sales	Apr	5.55m	--	5.50m
05/24/2018	10:00	US Existing Home Sales MoM	Apr	-0.90%	--	1.10%
05/24/2018	11:00	US Kansas City Fed Manf. Activity	May	20	--	26
05/25/2018	8:30	US Durable Goods Orders	Apr P	-1.30%	--	2.60%
05/25/2018	8:30	US Durable Ex Transportation	Apr P	0.50%	--	0.10%
05/25/2018	8:30	US Cap Goods Orders Nondef Ex Air	Apr P	0.70%	--	-0.40%
05/25/2018	8:30	US Cap Goods Ship Nondef Ex Air	Apr P	0.40%	--	-0.80%
05/25/2018	10:00	US Revisions: Wholesale Trade	--	--	--	--
05/25/2018	10:00	US Revisions: Retail Sales	--	--	--	--
05/25/2018	10:00	US U. of Mich. Sentiment	May F	98.8	--	98.8
05/25/2018	10:00	US U. of Mich. Current Conditions	May F	--	--	113.3
05/25/2018	10:00	US U. of Mich. Expectations	May F	--	--	89.5
05/25/2018	10:00	US U. of Mich. 3 Yr Inflation	May F	--	--	2.80%
05/25/2018	10:00	US U. of Mich. 5-10 Yr Inflation	May F	--	--	2.50%
05/22/2018	8:30	CA Wholesale Trade Sales MoM	Mar	0.90%	--	-0.80%
05/22/2018	10:00	CA Bloomberg Names Confidence	18-May	--	--	58.2

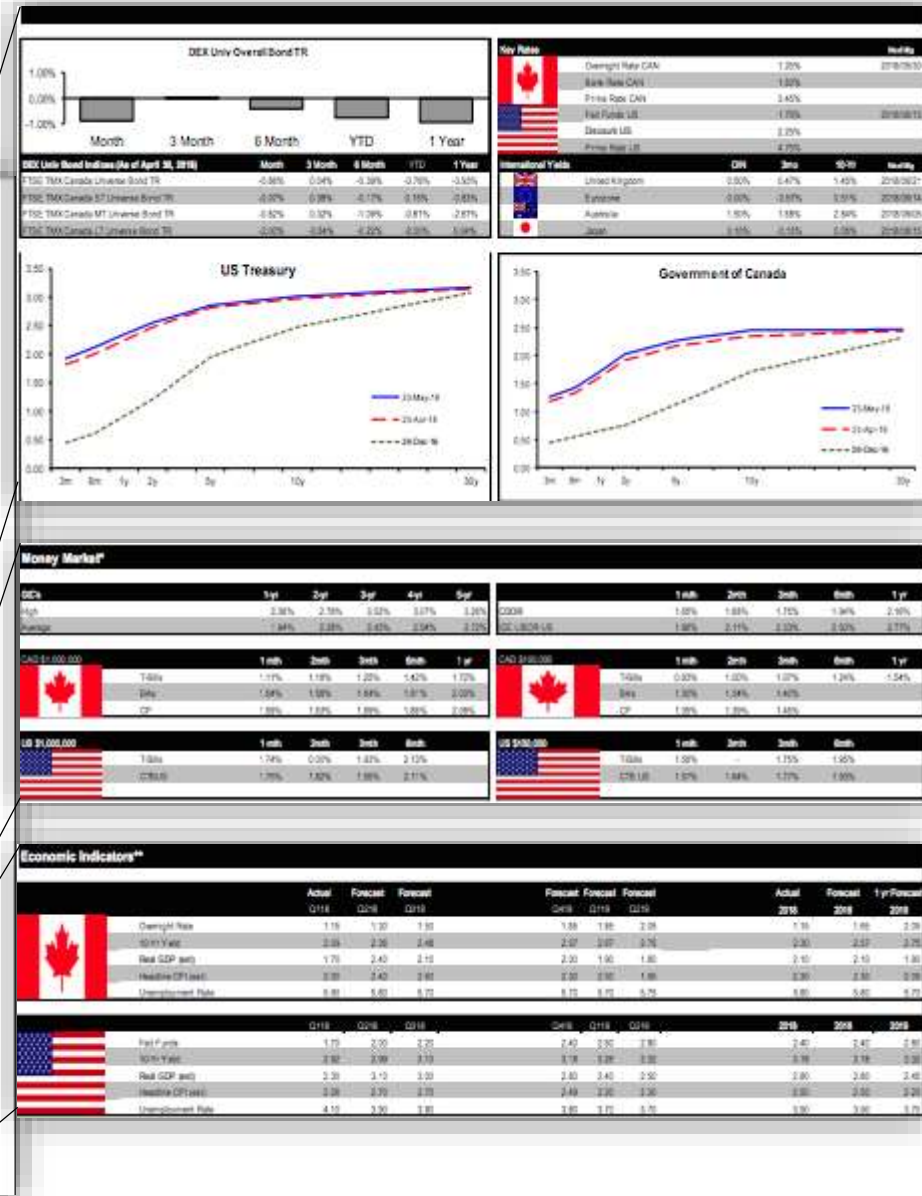
Source: Bloomberg

11 | Global Insight Daily - Wednesday, May 23, 2018



Currency	1yr	2yr	3yr	4yr	5yr
USD	1.11%	1.25%	1.50%	1.75%	2.00%
CAD	1.11%	1.25%	1.50%	1.75%	2.00%

Indicator	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
GDP	1.11%	1.25%	1.50%	1.75%	2.00%	2.25%
Unemployment	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%



Currency	1yr	2yr	3yr	4yr	5yr
USD	1.11%	1.25%	1.50%	1.75%	2.00%
CAD	1.11%	1.25%	1.50%	1.75%	2.00%

Indicator	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
GDP	1.11%	1.25%	1.50%	1.75%	2.00%	2.25%
Unemployment	4.6%	4.6%	4.6%	4.6%	4.6%	4.6%



6. “Market Snapshot” Section (2)

1

The Calendar of Events chart included in the “Market Snapshot” section of the Global Insights, provides you with an overview of important event announcements for the upcoming trading week.

2

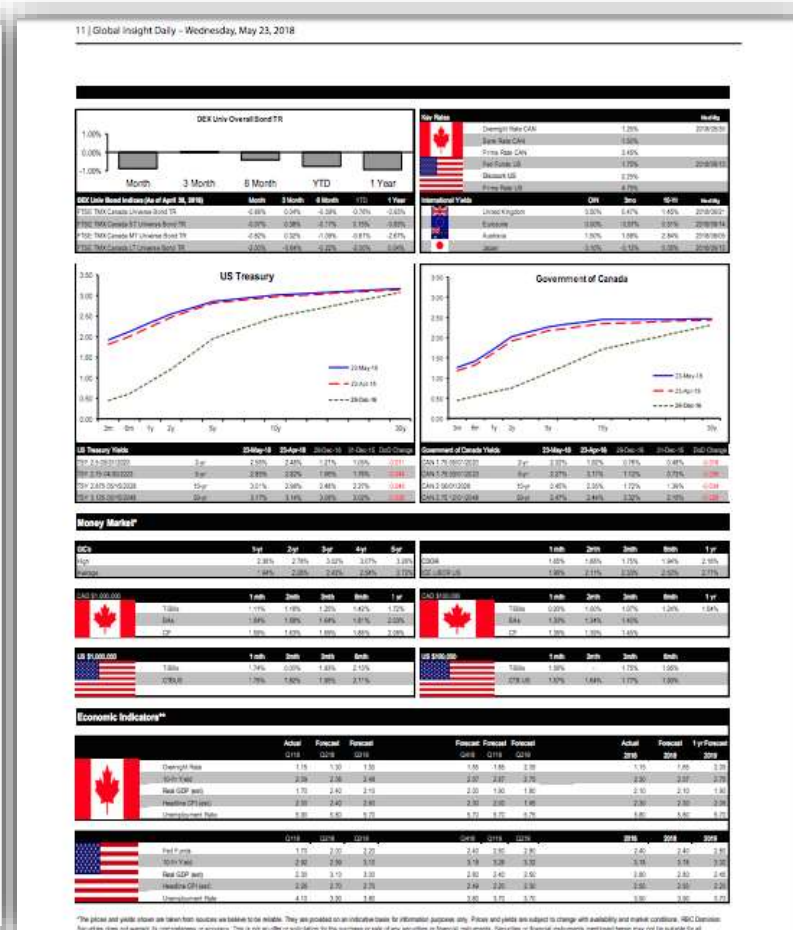
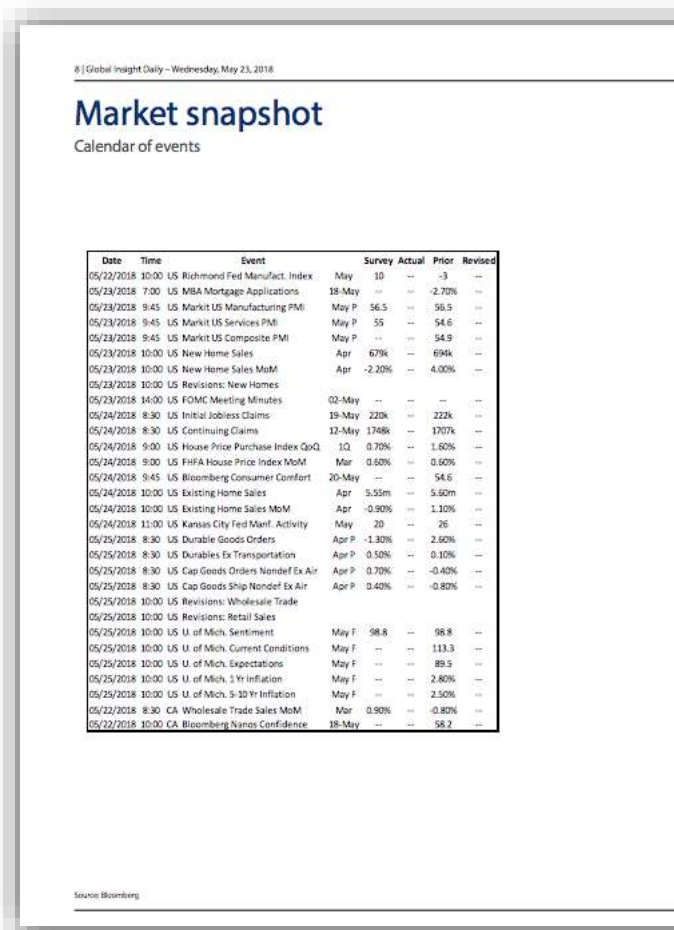
An overview of the performance of the US Treasury Yields and bonds. Furthermore, we provide an overview of the performance of the Canadian Government Yields, Key Rates and International rates.

3

An overview of the performance of GIC's and the Canadian and U.S. money markets.

4

An overview of the performance of key economic indicators in Canada and the U.S. of a specified time frame by including actual and forecasts values.



7. “Important Information” Section

1 An explanation of how our Analysts at RBC Capital Markets rating system works.

2 An overview of how RBC Capital Markets distributes the ratings, Firmwide as of a specific date.

Distribution of Ratings RBC Capital Markets, Equity Research As of 31-Mar-2018				
Rating	Count	Percent	Investment Banking Serv./Past 12 Mos.	
			Count	Percent
BUY [Top Pick/Outperform]	865	53.49	277	32.02
HOLD [Sector Perform]	667	41.25	148	22.19
SELL [Underperform]	85	5.26	7	8.24

Important information

Required disclosures

1 **Explanation of RBC Capital Markets Rating System**
An analyst's "sector" is the universe of companies for which the analyst provides research coverage. Accordingly, the rating assigned to a particular stock represents solely the analyst's view of how that stock will perform over the next 12 months relative to the analyst's sector.
Ratings:
Top Pick (TP): Represents analyst's best idea in the sector; expected to provide significant absolute total return over 12 months with a favorable risk-reward ratio.
Outperform (O): Expected to materially outperform sector average over 12 months.
Sector Perform (SP): Returns expected to be in line with sector average over 12 months.
Underperform (U): Returns expected to be materially below sector average over 12 months.
Restricted (R): RBC policy precludes certain types of communications, including an investment recommendation, when RBC is acting as an advisor in certain merger or other strategic transactions and in certain other circumstances.
Not Rated (NR): The rating, price targets and estimates have been removed due to applicable legal, regulatory or policy constraints which may include when RBC Capital Markets is acting in an advisory capacity involving the company. Risk Rating The Speculative risk rating reflects a security's lower level of financial or operating predictability, illiquid share trading volumes, high balance sheet leverage, or limited operating history that result in a higher expectation of financial and/or stock price volatility.

2 **Distribution of Ratings, Firmwide**
For purposes of disclosing ratings distributions, regulatory rules require member firms to assign all rated stocks to one of three rating categories -Buy, Hold/Neutral, or Sell-regardless of a firm's own rating categories. Although RBC Capital Markets' stock ratings of Top Pick/Outperform, Sector Perform and Underperform most closely correspond to Buy, Hold/Neutral and Sell, respectively, the meanings are not the same because our ratings are determined on a relative basis.

Distribution of Ratings RBC Capital Markets, Equity Research As of 31-Mar-2018				
Rating	Count	Percent	Investment Banking Serv./Past 12 Mos.	
			Count	Percent
BUY [Top Pick/Outperform]	865	53.49	277	32.02
HOLD [Sector Perform]	667	41.25	148	22.19
SELL [Underperform]	85	5.26	7	8.24

In the event that this is a compendium report (covers six or more subject companies), RBC Dominion Securities may choose to provide specific disclosures for the subject companies by reference. To access current disclosures, clients should send a request to RBC Dominion Securities, Attention: Manager, Portfolio Advisory Group, 155 Wellington Street West, 17th Floor, Toronto, ON M5V 3K7.

Dissemination of Research
RBC Capital Markets endeavours to make all reasonable efforts to provide research simultaneously to all eligible clients. RBC Capital Markets' equity research is posted to our proprietary websites to ensure eligible clients receive coverage initiations and changes in rating, targets and opinions in a timely manner. Additional distribution may be done by the sales personnel via email, fax or regular mail. Clients may also receive our research via third party vendors. Please contact your investment advisor or institutional salesperson for more information regarding RBC Capital Markets research.

