

Canadian Focus List



Wealth Management
Dominion Securities

The Canadian Focus List offers broad exposure to Canadian equities with a focus on companies with a track record of value creation for shareholders. It is a concentrated list of at least 20 stocks of high-quality companies diversified across sectors. The List is the result of collaboration between RBC Capital Markets and RBC Wealth Management’s Portfolio Advisory Group.

Objective

- This List is designed for investors seeking core exposure to a diversified basket of high-quality Canadian companies, whose stocks have the potential for capital appreciation over time.
- The constituents in the List aim to deliver long-term performance in excess of the S&P/TSX, while also maintaining a lower level of risk.
- The Investment Committee structures the List to fit the outlook for the economy, capital markets, and sectors.

Portfolio management

- On a quarterly basis, a top-down analysis of the economy, markets, and various sectors is undertaken to ensure the List’s sector allocation is aligned with the current outlook.
- Stocks are screened by the Investment Committee via a model that incorporates quantitative, technical, and fundamental analysis to identify quality businesses trading at reasonable valuations.
- The Investment Committee then considers each stock relative to factors such as strength of management, robustness of business model, potential to pay and grow dividends, and suitability in the context of a concentrated portfolio.
- The List consists of positions at either a full weight of 5% or a half weight of 2.5%.
- Reasons for List changes include, but are not limited to, changes in fundamental, quantitative, and/or technical factors, sector views, and gaps between what the Investment Committee views as the intrinsic value versus market value of the business.



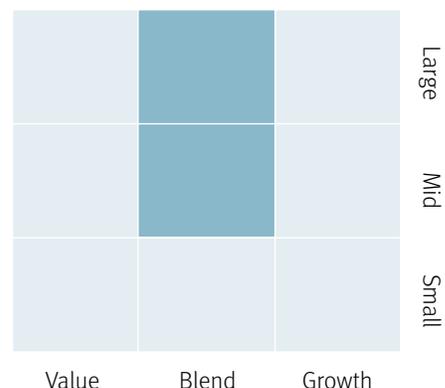
Target exposure to world regions

Americas Greater Europe Greater Asia



■ Core markets ■ Non-target markets

Market cap vs. style matrix

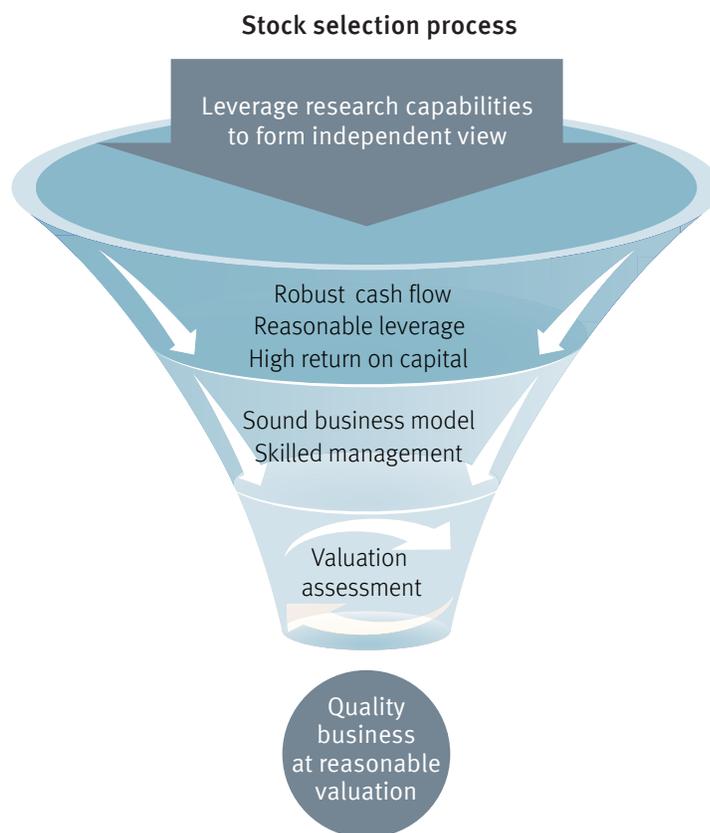


Risk profile

- This List is geared for investors with a moderate risk profile. The List will carry individual stock selection and sector weighting risks typical of a concentrated portfolio.
- Given the investment process, the sector composition may at times differ materially from the benchmark. Thus, investors should expect to experience some volatility relative to the broader market.

Benefits

- **Consistent and disciplined approach to investing:** Constituents in the List are selected and monitored on an ongoing basis via a consistent and disciplined approach by the Investment Committee.
- **Simplified:** The List is concentrated in nature, which can result in lower turnover, creating potential tax benefits for investors.
- **Transparency:** Quarterly reports will be published that analyze the List, update specific positions, and review the List's performance and positioning.



The Canadian Focus List Investment Committee consists of:

Neil Downey

Managing Director, RBC Capital Markets, LLC

Walter Spracklin

Managing Director, RBC Capital Markets, LLC

Jim Allworth

Portfolio Strategist, RBC Dominion Securities Inc.

Dominick Hardy

Senior Portfolio Manager, RBC Dominion Securities Inc.

Tim Corney

Portfolio Manager, RBC Dominion Securities Inc.

Patrick McAllister

Portfolio Advisor, RBC Dominion Securities Inc.

Bish Koziol

Senior Associate, Quantitative Research, RBC Capital Markets, LLC

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