RBC Global Asset Management

RBC QUBE FUNDS

OFFERING MEMORANDUM

Confidential Offering Memorandum dated March 16, 2018

Offering Series A, Series F and Series O units of the following RBC QUBE Funds®

RBC QUBE 120/20 Canadian Equity Fund

RBC QUBE Market Neutral Canadian Equity Fund

RBC QUBE Market Neutral World Equity Fund

RBC QUBE Market Neutral World Equity Fund (CAD Hedged)

This Offering Memorandum (this "Offering Memorandum") constitutes an offering of securities described herein, on a private placement basis only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. This Offering Memorandum is provided to specific prospective investors for the purpose of assisting them and their professional advisers in evaluating the securities offered hereby and is not, and under no circumstances is to be construed as, a prospectus or advertisement or public offering of such securities relating to a distribution of the securities described herein. No securities commission or similar regulatory authority has in any way passed upon the merits of the securities offered hereunder nor has reviewed this Offering Memorandum and any representation to the contrary is an offence. No person is authorized to give any information or make any representation not contained in this Offering Memorandum in connection with the offering of these securities and if given or made, any such information or representation may not be relied upon. The securities described herein are not "deposits" within the meaning of the Canada Deposit Insurance Corporation Act, are not insured under the provisions of that Act or any other legislation, and are not guaranteed. Under applicable laws, resale of the units will be subject to indefinite restrictions, other than through redemption of the units or another available exemption.

Potential investors should pay particular attention to the information under the heading "General information about the RBC QUBE Funds – Specific risks in respect of the RBC QUBE Funds" in this Offering Memorandum. An investment in the funds requires the financial ability and willingness to accept certain risks. No assurance can be given that the investment objective of the funds will be achieved or that investors will receive a return of their capital.

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Summary

Prospective investors are encouraged to consult their own professional advisers as to the tax and legal consequences of investing in the RBC QUBE Funds® (each, a "Fund" or an "RBC QUBE Fund" and collectively, the "Funds" or the "RBC QUBE Funds"). The following is a summary only and is qualified by the more detailed information contained in this Offering Memorandum. Capitalized terms used in this summary have the same meaning assigned to them in the body of this Offering Memorandum.

The RBC QUBE Funds	The RBC QUBE Funds are a group of equity funds that are managed using a quantitative investment process. Each Fund is established as a trust under the laws of the Province of British Columbia by an amended and restated master trust agreement (alternative funds) dated as of September 1, 2017 between the Manager and the trustee, RBC Investor Services Trust (as amended from time to time, the "Trust Agreement").
The Manager	RBC Global Asset Management Inc. ("RBC GAM") is the manager and principal portfolio adviser of the Funds. RBC GAM's head office is located in Toronto, Ontario. Please see *Organization and management of the Funds – The Manager* later in this document for more information.
Investment Objectives of each of the RBC QUBE Funds	*RBC QUBE 120/20 Canadian Equity Fund*: The fundamental investment objective of the Fund is to provide long-term capital appreciation by investing primarily in equity and equity-like securities of Canadian issuers. *RBC QUBE Market Neutral Canadian Equity Fund*: The fundamental investment objective of the Fund is to provide consistent absolute returns that are substantially independent of the performance of the Canadian equity market. *RBC QUBE Market Neutral World Equity Fund:* The fundamental investment objective of the Fund is to provide consistent absolute returns that are substantially independent of the performance of the global equity market. *RBC QUBE Market Neutral World Equity Fund (CAD Hedged):* The fundamental investment objective of the Fund is to provide consistent absolute returns that are substantially independent of the performance of the global equity market by investing primarily in units of the RBC QUBE Market Neutral World Equity Fund, while seeking to minimize exposure to currency fluctuations between the U.S. and Canadian dollars. Please see *Specific information about each of the RBC QUBE Funds* later in this document for more information.
Risk Factors	Investors should consider a number of factors in assessing the risks associated with investing in units of the Funds. **An investment in the Fund may be considered to be speculative.** Please see *Specific risks in respect of the RBC QUBE Funds* later in this document for more information.

Canadian Federal Income Tax Considerations	Each unitholder of a Fund will be required to include in computing its income for a particular year the portion of the net income, and the net realized taxable capital gains of the Fund for the year distributed to the unitholder (including such amounts distributed or on the redemption of units), whether those amounts are distributed in cash or reinvested in additional units. A prospective unitholder should carefully consider all of the potential tax consequences of an investment in units of a Fund and should consult with their tax adviser before subscribing for units of a Fund. Please see *Income tax considerations for investors* later in this document for more information.
Eligibility for Investment	Units of the Funds are qualified investments and are permitted to be held in trusts governed by registered retirement savings plans ("RRSPs"), registered retirement income funds ("RRIFs"), deferred profit sharing plans ("DPSP"), registered education savings plans ("RESPs"), registered disability savings plans ("RDSPs") or tax-free savings accounts ("TFSAs"). Please see *Income tax considerations for investors* later in this document for more information.
The Offering	Each of the Funds offers Series A, Series F and Series O units. Units of a Fund are offered pursuant to certain exemptions from the prospectus requirements of the securities legislation of the provinces and territories of Canada. Subscribers for units of a Fund will be required to execute an investment management agreement or a subscription agreement with RBC GAM, and may be required to execute such certificates and other documents as RBC GAM may reasonably require to evidence their eligibility and entitlement to rely on such exemptions. Units of the Funds are not available for purchase by non-residents of Canada. Each Fund reserves the right to discontinue the offering of units at any time and from time to time. Pursuant to applicable securities legislation, a report of an exempt trade must be filed with securities regulatory authorities that identifies investors, and the Fund will pay regulatory fees based on the amount invested. Please see *Purchasing units of the Funds* and *Reliance on prospectus exemptions and certain required disclosure* later in the document for more information.
Purchases and Redemptions	The Funds may only be purchased on a weekly basis on the second valuation day of each week, upon written notice being delivered to us by a cut-off time of 1:00 p.m. (Pacific Time) on the last valuation day of the preceding week. Please see *Purchasing units of the Funds* later in this document for more information. Subject to certain restrictions described in this document, units of the Funds may only be redeemed on a weekly basis on the second valuation day of each week, upon written notice being delivered to us by a cut-off time of 1:00 p.m. (Pacific Time) on the last valuation day of the preceding week. There are no charges for redeeming units of any Funds. RBC GAM may, in its sole discretion and in compliance with applicable

securities laws, make payment of some or all of the redemption proceeds by making good delivery to the unitholder of portfolio securities of a Fund.

Please see *Redeeming units of the Funds* later in this document for more information.

Fees and Expenses

Management fees - The Funds do not pay us a management fee with respect to Series O units. Investors who are eligible to purchase Series O units pay a negotiated fee directly or indirectly to us for investment counselling services.

The RBC QUBE 120/20 Canadian Equity Fund and the RBC QUBE Market Neutral Canadian Equity Fund will pay a management fee to the Manager of 1.85% per annum of the series net asset value of the Series A units of the Funds and 0.85% per annum of the series net asset value of the Series F units of the Funds.

The RBC QUBE Market Neutral World Equity Fund and the RBC QUBE Market Neutral World Equity Fund (CAD Hedged) will pay a management fee to the Manager of 2.00% per annum of the series net asset value of the Series A units of the Funds and 1.00% per annum of the net asset value of Series F units of the Funds.

Operating Expenses and administration fees – We pay certain operating expenses of the Funds. These expenses include regulatory filing fees and other day to day operating expenses including, but not limited to, recordkeeping, accounting and fund valuation costs, custody fees, audit and legal fees and the costs of preparing and distributing annual and interim financial reports, statements and investor communications, if any. In return, as of the date of this document, in connection with Series A, Series F and Series O units of a Fund, the Fund is expected to pay us a fee of 0.02% per annum of the series net asset value of the applicable series of units.

Sales Commissions – Your dealer may charge you a fee for buying units of the Funds. These fees are negotiated between you and your dealer.

Please see *"Fees and Expenses"* later in this document for more information.

Currency

Units of the Funds, other than the RBC QUBE Market Neutral World Equity Fund, are offered, and distributions and redemption proceeds applicable to the Funds, other than the RBC QUBE Market Neutral World Equity Fund, are paid, only in Canadian dollars. Units of the RBC QUBE Market Neutral World Equity Fund are offered, and distributions and redemption proceeds applicable to the RBC QUBE Market Neutral World Equity Fund are paid, only in U.S. dollars.

The net asset value of a Fund, other than the RBC QUBE Market Neutral World Equity Fund, is calculated in Canadian dollars. The net asset value of the RBC QUBE Market Neutral World Equity Fund is calculated in U.S. dollars.

Minimum Investment

As of the date of this Offering Memorandum, the minimum initial investment for any series of units of a Fund is CAD$25,000 (or the U.S. dollar equivalent thereof, for the RBC QUBE Market Neutral World Equity Fund), and the minimum subsequent investment is CAD$5,000 (or the U.S. dollar equivalent thereof, for the RBC QUBE Market Neutral World

Equity Fund).

Unit Certificates

No certificates for units of any of the Funds will be issued.

Statutory Rights

Investors resident in certain provinces and territories of Canada are entitled to the benefit of certain statutory rights of action.

Please see *What are your legal rights?* and *Schedule A - Purchasers' rights of action for damages or rescission* later in this document for more information.

Introduction

This confidential offering memorandum (this "Offering Memorandum") contains important information to help you make an informed investment decision and understand your rights as an investor in the RBC QUBE Funds®.

In this Offering Memorandum, "you" and "your" mean the investor, and "we", "us", "our", the "Manager" and "RBC GAM" mean RBC Global Asset Management Inc. In this Offering Memorandum, we refer to the RBC QUBE 120/20 Canadian Equity Fund, the RBC QUBE Market Neutral Canadian Equity Fund, the RBC QUBE Market Neutral World Equity Fund and the RBC QUBE Market Neutral World Equity Fund (CAD Hedged) collectively, as the "Funds" or the "RBC QUBE Funds" and to each of them as a "Fund" or a "RBC QUBE Fund". In this Offering Memorandum, we refer to the RBC QUBE Market Neutral Canadian Equity Fund, the RBC QUBE Market Neutral World Equity Fund and the RBC QUBE Market Neutral World Equity Fund (CAD Hedged) collectively, as the "Market Neutral Funds" and to each of them as a "Market Neutral Fund". In this Offering Memorandum, "Business Day" means any day on which the Toronto Stock Exchange is open for business.

Additional information about the Funds will be available in the annual financial statements of the Funds and any interim financial statements of the Funds prepared thereafter. These financial statements are available from us upon request.

Unless otherwise specifically stated, all dollar amounts in this Offering Memorandum are stated in Canadian dollars, except when dollar amounts are used in connection with the RBC QUBE Market Neutral World Equity Fund, for which all dollar amounts are stated in U.S. dollars.

RBC GAM is the manager of the Funds and an indirect wholly owned subsidiary of Royal Bank of Canada.

General Information about the RBC QUBE Funds

The RBC QUBE Funds are a group of equity funds managed by RBC GAM using a quantitative investment process. Please see *The quantitative strategy used to manage the RBC QUBE Funds* later in this document for more information.

What is an investment fund?

An investment fund is an investment vehicle that invests assets into a portfolio of financial instruments such as stocks, bonds and other securities. Investment funds offer investors the chance to have a professionally managed and diversified basket of financial instruments.

When you invest in an investment fund, you are combining your money with that of other investors. We use this pool of money to buy a wide variety of investments on behalf of the entire group of investors. We follow a set of guidelines outlined in the investment objectives and investment strategies of each of the Funds that are described below under *What does the Fund invest in?* in respect of each Fund.

The Funds are sold in units, which are issued in series. Each unit of a series represents an undivided share of a Fund's net assets, equal to the share of every other unit of the series. There is no limit to the number of units a Fund can issue. However, a Fund may be closed to new investors from time to time.

What are the risks of investing in an investment fund?

There is no such thing as risk-free investing. For investors, risk is the possibility of losing money or not making any money. The same is true with investment funds. The value of the investment fund may change every day, reflecting changes in interest rates, economic conditions, financial markets and company news. Therefore, when you redeem your units in the investment fund, you may receive less than the full amount you originally invested. The full amount of your investment in an investment fund is not guaranteed. Unlike bank accounts or guaranteed investment certificates, investment fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

One risk of an investment fund is that, in exceptional circumstances, requests to redeem units of the investment fund may not be accepted or delivery of redemption proceeds may be delayed.

The value of an investment fund is directly related to the value of the investments held by the fund. The value of the investments in the investment fund can change due to, among other things, general market conditions, political and economic developments.

It is very important that you be aware of the risks associated with the RBC QUBE Funds and their relative returns over time. The principal risks that may be associated with investing in the Funds are described below.

Specific risks in respect of the RBC QUBE Funds

An investment in the RBC QUBE Funds is not intended as a complete investment program for an investor. We strongly recommend that you consult with an experienced adviser prior to investing.

The Funds are not subject to the disclosure requirements or investment restrictions applicable to publicly offered investment funds, which includes limits on such investment funds' ability to concentrate investments and engage in short selling, among other restrictions.

Investment funds own different types of investments, depending on their investment objectives.

Any reference to a Fund in this section is, with respect to the RBC QUBE Market Neutral World Equity Fund (CAD Hedged), intended to also refer to the securities of the underlying RBC QUBE Market Neutral World Equity Fund in which the RBC QUBE Market Neutral World Equity Fund (CAD Hedged) will invest.

The principal risks associated with an investment fund are the same risks that affect the value of the investments held by that fund.

The particular risks associated with each of the RBC QUBE Funds are described under each Fund description in the section *Specific information about each of the RBC QUBE Funds* later in this document. The principal risks that may be associated with investing in the Funds are outlined below in alphabetical order.

Concentration risk

There are risks associated with any investment fund that concentrates its investments in a particular issuer or issuers. Concentrating investments allows a Fund to focus on a particular issuer's potential, but it also means that the value of the Fund tends to be more volatile than the value of a more diversified fund because the concentrated Fund's value is affected more by the performance of that particular issuer.

Currency risk

A Fund may be exposed to currency exchange risk where the assets and income are denominated in currencies other than the reference currency of the Fund. Changes in exchange rates between currencies or the conversion from one currency to another may cause the value of a Fund's investments to decline or increase. Currency exchange rates may fluctuate significantly over short periods of time. They are generally determined by supply and demand in the currency exchange markets and the relative merits of investment in different countries, actual or perceived changes in interest rates and other complex factors. Currency exchange rates can also be affected unpredictably by intervention (or failure to intervene) by governments or central banks, or by currency controls or political developments.

A Fund may enter into currency exchange transactions in an attempt to protect against changes in a country's currency exchange rates. A Fund may enter into forward contracts to hedge against a change in such currency exchange rates that would cause a decline in the value of existing investments denominated or principally traded in a currency other than the reference currency of that Fund. To do this, the Fund would enter into a forward contract to sell the currency in which the investment is denominated or principally traded in exchange for the reference currency of the Fund.

Although these transactions are intended to minimise the risk of loss due to a decline in the value of the hedged currency, at the same time they limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the forward contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the forward contract is entered into and the date when it matures. Therefore, the successful execution of a hedging strategy which matches exactly the profile of the investments of a Fund cannot be assured.

For the RBC QUBE Market Neutral World Equity Fund, the Canada Revenue Agency ("CRA") requires that capital gains and losses be reported in Canadian dollars. As a result, when you redeem units in a U.S. dollar denominated mutual fund, you need to calculate gains or losses based on the Canadian dollar value of your units when they were purchased and sold. Additionally, if the RBC QUBE Market Neutral World Equity Fund distributes any income as cash, it will be distributed in U.S. dollars but must be reported in Canadian dollars for Canadian tax purposes. Consequently, all investment income will be reported to you in Canadian dollars for income tax purposes.

In each of the cases above, changes in the value of the Canadian dollar relative to the U.S. dollar may affect your income tax payable. You may want to consult your tax adviser.

Currency hedging risk – RBC QUBE Market Neutral World Equity Fund (CAD Hedged)

The RBC QUBE Market Neutral World Equity Fund (CAD Hedged) will enter into currency exchange transactions intended to hedge against the fluctuations of the U.S. dollar relative to the Canadian dollar. However, there is no guarantee that the use of derivatives will fully protect the Fund's assets against losses from exposure to the U.S. dollar. The use of derivatives to protect the Fund against a rise in the value of the Canadian dollar relative to the U.S. dollar will not eliminate the fluctuations in the price of portfolio securities nor prevent losses should the prices of portfolio securities decline. These strategies will also limit the opportunity for gain as a result of an increase in the value of the U.S. dollar relative to the Canadian dollar.

Cyber security risk

As the use of technology has become more prevalent in the course of business, mutual funds like the Funds have become potentially more susceptible to operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause a Fund to lose proprietary information or other information subject to privacy laws, suffer data corruption, or lose operational capacity. This in turn could cause a Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Cyber security breaches may involve unauthorized access to a Fund's digital information systems (e.g., through "hacking" or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). In addition, cyber security breaches of a Fund's third-party service providers (e.g., administrators, transfer agents, custodians and sub-advisors) or of issuers that a Fund invests in can also subject a fund to many of the same risks associated with direct cyber security breaches. Like with operational risk in general, the Funds have established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially since the Funds do not directly control the cyber security systems of issuers or third-party service providers.

Foreign market risk

Foreign investments are affected by global economic factors. There is often less information available about foreign companies and many countries have less stringent accounting, auditing and reporting standards than we do in Canada, or lower standards of government supervision and regulation. Some foreign stock markets have less trading volume, which may make it more difficult to sell an investment or may make prices more volatile. Certain countries may also have foreign investment or exchange laws that make it difficult to sell an investment or may impose withholding or other taxes that could reduce the return on the investment. Different financial, political and social factors could hurt the value of foreign investments. Investments in foreign markets may be subject to change in currency exchange rates, the imposition of taxes or the expropriation of assets.

Pursuant to U.S. tax rules, unitholders of the Funds may be required to provide identity and residency information to the Funds, which may be provided by the funds to U.S. tax authorities in order to avoid a U.S. withholding tax being imposed on U.S. and certain non-U.S. source income and proceeds of disposition received by the Funds or on certain amounts (including distributions) paid by the Funds to certain unitholders.

Large unitholder risk

The securities of a Fund may be held in significant percentages by an investor, including by another RBC QUBE Fund. In order to meet purchase and redemption requests by the investor, the Fund may have to alter its holdings significantly and purchase or sell investments at unfavourable prices and incur capital gains and transaction costs, which can reduce the returns of the Fund.

Liquidity risk

Liquidity refers to the speed and ease with which an asset can be bought or sold and converted into cash. Some securities are inherently less liquid than others due to the nature of the security, the demand for the security and the extent to which the market for the security is developed. In addition, in highly volatile markets, certain securities may become less liquid, which further limits their ability to be bought and sold quickly at an acceptable price. Some securities may be illiquid because of legal restrictions or the nature of the investment, or due to certain features like guarantees or a lack of buyers interested in the particular security or market. Difficulty in selling securities may result in higher volatility, a loss or reduced return for a Fund.

Please see *Purchases, switches and redemptions – Net asset value* and *Purchases, switches and redemptions - Redeeming units of the Funds* later in this document for more information.

Legal, tax and regulatory risk

Legal, tax and regulatory changes to laws or administrative practice could occur during the term of the Fund which may adversely affect the Funds. Interpretation of the law or administrative practice may affect the characterization of a Fund's earnings as capital gains or income which may increase the level of tax borne by investors as a result of increased taxable distributions from the Fund. There can be no assurance that Canadian federal income tax laws and administrative policies and assessing practices of the CRA will not be changed in a manner that adversely affects the unitholders of a Fund.

Leverage risk

The investment strategy of each of the Funds involves the use of leverage through the implementation of short selling strategies. For every $1 that the Funds invest long in securities the Funds believe will outperform, the Funds will hold some percentage of short positions in securities the Funds believe will underperform. While the net exposure of a particular strategy that employs short selling may be less than or equal to an equivalent unlevered strategy, the use of leverage can magnify the impact of losses within a strategy as well as amplify its potential gains.

Market risk

Market risk is the risk of being invested in the equity markets. The market value of a Fund's investments will rise and fall based on specific issuer developments and broader market conditions. Market value will also vary with changes in the general economic and financial conditions in countries or sectors in which the investments are based. These factors may affect the level and volatility of securities prices and the liquidity of a Fund's investments. Unexpected market events, volatility or illiquidity may impair a Fund's profitability or result in losses.

Quantitative investment strategy risk

The Funds are managed using a quantitative investment process, which is an investment style in which mathematical or statistical models are used as inputs for investment decisions.

Quantitative investment strategies use complex statistical models in an effort to control portfolio-level risk and to select individual stocks. Rigorous risk control and a disciplined approach to stock selection are defining characteristics of quantitative investment strategies. Although these are generally considered positive characteristics, they also introduce unique risks. The mathematical and statistical models that guide risk control and disciplined stock selection are reliant on historical data. When markets behave in an unpredictable manner, quantitative models can generate unanticipated results that may impact the performance of a Fund. Please see *The quantitative strategy used to manage the*

RBC QUBE Funds later in this document for more information.

Risks of using derivatives

The RBC QUBE 120/20 Canadian Equity Fund and the RBC QUBE Market Neutral Canadian Equity Fund do not currently intend to use derivative instruments as a strategy for achieving their investment objectives. The RBC QUBE Market Neutral World Equity Fund and the RBC QUBE Market Neutral World Equity Fund (CAD Hedged) may use derivatives for hedging purposes (e.g., for currency hedging, see 'Currency hedging risk' above) or for non-hedging purposes (e.g., as a substitute for direct investment, to generate income) The Manager reserves the right to use these investment techniques without prior notice to achieve a Fund's investment objectives.

A derivative is a type of investment whose value is derived from the performance of other investments or from the movement of exchange rates or market indices. There are many different types of derivatives – they usually take the form of a contract to buy or sell a specific commodity, currency, stock or market index.

Derivatives have their own special risks. Here are some of the common ones associated with derivatives that may be used by the Funds:

- Using derivatives for hedging may not always work and it could limit a Fund's potential to make a gain;
- Using derivatives for non-hedging does not protect a Fund from a decline in the value of the underlying security, currency or market for which the derivative is a substitute;
- Costs relating to entering, maintaining and unwinding derivatives contracts may reduce the returns of a Fund;
- The price of a derivative may not accurately reflect the value of the underlying currency or security;
- There is no guarantee that a Fund can close out a derivative contract when it wants to. For example, if a stock exchange imposes trading limits, it could affect the ability of a Fund to close out its position in derivatives. This type of event could prevent a Fund from making a profit or limiting its losses; and
- The other party to a derivative contract, known as the counterparty, may not be able to live up to its agreement to complete the transaction. In general, credit ratings are relied on as indications of the ability of the other party to live up to its agreement. In the event of a bankruptcy or insolvency of the counterparty, collateral posted by the mutual Fund to secure obligations of the Fund pursuant to derivatives contracts may be difficult to recover. During the recovery process, the collateral posted may fluctuate in value.

Risks of using a prime broker to hold assets

All or a portion of the assets of the Funds may be held with the prime broker for such Funds for certain brokerage, settlement, custodial, clearance and other services in connection with such transactions. Some or all of the assets of the Funds may be held in one or more margin accounts due to the fact that these Funds will use leverage and may engage in short selling. The margin accounts may provide less segregation of customer assets than would be the case with a more conventional custody arrangement. The applicable prime broker may also lend, pledge or hypothecate the assets of these Funds in such accounts, which may result in a potential loss of such assets. As a result, the assets of such Funds may be frozen and inaccessible for withdrawal or subsequent trading for an extended period of time if the prime broker experiences financial difficulty. In such case, these Funds may experience losses due to insufficient assets at the prime broker to satisfy the claims of its creditors, and adverse market movements while its positions cannot be traded. In addition, the prime broker is unlikely to be able to provide leverage to the Funds, which may adversely affect the returns of these Funds.

Series risk

Each Fund currently offers multiple series of units. Each series has its own fees and expenses, which are tracked separately. Those expenses will be deducted in calculating the unit value for that series, thereby reducing its unit value. If one series is unable to pay its expenses or liabilities, the assets of the other series will be used to pay those expenses or liabilities. As a result, the unit price of the other series may also be reduced. Please see *Purchases, switches and redemptions* and *Fees and expenses* later in this document for more information.

Short sale risk

The Funds engage in short sale transactions. A short sale occurs when a Fund borrows securities from a lender and sells them on the open market. The Fund must repurchase the securities at a later date in order to return them to the lender. In the interim, the proceeds from the short sale transaction are deposited with the lender and the Fund pays interest to the lender on the borrowed securities. If the Fund repurchases the securities later at a lower price than the price at which it has sold the borrowed securities on the open market, a profit will result. However, if the price of the borrowed securities rises, a loss will result.

There are risks associated with short selling; namely, that the borrowed securities will rise in value or not decline sufficiently in value to cover the Fund's costs, or that market conditions will cause difficulties in the sale or repurchase of the securities. In addition, the lender from whom the Fund has borrowed securities may become bankrupt before the transaction is complete, causing the borrowing Fund to forfeit the collateral it deposited when it borrowed the securities.

The Funds must adhere to controls and limits in order to counteract these risks by limiting the amount of exposure for short sales, and only short selling securities for which there is expected to be a consistent liquid market. The Funds will only borrow up to certain limits, and only from lenders that meet criteria to establish their creditworthiness.

Organization and Management of the RBC QUBE Funds

Role	Service provided
Manager RBC Global Asset Management Inc. Toronto, Ontario	RBC Global Asset Management Inc. (“RBC GAM”) is the manager and principal portfolio adviser of the Funds.
Portfolio adviser RBC Global Asset Management Inc.	As principal portfolio adviser, we manage the investment portfolio of the Funds.
Trustee RBC Investor Services Trust Toronto, Ontario	As trustee, RBC Investor Services Trust (“RBC Investor Services”) holds title to securities owned by the Funds on behalf of the unitholders with responsibility to act in the best interest of unitholders. RBC Investor Services is a wholly-owned subsidiary of Royal Bank of Canada.
Prime Brokers and Custodians RBC Dominion Securities Inc. Toronto, Ontario Credit Suisse Securities (USA) LLC New York, New York The Bank of Nova Scotia Toronto, Ontario RBC Investor Services Trust Toronto, Ontario	RBC Dominion Securities Inc. (“RBC DS”) has been designated by the RBC QUBE 120/20 Canadian Equity Fund and the RBC QUBE Market Neutral Canadian Equity Fund as their prime broker for certain brokerage, settlement, custodial, clearance and other services in connection with such transactions. RBC DS will also provide margin lending to these Funds. RBC DS is an affiliate of RBC GAM and the Royal Bank of Canada. Credit Suisse Securities (USA) LLC (“CSSU”) and The Bank of Nova Scotia (“Scotia”) have been designated by the RBC QUBE Market Neutral World Equity Fund as its prime broker for certain brokerage, settlement, custodial, clearance and other services in connection with such transactions. CSSU and Scotia will also provide margin lending to this Fund. Each Fund may designate additional or replacement prime brokers from time to time. As custodian for the RBC QUBE 120/20 Canadian Equity Fund, the RBC QUBE Market Neutral Canadian Equity Fund and the RBC QUBE Market Neutral World Equity Fund, RBC DS, CSSU, or Scotia, as the case may be, holds the cash and investments of the applicable Fund(s) in safekeeping on their behalf. RBC Investor Services Trust acts as custodian to the RBC QUBE Market Neutral World Equity Fund (CAD Hedged).
Registrar RBC Global Asset Management Inc. Vancouver, British Columbia RBC Investor Services Trust Toronto, Ontario	RBC GAM’s Vancouver office and RBC Investor Services will process all the purchases and redemptions of units of the Funds, keep a register of all investors, and issue investor statements and annual tax slips for unitholders.

Auditors PricewaterhouseCoopers LLP Toronto, Ontario	As auditors, PricewaterhouseCoopers LLP provides assurance that the Funds' annual financial statements present fairly, in all material respects, its financial position and results of operations in accordance with Canadian generally accepted accounting principles.
Independent Review Committee	The Independent Review Committee acts as the independent review committee that the Funds and other funds managed by RBC GAM are required to have pursuant to National Instrument 81-107 – *Independent Review Committee For Investment Funds* ("NI 81-107"). The Independent Review Committee also provides independent oversight as required under certain exemptive relief for certain transactions by certain non-prospectus funds (like the Funds) managed by RBC GAM. The Independent Review Committee also provides advice to RBC GAM on other issues relating to the management of the Funds. The Independent Review Committee is currently composed of seven members. Each member is independent from RBC GAM, the Funds and the entities related to RBC GAM. The Independent Review Committee prepares, at least annually, a report of its activities for you, which is available on our website at www.rbcgam.com or at your request and at no cost by calling us toll free at 1-800-463-FUND (3863) (English) or 1-800-668-FOND (3663) (French) or by emailing us at funds.investments@rbc.com (English) or fonds.investissements@rbc.com (French). Please see *Additional information – Regulatory relief* and *Additional information – Recordkeeping, disclosure and Independent Review Committee involvement* later in this document for more information.

Specific Information about Each of the RBC QUBE Funds

This section provides you with additional information that will help you understand the description of each of the RBC QUBE Funds that appears on the following pages.

The quantitative strategy used to manage the RBC QUBE Funds

The RBC QUBE Funds are a group of equity funds that are managed using a custom quantitative investment model (the "Model") designed to detect buy or sell signals and arbitrage opportunities when asset prices and returns deviate from pre-defined "normal" random distribution laws. Compared to purely qualitative investment approaches, the Model is designed to process large amounts of information, and avoid certain investor behavioural errors that have been known to influence purely qualitative processes.

The Model seeks to exploit investment opportunities that generally fall into two groups: "Informational" and "Behavioural". Understanding whether an opportunity falls into one category or the other is important, as it influences such things as length of time that opportunity is likely to persist, and whether it is likely to re-occur.

Informational opportunities are derived from other investors not fully exploiting, on a timely basis, information that is relevant to prices. The Model is designed to:

- quickly process information and compare data analysis across a large range of securities; and
- accurately measure complex accounting measures, such as accruals.

These capabilities give the Model an informational advantage relative to purely qualitative investment processes that are not able to process the same volume of information as efficiently or accurately. Generally, once Informational opportunities are identified, they are potentially easier for investors to arbitrage, which limits the length of time that the opportunity is likely to persist.

Behavioural opportunities are created by systematic “mistakes” made by investors generally, including an overreaction to security specific or market event. Behavioural opportunities are significantly less likely to be arbitraged away by the market, as they are rooted in human behaviour and emotion. We have quantified certain behavioural biases, which allow the Model to generate forecasts of price dynamics in financial markets. These forecasts form the basis of investment and valuation opportunities that are identified by the Model and used to trigger investments.

The Model focuses on security selection, evaluating companies across multiple factor dimensions of both fundamental and technical stock analysis, and groups such companies on a proprietary method of custom sector grouping (“Custom Sectors”). By analysing companies in these Custom Sector groups in the Model, as opposed to the standard sector categorizations, we seek to improve forecast metrics and our risk analysis by bringing more homogeneous companies together and not confusing what might be better treated as a sector effect. We have also moved individual companies between sectors, potentially improving our return and risk forecasts.

The Model is thus designed to identify common factors that can be analyzed across companies that are associated with superior or inferior investment performance and risk characteristics. These factors are primarily fundamental and company-specific in nature, as opposed to being macro-economic in nature. Portfolio construction using the Model involves building a portfolio that maximizes exposure to factors typically associated with outperformance, while controlling for exposure to risk factors, thereby making risk management an integral part of the investment process. The database upon which the Model operates is updated in real time as new data becomes available, and the portfolio is re-optimized regularly.

Proxy voting

The proxies associated with securities held in the Funds will be voted in accordance with guidelines which seek to enhance long-term shareholder value and which are consistent with leading corporate governance practices. The guidelines are available on our website, www.rbcgam.com, or by contacting us at the number on the back cover of this document.

RBC QUBE 120/20 Canadian Equity Fund

Fund details

Type of Fund	Canadian equity
Date the Fund was created	November 23, 2011
Type of securities	Series A, F and O trust units
Eligibility	Units are qualified investments for RRSPs, RRIFs, DPSPs, RESPs, RDSPs or TFSAs
Fees and expenses	See the section called *Fees and expenses* on page 22.

What does the Fund invest in?

Investment objectives

The fundamental investment objective of the Fund is to provide long-term capital appreciation by investing primarily in equity and equity-like securities of Canadian issuers.

Fundamental investment objectives may only be changed in accordance with the Trust Agreement. We may change the Fund's investment strategies described below at our discretion.

Investment strategies

The Fund intends to achieve its investment objective by investing in long and short positions primarily in securities that are listed on a major Canadian stock exchange using the quantitative investment process described under *The quantitative strategy used to manage the RBC QUBE Funds*. The Fund does not currently engage in securities lending.

The benchmark for the Fund is the S&P/TSX Capped Composite Index. The benchmark is for comparison only and is not a projection, prediction or guarantee of the Fund's performance.

The portfolio manager monitors and reviews the portfolio on an ongoing basis to ensure that it is positioned optimally.

A long position represents securities that the Fund owns. A short position represents a sale by the Fund of a security borrowed from a third party in anticipation of a possible decline in the market price of that security. To close a short position, the Fund buys back the same security in the market and returns it to the lender.

The Fund will generally hold short positions equal to 20% of the Fund's net asset value and, by using proceeds from short sales to increase its long positions, hold long positions equal to approximately 120% of the Fund's net asset value. However, the long and short positions held by the Fund may vary over time as market opportunities develop. Under normal market conditions, the Fund's long positions may range from 110% to 130% of the Fund's net asset value and its short positions may range from 10% to 30% of the Fund's net asset value, but these percentages may vary.

For cash management or temporary defensive measures, cash may be invested in securities that meet the prime broker's conditions for collateral.

The Fund may use derivatives, such as swaps, options, futures and forward contracts:

- for hedging purposes, including to protect against losses or reduce volatility resulting from changes in interest rates, market indices or foreign exchange rates including changes in the value of foreign currency relative to the Canadian dollar; and

- for non-hedging purposes, including as a substitute for direct investment or to generate income.

Any use of derivatives will be compatible with the Fund's investment objectives and strategies and will comply with applicable securities laws. Please see *Risks of using derivatives* earlier in this document for more information.

The portfolio manager may engage in active or frequent trading of investments, which may increase trading costs, which in turn may lower the Fund's returns.

What are the risks of investing in the Fund?

The principal risks associated with an investment in this Fund are:

- quantitative investment strategy risk;
- market risk;
- short sale risk;
- liquidity risk;
- risks of using a prime broker to hold assets;
- large unitholder risk;
- concentration risk;
- leverage risk;
- series risk;
- legal, tax and regulatory risk; and
- cyber security risk.

If and when the Fund uses derivative instruments as an investment strategy, *Risks of using derivatives* will also be associated with investing in this Fund. To the extent the Fund has more than one series of units, the Fund will also have series risk.

These and other risks, which may also apply to the Fund, are described in the section *Specific risks in respect of the RBC QUBE Funds* earlier in this document.

Distribution policy

All net income and net realized capital gains are distributed annually in December.

Distributions from the Fund are automatically reinvested in units of the Fund.

RBC QUBE Market Neutral Canadian Equity Fund

Fund details

Type of Fund	Canadian equity
Date the Fund was created	November 23, 2011
Type of securities	Series A, F and O trust units
Eligibility	Units are qualified investments for RRSPs, RRIFs, DPSPs, RESPs, RDSPs or TFSAs
Fees and expenses	See the section called *Fees and expenses* on page 22.

What does the Fund invest in?

Investment objectives

The fundamental investment objective of the Fund is to provide consistent absolute returns that are substantially independent of the performance of the Canadian equity market.

The fundamental investment objective may only be changed in accordance with the Trust Agreement. We may change the Fund's investment strategies described below at our discretion.

Investment strategies

The Fund intends to achieve its investment objective by investing primarily in securities of issuers listed on Canadian markets which are expected to outperform comparable securities, while selling short an equivalent dollar amount of Canadian equity securities which are expected to underperform. Investment decisions will be made using the quantitative investment process described under *The quantitative strategy used to manage the RBC QUBE Funds.*

The Fund seeks to be an absolute return fund and to generate positive returns in all market conditions. The benchmark for the Fund is the FTSE TMX 91 day T-Bill Index (the "T-Bill Index"). The benchmark is for comparison only and is not a projection, prediction or guarantee of the Fund's performance. Use of the T-Bill Index is not intended to imply that an investment in the Fund is comparable to an investment in the securities that comprise the T-Bill Index, and the T-Bill Index is not indicative of the risk and return attributes of the Fund.

The portfolio manager monitors and reviews the portfolio on an ongoing basis to ensure that it is positioned optimally.

The Fund will take long and short positions primarily in securities that are listed on a major Canadian stock exchange. The Manager expects that the majority of securities in which the Fund invests will be members of the S&P/TSX Capped Composite Index. A long position represents securities that the Fund owns. A short position represents a sale by the Fund of a security borrowed from a third party in anticipation of a possible decline in the market price of that security. To close a short position, the Fund buys back the same security in the market and returns it to the lender.

The Fund will generally target holding short positions in securities that, in aggregate, will approximately equal the long positions in the Fund. The market value of the short positions and long positions will not always be equal and can become unequal to a significant degree for a variety of reasons including (but not limited to) continuous changes in the prices of the short positions and long positions, inflows and outflows of cash due to purchase and redemption orders and general market conditions. Under normal market conditions, the Fund's long positions and the Fund's short positions will, in the aggregate, generally not exceed 110% of the Fund's net asset or fall below 90% of the Fund's net asset value.

For cash management or temporary defensive measures, cash may be invested in securities that meet the prime broker's conditions for collateral.

The portfolio manager may engage in active or frequent trading of investments, which may increase trading costs, which in turn may lower the Fund's returns.

We may invest up to 10% of the Fund's net asset value in units of other funds managed by RBC GAM or its affiliates where we believe that an investment in other funds is a more efficient and cost effective way of achieving the Fund's investment objectives. We will only invest in units of other funds where the investment is compatible with the investment objectives and strategies of the Fund, and otherwise complies with applicable securities laws and the terms and conditions of any applicable exemptive relief obtained by RBC GAM on behalf of the Fund. **Investors who receive a copy of this Offering Memorandum will be deemed to have consented to such fund of fund investments.**

What are the risks of investing in the Fund?

The principal risks associated with an investment in this Fund are as follows:

- quantitative investment strategy risk;
- market risk;
- short sale risk;
- liquidity risk;
- risks of using a prime broker to hold assets;
- large unitholder risk;
- concentration risk;
- leverage risk;
- series risk;
- legal, tax and regulatory risk;
- cyber security risk.

If and when the Fund uses derivative instruments as an investment strategy, *Risks of using derivatives* will also be associated with investing in this Fund. To the extent the Fund has more than one series of units, the Fund will also have series risk.

These and other risks, which may also apply to the Fund, are described in the section *Specific risks in respect of the RBC QUBE Funds* earlier in this document.

Distribution policy

All net income and net realized capital gains are distributed annually in December.

Distributions from the Fund are automatically reinvested in units of the Fund.

RBC QUBE Market Neutral World Equity Fund

Fund details

Type of Fund	Global equity
Date the Fund was created	February 27, 2015
Type of securities	Series A, F and O trust units
Eligibility	Units are qualified investments for RRSPs, RRIFs, DPSPs, RESPs, RDSPs or TFSAs
Fees and expenses	See the section called *Fees and expenses* on page 22.

What does the Fund invest in?

Investment objectives

The fundamental investment objective of the Fund is to provide consistent absolute returns that are substantially independent of the performance of the global equity market.

The fundamental investment objective may only be changed in accordance with the Trust Agreement. We may change the Fund's investment strategies described below at our discretion.

Investment strategies

The Fund intends to achieve its investment objective by investing primarily in securities of issuers listed on global equity markets which are expected to outperform comparable securities, while selling short an equivalent dollar amount of global equity securities which are expected to underperform. Investment decisions will be made using the quantitative investment process described under *The quantitative strategy used to manage the RBC QUBE Funds.*

The Fund seeks to be an absolute return fund and to generate positive returns in all market conditions. The benchmark for the Fund is the Citigroup 3 Month U.S. Treasury Bill Index (the "T-Bill Index"). The benchmark is for comparison only and is not a projection, prediction or guarantee of the Fund's performance. Use of the T-Bill Index is not intended to imply that an investment in the Fund is comparable to an investment in the securities that comprise the T-Bill Index, and the T-Bill Index is not indicative of the risk and return attributes of the Fund.

The portfolio manager monitors and reviews the portfolio on an ongoing basis to ensure that it is positioned optimally.

The Fund will take long and short positions primarily in securities that are listed on a global stock exchange. The Manager expects that the majority of securities in which the Fund invests will be members of the MSCI All Country World Index. A long position represents securities that the Fund owns. A short position represents a sale by the Fund of a security borrowed from a third party in anticipation of a possible decline in the market price of that security. To close a short position, the Fund buys back the same security in the market and returns it to the lender.

The Fund will generally target holding short positions in securities that, in aggregate, will approximately equal the long positions in the Fund. The market value of the short positions and long positions will not always be equal and can become unequal to a significant degree for a variety of reasons including (but not limited to) continuous changes in the prices of the short positions and long positions, inflows and outflows of cash due to purchase and redemption orders and general market conditions. Under normal market conditions, the Fund's long positions and the Fund's short positions will, in the aggregate, generally not exceed 110% of the Fund's net asset or fall below 90% of the Fund's net asset value.

The Fund may use derivatives, such as swaps, options, futures and forward contracts for (i) hedging purposes, including to protect against losses or reduce volatility resulting from changes in interest rates, market indices or foreign exchange rates including changes in the value of foreign currency relative to the Canadian dollar; and (ii) non-hedging purposes, including as a substitute for direct investment, to generate income.

For cash management or temporary defensive measures, cash may be invested in securities that meet the prime broker's conditions for collateral.

The portfolio manager may engage in active or frequent trading of investments, which may increase trading costs, which in turn may lower the Fund's returns.

We may invest up to 10% of the Fund's net asset value in units of other funds managed by RBC GAM or its affiliates where we believe that an investment in other funds is a more efficient and cost effective way of achieving the Fund's investment objectives. We will only invest in units of other funds where the investment is compatible with the investment objectives and strategies of the Fund, and otherwise complies with applicable securities laws and the terms and conditions of any applicable exemptive relief obtained by RBC GAM on behalf of the Fund. **Investors who receive a copy of this Offering Memorandum will be deemed to have consented to such fund of fund investments.**

What are the risks of investing in the Fund?

The principal risks associated with an investment in this Fund are as follows:

- quantitative investment strategy risk;
- market risk;
- short sale risk;
- liquidity risk;
- risks of using a prime broker to hold assets;
- foreign market risk;
- large unitholder risk;
- concentration risk;
- leverage risk;
- series risk;
- legal, tax and regulatory risk
- risks of using derivatives;
- currency risk; and
- cyber security risk.

These and other risks, which may also apply to the Fund, are described in the section *Specific risks in respect of the RBC QUBE Funds* earlier in this document.

Distribution policy

The Fund intends to distribute its net income and net realized capital gains, if any, in March, June and September, with any remaining net income and net realized capital gains distributed in December.

Distributions from the Fund are automatically reinvested in units of the Fund.

Due to quarterly distributions of net income and net realized capital gains, the total amount of distributions by the Fund for a year may exceed the income and capital gains earned by the Fund in that year. This excess amount will be treated as a return of capital to the unitholder. Return of capital represents a return of a portion of your own invested capital. This excess amount will not be taxable to you in the year of receipt but will reduce the adjusted cost base of your units. Return of capital defers, but does not eliminate, the amount of tax you may have to pay. For further information on the tax implications you should consult your tax advisor.

RBC QUBE Market Neutral World Equity Fund (CAD Hedged)

Fund details

Type of Fund	Global equity
Date the Fund was created	February 27, 2015
Type of securities	Series A, F and O trust units
Eligibility	Units are qualified investments for RRSPs, RRIFs, DPSPs, RESPs, RDSPs or TFSAs
Fees and expenses	See the section called *Fees and expenses* on page 22.

What does the Fund invest in?

Investment objectives

The fundamental investment objective of the Fund is to provide consistent absolute returns that are substantially independent of the performance of the global equity market by investing primarily in units of the RBC QUBE Market Neutral World Equity Fund, while seeking to minimize exposure to currency fluctuations between the U.S. and Canadian dollars.

The fundamental investment objective may only be changed in accordance with the Trust Agreement. We may change the Fund's investment strategies described below at our discretion.

Investment strategies

The Fund intends to achieve its investment objective by investing all or a significant portion of its net assets in the RBC QUBE Market Neutral World Equity Fund (the "Underlying Fund") and to use derivatives to hedge against fluctuations between the base currency of the Underlying Fund (U.S. dollars) and the base currency of the Fund (Canadian dollars). Investment decisions for the Underlying Fund will be made using the quantitative investment process described under *The quantitative strategy used to manage the RBC QUBE Funds.*

The Fund seeks to be an absolute return fund and to generate positive returns in all market conditions. The benchmark for the Fund is the FTSE TMX 91 day T-Bill Index (the "T-Bill Index"). The benchmark is for comparison only and is not a projection, prediction or guarantee of the Fund's performance. Use of the T-Bill Index is not intended to imply that an investment in the Fund is comparable to an investment in the securities that comprise the T-Bill Index, and the T-Bill Index is not indicative of the risk and return attributes of the Fund.

The portfolio manager of the Underlying Fund monitors and reviews the portfolio on an ongoing basis to ensure that it is positioned optimally.

The Underlying Fund will take long and short positions primarily in securities that are listed on a global stock exchange. The Manager expects that the majority of securities in which the Underlying Fund invests will be members of the MSCI All Country World Index. A long position represents securities that the Fund owns. A short position represents a sale by the Fund of a security borrowed from a third party in anticipation of a possible decline in the market price of that security. To close a short position, the Underlying Fund buys back the same security in the market and returns it to the lender.

The Underlying Fund will generally target holding short positions in securities that, in aggregate, will approximately equal the long positions in the Underlying Fund. The market value of the short positions and long positions will not always be equal and can become unequal to a significant degree for a variety of reasons including (but not limited to) continuous changes in the prices of the short positions and long positions, inflows and outflows of cash due to purchase and redemption orders and general market conditions. Under normal market conditions, the Underlying Fund's long positions and the Underlying Fund's short positions will, in the aggregate, generally not exceed 110% of the Underlying Fund's net asset or fall below 90% of the Underlying Fund's net asset value.

The Fund may, either directly or indirectly through its investment in the Underlying Fund, use derivatives, such as swaps, options, futures and forward contracts for (i) hedging purposes, including to protect against losses or reduce volatility resulting from changes in interest rates, market indices or foreign exchange rates including changes in the value of foreign currency relative to the Canadian dollar; and (ii) non-hedging purposes, including as a substitute for direct investment, to generate income.

For cash management or temporary defensive measures, cash may be invested by the Underlying Fund in securities that meet the conditions for collateral set by the Underlying Fund's prime broker.

The portfolio manager of the Underlying Fund may engage in active or frequent trading of investments, which may increase trading costs, which in turn may lower the Underlying Fund's returns.

What are the risks of investing in the Fund?

The principal risks associated with an investment in this Fund are as follows:

- quantitative investment strategy risk;
- market risk;
- short sale risk;
- liquidity risk;
- risks of using a prime broker to hold assets;
- foreign market risk;
- large unitholder risk;
- concentration risk;
- leverage risk;
- series risk;
- legal, tax and regulatory risk;
- risks of using derivatives;
- currency hedging risk; and
- cyber security risk.

To the extent the Fund has more than one series of units, the Fund will also have series risk.

These and other risks, which may also apply to the Fund, are described in the section *Specific risks in respect of the RBC QUBE Funds* earlier in this document.

Distribution policy

The Fund intends to distribute its net income and net realized capital gains, if any, in March, June and September, with any remaining net income and net realized capital gains distributed in December.

Distributions from the Fund are automatically reinvested in units of the Fund.

Due to quarterly distributions of net income and net realized capital gains, the total amount of distributions by the Fund for a year may exceed the income and capital gains earned by the Fund in that year. This excess amount will be treated as a return of capital to the unitholder. Return of capital represents a return of a portion of your own invested capital. This excess amount will not be taxable to you in the year of receipt but will reduce the adjusted cost base of your units. Return of capital defers, but does not eliminate, the amount of tax you may have to pay. For further information on the tax implications you should consult your tax advisor.

Purchases, Switches and Redemptions

The Offering

Each Fund is permitted to have an unlimited number of series of units and may issue an unlimited number of units of each series.

Each of the Funds offers Series A, Series F and Series O units.

The Funds may issue additional series in the future, with each series having its own fees and expenses, or discontinue the offering of any series of units at any time and from time to time.

Series A units are available to investors who purchase units from authorized dealers. We pay dealers that sell Series A units an ongoing annual service fee, known as a trailing commission, as long as you hold your investment, based on the total value of Series A units their clients hold in the Fund.

Series F units are available to investors who have accounts with dealers who have signed a fee-based agreement with us. These investors pay their dealer a fee directly for investment advice or other services. We do not pay trailing commissions on Series F units.

Series O units are available to large institutional investors as we may determine from time to time at our sole discretion. Investors who are eligible to purchase Series O units pay a negotiated fee directly or indirectly to us for investment counselling services. For fees paid to us by the Fund, please refer to *Fees and expenses that the Funds pay* below in this document.

Net asset value

Each Fund will maintain a separate net asset value for each series of units, as if the series were a separate fund. However, the assets of the Fund will constitute a single pool for investment purposes. The net asset value for a series is based on series specific amounts, such as amounts paid on the purchase and redemption of units of the series and expenses attributable solely to the series, and on the series' share of the Fund's investment earnings, market appreciation or depreciation of assets, common expenses and other amounts not attributable to a specific series. Expenses are recognized on an accrual (i.e., "as incurred") basis, not on a cash (i.e., "when paid") basis.

The unit price for each series is the basis for calculating the purchase price or redemption price for purchasing or redeeming units of that series. RBC GAM calculates the unit price for each series by dividing the net asset value for the series by the number of outstanding units of the series. Each Fund, other than the RBC QUBE Market Neutral World Equity Fund, is valued and can be purchased in Canadian dollars. The RBC QUBE Market Neutral World Equity Fund is valued and can be purchased in U.S. dollars.

Valuation days - A valuation day is (i) in the case of the RBC QUBE 120/20 Canadian Equity Fund and the RBC QUBE Market Neutral Canadian Equity Fund, the second Business Day following the End of Week Cut-Off Time (as defined below); (ii) in the case of the RBC QUBE Market Neutral World Equity Fund and the RBC QUBE Market Neutral World Equity Fund (CAD Hedged), the second Business Day following the End of Week Cut-Off Time (as defined below) on which the New York Stock Exchange is open for business; and/or (iii) for all Funds, any other day or days as RBC GAM determines, all subject to compliance with applicable laws.

A Fund's assets - The value of any security or property held by a Fund will be determined by RBC GAM, as set out below.

- The value of any security which is listed or dealt on any stock exchange or exchanges is generally determined by taking its latest available sale price of a board lot on the principal stock exchange on which it is listed. However, the following exceptions apply:

  – where we are lacking any such sales or records, or if the last such sale is not within the latest available bid and ask quotations on the valuation date, we will have the discretion to determine the fair value of the listed security based on market quotations we believe most closely reflect the fair value of the investment;

  – in calculating the value of inter-listed investments, we may permit over-the-counter ("OTC") rather than stock exchange quotations to be used when they appear to reflect more closely the fair value of any particular investment; but if such stock exchange or OTC quotations do not properly reflect the prices which would be received by the Fund upon the disposal of such investments, we may place values upon such investments which appear to us to reflect most closely the fair value of such investments; and

– in calculating the value of foreign securities listed or dealt on exchanges outside North America, we will place values upon such securities which appear to reflect most closely the fair value of such securities.

- The value of any security which is not listed or dealt on any stock exchange is determined at the most recently available sale price on a valuation date, or if such sale price is not available, at a sale price determined by us, based on relevant market and/or company data that we believe most closely reflects the fair value of the investment.

- In this Offering Memorandum, unless otherwise indicated, “current market value” means the most recently available sale price applicable to the relevant security on the principal exchange on which it is traded immediately preceding the valuation time on the valuation day, provided that, if no sale has taken place on a valuation day, the average of the bid and ask quotations immediately prior to the valuation time on the valuation day shall be used.

- Cash, bills, demand notes, accounts receivable, prepaid expenses distributions receivable and interest accrued and not yet received, will be valued at their full amount unless it is determined that the cash or other asset is not worth that amount. In such a case, a reasonable value will be determined.

- Securities quoted in currencies other than the base currency of a Fund (the base currency being Canadian dollars, for all Funds other than the RBC QUBE Market Neutral World Equity Fund, and U.S. dollars, for the RBC QUBE Market Neutral World Equity Fund) are converted to the base currency of the Fund using the prevailing rate of exchange as quoted by customary banking sources on the valuation date.

- Notes and money market instruments are valued at their current market value on the valuation day. This value may be determined based on the cost of the investments, which approximates market value after taking into account accrued interest which is recorded separately from the investment. If short-term instruments are sold, the difference between the cost and the proceeds (less income previously credited for such security) will be recorded as income not capital.

- If a valuation day of a Fund is not a business day for a specific market, the prices or quotations of the prior business day will be used to value any asset or liability for such market.

- If the valuation principles described above are not appropriate, we will determine a value which we consider to be fair and reasonable.

If the Funds use derivative instruments as part of their investment strategy, valuation will be as follows:

- Long positions in clearing corporation options, options on futures, OTC options, debt-like securities and listed warrants will be valued at their current market value.

- Where a covered clearing corporation option, option on futures or OTC option is written, the premium received by the Fund shall be reflected as a deferred credit which will be valued at an amount equal to the current market value of the clearing corporation option, option on futures or OTC option that would have the effect of closing the position. Any differences resulting from the revaluation will be treated as an unrealized gain or loss on investment. The deferred credit will be deducted in arriving at the net asset value of the Fund. The securities, if any, which are the subject of a written clearing corporation option or OTC option will be valued at their current market value.

- The value of a derivative contract will be the gain or loss that would be realized if, on the valuation day, the position in the futures contract, forward contract or swap, as the case may be, were to be closed out unless daily limits are in effect, in which case fair value, based on the current market value of the underlying interest, shall be determined.

- Margin or collateral paid or deposited in respect of derivative contracts will be reflected as an account receivable and margin consisting of assets other than cash will be noted as held as margin.

Although we will generally determine the value of the assets of a Fund by following the valuation practices described above, we have the discretion to value the assets using other methods if we determine that these practices are not appropriate in the circumstances. It may be necessary to exercise such discretion in situations where market prices are not readily available (such as for certain restricted or unlisted securities, warrants and private placements) or securities may not be reliably priced (such as in the case of technical difficulties, trade suspensions or halts, price movement limits set by certain foreign markets, and thinly traded or illiquid securities). We have policies in place regarding fair valuation and guidelines that provide guidance on how fair value should be determined. The application of fair value pricing represents a good faith determination based upon these guidelines. There can be no assurance that a Fund could obtain the fair value assigned to a security if it were able to sell the security at approximately the time at which the Fund determines its net asset value per unit.

A Fund's liabilities - A Fund's liabilities will be determined in the same manner as the Fund's assets, as described above, and may include:

- all debts, obligations, liabilities or claims of any kind; and

- all accrued operating expenses and other charges.

Purchasing units of the Funds

Subject to our investment allocation procedures described below, the units offered by the Funds may only be purchased on a weekly basis on a valuation day upon prior written notice being delivered to us by a cut-off time of 1:00 p.m. (Pacific Time) on the last Business Day of the prior week ("End of Week Cut-Off Time"). The RBC QUBE Funds are generally available only to those investors who have entered into an investment management agreement, subscription agreement or other agreement with RBC GAM. Please see *Reliance on prospectus exemptions and certain required disclosure* later in this document for more information.

Your dealer may charge you a fee for buying units of the Funds. These fees are negotiated between you and your dealer.

RBC GAM determines the unit price at the close of trading on each valuation day.

Investments into the RBC QUBE Funds may be accepted by cash deposits, inter-fund trades, transfers of securities in kind, or through such other means as may be specified by the Manager in its sole discretion, as permitted by applicable securities legislation or exemptive relief.

RBC GAM may limit or "cap" the size of a Fund or a series of units of the Fund by restricting new purchases, including under circumstances where there is insufficient liquidity. We will continue to allow redemptions and the calculation of a Fund's unit value for a series as described under *Redeeming units of the Funds* later in this document. We may subsequently decide to start accepting purchases to that Fund or series at any time.

You have to provide full payment for your units within two Business Days after the applicable valuation day. If RBC GAM does not receive payment in full within these time limits, the units that you bought will generally be redeemed on the next valuation day. If they are redeemed for more than you paid, the Fund will keep the difference. If they are redeemed for less than you paid, you will be charged for the difference plus any costs.

RBC GAM may refuse any request to buy units from an investor at our sole discretion. If your request is refused, your money will be returned to you in full, without interest. Units of the Funds are not available for purchase by non-residents of Canada.

Minimum investment

As of the date of this Offering Memorandum, the minimum initial investment for any series of units of a Fund is CAD$25,000 (or the U.S. dollar equivalent thereof, for the RBC QUBE Market Neutral World Equity Fund), and the minimum subsequent investment is CAD$5,000 (or the U.S. dollar equivalent thereof, for the RBC QUBE Market Neutral World Equity Fund).

Switching and redesignation

Redeeming units of one investment fund to buy units of another investment fund is known as "switching". A switch between series of units of a Fund is known as a "redesignation".

As of the date of this Offering Memorandum, RBC GAM will not permit holders of units of the Funds to switch between the Funds and other investment funds managed by RBC GAM. Holders of units of the Funds may switch between units of one series and units of another series of the same Fund.

If you are no longer eligible to hold a series of units, we may switch you out of that series to another series of units of a Fund, as appropriate.

Redeeming units of the Funds

There are no charges for redeeming units of the RBC QUBE Funds.

Units of the Funds may only be redeemed on a weekly basis on a valuation day upon written notice being delivered to us by the End of Week Cut-Off Time.

Redemption proceeds applicable to the Funds, other than the RBC QUBE Market Neutral World Equity Fund, are paid only in Canadian dollars. Redemption proceeds applicable to the RBC QUBE Market Neutral World Equity Fund are paid only in U.S. dollars.

When you redeem units of a Fund, we will send you your money within two Business Days of the applicable redemption day for the redemption request.

We will only send you the redemption proceeds if:

- instructions necessary to complete the transaction have been received; and

- any payment for buying the same units that you are redeeming has cleared.

RBC GAM may, in its sole discretion and in compliance with applicable securities laws, make payment of some or all of the redemption proceeds by making good delivery to the unitholder of portfolio securities of the Fund, the value of which is equal to the redemption price of the units being redeemed. In the event that redemption proceeds are paid by making delivery of portfolio securities, RBC GAM must be satisfied that such delivery is in the best interests of the Fund. Securities delivered in payment of redemption proceeds will be valued as of the redemption day and on the same basis that the Fund would use in determining the value of such securities on that day. The unitholder will be required to pay any reasonable costs associated with delivering such securities to the unitholder and/or registering such securities in the name of the unitholder or a nominee of the unitholder, and any brokerage costs associated with the disposition by the unitholder of the relevant securities.

A Fund may suspend the redemption of its units for any period in the event that RBC GAM determines that conditions exist which render impractical the sale of the assets of a Fund or impair the ability of RBC GAM to determine the value of assets held by the Fund.

Any redemption request received during a suspension of redemptions will be completed at the series net asset value per unit on the first Redemption Day following the termination of the suspension unless the redemption request is earlier withdrawn by the unitholder.

RBC GAM reserves the right to require any unitholder of a Fund to redeem such unitholder's entire holding of units of the Fund, or any portion thereof, if RBC GAM, in its sole discretion, so determines.

Investors who are U.S. citizens or who are residents of the United States or any other foreign country are not permitted to purchase units of the RBC QUBE Funds. Where a unitholder is or becomes a citizen or resident of the United States or a resident of any other foreign country, we may at our sole discretion require such unitholder to redeem their units if their participation has the potential to cause adverse regulatory or tax consequences for a Fund or unitholders of the Fund. If we redeem, reclassify or switch your units, the effect will be the same as if you initiated the transaction. For redemptions in non-registered accounts, we may transfer the proceeds to you. We will not give you or your dealer notice prior to taking any action.

Description of Units of the Funds

Each unit of a series of a Fund entitles the holder to:

- one vote at any meeting of unitholders of the Fund or a meeting of unitholders of that specific series;
- may, at the discretion of the Manager, participate equally with all other units of the series in the regular distribution of net income and net realized capital gains of the Fund allocable to the series; and
- participate equally with all other units of the series, if the Fund is being terminated and wound-up, in the distribution of the series' share of net assets of the Fund that remain after the Fund's liabilities have been paid.

No unitholder owns any assets of a Fund. Unitholders have only those rights mentioned in this Offering Memorandum and the Trust Agreement for the Funds.

These rights may only be modified by amending the Trust Agreement. The Trust Agreement does not require unitholder approval with respect to amendments to the Trust Agreement unless such approval is required under applicable securities laws. However, if an amendment to the Trust Agreement is one that we believe a reasonable unitholder would consider important in determining whether to continue to hold units of a Fund and is prejudicial to the interests of unitholders as a group, we must provide unitholders with 30 days' prior notice of that change.

Although the Funds do not hold regular meetings, RBC GAM will hold meetings to obtain your approval on certain matters.

We may terminate a Fund, for any reason at our sole discretion, by providing unitholders with 60 days' prior written notice.

A Fund may be terminated on the occurrence of certain events stipulated in the Trust Agreement. On termination of a Fund, the Trustee will distribute the assets of the Fund in cash or in kind in accordance with the Trust Agreement. See also *Organization and management of the RBC QUBE Funds – Trustee*.

Fees and Expenses

A brief description of the fees and expenses that you may have to pay if you invest in the Fund is set out below. Payment of fees and expenses by a Fund will reduce the value of your investment in the Fund.

Fees and expenses that the Funds pay

A Fund will not invest in units of another investment fund if the investment fund would be required to pay any management or incentive fees in respect of that investment that a reasonable person would believe duplicates a fee payable by the Fund for the same service. In addition, a Fund will not invest in another investment fund managed by RBC GAM if any sales or redemption fees are payable in respect of the investment.

Investors should note that the Funds may offer additional series of units in the future with each series having its own fees and expenses.

Management fees

The Funds do not directly pay us a management fee with respect to Series O units. Investors who purchase Series O units pay a negotiated fee directly or indirectly to us for investment counselling services.

The RBC QUBE 120/20 Canadian Equity Fund and the RBC QUBE Market Neutral Canadian Equity Fund pay us a management fee with respect to Series A units of 1.85% per annum of the series net asset value of Series A units, plus applicable taxes, including GST/HST.

The RBC QUBE Market Neutral World Equity Fund and the RBC QUBE Market Neutral World Equity Fund (CAD Hedged) pay us a management fee with respect to Series A units of 2.00% per annum of the series net asset value of Series A units, plus applicable taxes, including GST/HST.

The RBC QUBE 120/20 Canadian Equity Fund and the RBC QUBE Market Neutral Canadian Equity Fund pay us a management fee with respect to Series F units of 0.85% per annum of the series net asset value of Series F units, plus applicable taxes, including GST/HST.

The RBC QUBE Market Neutral World Equity Fund and the RBC QUBE Market Neutral World Equity Fund (CAD Hedged) pay us a management fee with respect to Series F units at an annual rate of 1.00% of the net asset value of Series F units, plus applicable taxes, including GST/HST.

The management fees for Series A units of applicable Funds also include the trailing commission payable by the Manager to the dealers. The maximum annual trailing commission payable to dealers is 1.00% of the total value of Series A units their clients hold of the applicable Fund, and may be paid monthly or quarterly as may be determined between the Manager and the dealer.

We may change the terms of the trailing commission paid to your dealer without informing you. No trailing commissions are payable for Series F or Series O units.

Operating expenses and administration fees

RBC GAM pays certain operating expenses of the Funds. These expenses include regulatory filing fees and other day-to-day operating expenses, including, but not limited to, recordkeeping, accounting and fund valuation costs, custody fees, audit and legal fees and the costs of preparing and distributing annual and interim financial statements, statements and investor communications. In return, as of the date of this document, in connection with Series A, Series F and Series O units of a Fund, the Fund is expected to pay us a fee of 0.02% per annum of the series net asset value of the applicable series of units.

The administration fee is subject to applicable taxes including harmonized sales tax ("HST"). The amount of operating expenses paid by us in exchange for the payment of the administration fee may exceed or be less than the administration fee in any particular period. Each Fund also pays certain operating expenses directly, including the costs and expenses related to the Independent Review Committee, the cost of any new government or regulatory requirements and any borrowing costs (collectively, "other fund costs") and taxes (including GST/HST, as applicable). Fees and expenses payable in connection with the Independent Review Committee include compensation paid to members of the Independent Review Committee in the form of an annual retainer for each Independent Review Committee member, a separate retainer for the chair and a fee payable for each meeting attended, insurance coverage required by the Independent Review Committee, reimbursement for reasonable expenses and travel time and the costs of outside advisers retained by the Independent Review Committee (if any). Other fund costs will be allocated among Funds and among each series of units of a Fund in a fair and equitable manner in accordance with the services used. The administration fee and operating expenses borne directly by a Fund will be included in the management expense ratio ("MER") of a Fund.

RBC GAM may, in some years and in certain cases, pay a portion of a series' administration fee or other fund costs. The decision to absorb the administration fee or other fund costs is reviewed annually and determined at the discretion of RBC GAM without notice to unitholders.

Harmonized Sales Tax

A Fund is required to pay GST/HST on management fees and administration fees charged to the Fund. In general, the HST rate depends on the residence of a Fund's unitholders at a certain point in time. Changes in existing GST/HST rates, changes to which provinces impose HST and changes in the breakdown of the residence of a Fund's unitholders will have an impact on the MER of a Fund.

Fees and expenses that you pay directly

Sales charges	None
Short-term trading fee	None
Redemption fees	None
Other fees and expenses[1]	None

[1] Investors who are eligible to purchase Series O units pay a negotiated fee directly or indirectly to us for investment counselling services.

Impact of Sales Charges

The Funds are 'no load' funds, which means you pay no sales charges or commissions when you buy and redeem units of the Funds through us. You also pay no account set-up or administration fees.

Income Tax Considerations for Investors

The following is a summary of the principal Canadian federal income tax considerations generally relevant to investors who, for purposes of the *Income Tax Act* (Canada) (the "Tax Act"), are resident in Canada, hold their units as capital property and deal with the Fund at arm's length.

This summary is based on the current provisions of the Tax Act and the regulations under it, all specific proposals to amend the Tax Act and its regulations that have been publicly announced by the Minister of Finance, and the published administrative practices of the CRA. It is assumed that all amendments will be passed as proposed. A Fund is generally not expected to qualify as a mutual fund trust under the Tax Act.

This summary is of a general nature and is not intended to be exhaustive. It does not take into account provincial, territorial or foreign tax laws. **Investors should consult their own tax advisers with respect to the tax consequences in their particular circumstances.**

Taxation of the Funds

Each Fund is subject to tax on its net income and net realized capital gains in each taxation year, except to the extent such amounts are distributed to unitholders. Each Fund intends to distribute sufficient of its net income and net realized capital gains each year, so that the Fund will not pay any tax under Part I of the Tax Act, other than alternative minimum tax. The Funds will not be eligible to claim capital gains refunds. Generally, gains from derivative transactions and short sales will be taxed as ordinary income, rather than as capital gains.

If a Fund offers additional series of units in the future, all of the Fund's deductible expenses, including expenses common to all series of the Fund and expenses specific to a particular series (such as management, performance and administration fees), will be taken into account in determining the income or loss of the Fund as a whole.

Loss suspension rules may prevent a Fund from recognizing capital losses on the disposition of investments in certain circumstances.

Although the financial statements for the RBC QUBE Market Neutral World Equity Fund are maintained in U.S. dollars, Canadian dollar amounts must be used in calculating income for tax purposes. The Fund may therefore realize a capital gain or loss when it sells an investment or when an investment matures, as a result of a change in the exchange rate from the time the investment was acquired to the time of sale or maturity.

All of the Funds are, and will continue to be, registered investments under the Tax Act as of July 1, 2017.

A Fund that is a registered investment and is not a mutual fund trust will be liable for a penalty tax under subsection 204.6(1) of the Tax Act if, at the end of any month, the Fund holds any investments that are not qualified investments for RRSPs, RRIFs or DPSPs. The tax for a month is equal to 1% of the cost of the non-qualified investments held at the end of the month.

If at any time in a year, a Fund has a unitholder that is a "designated beneficiary" under the Tax Act, the Fund will be subject to a special tax at the rate of 36% under Part XII.2 of the Tax Act on its "designated income". A "designated beneficiary" includes a non-resident, and "designated income" includes income from business, which could include certain gains from derivative transactions and from short sales.

Where a Fund is subject to tax under Part XII.2, the Fund may make a designation which will result in unitholders that are not designated beneficiaries receiving a tax credit with respect to their share of the tax under Part XII.2 paid by the Fund.

Gains from derivative transactions entered into for non-hedging purposes will be taxed as ordinary income, rather than as capital gains. Gains from derivatives transactions entered into for hedging purposes may be taxed as ordinary income or capital gains, depending on the specific circumstances.

Mark-to-Market Rules

If more than 50% (calculated on a fair market value basis) of the units of a Fund are held by one or more unitholders that are considered to be “financial institutions” for the purposes of certain special mark-to-market rules in the Tax Act, then that Fund itself will be treated as a financial institution under those special rules. Under those rules, a Fund will be required to recognize at least annually on income account any gains and losses accruing on certain types of debt obligations and equity securities that it holds and also will be subject to special rules with respect to income inclusion on these securities. Any income arising from such treatment will be included in amounts to be distributed to unitholders. If more than 50% of the units of a Fund cease to be held by financial institutions, the tax year of the Fund will be deemed to end immediately before that time and any gains or losses accrued before that time will be deemed realized by the Fund and will be distributed to unitholders. A new taxation year for the Fund will then begin and for that and subsequent taxation years, for so long as not more than 50% of the units of the Fund are held by financial institutions, the Fund will not be subject to these special mark-to-market rules.

Initially, a subsidiary of Royal Bank of Canada will hold substantially all the outstanding units of the Funds. As a result, these Funds will be subject to the special mark-to-market rules described above. If more than 50% of the units of a Fund subsequently cease to be held by a subsidiary of Royal Bank of Canada and/or other financial institutions, the taxation year of the Fund will be considered to have ended immediately before that time and any gains or losses accrued to that time will be considered to be realized by the Fund as described above and will be reflected in amounts considered to be distributed in that shortened taxation year to unitholders of the Fund. A new taxation year for the Fund will then begin and for that and subsequent years, for so long as not more than 50% of the units of the Fund are held by financial institutions, the Fund will not be subject to these special mark-to-market rules.

Taxation of unitholders

Each unitholder of a Fund will be required to include in computing its income for a particular year the portion of the net income, and the net realized taxable capital gains of the Fund for the year distributed to the unitholder (including such amounts distributed or on the redemption of units), whether those amounts are distributed in cash or reinvested in additional units.

To the extent that distributions made by a Fund to a unitholder in a year exceed the unitholder’s share of the Fund’s net income and net realized capital gains for the year, the excess distributions will be a return of capital that is not taxable to the unitholder but that reduces the adjusted cost base of the unitholder’s units. If a unitholder’s adjusted cost base is reduced to less than zero the unitholder will be deemed to have realized a capital gain equal to the negative amount and the adjusted cost base will be reset at nil.

The purchase price for units of a Fund may reflect net income and net realized capital gains which have not been distributed. The investor is subject to tax on his or her share of those amounts when distributed, even though the amounts were reflected in the purchase price paid for the units. Similarly, the investor’s share of capital gains realized after the units were acquired will include the portion of the gains that accrued before the investor acquired the units. This is particularly relevant with respect to units purchased late in the year.

Each Fund intends to make designations under the Tax Act so that dividends from taxable Canadian corporations, income from foreign sources and net taxable capital gains distributed to unitholders will retain their character in the hands of unitholders. In the case of a unitholder that is a corporation, amounts designated as taxable dividends from a taxable Canadian corporation will be included in income, but generally will also be deductible. A private corporation or a subject corporation (as defined in the Tax Act), which is essential to deduct such dividends, will normally be subject to the Part IV refundable tax under the Tax Act on the dividends. Corporations other than private corporations and certain financial intermediary corporations should consult their own tax advisers as to the possible application of Part IV.1 tax on amounts designated as taxable dividends. Each taxable unitholder will generally be entitled to a tax credit for foreign taxes paid by a Fund in respect of his or her share of income from foreign sources, except to the extent the Fund has deducted the foreign taxes in computing its income.

On a redemption (including a redemption to switch between the Funds or other investment funds managed by RBC GAM) or other disposition of units of a Fund, the unitholder will realize a capital gain to the extent that the proceeds of disposition exceed the adjusted cost base of the units plus any cost of disposition, or a capital loss to the extent that the total of the adjusted cost base of the units plus any costs of disposition exceeds the proceeds of disposition. A redesignation of a series (or sub-series) of units of a Fund as units of another series (or sub-series) of units of the same Fund will not result in a disposition for tax purposes. One half of a capital gain must be included in income as a taxable capital gain. One-half of a capital loss is an allowable capital loss, which may be applied against taxable capital gains realized in the year. Allowable capital losses in excess of taxable capital gains may be carried back three years or forward indefinitely and applied against taxable capital gains realized in those earlier or later years, subject to the rules in the Tax Act. A unitholder that is throughout the relevant taxation year a “Canadian-controlled private corporation” under the Tax Act, may be liable to pay, in addition to the tax otherwise payable under the Tax Act, a refundable tax of 6⅔% determined by reference to its aggregate investment income for the year, which is defined to include an amount in respect of taxable capital gains.

The adjusted cost base of a unit of a Fund is equal to the average adjusted cost base of all units of the Fund held by a unitholder. Generally, the adjusted cost base of all units at any time is equal to the total cost of Fund units purchased by the unitholder to that time (including units purchased by reinvesting distributions) minus the return of capital component of distributions and the adjusted cost base of units previously sold. The proceeds of disposition on the redemption of units of a Fund do not include net income or net realized gains, if any, that are distributed as part of the redemption amount. The aggregate cost of units received on a redesignation will be equal to the aggregate adjusted cost base of the units that were redesignated.

The cost to a unitholder of units of the RBC QUBE Market Neutral World Equity Fund is to be determined in Canadian dollars based on the exchange rate when the units are acquired. The proceeds of disposition of units are to be determined in Canadian dollars based on the exchange rate at the time of disposition. Consequently, a unitholder of this Fund may realize a capital gain or loss on the disposition of units as a result of fluctuations in the exchange rate between the Canadian and U.S. dollars.

Individuals and certain trusts are required to pay tax equal to the greater of tax determined under the ordinary rules and alternative minimum tax. Amounts distributed by a Fund that are net taxable capital gains, and capital gains realized on the redemption of units, may increase a unitholder’s liability for alternative minimum tax.

In general, fees paid directly by you in respect of units of the Funds held outside a registered plan should be deductible for income tax purposes to the extent that such fees are reasonable and represent fees for advice to you regarding the purchase or sale of units of the Funds or for services provided to you in respect of the administration or management of your units of the Funds. The portion of the fees that represent services provided by the manager to the Funds, rather than directly to you, are not deductible for income tax purposes. You should consult your own tax adviser with respect to the deductibility of fees in your own particular circumstances.

Investment by registered plans

Units of each Fund that is a registered investment are qualified investments under the Tax Act for RRSPs, RRIFs, DPSPs, RESPs, RDSPs and TFSAs. Units of a Fund will continue to be a qualified investment as long as the Fund is a registered investment under the Tax Act. There will be no change in the status of units of any Fund as a qualified investment, provided that the annuitant of an RRSP or RRIF, or the holder of a TFSA, deals at arm's length with a Fund and does not have a "significant interest" (within the meaning of the Tax Act) in the Fund. Units of the Fund will not be a prohibited investment under the Tax Act for the RRSP, RRIF or TFSA. Units will also not be a prohibited investment for a RRSP, RRIF or TFSA if they are "excluded property" under the Tax Act for that RRSP, RRIF or TFSA. Annuitants of RRSPs and RRIFs and holders of TFSAs should consult with their own tax advisors as to whether units of the Funds would be prohibited investments under the Tax Act in their particular circumstances.

Switching between Funds

For tax purposes, switching units of the Fund for units of another fund is considered to be the same as redeeming units for cash, even though you actually reinvested the money in units of another fund.

However, switching units of one series to units of another series of a Fund (if the Fund offers additional series of units in the future) is not a disposition for tax purposes and no capital gain or loss will be realized provided that the switch is effected as a redesignation. The adjusted cost base of the units that were switched will be transferred to the units of the other series acquired on the switch.

Additional Information

Settlement and Custody Services

Pursuant to a settlement services agreement dated as of November 23, 2011, as amended as of November 8, 2012, between RBC DS and RBC GAM, RBC DS acts as the settlement agent as well as the custodian for the RBC QUBE 120/20 Canadian Equity Fund and the RBC QUBE Market Neutral Canadian Equity Fund. Pursuant to this agreement, RBC DS acts as a settlement agent for transactions executed by RBC GAM through third party executing brokers, and also provides custody services for securities and monies deposited to the account for these Funds. In acting as a settlement agent, RBC DS does not act as a counterparty with RBC GAM or with any executing broker to any transactions.

Pursuant to a prime broker agreement between CSSU and RBC GAM, CSSU acts as a settlement agent as well as a custodian for the RBC QUBE Market Neutral World Equity Fund. Pursuant to this agreement, CSSU acts as a settlement agent for transactions executed by RBC GAM through third party executing brokers, and also provides custody services for securities and monies deposited to the account for the Fund. In acting as a settlement agent, CSSU does not act as a counterparty with RBC GAM or with any executing broker to any transactions.

Pursuant to a prime broker agreement between Scotia and RBC GAM, Scotia acts as a settlement agent as well as a custodian for the RBC QUBE Market Neutral World Equity Fund. Pursuant to this agreement, Scotia acts as a settlement agent for transactions executed by RBC GAM through third party executing brokers, and also provides custody services for securities and monies deposited to the account for the Fund. In acting as a settlement agent, Scotia does not act as a counterparty with RBC GAM or with any executing broker to any transactions.

RBC Investor Services Trust acts as custodian to the RBC QUBE Market Neutral World Equity Fund (CAD Hedged).

Regulatory relief

RBC GAM has obtained relief from applicable securities legislation to engage in the types of transactions described below on behalf of investment funds (referred to as "funds" in this section and under *Recordkeeping, disclosure and Independent Review Committee involvement*) managed by RBC GAM. The RBC QUBE Funds may rely on certain of this relief from time to time.

The exceptions may only be relied upon by the funds where consistent with the investment objectives of the funds and carried out in accordance with any instructions received from the Independent Review Committee.

Investment restrictions

Purchase of securities of related issuers

Generally, restrictions under securities legislation prevent a fund from purchasing the securities of a related issuer. A fund is permitted, however, to purchase the securities of a related issuer if the purchase is made on an exchange on which the securities are listed and traded. This means a fund can purchase, for example, listed common and preferred shares. RBC GAM has received relief which permits a fund to purchase debt securities of a related issuer, provided that:

(i) the transaction occurs in the secondary market;

(ii) the debt security has an approved rating by an approved credit rating organization; and

(iii) the price payable is not more than the ask price of the security determined as follows:

(A) if the purchase occurs on a marketplace, in accordance with the requirements of the marketplace;

(B) if the purchase does not occur on a marketplace,

a. the price at which an independent seller is willing to sell; or

b. not more than the price quoted publicly by an independent marketplace or obtained from an independent party.

RBC GAM has also received relief which permits a fund to purchase debt securities of a related issuer (other than asset-backed securities), with a term to maturity of 365 days or more, offered in the primary market (i.e. from the issuer) (an offering), provided that:

(i) the size of the offering is at least $100 million;

(ii) at least two arm's-length purchasers collectively purchase at least 20% of the securities issued in the offering;

(iii) following the purchase, a Fund does not have more than 5% of its net assets invested in the debt securities of the issuer;

(iv) following the purchase, a fund, together with other related funds, do not hold more than 20% of the securities issued in the offering; and

(v) the purchase price is no more than the lowest price paid by any arm's-length purchaser.

Purchase of securities from related dealers – principal trading

Generally, restrictions under securities legislation prevent a fund from purchasing securities from or selling securities to a related party acting as principal. A fund is, however, permitted to engage in such transactions if the bid and ask price are reported by any public quotation. A fund is also permitted to purchase debt securities from or sell debt securities to another fund, subject to certain conditions under applicable securities legislation. RBC GAM has received relief which permits a fund to purchase debt securities from or sell debt securities to a related party that is a principal dealer in the Canadian debt securities market and/or the international debt securities market, provided that:

(i) the transaction occurs in the secondary market;

(ii) the bid and ask price of the security must be determined by reference to a quote from an independent party if not publicly available;

(iii) a purchase must not be executed at a price higher than the ask price and a sale must not be executed at a price which is lower than the bid price; and

(iv) the transaction is subject to "market integrity requirements" as defined in Canadian securities legislation and any equivalent transparency and trade reporting requirements applicable to transactions in debt securities in international debt securities markets.

Inter-fund trades

Pursuant to exemptive relief obtained by RBC GAM, a fund managed by RBC GAM is permitted to engage in certain trades of portfolio securities with another fund managed by RBC

GAM, and with discretionary accounts managed by RBC GAM, subject to complying with certain conditions, including additional terms and conditions that apply to mortgage transactions.

Recordkeeping, disclosure and Independent Review Committee involvement

Appropriate records of the transactions described above (referred to, collectively as "Related Party Trading Activities") must be maintained and, in certain cases, particulars must be disclosed in the financial statements of the funds or filed with securities regulatory authorities. In addition, the Independent Review Committee must approve the policies and procedures of RBC GAM in respect of Related Party Trading Activities.

The Independent Review Committee has approved standing instructions in respect of Related Party Trading Activities by the funds. In accordance with the conditions of the applicable standing instructions of the Independent Review Committee, the Independent Review Committee typically reviews these activities on a quarterly basis. In its review, the Independent Review Committee considers whether investment decisions in respect of Related Party Trading Activities:

- were made by RBC GAM in the best interests of the Fund and were free from any influence of Royal Bank of Canada and without taking into account any consideration relevant to an entity related to Royal Bank of Canada or its associates or affiliates;
- were in compliance with the conditions of the policies and procedures of RBC GAM;
- were in compliance with the applicable standing instructions of the Independent Review Committee; and
- achieved a fair and reasonable result for the Fund.

Reliance on prospectus exemptions and certain required disclosure

Units of the RBC QUBE Funds are offered pursuant to certain exemptions from the prospectus requirements of the securities legislation of the provinces and territories of Canada. Purchasers may be required to acquire units at an aggregate acquisition cost of not less than an amount prescribed by applicable securities legislation. Subscribers for units of a Fund will be required to execute an investment management agreement or a subscription agreement with RBC GAM, and may be required to execute such certificates and other documents as RBC GAM may reasonably require to evidence their eligibility and entitlement to rely on such exemptions.

If the investor is resident in Ontario, applicable securities legislation requires that a Fund notify the investor that (i) the investor's full name, residential address, telephone number, number and type of securities purchased, the total purchase price and the prospectus exemption relied on must be delivered by the Fund to the Ontario Securities Commission, (ii) the information is collected indirectly by the Ontario Securities Commission under the authority granted to it in securities legislation for the purposes of the administration and enforcement of the securities legislation of Ontario, and (iii) the public official who can be contacted regarding the indirect collection of information is the Administrative Support Clerk at the Ontario Securities Commission, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8, Telephone 416-593-8314 or toll free 1-877-785-1555. Such investors, by their investment, will be deemed to have consented to the indirect collection of the information by the Ontario Securities Commission.

What are your Legal Rights?

Securities legislation in certain of the provinces and territories of Canada provides purchasers with, in addition to any other rights they may have at law, a remedy for rescission or damages, or both, where this Offering Memorandum and any amendment to it and, in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation (as such term may be defined in the applicable legislation). However, those remedies, or notice with respect thereto, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed in applicable legislation. Further, such rights may depend on the particular private placement exemption relied upon by the issuer. Each purchaser should refer to the provisions of the applicable legislation for the particulars of these rights or consult with a legal adviser.

The summary of the rights of rescission or to damages, or both, available to purchasers under the securities legislation of certain of the provinces and territories of Canada or provided by contract are set forth in Schedule A hereto. Such rights are expressly conferred upon investors by the delivery of this Offering Memorandum.

Schedule “A” – Purchasers’ Rights of Action for Damages or Rescission

The statutory rights of action and rescission available to purchasers where there is a misrepresentation are set forth below for Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Nunavut, and Yukon. For the purposes of the following, “misrepresentation” in this Schedule “A” means an untrue statement of a material fact, or an omission to state a material fact that is required to be stated, or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

The rights of action and rescission described below are in addition to, and without derogation from, any right or remedy available at law to the purchaser and are subject to the defences contained in those laws. These remedies must be exercised by the purchaser within the time limits set out below. Purchasers should refer to the available provisions of securities laws for the complete text of these rights or consult with a legal adviser.

Saskatchewan

Section 138 of The Securities Act, 1988 (Saskatchewan), as amended (the “Saskatchewan Act”) provides that where an offering memorandum, such as this Offering Memorandum, or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation, a purchaser who purchases a security covered by the offering memorandum or any amendment to it has, without regard to whether the purchaser relied on that misrepresentation, a right of action for rescission against the issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

(a) the issuer or a selling security holder on whose behalf the distribution is made;

(b) every promoter and director of the issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;

(c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;

(d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and

(e) every person who or company that sells securities on behalf of the issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

(a) if the purchaser elects to exercise its right of rescission against the issuer or selling security holder, it shall have no right of action for damages against that party;

(b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;

(c) no person or company, other than the issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;

(d) in no case shall the amount recoverable exceed the price at which the securities were offered; and

(e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the issuer or selling security holder, will be liable if the person or company proves that:

(a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company gave reasonable general notice that it was so sent or delivered;

(b) on becoming aware of any misrepresentation, the person or company withdrew the person's or company's consent to the memorandum and gave reasonable general notice to the issuer of the withdrawal and the reason for it; or

(c) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which we or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, if it was a misrepresentation at the time of purchase, a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action shall be commenced to enforce any of the foregoing rights more than:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of any other action, other than an action for rescission, the earlier of:

(i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or

(ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

Manitoba

Section 141.1 of the *Securities Act* (Manitoba) provides that if an offering memorandum, such as this Offering Memorandum contains a misrepresentation a purchaser resident in Manitoba is deemed to have relied on the misrepresentation and has a right of action against the applicable issuer, every director of the issuer at the date of the memorandum and every person or company who signed the memorandum for damages, or alternatively, for rescission, provided that:

(a) no action may be commenced to enforce a right of action:

(i) for rescission, more than 180 days after the date of the purchase; or

(ii) for damages, the earlier of (A) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or (B) two years after the date of the purchase;

(b) no person or company will be liable if the person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation;

(c) no person or company (excluding the issuer) will be liable if the person or company proves that (i) the memorandum was sent to the purchaser without the person's or company's knowledge or consent, and that, after becoming aware of its delivery, the person or company promptly gave reasonable notice to the issuer that it was sent without the person's or company's knowledge or consent, (ii) on becoming aware of the misrepresentation, the person or company withdrew their respective consent to the memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it, or (iii) with respect to any part of the memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that they had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or the relevant part of the memorandum did not fairly represent the expert's report, opinion or statement, or was not a fair copy of, or an extract from, the expert's report or statement;

(d) no person or company (excluding the issuer) will be liable with respect to any part of the memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation;

(e) in action for damages, a defendant will not be liable for any portion of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation; and

(f) in no case shall the amount recoverable exceed the price at which the securities were sold to the purchaser.

Ontario

In the event that an offering memorandum, such as this Offering Memorandum, together with any amendment hereto, delivered to a purchaser of units resident in Ontario contains a misrepresentation and it was a misrepresentation at the time of purchase of units by such purchaser, the purchaser will have, without regard to whether the purchaser relied on such misrepresentation, a right of action against a fund for damages or, while still the owner of units of a fund purchased by that purchaser, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against a fund, provided that:

(a) the right of action for rescission or damages will be exercisable only if the purchaser commences an action to enforce such right, not later than:

   (i) in the case of an action for rescission, 180 days after the date of purchase; or

   (ii) in the case of an action for damages, the earlier of (A) 180 days following the date the purchaser first had knowledge of the misrepresentation, and (B) three years after the date of purchase;

(b) the fund, will not be liable if it proves that the purchaser purchased the units with knowledge of the misrepresentation;

(c) in the case of an action for damages, the fund will not be liable for all or any portion of the damages that it proves does not represent the depreciation in value of the units as a result of the misrepresentation relied upon;

(d) the fund will not be liable for a misrepresentation in forward-looking information if the fund proves:

   (i) that the offering memorandum contains reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information;

   (ii) the reasonable cautionary language and disclosure of material factors appear proximate to the forward-looking information; and

   (iii) the fund has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information; and

(e) in no case will the amount recoverable in any action exceed the price at which the units were offered.

The foregoing rights do not apply if the purchaser is:

(a) a Canadian financial institution (as defined in NI 45-106) or a Schedule III bank;

(b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

(c) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

New Brunswick

Section 150(1) of the *Securities Act* (New Brunswick) provides that where a memorandum, such as this Offering Memorandum, is delivered to a purchaser resident in New Brunswick and contains a misrepresentation that was a misrepresentation at the time of purchase, the purchaser will be deemed to have relied on the misrepresentation and will have a right of action against the issuer or selling securityholder for damages or, alternatively, while still the owner of the purchased securities, for rescission, provided that:

(a) no action may be commenced to enforce a right of action:

   (i) for rescission, more than 180 days after the date of the purchase; or

   (ii) for damages, more than the earlier of (A) one year after the purchaser first had knowledge of the facts giving rise to the cause of action, and (B) six years after the date of the purchase;

(b) no person will be liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation;

(c) in an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and

(d) in no case shall the amount recoverable exceed the price at which the securities were offered under the offering memorandum; and

(e) no person will be liable for a misrepresentation in forward-looking information if the person proves that:

  (i) the memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

  (ii) the person had a reasonable basis for drawing the conclusions or making the forecasts and projections set out in the forward-looking information.

An issuer shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the misrepresentation was not based on information provided by the issuer unless the misrepresentation:

(a) was based on information that was previously publicly disclosed by the issuer;

(b) was a misrepresentation at the time of its previous public disclosure; and

(c) was not subsequently publicly corrected or superseded by the issuer before the completion of the distribution of the securities being distributed.

Nova Scotia

Section 138 of the *Securities Act* (Nova Scotia) states that in the event that an offering memorandum, such as this Offering Memorandum, together with any amendment thereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) used in connection with an offering memorandum, contains a misrepresentation, any investor in Nova Scotia who purchases securities offered thereunder shall be deemed to have relied on such misrepresentation, if it was a misrepresentation at the time of purchase, and shall have, subject as hereinafter provided, a right of action either for damages against the seller, every director of the seller at the date of the offering memorandum and every person who signed the offering memorandum, or alternatively for rescission, exercisable against the seller provided that:

(a) no person or company will be held liable if it proves that the investor purchased the securities with knowledge of the misrepresentation;

(b) in an action for damages, the seller will not be liable for all or any portion of such damages that it proves does not represent the depreciation in value of the securities as a result of the misrepresentation relied upon;

(c) no person or company will be liable if the person or company proves that (i) the offering memorandum or amendment thereto was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent, (ii) after delivery of the offering memorandum or amendment thereto and before the purchase of the securities by the purchaser, on becoming aware of any misrepresentation in the memorandum, the person or company withdrew the person's or company's consent to the memorandum and gave reasonable general notice of the withdrawal and the reason for it, or (iii) with respect to any part of the offering memorandum or amendment thereto purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or the relevant part of the offering memorandum or amendment thereto did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;

(d) no person or company will be liable with respect to any part of the memorandum not purporting to be made on the authority of an expert, or to be a copy, or an extract from, a report, opinion or statement of expert unless the person or company failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or believed that there had been a misrepresentation; and

(e) in no case shall the amount recoverable exceed the price at which the securities were offered under the offering memorandum or amendment thereto.

No action shall be commenced to enforce the rights of action more than 120 days after the date on which payment was made for the securities or after the date on which the initial payment for the securities was made where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment.

Prince Edward Island

Section 112(1) of the *Securities Act* (Prince Edward Island) provides that if an offering memorandum, such as this Offering Memorandum, contains a misrepresentation, a purchaser resident in Prince Edward Island who purchased a security under this memorandum has, without regard to whether the purchaser relied on the misrepresentation, a right of action against the applicable issuer, the selling securityholder on whose behalf the distribution is made, every director of the issuer at the date of this memorandum and every person who signed this memorandum for damages or, alternatively, for rescission, exercisable against the issuer or the selling securityholder on whose behalf the distribution is made, provided that:

(a) no action shall be commenced to enforce a right of action:

   (i) for rescission, more than 180 days after the date of the purchase; or

   (ii) for any action other than rescission, the earlier of (A) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of the action, or (B) three years after the date of the purchase;

(b) no person or company will be liable if the person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation;

(c) no person or company (but excluding the issuer or selling securityholder) will be liable if it proves that (i) the memorandum was delivered to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its delivery, the person or company gave reasonable general notice that it was delivered without the person's or company's knowledge or consent, (ii) after the delivery of the memorandum and before the purchase of the securities by the purchaser, on becoming aware of any misrepresentation in the memorandum, the person or company withdrew the person's or company's consent to the memorandum and gave reasonable general notice of the withdrawal and the reason for it, or (iii) with respect to any part of the memorandum purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert, the person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, or the relevant part of the memorandum did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert;

(d) no person or company (but excluding the issuer or selling securityholder) will be liable with respect to any part of the memorandum not purporting to be made on the authority of an expert or to be a copy of, or an extract from, a report, an opinion or a statement of an expert unless the person or company (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation or, (ii) believed that there had been a misrepresentation;

(e) in an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon; and

(f) in no case shall the amount recoverable exceed the price at which the securities were sold to the purchaser.

Newfoundland and Labrador

Section 130.1 of the *Securities Act* (Newfoundland and Labrador) provides that where an offering memorandum, such as this Offering Memorandum, is delivered to a purchaser resident in Newfoundland and Labrador and it contains a misrepresentation, the purchaser has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the issuer, every director of the issuer at the date of the offering memorandum, and every person or company who signed the offering memorandum. In addition, such purchaser has a right of rescission against the issuer. If a purchaser elects to exercise a right of rescission against the issuer, the purchaser has no right of action for damages.

Where a misrepresentation is contained in an offering memorandum, a person or company shall not be liable for an action for damages or rescission:

(a) where the person or company proves that the purchaser had knowledge of the misrepresentation;

(b) where the person or company proves that the offering memorandum was sent to the purchaser without the person's or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the knowledge and consent of the person or company;

(c) if the person or company proves that the person or company, on becoming aware of the misrepresentation in the offering memorandum, withdrew the person’s or company’s consent to the offering memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it;

(d) if, with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, the person or company proves that the person or company did not have any reasonable grounds to believe and did not believe that:

  (i) there had been a misrepresentation; or

  (ii) the relevant part of the offering memorandum:

    (A) did not fairly represent the report, opinion or statement of the expert; or

    (B) was not a fair copy of, or an extract from, the report, opinion or statement of the expert; and

(e) with respect to any part of the offering memorandum not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company:

(i) did not conduct an investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation; or

(ii) believed there had been a misrepresentation.

Of the above defences, the issuer shall only be able to rely on (a) above.

The amount recoverable shall not exceed the price at which the securities were offered under the offering memorandum.

In an action for damages, the defendant is not liable for all or any part of the damages that the defendant proves do not represent the depreciation in value of the security as a result of the misrepresentation.

No action may be commenced to enforce a right of action:

(a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or

(b) in the case of an action, other than an action for rescission, the earlier of:

(i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action; or

(ii) three years after the date of the transaction that gave rise to the cause of action.

Northwest Territories

Section 112 of the *Securities Act* (Northwest Territories) provides that where an offering memorandum, such as this Offering Memorandum, is delivered to a purchaser resident in the Northwest Territories and it contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the issuer, the selling securityholder on whose behalf the distribution is made, every director of the issuer at the date of the offering memorandum, and every person who signed the offering memorandum. In addition, such a purchaser also has a right of rescission against the issuer or the selling securityholder on whose behalf the distribution is made.

These rights are subject to certain limitations including the following:

(a) if the purchaser elects to exercise its right of rescission against the issuer or the selling securityholder on whose behalf the distribution is made, it shall have no right of action for damages against that party;

(b) a person or company will not be liable if the person or company proves that the purchaser purchased the securities with the knowledge of the misrepresentation;

(c) a person or company (other than the issuer or selling securityholder on whose behalf the distribution is made) will not be liable if:

(i) the offering memorandum was sent to the purchaser without the person or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the knowledge and consent of that person or company;

(ii) the person or company, on becoming aware of the misrepresentation in the offering memorandum, withdrew the person or company's consent to the offering memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it; or

(iii) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that:

(A) there had been a misrepresentation; or

(B) the relevant part of the offering memorandum did not fairly represent the report, statement or opinion of the expert or was not a fair copy of, or an extract from, the report, statement or opinion of the expert;

(iv) for any part of an offering memorandum that is not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, unless the person or company:

(A) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or

(B) believed that there had been a misrepresentation.

In addition, no person or company will be liable if:

(a) the offering memorandum containing the forward-looking information contained, proximate to the forward-looking information,

(i) reasonable cautionary language identifying the forward-looking information as such and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and

(ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

(b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

In an action for damages, a defendant will not be liable for all or any part of the damages that the defendant proves does not represent the depreciation in value of the security resulting from the misrepresentation.

The amount recoverable by the purchaser in an action for damages must not exceed the price at which the securities purchased by the purchaser were offered.

No action may be commenced to enforce a right of action more than the earlier of:

(a) in the case of an action for rescission, 180 days after the date of the purchase; or
(b) in the case of an action for damages, (i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the purchase.

Nunavut

Section 112 of the *Securities Act* (Nunavut) provides that where an offering memorandum, such as this Offering Memorandum, is delivered to a purchaser resident in Nunavut and it contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution is deemed to have relied on the misrepresentation, and has a right of action for damages against the issuer, the selling security holder on whose behalf the distribution is made, every director of the issuer at the date of the offering memorandum, and every person who signed the offering memorandum. In addition, such a purchaser also has a right of rescission against the issuer or the selling security holder on whose behalf the distribution is made.

These rights are subject to certain limitations, including the following:

(a) if the purchaser elects to exercise its right of rescission against the issuer or the selling security holder on whose behalf the distribution is made, it shall have no right of action for damages against that party;

(b) a person or company will not be liable if the person or company proves that the purchaser purchased the securities with the knowledge of the misrepresentation;

(c) a person or company (other than the issuer or selling security holder on whose behalf the distribution is made) will not be liable if:

(i) the offering memorandum was sent to the purchaser without the person or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the knowledge and consent of that person or company;

(ii) the person or company, on becoming aware of the misrepresentation in the offering memorandum, withdrew the person or company's consent to the offering memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it; or

(iii) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that:

(A) there had been a misrepresentation; or

(B) the relevant part of the offering memorandum did not fairly represent the report, statement or opinion of the expert or was not a fair copy of, or an extract from, the report, statement or opinion of the expert;

(iv) for any part of an offering memorandum that is not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, unless the person or company:

(A) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or

(B) believed that there had been a misrepresentation.

In addition, no person or company will be liable if:

(a) the offering memorandum containing the forward-looking information contained, proximate to the forward-looking information,

(i) reasonable cautionary language identifying the forward-looking information as such and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and

(ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

(b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

In an action for damages, a defendant will not be liable for all or any part of the damages that the defendant proves does not represent the depreciation in value of the security resulting from the misrepresentation.

The amount recoverable by the purchaser in an action for damages must not exceed the price at which the securities purchased by the purchaser were offered.

No action may be commenced to enforce a right of action more than the earlier of:

(a) in the case of an action for rescission, 180 days after the date of the purchase; or

(b) in the case of an action for damages, (i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the purchase.

Yukon

Section 112 of the *Securities Act* (Yukon) provides that where an offering memorandum, such as this Offering Memorandum, is delivered to a purchaser resident in the Yukon and it contains a misrepresentation, a purchaser who purchases a security offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied on the misrepresentation, a right of action for damages against the issuer, the selling securityholder on whose behalf the distribution is made, every director of the issuer at the date of the offering memorandum, and every person who signed the offering memorandum. In addition, such a purchaser also has a right of rescission against the issuer or the selling securityholder on whose behalf the distribution is made.

These rights are subject to certain limitations including the following:

(a) if the purchaser elects to exercise its right of rescission against the issuer or the selling securityholder on whose behalf the distribution is made, it shall have no right of action for damages against that party;

(b) a person or company will not be liable if the person or company proves that the purchaser purchased the securities with the knowledge of the misrepresentation;

(c) a person or company (other than the issuer or selling securityholder on whose behalf the distribution is made) will not be liable if:

(i) the offering memorandum was sent to the purchaser without the person or company's knowledge or consent and that, on becoming aware of its being sent, the person or company promptly gave reasonable notice to the issuer that it was sent without the knowledge and consent of that person or company;

(ii) the person or company, on becoming aware of the misrepresentation in the offering memorandum, withdrew the person or company's consent to the offering memorandum and gave reasonable notice to the issuer of the withdrawal and the reason for it; or

(iii) with respect to any part of the offering memorandum purporting to be made on the authority of an expert or purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, the person had no reasonable grounds to believe and did not believe that:

(A) there had been a misrepresentation; or

(B) the relevant part of the offering memorandum did not fairly represent the report, statement or opinion of the expert or was not a fair copy of, or an extract from, the report, statement or opinion of the expert;

(iv) for any part of an offering memorandum that is not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, statement or opinion of an expert, unless the person or company:

(A) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation; or

(B) believed that there had been a misrepresentation.

In addition, no person or company will be liable if:

(a) the offering memorandum containing the forward-looking information contained, proximate to the forward-looking information,

(i) reasonable cautionary language identifying the forward-looking information as such and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and

(ii) a statement of the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and

(b) the person or company had a reasonable basis for drawing the conclusions or making the forecasts or projections set out in the forward-looking information.

In an action for damages, a defendant will not be liable for all or any part of the damages that the defendant proves does not represent the depreciation in value of the security resulting from the misrepresentation.

The amount recoverable by the purchaser in an action for damages must not exceed the price at which the securities purchased by the purchaser were offered.
No action may be commenced to enforce a right of action more than the earlier of:

(a) in the case of an action for rescission, 180 days after the date of the purchase; or
(b) in the case of an action for damages, (i) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the purchase.

Other Canadian jurisdictions

The foregoing summaries are subject to the express provisions of the *Securities Act* (Manitoba), *The Securities Act, 1988* (Saskatchewan), the *Securities Act* (Ontario), the *Securities Act* (New Brunswick), the *Securities Act* (Nova Scotia), the *Securities Act* (Prince Edward Island), the *Securities Act* (Newfoundland and Labrador), the *Securities Act* (Northwest Territories), the *Securities Act* (Nunavut) and the *Securities Act* (Yukon), and the regulations and policy statements thereunder, and reference is made thereto for the complete text of such provisions.

Although securities legislation in Alberta, British Columbia and Québec does not provide or require the fund to provide to unitholders resident in these jurisdictions any rights of action if this Offering Memorandum, any amendment hereto or any document incorporated herein by reference, contains a misrepresentation, the fund hereby grants to such unitholders the equivalent contractual rights of action as are described above for unitholders resident in Ontario.

Proposed legislation applicable to investors in Québec

Under legislation adopted but not yet in force in Québec, if this Offering Memorandum, together with any amendment hereto or any document incorporated by reference herein, delivered to an investor resident in Québec contains a misrepresentation, you will have: (i) a right of action for damages against the fund, every person in charge of the fund's patrimony, the dealer (if any) under contract to the fund and any expert whose opinion, containing a misrepresentation, appeared, with the expert's consent in this Offering Memorandum, and (ii) a right of action against the fund for rescission of the purchase contract or revision of the price at which the units were sold to you.

This statutory right of action will be available to you whether or not you have relied on the Offering Memorandum. You will be able to bring an action for rescission of the purchase contract or revision of the price without prejudice to your claim for damages.

However, there will be various defences available to the persons against whom you will have a right of action. For example, they will have a defence if you knew of the misrepresentation when you purchased the units. In an action for damages, a person listed above, other than the fund or the person(s) in charge of the fund's patrimony, will not be liable if that person acted with prudence and diligence.

In addition, the defendant will not be liable for a misrepresentation in forward-looking information if the defendant proves that:

(a) this Offering Memorandum contains, proximate to the forward-looking information, reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection; and

(b) there was a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information.

If you intend to rely on the rights described in (i) or (ii) above, you will have to do so within strict time limitations. You will have to commence an action for rescission of the purchase contract or revision of the price within three years after the date of the purchase. You will have to commence an action for damages within the earlier of (i) three years after you first had knowledge of the facts giving rise to the cause of action (except on proof of tardy knowledge imputable to your negligence) or (ii) five years after the filing of this Offering Memorandum with the Autorité des marchés financiers.

If this legislation is declared to be in force in Québec, the fund will provide you with these rights instead of the rights described above under the section *What are your legal rights? – Other Canadian Jurisdictions*. The foregoing summary is subject to the express provisions of the *Securities Act* (Québec) and the regulations and policy statements thereunder, and reference is made thereto for the complete text of such provisions.

General

The rights summarized above are in addition to and without derogation from any other rights or remedies available at law to an investor.

HEAD OFFICE

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