

Annual Presentation to Shareholders

Tradex Equity Fund Limited

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Dylan Rae, CFA, Portfolio Manager

May 1, 2024





Source: Frank Modell / The New Yorker Collection/The Cartoon Bank

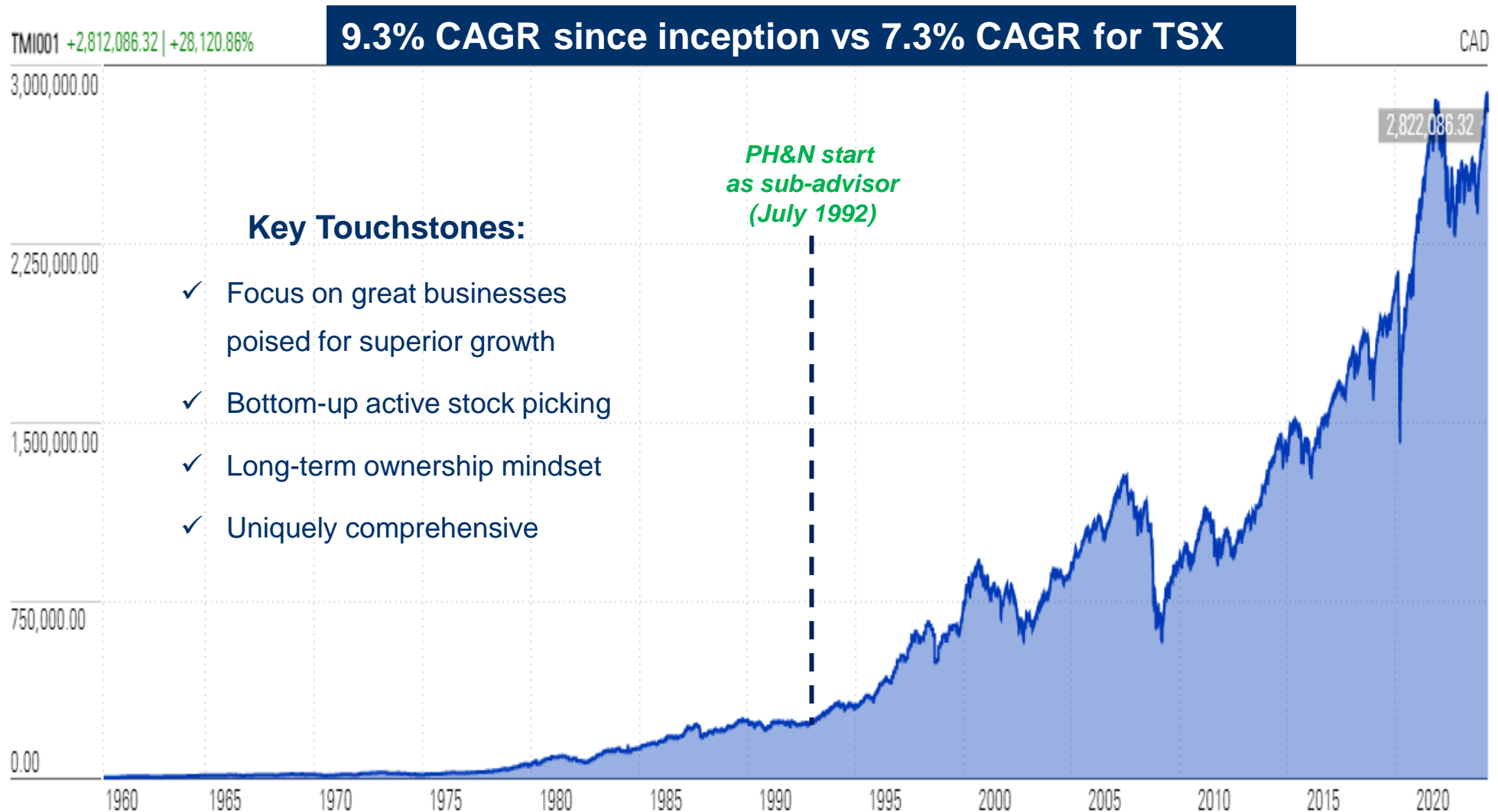
JUST A NORMAL DAY AT THE NATION'S MOST IMPORTANT FINANCIAL INSTITUTION...



Source: The Economist

Tradex Equity Fund Cumulative Return Since Inception

A long-term record of compounding capital...



Source: Morningstar

RBC Global Asset Management
PH&N Institutional

Performance Update

Performance Against Peers

Recovering from challenging 2022/2023 impacting 3-year.

	3 Mo	1 Year	3 Years	5 Years	10 Years
As of March 31, 2024	(%)	(%)	(%)	(%)	(%)
Tradex Equity Fund Ltd.	8.0	14.5	6.0	9.0	8.0
Peer Group Average	<u>8.0</u>	<u>14.0</u>	<u>9.1</u>	<u>10.0</u>	<u>7.7</u>
Performance vs. Peer Group	+0.0	+0.5	-3.1	-1.0	+0.3

Source: Fundata
As of March 31, 2024

Morningstar Quartile Ranking	2	3	4	3	2
Number of Funds in Category	521	518	503	487	339

Source: Morningstar
As of March 31, 2024

Tradex calendar year returns and rankings

Turning the corner on peer rankings

	YTD*	2023	2022	2021	2020	2019	2018	2017
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Tradex Equity Fund Ltd.	8.0	9.5	-14.1	22.7	12.9	23.0	-6.3	13.6
Peer Group Average	<u>8.0</u>	<u>13.5</u>	<u>-9.1</u>	<u>23.4</u>	<u>7.3</u>	<u>18.6</u>	<u>-8.5</u>	<u>8.5</u>
Performance vs. Peer Group	+0.0	-4.0	-5.0	-0.7	+5.6	+4.4	+2.2	+5.1

Morningstar Quartile Ranking	2	3	4	3	1	1	2	1
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Source: Morningstar
*As of March 31, 2024; YTD data sourced from Fundata
Totals may not add to the exact decimal point due to rounding

Recent performance challenges

Headwinds reversing. Making progress on self-inflicted mistakes.

Causes	Conclusions	Status Improvement
Growth Style	Growth style underperformed in 2022-23. Now rebounding	✓
Investment mistakes	Yes, adjusted positioning and made incremental execution improvements	✓
Highly concentrated index performance	Our approach lends itself to breadth for broad-based bottom-up stock picking. Market breadth is improving. Dispersion has increased.	✓

Source: RBC GAM. As of March 31, 2024.

Headwind for growth style started to reverse in 2023

Growth underperformed Value by ~30% early in rate hikes. Recovering now.

Relative performance of S&P 500 Growth vs. S&P 500 Value



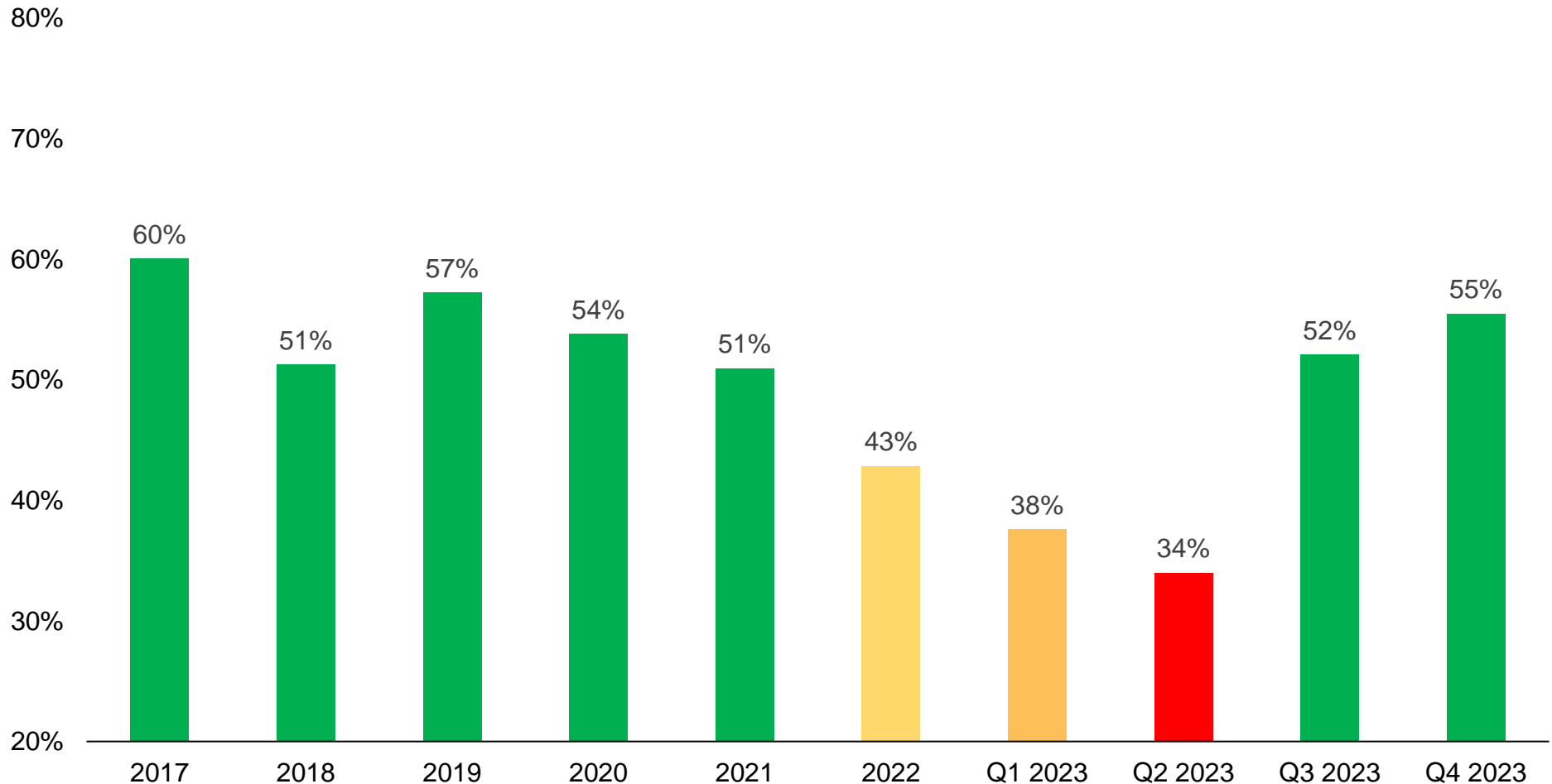
Source: Bloomberg. As of March 28, 2024

RBC Global Asset Management
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Tradex global stock picking

Getting back on track after '22-23 setback. Learnings & adjustments made

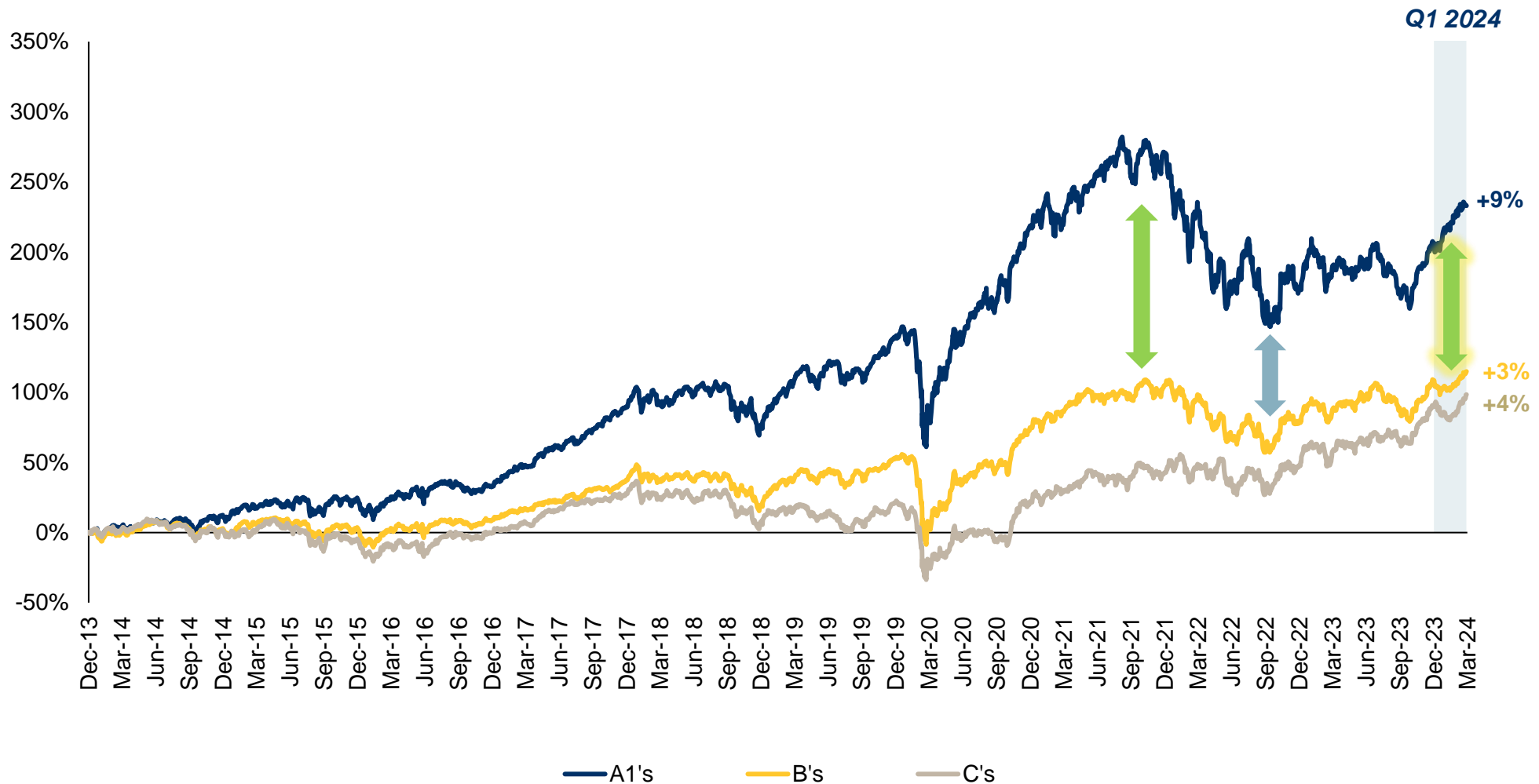
Proportion of Global Equity Capital Outperforming (PCO)



Source: RBC GAM.
Relative performance is gross of fees and compared against the MSCI World Net Index (CAD). Past returns are not indicative of future results.

Similarly, our 'A1' rated stocks are reasserting themselves

'A1' rated stocks reflect our picks for leading global companies with reasonable valuations

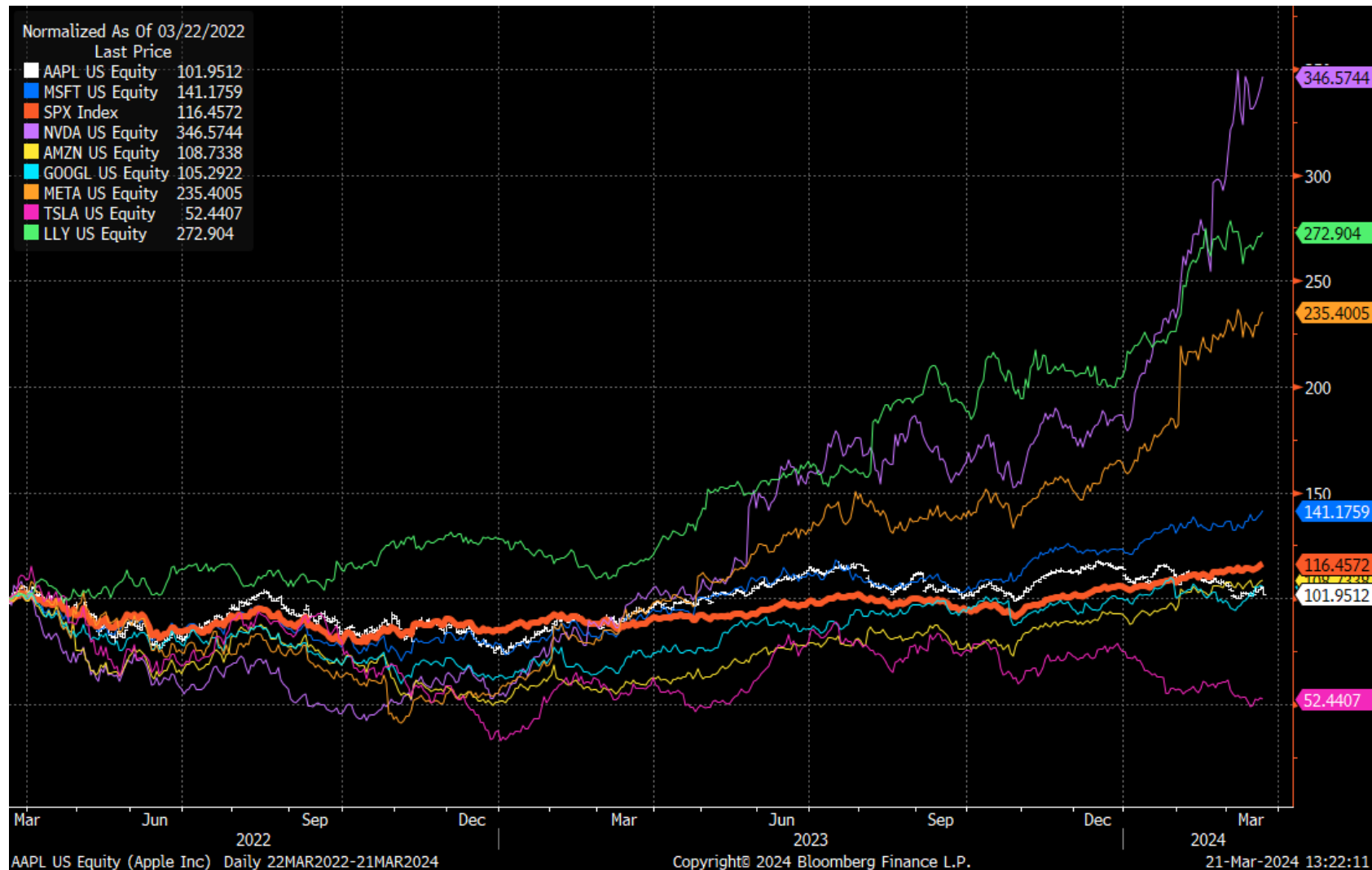


Source: RBC Global Equity Team.

Data from January 2014 to March 2024. Industry experts on the Team are responsible for assigning ratings to companies under their coverage based on the strength of each company's Competitive Dynamics (assessed based on the company's business model, end market growth, opportunity to grow market share, and management team and ESG performance)

Dispersion and market breadth are improving

At the margin, breadth is improving...even among the Magnificent 7+



Source: Bloomberg. As of March 22, 2024

RBC Global Asset Management
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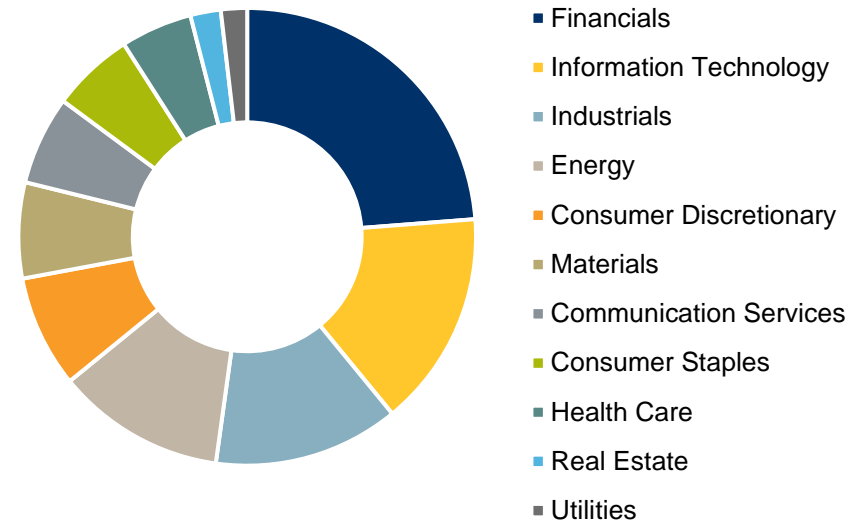
Positioning

Blend of leading Canadian/Global companies

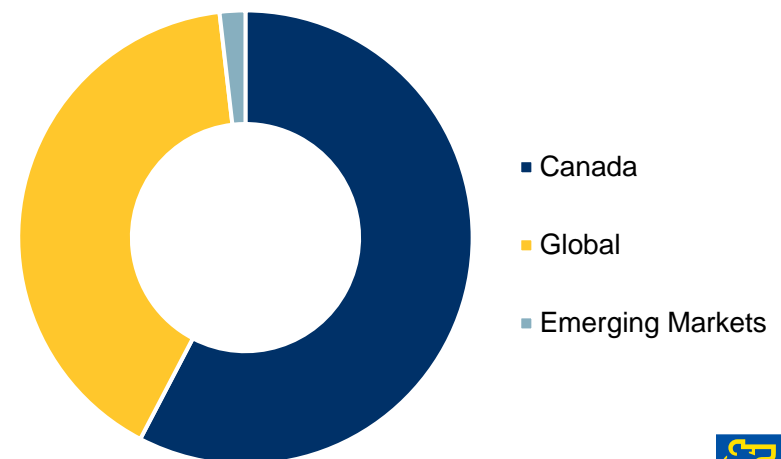
Most are businesses we would want to own 100%...if we could

Top 15 Holdings: Mar 31/23	Weight (%)	Country	Sector
Royal Bank of Canada	3.7	Canada	Financials
Microsoft Corp	2.6	USA	Info Tech
Toronto Dominion Bank	2.6	Canada	Financials
Canadian Natural Resources	2.5	Canada	Energy
Shopify	2.5	Canada	Info Tech
Bank of Montreal	2.0	Canada	Financials
Amazon	2.0	USA	Consumer Disc
Canadian Pacific KC Rail	2.0	Canada	Industrials
NVIDIA	1.8	USA	Info Tech
Brookfield	1.8	Canada	Financials
CN Rail	1.8	Canada	Industrials
UnitedHealth Group	1.8	USA	Health Care
Enbridge	1.7	Canada	Energy
Fortive	1.7	USA	Industrials
Alphabet	1.6	USA	Communications

Breakdown by Sector



Breakdown by Region



Source: RBC GAM; Light Blue: Canadian holdings; Yellow: Global holdings

Bottom-Up Stock Picking

Leaning into competitive strength, stability

Getting more constructive on soft landing

Rate Shock
Being absorbed

Inflation...less
threatening

Geopolitical
challenge...not over

Earnings recovery
Possible again!

Favour companies with durable edge, moats, fundamental momentum & growth

Financials: Payments, asset managers, banks: [Visa](#), [JPM](#), [RBC](#), [TD](#), [BMO](#), [Brookfield](#), [Blackstone](#)

Info Tech: Multiple growth levers/moats: [Shopify](#), [MSFT](#), [Salesforce](#), [NVDA](#), [Intuit](#)

Industrials: Less cyclical with pricing power: [CN & CSX Rail](#), [Thomson](#), [Waste Connections](#), [Deere](#)

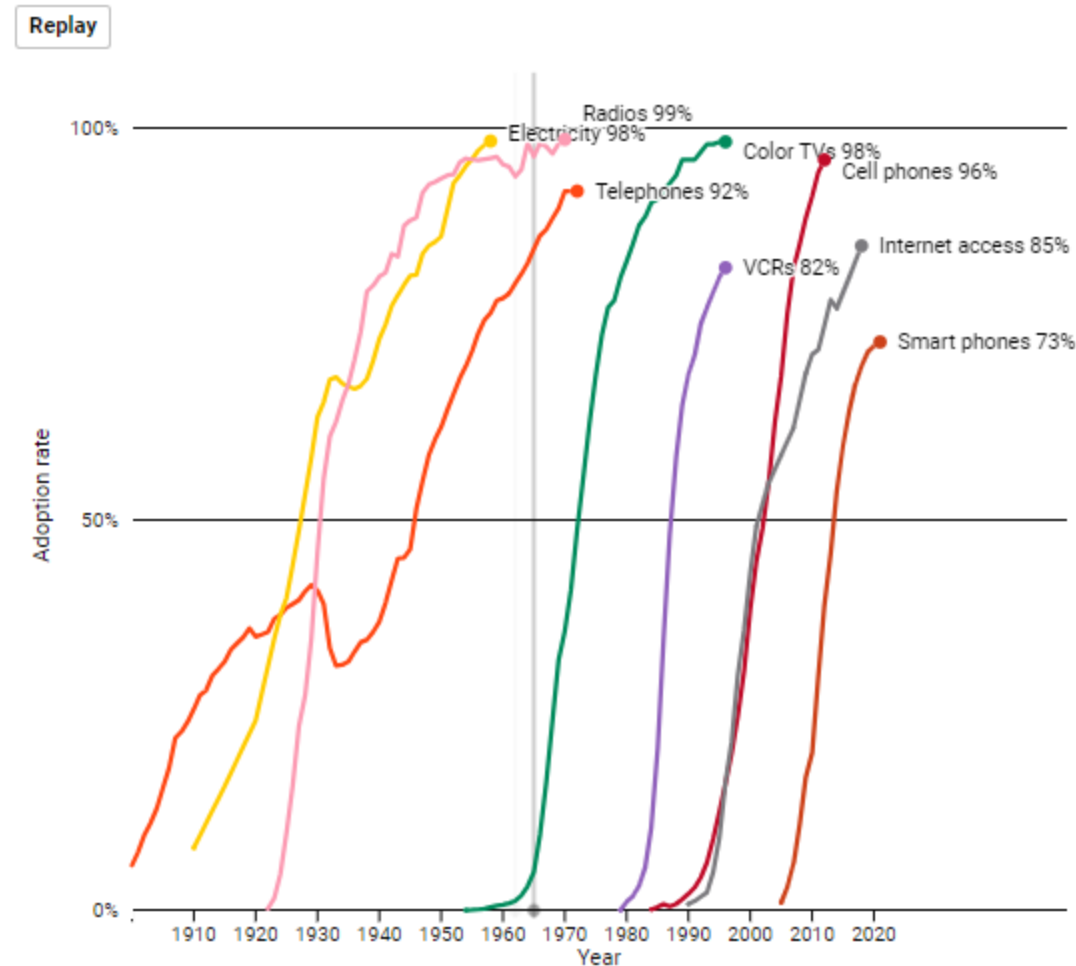
Energy: Large, low-cost & leaders in ESG: [CNQ](#), [SU](#), [IMO](#), [Equinor](#)

Consumer: Durable share gains & pricing power: [Autozone](#), [Amazon](#), [Dollarama](#), [Couche-Tard](#)

AI & digital transformation

A disruptive secular growth driver. History shows adoption is usually more pervasive

U.S. technology adoption, 1900-2021



Source: BlackRock Investment Institute, with data from Federal Communications Commission, U.S. Census Bureau, World Bank and Statista, 2021. Note: Adoption rates are based on household ownership except for cell phone and smart phones which are ownership per capita.

Key positions that enable or leverage AI

Diversified across the AI technology stack

Our positions across AI Technology Stack



Nvidia

Thesis:

- Enabling accelerated computing with shift from CPUs to GPUs
- Generative AI growth potential underappreciated
- Remain dominant market leader (+90% market share) with wide moat

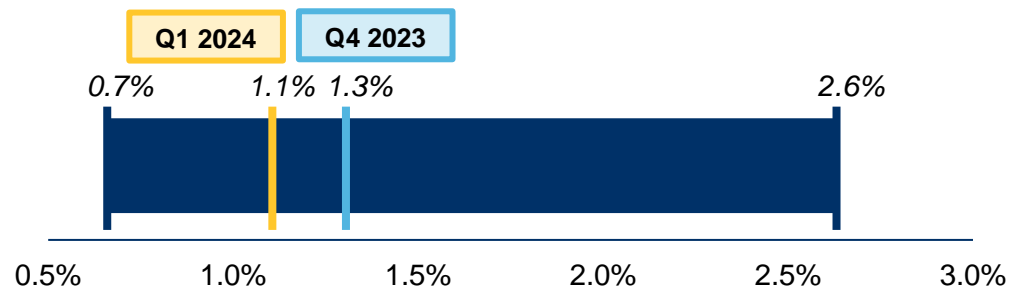
Holding Period: 5 years (purchased March 2019)

Largest holding period drawdown: -66% (Nov 2021 – Oct 2022)

Fundamental improvements (2019 vs 2023):

- Revenue: \$11.7B vs \$60.9B
- Operating margin: 38% vs 61%
- Free cash flow: \$3.1B vs \$26.9B

5-year relative weight range and recent positioning:



Source: RBC GAM, Nvidia. Benchmark: MSCI World Net Index (CAD); Nvidia absolute weight: 4.6%

Global picks focus on juggernauts in attractive industries

Business model ✓	Market share opportunity ✓	End-market growth ✓	Management & ESG ✓
Financials  	Health Care  	Industrials  	
Information Technology  	Consumer Discretionary   	Communications  	

Note: select positions within RBC Global Equity Focus Fund as of March 31, 2024

Salesforce & Netflix: Additions

Added prior to underappreciated strategic turn & financial upturn

Initiated position: April 2023



Initiated position: May 2023

NETFLIX

Catalyst

Thesis: Company would focus on delivering organic growth, capital allocation, margins, which would lead to increased FCF.

Thesis: Password sharing and ad-tier strategy, paired with cost discipline, would lead to accelerating revenue and FCF growth.

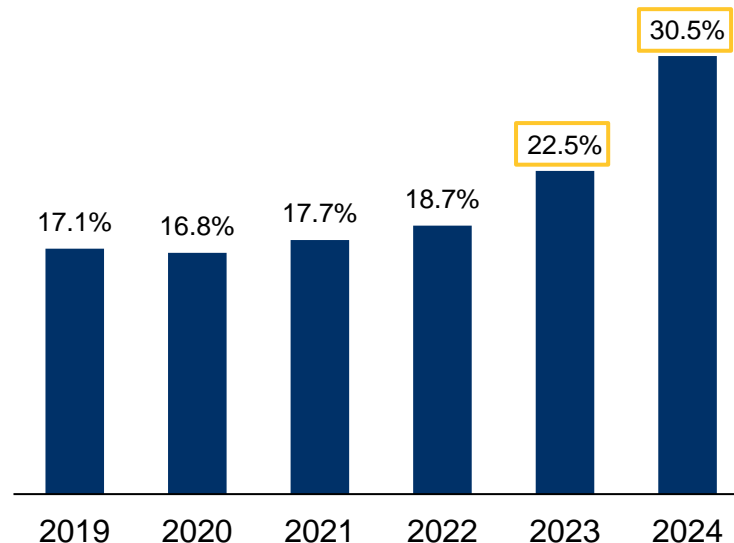
Business model

Market share opportunity

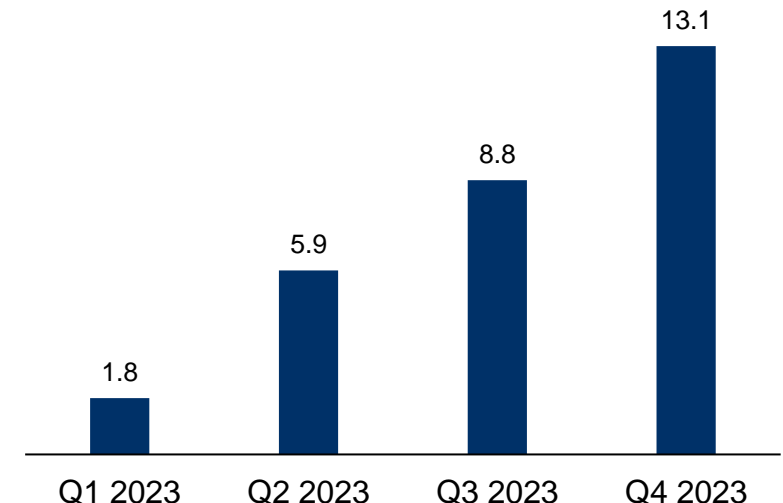
End-market growth

Management & ESG

Operating margin expansion (%)



Subscriber growth (millions)



Source: RBC GAM, Salesforce, Netflix.

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Market Outlook

There's almost always a wall of worry & reason to sell

Ignoring most of the noise. Sticking to your long-term plan works



Source: Barry Ritholtz

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PH&N Institutional

U.S. headline P/Es are demanding...but it's not 2000

Not bubble valuations. Highly prized companies enjoy moats, surging earnings & FCF

**S&P 500 Top 12 Companies
TMT Bubble (March 27, 2000)**

Name	% of SPX	Fwd P/E
Cisco Systems, Inc.	4.2%	131.3x
Microsoft Corporation	4.2%	55.5x
General Electric Company	4.0%	41.2x
Intel Corporation	3.7%	47.0x
Exxon Mobil Corporation	2.0%	21.4x
Oracle Corporation	1.9%	116.9x
Walmart Inc.	1.9%	37.3x
International Business Machines Corporation	1.8%	28.3x
Lucent Technologies Inc.	1.6%	42.6x
Nortel Networks Corporation	1.6%	103.5x
Citigroup Inc.	1.6%	18.0x
AT&T Corp.	1.5%	26.0x
Top 12 Stocks Median		41.9x
S&P 500		23.8x
S&P 500 Median		14.7x

**S&P 500 Top 12 Companies
Current (March 7, 2024)**

Name	% of SPX	Fwd P/E
Microsoft Corporation	7.0%	31.1x
Apple Inc.	5.8%	24.6x
NVIDIA Corporation	5.1%	34.9x
Amazon.com, Inc.	3.7%	39.5x
Alphabet Inc. Class A	3.4%	18.6x
Meta Platforms Inc Class A	2.6%	24.0x
Berkshire Hathaway Inc. Class B	1.7%	21.6x
Eli Lilly and Company	1.5%	55.9x
Broadcom Inc.	1.4%	26.7x
JPMorgan Chase & Co.	1.3%	11.9x
Tesla, Inc.	1.1%	53.0x
Visa Inc. Class A	1.0%	26.6x
Top 12 Stocks Median		26.7x
S&P 500		20.4x
S&P 500 Median		18.3x

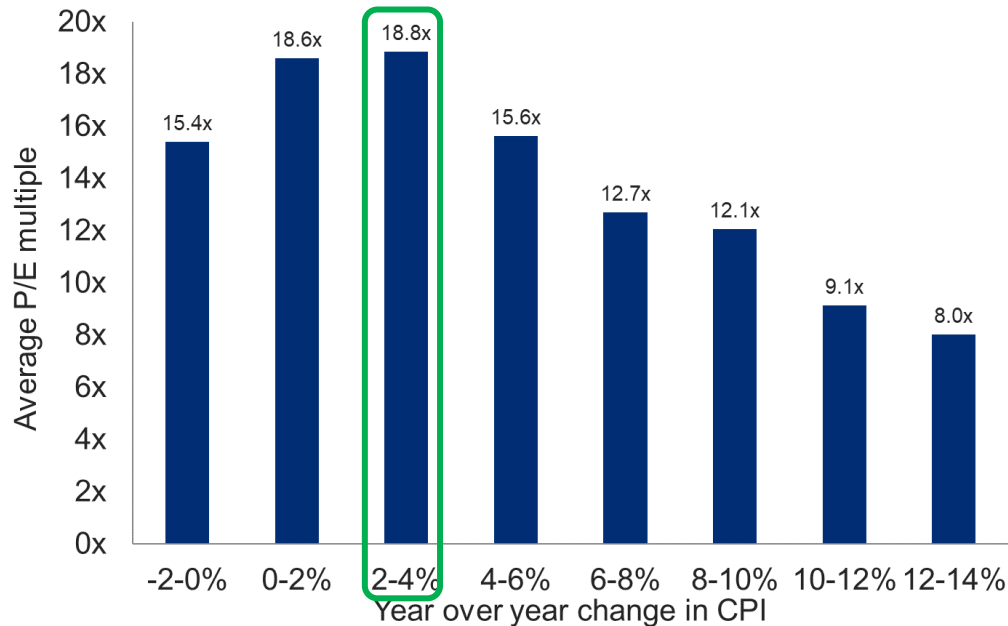
Source: Bernstein Research

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What about the constructive case for equities?

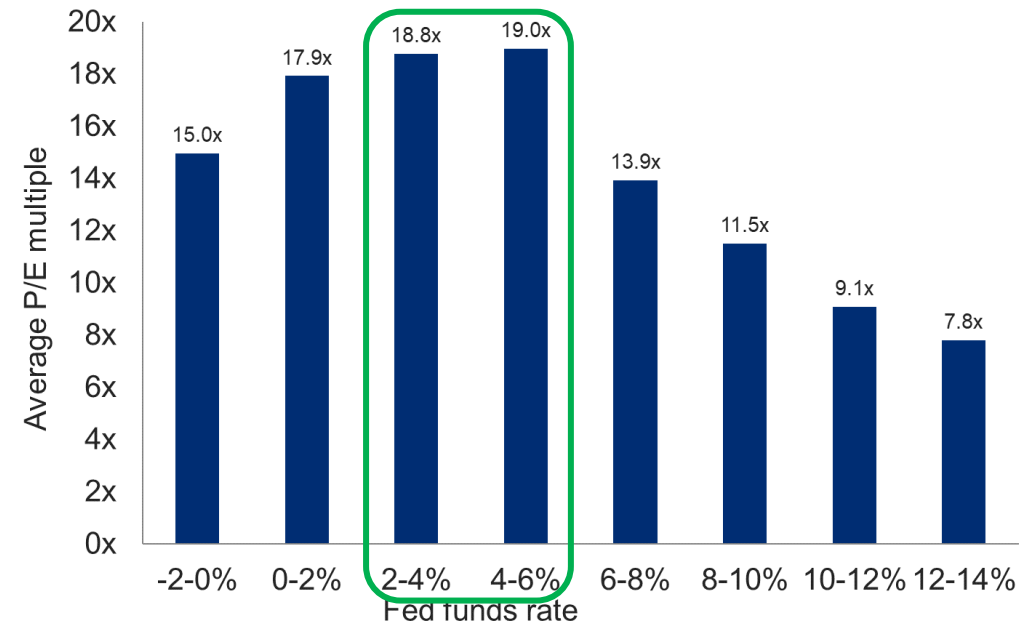
Falling inflation is good for real returns for stocks

Average S&P 500 LTM P/E by CPI Y/Y tranche
(1956 - current)



Note: as of October 31, 2023. Source: RBC CM, RBC GAM

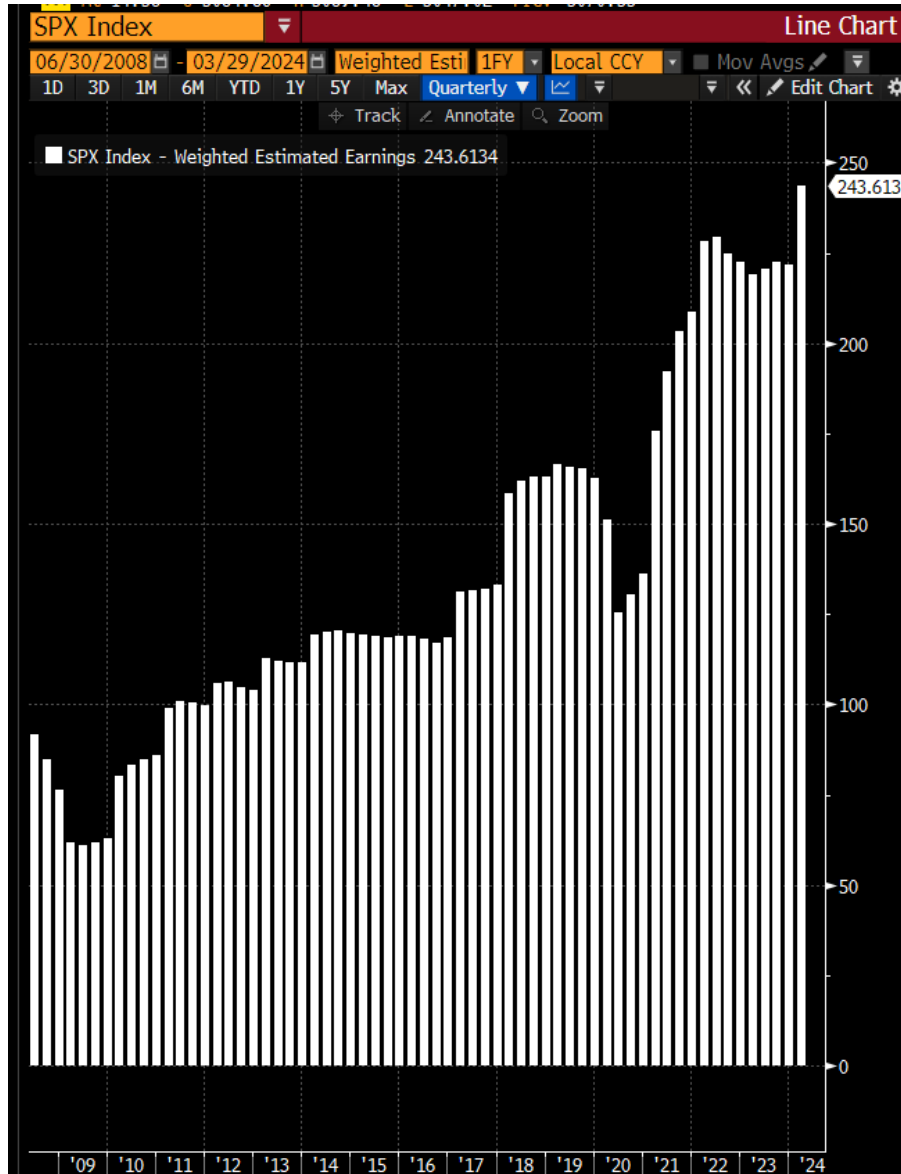
Average S&P 500 LTM P/E by fed funds rate
(1956 - current)



Note: as of October 31, 2023. Source: RBC CM, RBC GAM

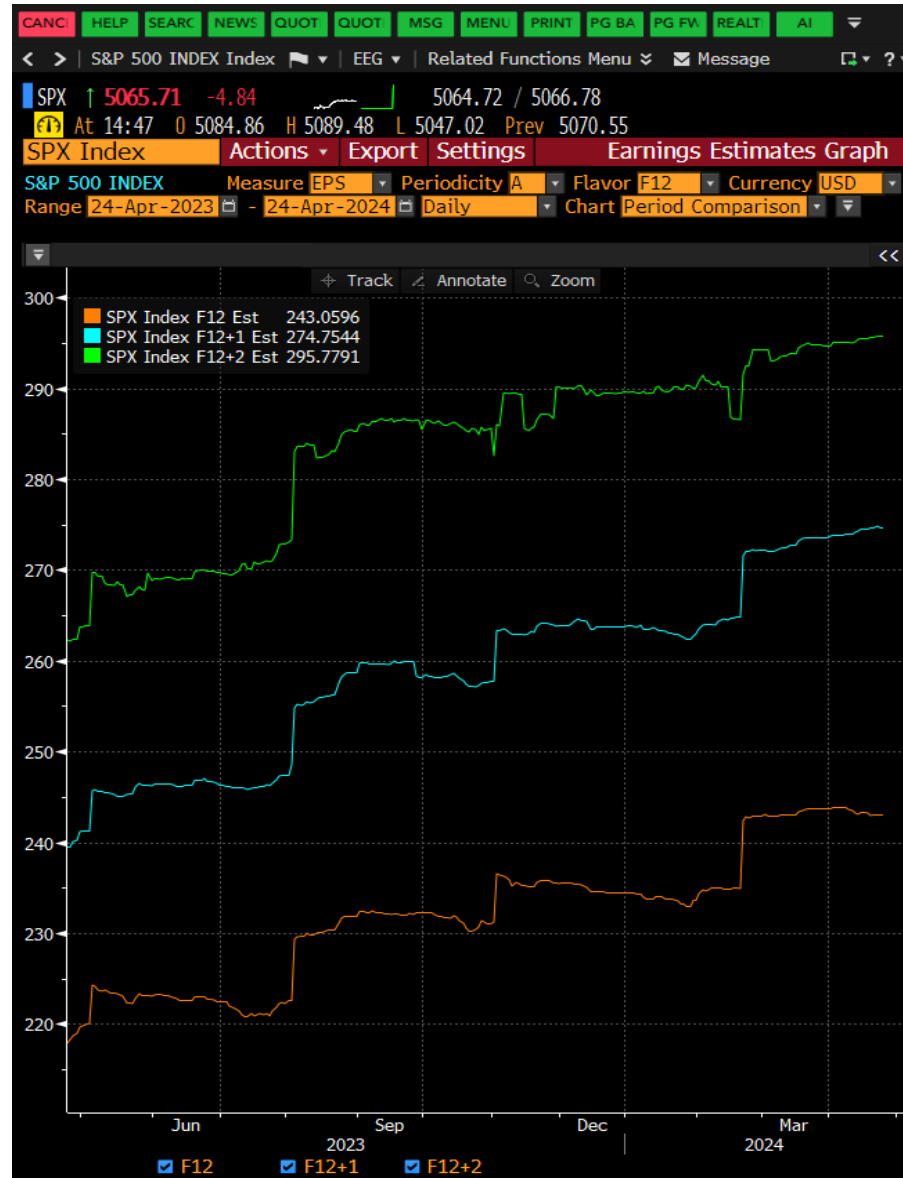
Earnings matter most to progress!

U.S. earnings have proven resilient again...and growing again



Source: Bloomberg, RBC GAM

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Why Own the Tradex Equity Fund?

Unique blend of the best of Canada & world in a single solution

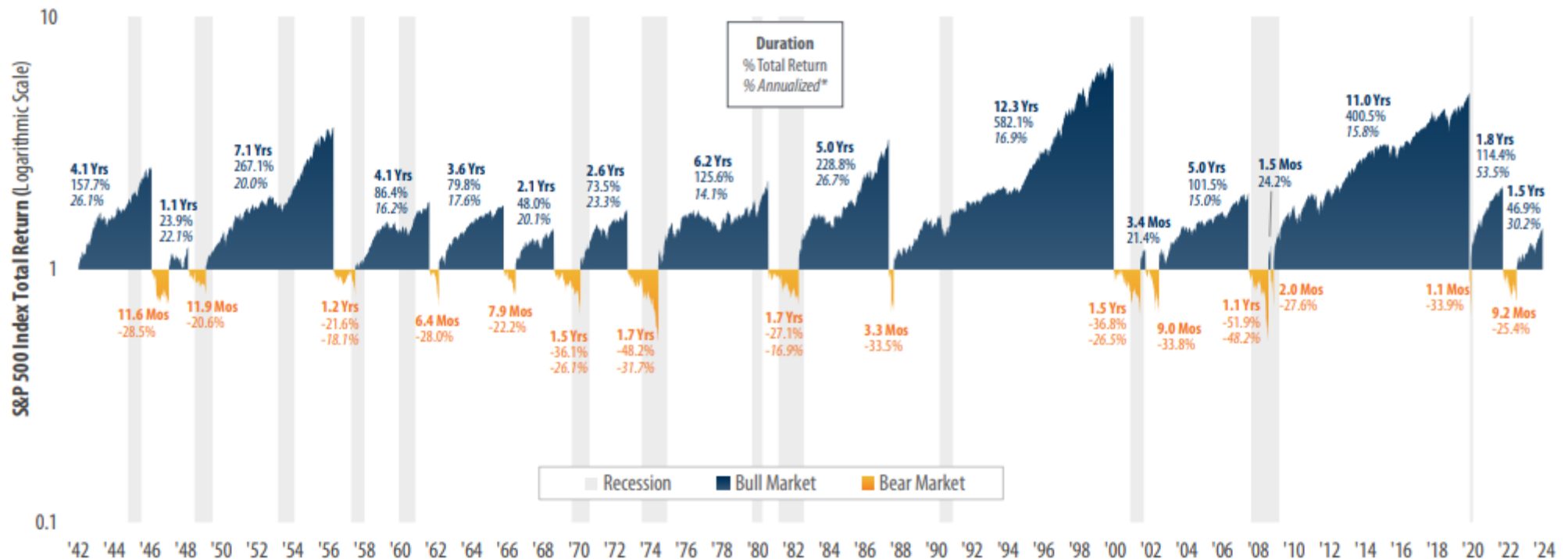
- ✓ Comprehensive blend of leading companies in Canada/globally, hedging, and access to IPOs & secondaries
- ✓ A low cost and fully liquid single solution
- ✓ The infusion of top global juggernauts provides critical diversification & growth enhancements
- ✓ AI & Digital Transformation - Strong incorporation of companies that are leading providers/enablers, and companies that can best capitalize on it
- ✓ Bottom-up stock picking
- ✓ Ownership mindset focus on companies with superior long-term fundamentals
- ✓ We avoid industries/companies value traps – cheap companies that just get cheaper...because they're facing an unrelenting decline

Appendix

Taking the Long-Term View Pays Off

Bears hurt, but they never prevail! Patience is always rewarded.

S&P 500 Bull/Bear Market Returns: 1942-2024

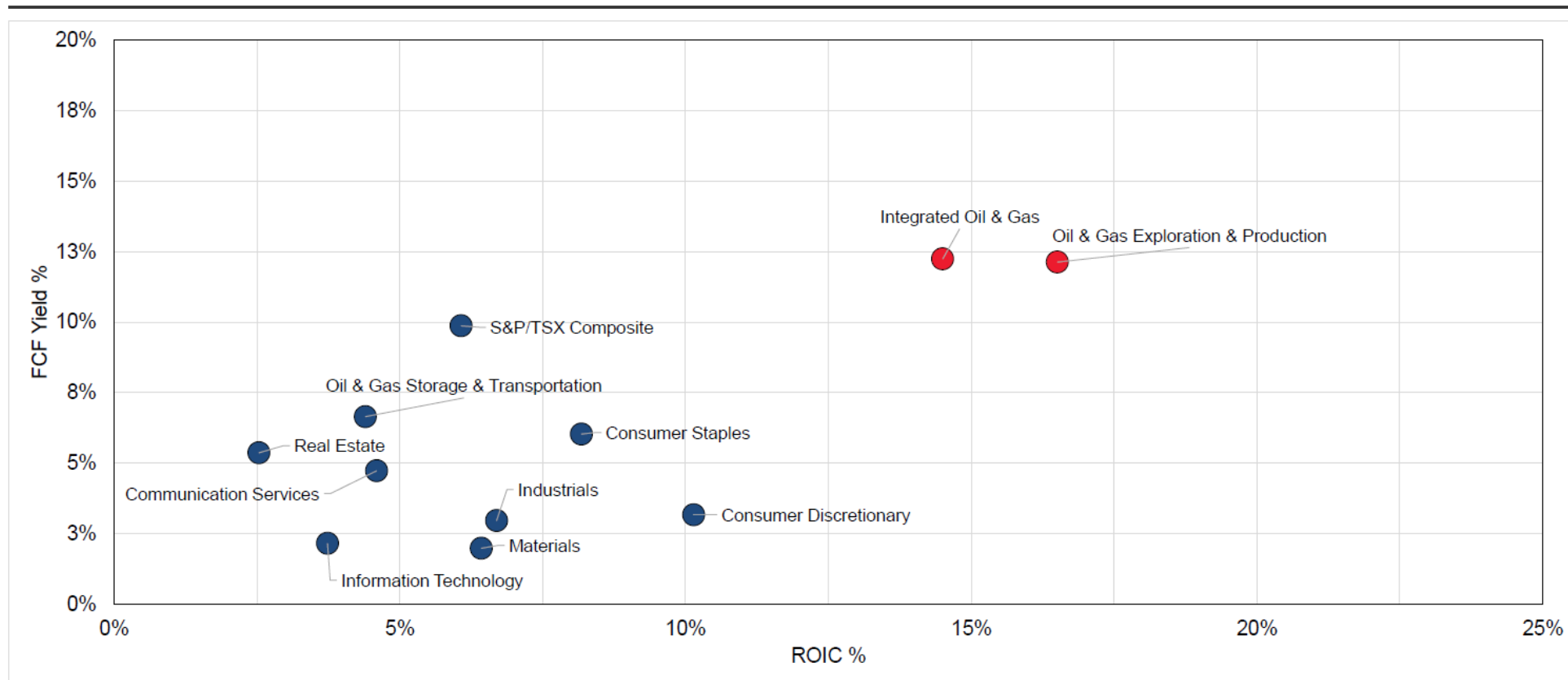


As of March 28, 2024. Reflects S&P 500 Index in USD. Source: First Trust, Bloomberg. An investment cannot be made directly into an index. The graph does not reflect transaction costs, investment management fees or taxes. If such costs and fees were reflected, returns would be lower. Past performance is not a guarantee of future results. Bull market starts from lowest close reached after market has fallen 20% of more. Bear market starts from when the index closes at least 20% down from its previous high.

As of March 28, 2024. Reflects S&P 500 Index in USD. Source: First Trust, Bloomberg. An investment cannot be made directly into an index. The graph does not reflect transaction costs, investment management fees or taxes. If such costs and fees were reflected, returns would be lower. Past performance is not a guarantee of future results. Bull market starts from lowest close reached after market has fallen 20% of more. Bear market starts from when the index closes at least 20% down from its previous high.

TSX Energy enjoying strong fundamentals

Exhibit 9 - TSX Sector FCF Yield vs ROIC (1-Year Avg.)



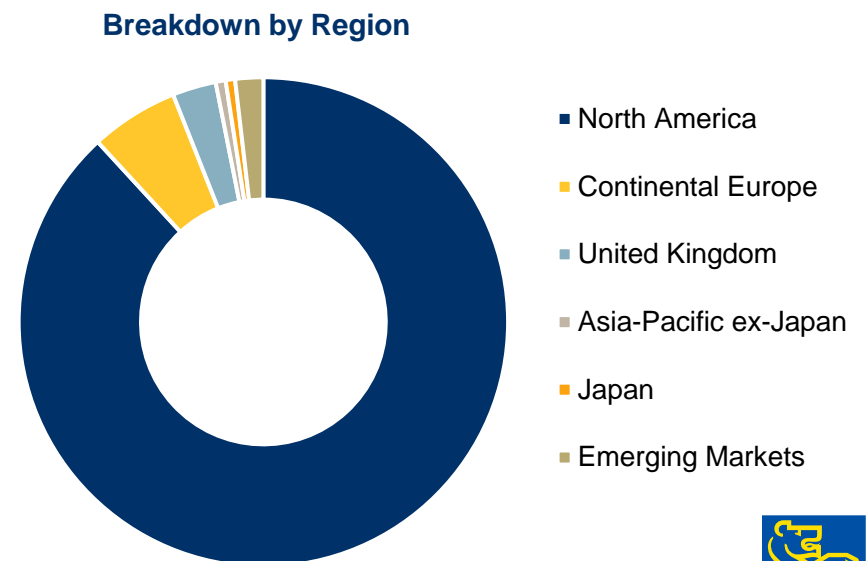
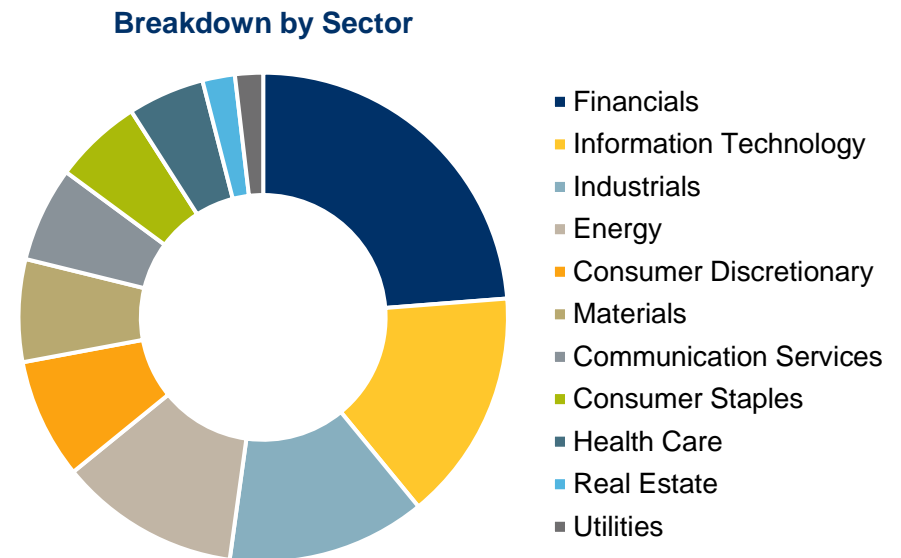
Source: FactSet; Scotiabank GBM.

Global Equity: Selective; Global Industry Leaders

Concentrated exposure to compelling competitive dynamics

Issuer	Sector	Fund* %
Microsoft	Information Technology	2.6
Amazon	Consumer Discretionary	2.0
NVIDIA	Information Technology	1.8
UnitedHealth Group	Health Care	1.8
Fortive	Industrials	1.7
Alphabet	Communication Services	1.6
Visa	Financials	1.6
Autozone	Consumer Discretionary	1.6
Proctor & Gamble	Consumer Staples	1.5
Safran	Industrials	1.5

	# of Holdings	Dividend Yield
Tradex Equity Fund - Global	39	1.4%



Source: RBC GAM, March 31, 2024

*Weighting based on Tradex's overall portfolio

The yield shown is calculated based the average dividend yield of the stocks held by the fund.

Tradex Fund – Canadian positioning

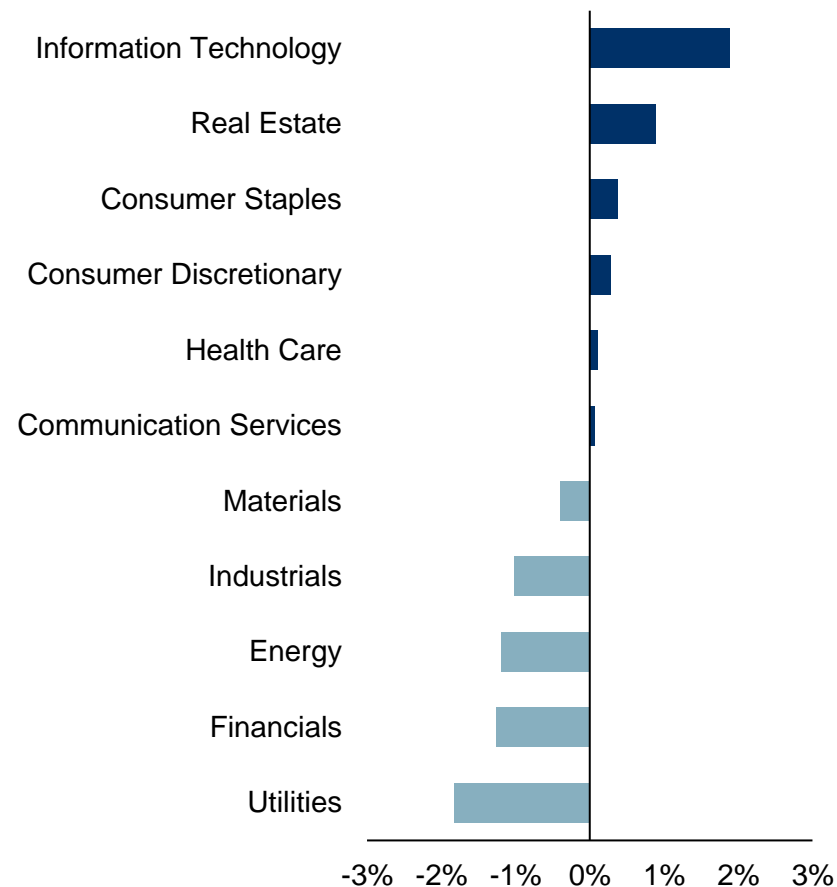
As of March 31, 2024

Top 5 Active Weights	Sector	Active Weight (%)
Agnico Eagle Mines	Materials	0.8%
Canadian Natural Resources	Energy	0.7%
Thomson Reuters	Industrials	0.7%
Imperial Oil	Energy	0.7%
Teck Resources	Materials	0.6%

Bottom 5 Active Weights	Sector	Active Weight (%)
Barrick Gold	Materials	-1.3%
Fairfax Financial Holdings	Financials	-1.1%
Pembina Pipeline	Energy	-0.8%
Brookfield Asset Management	Financials	-0.6%
Bank of Nova Scotia	Financials	-0.5%

	# of Securities	Dividend Yield	Beta
Tradex Equity Fund – Canadian Equities	85	3.0%	1.0X
S&P/TSX Capped Composite Index	224	3.2%	1.0X

Canadian Equity Sector Component Active Sector Weight vs S&P/TSX Capped Composite Index



Our history of responsible investment

2002

RBC GAM founding member of **Canadian Coalition for Good Governance**

Launch of PH&N Community Values Funds

2013

Established **Corporate Governance and Responsible Investment (CGRI)** team

2015

Published **Our Approach to Responsible Investment**

Became signatory to **UN Principles of Responsible Investment**

2017

Launched first **annual global institutional investor RI survey**

Introduction of **RBC Vision Funds** (bringing together RBC Jantzi and PH&N Community Values Funds) and launch of **RBC Vision Fossil Fuel Free Funds**

RBC GAM joins **30% Club Canadian Investor Group**

2019

First annual **ESG integration mapping** of our investment teams¹

Introduced **RBC iShares ESG ETFs**

2021

Published first **TCFD² Report** (FY 2020)

Published our **Net-Zero Ambition Statement**

RBC GAM joined **Climate Engagement Canada**

Signed **Canadian Investor Statement on Climate Change**

2023

RBC GAM signs **Statement of Commitment to FX Global Code**

CGRI team and BlueBay ESG team merged, renamed **Responsible Investment (RI)** team

2007

Launch of **RBC Jantzi Funds**, first major Canadian bank to offer ESG funds

2014

Responsible Investment Association (Canada) welcomes RBC GAM as a sustaining member

2016

Added requirement for minimum representation of **women on boards** in RBC GAM Proxy Voting Guidelines

2018

Climate change section added to **RBC GAM Proxy voting Guidelines** and **Our Approach to Responsible Investment**

2020

Published **Our Approach to Climate Change**

RBC GAM joined **Climate Action 100+**

Began portfolio climate scenario analysis

RBC GAM signed **Canadian Investor Statement on Diversity & Inclusion**

2022

PH&N Institutional³ selected as one of the winners of the inaugural **Great Canadian ESG Championship⁴**

¹ Certain investment strategies or asset classes do not integrate ESG factors, including but not limited to money market, passive and certain third-party sub-advised strategies.

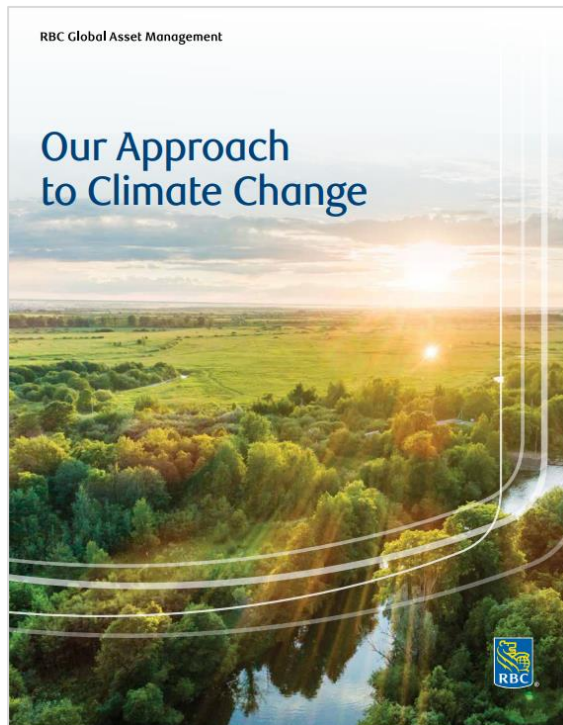
² Task Force on Climate-related Financial Disclosures.

³ PH&N Institutional is the Canadian institutional business division of RBC GAM.

⁴ <https://www.esgchampionship.ca/winners/>

Our approach to climate change

- We launched **Our Approach to Climate Change** in 2020 and **Our Net-Zero Ambition** in 2021.
- RBC GAM recognizes the **importance of the global goal of achieving net-zero** emissions by 2050 or sooner, in order to mitigate climate-related risks.
- We consider material climate change issues in our **ESG integration and active stewardship processes**, for applicable types of investments.¹



ESG Integration

We integrate financially material climate-related risks and opportunities in our investment processes, for applicable types of investments.¹



Active Stewardship

We convey our views on climate change through thoughtful proxy voting and engagement with issuers, for applicable types of investments.²



Client-driven solutions and reporting

We align our climate-based solutions with client demand and provide transparent and meaningful reporting on climate-related issues.

¹ Certain investment strategies, asset classes, exposure or security types do not integrate ESG factors, including but not limited to money market, buy-and-maintain, passive, and certain third-party sub-advised strategies or certain currency or derivative instruments. Please read the applicable prospectus or offering memorandum, or speak to your advisor for further details.

² In certain instances, including but not limited to those involving quantitative investment, buy-and-maintain, passive, and certain third-party sub-advised strategies, there is no direct engagement with issuers by RBC GAM.

Our net-zero ambition

RBC GAM recognizes the importance of the global goal of achieving net-zero emissions by 2050 or sooner, in order to mitigate climate-related risks.

We also recognize the need to achieve a just and orderly transition to net-zero that promotes widely shared economic prosperity.



Transparency & disclosure

- Measure and report on the **carbon emissions and net-zero alignment** of our assets under management
- Publish **annual Climate Report** aligned to Task force on Climate-related Financial Disclosures (TCFD) since 2020
- **Enhanced client reporting** on ESG and climate change (in 2023)



Addressing net-zero in our investments

- Integrate financially **material climate risks and opportunities**.
- Identify and track **issuers' net-zero alignment**.
- Expect issuers to **establish credible targets and action plans** aligned to net zero, and disclose any material financial and strategic risks.
- **Actively engage** with issuers if they do not have a net-zero target and action plan.



Addressing net-zero in our operations

- **Reduce GHG emissions** by 70% by 2025.¹
- Increase the sourcing of **electricity from renewable and non-emitting** sources to 100% by 2025.
- Maintain **carbon neutrality** in global operations, with a decreasing reliance on offsets annually.²

Source: RBC GAM, As of January 2023.

¹ The target is inclusive of RBC's global operations, scope 1, 2 and 3 (business travel) emissions, and uses a baseline of 2018.

² RBC has been carbon neutral in its global operations since 2017 through purchasing certified offsets. RBC buys and retires offsets annually to cover all reported scope 1, 2 and 3 (business travel) emissions in that fiscal year.

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