



FOR INFORMATION PURPOSES ONLY

2017 year-end reinvested capital gains estimates for RBC ETFs

Please find the estimates for 2017 year-end reinvested capital gains for RBC ETFs to be distributed on January 5, 2018. All estimates herein are based on information as of October 31, 2017. Please note that ETF capital gains distributed on January 5, 2018 are not paid in cash. Rather, they are reinvested in additional units of the ETF, which are immediately consolidated such that total units outstanding of the ETF do not change.

Record date and pay date: Unitholders of record as of December 29, 2017, will receive the 2017 reinvested capital gains distributions on January 5, 2018.

2017 Year-end Capital Gain estimates (as of October 31, 2017)				
ETF Name	ETF Ticker	NAVPU	Capital Gains	
			\$ / unit	% of NAVPU
RBC 1-5 Year Laddered Canadian Bond ETF	RLB	\$ 19.38	-	-
RBC 1-5 Year Laddered Corporate Bond ETF	RBO	\$ 19.24	-	-
RBC 6-10 Year Laddered Canadian Corporate Bond ETF	RMBO	\$ 20.20	-	-
RBC Target 2017 Corporate Bond Index ETF	RQE	\$ 18.81	-	-
RBC Target 2018 Corporate Bond Index ETF	RQF	\$ 19.13	-	-
RBC Target 2019 Corporate Bond Index ETF	RQG	\$ 19.42	-	-
RBC Target 2020 Corporate Bond Index ETF	RQH	\$ 20.22	-	-
RBC Target 2021 Corporate Bond Index ETF	RQI	\$ 20.05	\$ 0.0057	0.03%
RBC Target 2022 Corporate Bond Index ETF	RQJ	\$ 19.58	\$ 0.0865	0.44%
RBC Target 2023 Corporate Bond Index ETF	RQK	\$ 19.43	-	-
RBC PH&N Short Term Canadian Bond ETF	RPSB	\$ 20.09	\$ 0.0014	0.01%
RBC Canadian Short Term Bond Index ETF	RCSB	\$ 20.15	\$ 0.0006	0.00%
RBC Canadian Bond Index ETF	RCUB	\$ 20.31	\$ 0.0017	0.01%
RBC Short Term U.S. Corporate Bond ETF	RUSB	\$ 20.60	-	-
RBC Short Term U.S. Corporate Bond ETF (USD Units)	RUSB.U	\$ 15.98	-	-
RBC Global Government Bond (CAD Hedged) Index ETF	RGGB	\$ 20.01	-	-
RBC BlueBay Global Diversified Income (CAD Hedged) ETF	RBDI	\$ 20.16	-	-
RBC Canadian Preferred Share ETF	RPF	\$ 24.26	\$ 0.0369	0.15%
RBC Quant Canadian Dividend Leaders ETF	RCD	\$ 21.38	-	-
RBC Quant Canadian Equity Leaders ETF	RCE	\$ 21.42	\$ 0.2793	1.30%
RBC Canadian Equity Index ETF	RCAN	\$ 21.24	\$ 0.0019	0.01%
RBC Canadian Bank Yield Index ETF	RBNK	\$ 20.45	-	-
RBC Quant U.S. Dividend Leaders ETF	RUD	\$ 31.46	\$ 0.9627	3.06%
RBC Quant U.S. Dividend Leaders ETF (USD Units)	RUD.U	\$ 24.40	\$ 0.7467	3.06%
RBC Quant U.S. Dividend Leaders (CAD Hedged) ETF	RUDH	\$ 25.18	\$ 1.8664	7.41%
RBC Quant U.S. Equity Leaders ETF	RUE	\$ 25.89	\$ 0.3811	1.47%
RBC Quant U.S. Equity Leaders ETF (USD Units)	RUE.U	\$ 20.09	\$ 0.2956	1.47%
RBC Quant U.S. Equity Leaders (CAD Hedged) ETF	RUEH	\$ 23.63	\$ 1.2418	5.25%
RBC U.S. Equity Index ETF	RUSA	\$ 21.82	\$ 0.0002	0.00%
RBC Quant European Dividend Leaders ETF	RPD	\$ 24.07	-	-
RBC Quant European Dividend Leaders ETF (USD Units)	RPD.U	\$ 18.67	-	-
RBC Quant European Dividend Leaders (CAD Hedged) ETF	RPDH	\$ 23.66	-	-
RBC Quant EAFE Dividend Leaders ETF	RID	\$ 24.67	\$ 0.4729	1.92%
RBC Quant EAFE Dividend Leaders ETF (USD Units)	RID.U	\$ 19.13	\$ 0.3668	1.92%
RBC Quant EAFE Dividend Leaders (CAD Hedged) ETF	RIDH	\$ 24.12	\$ 0.4928	2.04%
RBC Quant EAFE Equity Leaders ETF	RIE	\$ 22.95	\$ 0.2715	1.18%
RBC Quant EAFE Equity Leaders ETF (USD Units)	RIE.U	\$ 17.81	\$ 0.2106	1.18%
RBC Quant EAFE Equity Leaders (CAD Hedged) ETF	RIEH	\$ 21.33	\$ 0.3234	1.52%
RBC International Equity Index ETF	RINT	\$ 21.70	-	-
RBC Quant Emerging Markets Dividend Leaders ETF	RXD	\$ 20.77	-	-
RBC Quant Emerging Markets Dividend Leaders ETF (USD Units)	RXD.U	\$ 16.11	-	-
RBC Quant Emerging Markets Equity Leaders ETF	RXE	\$ 25.88	\$ 1.1250	4.35%
RBC Quant Emerging Markets Equity Leaders ETF (USD units)	RXE.U	\$ 20.08	\$ 0.8726	4.35%
RBC Emerging Markets Equity Index ETF	REEM	\$ 21.17	\$ 0.0158	0.07%
RBC Strategic Global Dividend Leaders ETF	RLD	\$ 24.19	\$ 0.4328	1.79%
RBC Strategic Global Equity Leaders ETF	RLE	\$ 25.21	-	-
RBC Quant Global Real Estate Leaders ETF	RGRE	\$ 19.02	-	-
RBC Quant Global Real Estate Leaders ETF (USD Units)	RGRE.U	\$ 14.75	-	-
RBC Quant Global Infrastructure Leaders ETF	RIG	\$ 20.21	\$ 0.1125	0.56%
RBC Quant Global Infrastructure Leaders ETF (USD Units)	RIG.U	\$ 15.68	\$ 0.0873	0.56%

* Distribution per unit (\$) amounts are USD for RUSB.U, RUD.U, RUE.U, RPD.U, RID.U, RIE.U, RXD.U, RXE.U, RGRE.U and RIG.U where applicable.



FOR INFORMATION PURPOSES ONLY

Note regarding the November ETF rebalance: The above distribution estimates are subject to change depending on market conditions and portfolio transactions as we approach year end. Several RBC ETF portfolios will be rebalanced in November 2017, including the RBC Quant Dividend Leaders ETFs, RBC Quant Equity Leaders ETFs and RBC fixed income ETFs. However due to timing, we are unable to communicate further updates prior to the payment date. In addition, the magnitude of the capital gain in percentage terms is dependent on the ETF unit price and may fluctuate due to market movement.

Commentary on 2017 year-end reinvested capital gains estimates (as of October 31, 2017)

1. Strong Canadian dollar

The strong Canadian dollar has mitigated capital gains in many unhedged funds with foreign currency exposure, as currency losses have offset local currency-denominated investment gains in a number of markets. However, this has also resulted in meaningful anticipated distributions in most funds that employ currency hedging, particularly in those with significant exposure to the U.S. dollar.

ETF Name	ETF Ticker	Capital Gain Estimate
RBC Quant U.S. Dividend Leaders (CAD Hedged) ETF	RUDH	7.41%
RBC Quant U.S. Equity Leaders (CAD Hedged) ETF	RUEH	5.25%

2. Long-standing equity bull markets

Global equity markets have rallied strongly from their lows in the nine years following the global financial crisis. One unavoidable consequence of strong markets is that large capital gains will eventually be incurred, particularly when positions that have been held for significant periods of time are liquidated.

ETF Name	ETF Ticker	Capital Gain Estimate
RBC Quant U.S. Dividend Leaders ETF	RUD	3.06%
RBC Quant U.S. Dividend Leaders ETF (USD Units)	RUD.U	3.06%
RBC Quant Emerging Markets Equity Leaders ETF	RXE	4.35%
RBC Quant Emerging Markets Equity Leaders ETF (USD units)	RXE.U	4.35%

Note regarding 2017 December cash distributions for RBC ETFs:

We have **not** included herein any estimates or amounts for the December cash distributions. All RBC ETFs are expected to declare cash distributions in December. We do not expect December cash distributions to differ significantly from the monthly payouts over the course of 2017.

RBC ETF December cash distributions will be declared on December 20, 2017 and paid January 5, 2018, to unitholders of record on December 29, 2017.

Additional tax information:

Investors holding ETFs in a non-registered account should be aware that reinvested capital gains distributions are taxable. ETFs held within registered plans such as RRSPs, RRIFs, and RESPs are not subject to tax until money is withdrawn.



FOR INFORMATION PURPOSES ONLY

For non-registered accounts, the capital gain distribution will be immediately taxable and will appear on unitholder's T3 tax slips. The unitholder's adjusted cost base (ACB) is increased by the amount of the reinvested distribution, which will lower any realized capital gain (or increase any realized capital loss) when the ETF units are sold.

For additional information please see the recently updated *ETF investing: common questions for tax season* piece, now available on the RBC ETF [individual investor](#) and [advisor](#) websites.

Disclosure

This information is not intended to provide legal, accounting, tax, investment, financial or other advice and should not be relied upon for providing such advice. RBC GAM takes reasonable steps to provide up-to-date, accurate and reliable information, and believes the information to be so when provided. RBC GAM reserves the right at any time and without notice to change, amend or cease publication of the information.

Commissions, management fees and expenses all may be associated with investments in exchange-traded funds (ETF). Please read the prospectus or Fund Facts document before investing. ETFs are not guaranteed, their values change frequently and past performance may not be repeated. ETF units are bought and sold at market price on a stock exchange and brokerage commissions will reduce returns. RBC ETFs do not seek to return any predetermined amount at maturity. Index returns do not represent RBC ETF returns. RBC ETFs are managed by RBC Global Asset Management Inc., which is a member of the RBC GAM group of companies and an indirect wholly owned subsidiary of Royal Bank of Canada.