



# RBC International Equity Currency Neutral Fund

## Investment Objective

To provide long-term capital growth. The fund invests primarily in units of other mutual funds managed by RBC GAM or an affiliate of RBC GAM (called the underlying funds), emphasizing mutual funds that invest in equity securities of companies outside of North America while minimizing the exposure to currency fluctuations between foreign currencies and the Canadian dollar. The fund aims to provide exposure to economies that offer different business cycles and growth opportunities than North American markets.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF408
Adv	Front End	CAD	RBF6068
Adv	Low Load	CAD	RBF4068

Inception Date	April 2014
Total Fund Assets \$Mil	52.6
Series A NAV \$	13.03
Series A MER %	2.13
Benchmark	MSCI EAFE Total Return Net Index (local currency)

Income Distribution	Annually
Capital Gains Distribution	Annually

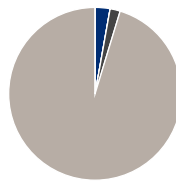
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Fund Category	International Equity
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Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

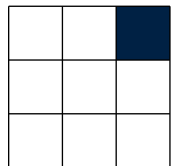
## Portfolio Analysis as of September 30, 2018

### Asset Mix



	% Assets
Cash	2.8
Fixed Income	0.0
Canadian Equity	0.0
US Equity	1.9
International Equity	95.4
Other	0.0

### Equity Style



Value Blend Growth

### Equity Statistics

P/B Ratio	2.2
P/E Ratio	17.5
Avg. Mkt Cap. \$B	42.1

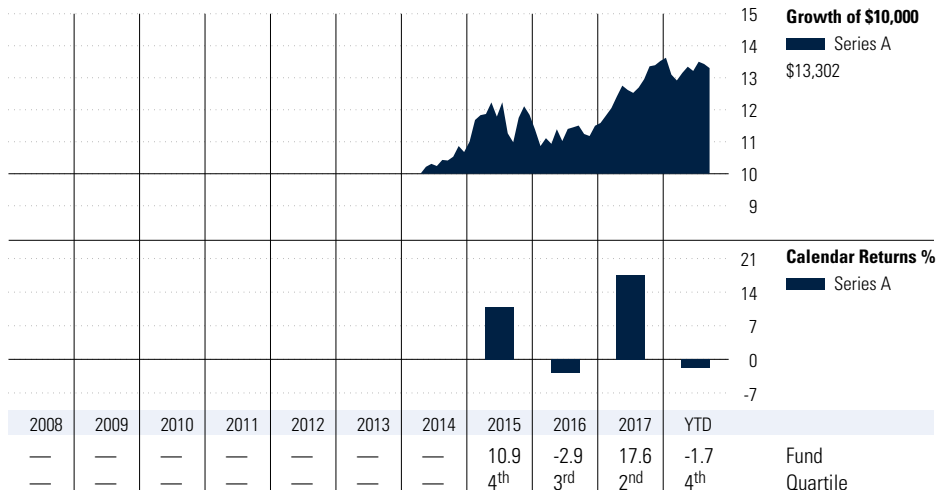
### Top 5 Sectors

	% Equity
Financials	18.3
Health Care	17.4
Industrials	14.7
Consumer Discretionary	13.8
Consumer Staples	13.7

### Geographic Allocations

	% Assets
United Kingdom	27.7
Japan	18.2
Netherlands	9.2
Germany	8.3
Australia	6.1

## Performance Analysis as of September 30, 2018



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	-0.9	0.7	3.0	2.7	6.6	—	—	6.8	Fund
	3 <sup>rd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	—	—	—	Quartile
	593	577	564	538	376	280	152	—	No. of Funds in Category



# RBC International Equity Currency Neutral Fund

## Management Overview

### Manager Bios

#### Mayur Nallamala

##### RBC Investment Management (Asia) Limited

Mayur Nallamala is Senior Portfolio Manager and the Head of Asian Equities. He has been in the investment industry since 1998, and prior to joining the firm in 2013 was a portfolio manager at JP Morgan Asset Management in Hong Kong. He was responsible for Asia Pacific ex-Japan mandates managing assets on behalf of sovereign wealth, institutional and retail clients around the world. He spent his early career at Chase Futures & Options in London and at ABN AMRO in Hong Kong. Mayur holds a Bachelor of Science from the London School of Economics.

#### Dominic Wallington

##### RBC Global Asset Management (UK) Limited

Dominic has worked in the investment industry since 1991 and has been a portfolio manager since 1993. Prior to joining RBC Global Asset Management (UK) Limited, he worked for Invesco Perpetual. Between 2002 and July 2007, Dominic ran several Continental European equity funds for individual investors and institutions. He has a Masters in Finance and Investment from the University of Exeter. Dominic also holds the Securities Institute Diploma and is a Fellow of the Securities Institute.

### Performance Analysis Cont'd as of September 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	—	—	—	0.29	—	—	—	—	—	—
Interest	—	—	—	—	0.03	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	0.26	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	11-2017	19.8	10-2017	8.2	—	—	—	—
Worst	4-2016	-7.8	5-2018	3.0	—	—	—	—
Average		6.9		6.0				
No. of Periods		42		18				
Pct. Positive		78.6		100.0				

\* Distributions are characterized into income type at year-end.

### Quarterly Commentary as at September 30, 2018

In Europe, markets continued to be volatile. Brexit concerns continued to dominate the news in the U.K. as there appeared to be no agreement on a deal after EU leaders rejected the U.K.'s latest exit plan. Markets in Italy continued to be undermined by government budget proposals that were at odds with EU rules. Japanese stocks gained, following the pattern of developed-market outperformance. China was the worst-performing equity market in Asia after the U.S. imposed a further US\$200 billion in tariffs on Chinese-made goods.

The Fund underperformed its benchmark in the third quarter of 2018. Stock selection had a negative impact on performance. The biggest detractors were positions in Tencent, the Chinese internet company, Irish bookmaker Paddy Power Betfair and the Irish airline Ryanair. Taiwanese semiconductor manufacturer TSMC, Japanese pharmaceutical Daiichi Sankyo and U.K. investment company Hargreaves Lansdown were

among the top positive contributors during the quarter.

We expect markets to remain volatile as global trade tensions increase, inflation risks rise and there is the continued possibility of outflows from the emerging markets. Chinese economic growth will likely decelerate, in our view, on the back of softer housing-market activity. In Japan, the economy remains sound with strong business and consumer confidence. We expect the Bank of Japan to keep monetary policy steady.

We are, as always, cognizant of the wider macroeconomic environment. However, our focus remains on the discipline of long-term investing in companies with strong competitive positions, low capital intensity, and sustainable and/or improving profitability.



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## Disclosure

RBC Funds, BlueBay Funds, PH&N Funds and RBC Corporate Class Funds are offered by RBC Global Asset Management Inc. and distributed through authorized dealers.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus or Fund Facts document before investing. Except as otherwise noted, the indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Mutual funds are not guaranteed or covered by the Canadian Deposit Insurance Corporation or by any other government deposit insurer. For money market funds, there can be no assurances that the fund will be able to maintain its net asset value per unit at a constant amount or that the full amount of your investment in the fund will be returned to you. The value of mutual funds change frequently and past performance may not be repeated.

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representations or warranty, express or implied, are made by RBC GAM, its affiliates or any other person as to its accuracy, completeness or correctness. All opinions and estimates constitute RBC GAM's judgment as of the date of this document, are subject to change without notice and are provided in good faith but without legal responsibility. The Top Ten/25 Holdings may change due to ongoing portfolio transactions within the fund. The Prospectus and other information about the underlying investment funds are available at [www.sedar.com](http://www.sedar.com).

MER (%) for RBC Funds, PH&N Funds and BlueBay Funds is based on actual expenses for the half-year period, January 1 to June 30, 2018, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the full year period, April 1, 2017 to March 31, 2018.

Series H and Series I are not available for purchase by new investors. Existing investors who hold Series H or Series I units can continue to make additional investments into the same series of the funds they hold.

Graphs are only used to illustrate the effects of the compound growth rate and do not reflect future values of any fund or returns on

investment of any fund.

The fund profile is provided for informational purposes only. Particular investments and/or trading strategies should be evaluated relative to each individual's investment objectives. The information contained in the fund profile is not, and should not be construed as, investment or tax advice. You should not act or rely on the information contained in the fund profile without seeking the advice of an appropriate professional advisor.

Quartile rankings are determined by Morningstar Research Inc., an independent research firm, based on categories maintained by the Canadian Investment Funds Standards Committee (CIFSC). Quartile rankings are comparisons of the performance of a fund to other funds in a particular category and are subject to change monthly. The quartiles divide the data into four equal segments expressed in terms of rank (1, 2, 3 or 4). This is the Morningstar quartile ranking of Series A and F units of the Fund as of September 30, 2018.

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