



# RBC Asia Pacific ex-Japan Equity Fund

## Investment Objective

To provide long-term capital growth. The fund invests primarily in equity securities of companies located or having a principal business interest in Asian markets such as Hong Kong, South Korea, China, Taiwan, Australia, New Zealand, Singapore, India, Malaysia, Thailand, the Philippines and Indonesia. The fund does not invest in Japan.

## Fund Details

| Series | Load Structure | Currency | Fund Code |
|--------|----------------|----------|-----------|
| A      | No Load        | CAD      | RBF475    |
| Adv    | Front End      | CAD      | RBF6735   |
| Adv    | Low Load       | CAD      | RBF4075   |

|                         |  |
|-------------------------|--|
| Inception Date          | March 2014   |
| Total Fund Assets \$Mil | 2,011.5  |
| Series A NAV \$         | 12.62  |
| Series A MER %          | 2.20   |
| Benchmark               | MSCI AC Asia Pacific ex-Japan Total Return Net Index |

|                            |          |
|----------------------------|----------|
| Income Distribution        | Annually |
| Capital Gains Distribution | Annually |

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

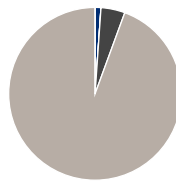
|               |                              |
|---------------|------------------------------|
| Fund Category | Asia Pacific ex-Japan Equity |
|---------------|------------------------------|

|                    |                                  |
|--------------------|----------------------------------|
| Management Company | RBC Global Asset Management Inc. |
|--------------------|----------------------------------|

|          |                |
|----------|----------------|
| Web Site | www.rbcgam.com |
|----------|----------------|

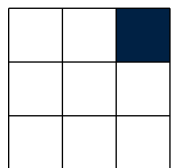
## Portfolio Analysis as of September 30, 2018

### Asset Mix



|                      | % Assets |
|----------------------|----------|
| Cash                 | 1.1      |
| Fixed Income         | 0.0      |
| Canadian Equity      | 0.0      |
| US Equity            | 4.5      |
| International Equity | 94.5     |
| Other                | 0.0      |

### Equity Style



Value Blend Growth

### Equity Statistics

|                   |      |
|-------------------|------|
| P/B Ratio         | 1.8  |
| P/E Ratio         | 15.8 |
| Avg. Mkt Cap. \$B | 32.2 |

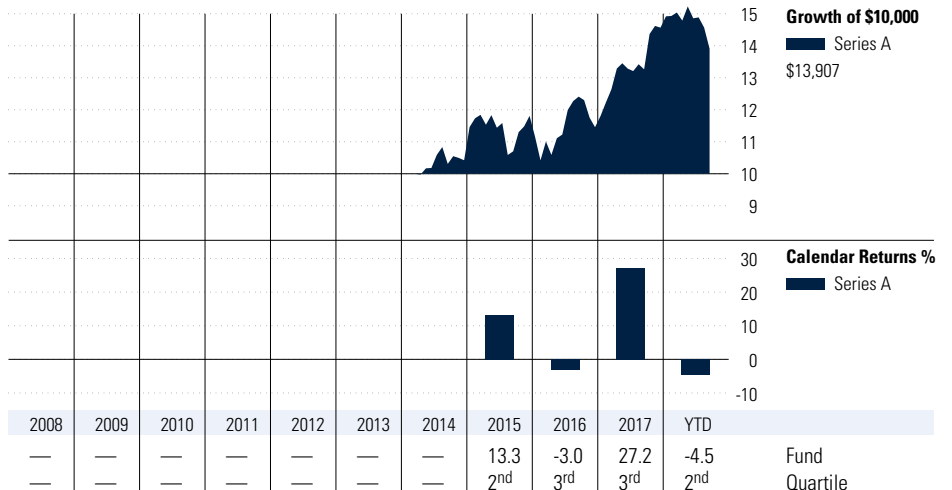
### Top 5 Sectors

|                        | % Equity |
|------------------------|----------|
| Financials             | 27.7     |
| Information Technology | 18.6     |
| Communication Services | 14.6     |
| Consumer Discretionary | 10.3     |
| Health Care            | 8.8      |

### Geographic Allocations

|             | % Assets |
|-------------|----------|
| China       | 26.6     |
| South Korea | 17.2     |
| Australia   | 12.9     |
| India       | 11.0     |
| Taiwan      | 8.4      |

## 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 %        |
|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------|-------|--------------|--------------------------|
| Fund                     | -4.5            | -6.4            | -7.5            | 4.8             | 9.1             | —    | —     | 7.6          | Fund                     |
| Quartile                 | 4 <sup>th</sup> | 4 <sup>th</sup> | 2 <sup>nd</sup> | 2 <sup>nd</sup> | 2 <sup>nd</sup> | —    | —     | —            | Quartile                 |
| No. of Funds in Category | 80              | 77              | 76              | 75              | 53              | 47   | 21    | —            | No. of Funds in Category |



# RBC Asia Pacific ex-Japan Equity 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.

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

| Distributions (\$)/Unit | YTD* | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|
| Total Distributions     | —    | 0.31 | —    | 0.74 | 0.13 | —    | —    | —    | —    | —    | —    |
| Interest                | —    | —    | —    | 0.24 | 0.04 | —    | —    | —    | —    | —    | —    |
| Dividends               | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    |
| Capital Gains           | —    | 0.31 | —    | 0.50 | 0.08 | —    | —    | —    | —    | —    | —    |
| Return Of Capital       | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    |

| Best/Worst Periods % | Ended   | 1 Yr  | Ended   | 3 Yr  | Ended | 5 Yr | Ended | 10 Yr |
|----------------------|---------|-------|---------|-------|-------|------|-------|-------|
| Best                 | 12-2017 | 27.2  | 12-2017 | 11.8  | —     | —    | —     | —     |
| Worst                | 2-2016  | -11.2 | 8-2017  | 7.4   | —     | —    | —     | —     |
| Average              |         | 10.2  |         | 9.3   |       |      |       |       |
| No. of Periods       |         | 43    |         | 19    |       |      |       |       |
| Pct. Positive        |         | 81.4  |         | 100.0 |       |      |       |       |

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

### Quarterly Commentary as at September 30, 2018

Mixed performances were seen across the region; China and India were among the biggest laggards while Taiwan and Thailand inched higher over Q3. China was the worst performing market in Asia during Q3 as equity markets slumped after the U.S. imposed tariffs on USD \$200 billion worth of Chinese imports. On a sectoral level, the Industrials and Energy sectors outperformed while Information Technology and Consumer Discretionary trailed the benchmark returns.

The largest positive attribution came from our holdings in Fabrinet, a Thailand-based contract manufacturer of optical and automotive components. Despite the share price outperformance, the valuation of Fabrinet remains compelling given the company's track record in gaining while expanding profit margins at the same time. On the contrary, our position in Yes Bank was the largest detractor to performance. The Indian-based lender sold off as the market reacted negatively to concerns over the Reserve Bank of India's request to replace Yes Bank's current CEO. We remain confident in the fundamentals of the bank's business and the

succession planning roadmap that their Board has subsequently laid out.

At the country level, the Fund's overweight allocation to India detracted value amid a selloff in non-banking finance lenders, fuelled by default at a lender to infrastructure firms. Conversely, the Fund's overweight allocation to Thailand added to relative performance.

In China, we expect economic growth to decelerate moderately on softer housing market activity. To offset this, Chinese policymakers have introduced supportive measures to boost domestic demand, including tax cuts and fiscal spending on infrastructure and a shift in monetary stance away from a tightening bias. However, we expect market volatility to remain elevated in the near-term on risk of an escalated trade war between the U.S. and China. For the Fund, this may provide opportunities to buy shares of high-quality companies at more attractive valuations than have been available in recent years.



# RBC Asia Pacific ex-Japan Equity Fund

## 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.

This document has been compiled by RBC Global Asset Management Inc. (RBC GAM) from sources believed to be reliable, but no

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.

® / ™ Trademark(s) of Royal Bank of Canada. Used under licence. © RBC Global Asset Management Inc. 2018