



# RBC Global Government Bond (CAD Hedged) Index ETF

**RBC Global Government Bond (CAD Hedged) Index ETF** is a low cost fixed income solution that provides diversified exposure to global government bonds, hedged to Canadian dollars. The ETF seeks to track the FTSE World Government Bond Index (Currency-Hedged in CAD).<sup>1</sup>

## Why invest in global government bonds?

- **Diversification benefits** – Global bonds provide excellent geographic diversification to complement core Canadian fixed income holdings.
- **Enhanced return potential** – Global government bonds provide the opportunity to capitalize on interest rate opportunities across the globe.
- **Interest rate risk management** – Global bonds may help moderate the impact of rising rates in the Canadian fixed income market.

## Why invest in RGGB?

- Broad, diversified exposure to global government bonds, hedged to CAD
- RGGB is the only ETF in Canada that offers exposure to FTSE World Government Bond Index (Currency-Hedged in CAD)
- Monthly distributions
- Low cost

## Why hedge currency risk in a global bond portfolio?

Although the impact of currency movements on investment returns tends to diminish over time, currency hedging mitigates the effects of fluctuating exchange rates, which can be significant on a shorter-term basis. With a currency hedged investment, investors can capitalize on opportunities in global bonds without being exposed to currency risk.

### ETF DETAILS

- Ticker: RGGB
- Exchange: Aequitas NEO Exchange
- Inception date: September 21, 2017
- Distribution frequency: Monthly
- Eligibility: All registered plans
- Benchmark: FTSE World Government Bond Index (Currency-Hedged in CAD)
- Sub-advisor: State Street Global Advisors
- Management fee: 0.35%
- Rebalanced: Monthly

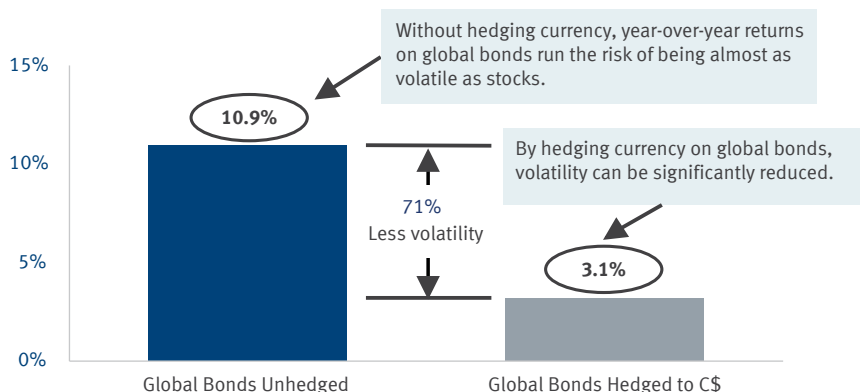


### INDEX CHARACTERISTICS

- Average credit rating: AA to A
- Average number of countries in index: 20-30

## Currency hedging can reduce volatility

Annual volatility unhedged vs. hedged



Source: Morningstar Direct and RBC GAM, 10 year standard deviation as of March 31, 2017. Global Bonds represented by FTSE World Government Bond Index (C\$ unhedged and C\$ hedged). Standard deviation is a commonly used measure of risk and is applied to the annual rate of return of an investment to measure the investment's volatility. Standard Deviation shows how much the return on an investment is deviating from expected normal returns. A high standard deviation indicates a greater variability in investment performance.

## About the Benchmark

The FTSE World Government Bond Index (Currency-Hedged in CAD) is a government bond index that measures the performance of fixed-rate, local currency, investment-grade sovereign bonds. The index is a widely used benchmark that currently comprises sovereign debt from over 20 countries, denominated in a variety of currencies and provides a broad benchmark for the global sovereign fixed income market.

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<sup>1</sup>Following its acquisition by the London Stock Exchange Group completed on August 31, 2017, Citigroup Index LLC was renamed FTSE Fixed Income LLC, and the Citi World Government Bond Index (Currency-Hedged in CAD) was rebranded to the FTSE World Government Bond Index (Currency-Hedged in CAD) to reflect such change.

<sup>2</sup>Source: RBC GAM, IFIC. Based on assets under management in money market, fixed income, income-oriented balanced and equity mutual fund solutions, and income-oriented ETF solutions as of March 31, 2018.

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