

RBC International Equity Index Fund



Commentary as at June 30, 2025

Stocks in the developed markets of Europe and Japan posted gains during the first half of 2025, aided in part by an investment shift away from the U.S. European markets performed especially well, bolstered as well by Germany's decision to boost government spending after decades of conservative fiscal policy. Among the expenditures announced by Germany were the creation of a €500 billion (C\$800 billion) infrastructure fund and a commitment to theoretically unlimited spending on defence. These measures, which are occurring in the context of regulatory reform and mutual-debt issuance, were seen as likely to lift Europe's overall GDP growth rate and were welcomed by investors as an indication that Europe could be entering a new era of growth.

Japanese stocks posted small gains in local-currency terms but offered significant currency-adjusted returns given the weak U.S. dollar so far in 2025. Japanese economic growth slowed, as exports weakened in the face of potential U.S. trade restrictions. Wages rose but not enough to totally offset somewhat elevated inflation, dampening consumer spending.

The best-performing sectors were Information Technology, Industrials, and Communication Services. The lowest performing sectors were Consumer Staples, Health Care, and Consumer Discretionary.

The sub-advisor has no recent developments to report.

This has been provided by RBC Global Asset Management Inc. (RBC GAM) and is for informational purposes, as of the date noted only. Discussion of any securities in this report is not a recommendation to buy or sell any specific security, and is subject to change. It is not intended to provide legal, accounting, tax, investment, financial or other advice and such information 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. Past performance is no guarantee of future results. Interest rates, market conditions, tax rulings and other investment factors are subject to rapid change which may materially impact analysis that is included in this document. You should consult with your advisor before taking any action based upon the information contained in this document. All opinions constitute our judgment as of the dates indicated, are subject to change without notice and are provided in good faith without legal responsibility. Information obtained from third parties is believed to be reliable but RBC GAM and its affiliates assume no responsibility for any errors or omissions or for any loss or damage suffered. RBC GAM reserves the right at any time and without notice to change, amend or cease publication of the information.

Please consult your advisor and read the prospectus or Fund Facts document before investing. There may be commissions, trailing commissions, management fees and expenses associated with mutual fund investments. Mutual funds are not guaranteed or covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer. Mutual fund unit values change frequently. For money market funds, there can be no assurances that the fund will be able to maintain its net asset value per security at a constant amount or that the full amount of your investment in the fund will be returned to you. Past performance may not be repeated. RBC Funds, RBC Private Pools, RBC Alternative Funds and PH&N Funds are offered by RBC Global Asset Management Inc. (RBC GAM) and distributed through authorized dealers in Canada.

This document may contain forward-looking statements about a fund or general economic factors which are not guarantees of future performance. Forward-looking statements involve inherent risk and uncertainties, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement. All opinions in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.