



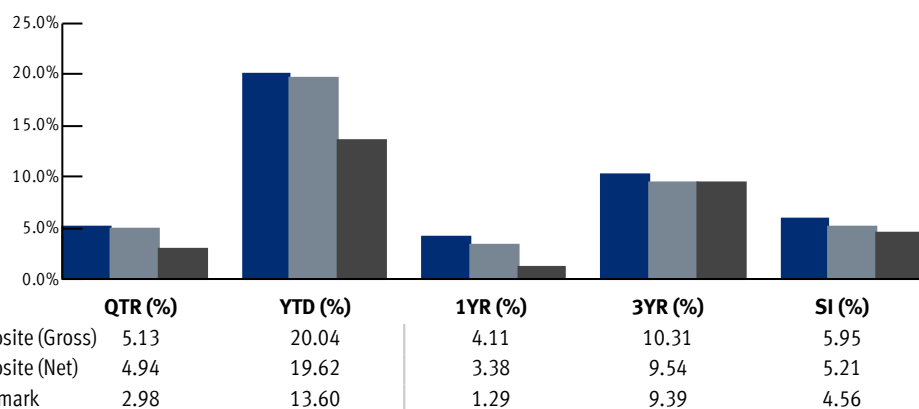
International Focus Equity

Quarterly Commentary

Global equity markets continued 2019 with another positive quarter. MSCI ACWI ex. USA (Net) Index returned 3.0%, reflecting the relative weakness of emerging markets. This quarterly total return belies a fair degree of inter-month volatility. April's return for the ACWI ex. USA Index was 3.4%, May's -5.4%, and June's 6.0%. This is reflective of a high degree of sensitivity to the macro-political environment, which has dominated markets for some time now. Markets react en masse to any small changes in rhetoric or policy suggestions.

In local currency terms all countries and regions, bar China, delivered positive total returns. Australia (7.3%) was the strongest market with a surprise general election victory for the more business-friendly Liberal party that bolstered domestic equities. Canada (4.9%) outperformed the broader market whilst the UK (0.9%) lagged. Aside from energy (-1.6%), all sectors posted positive total returns in Q2. Those that outperformed the broader market index included industrials (5.2%), financials (4.4%), information technology (4.0%), and consumer discretionary (3.8%), while health care (1.2%) and communication services (1.0%) lagged. Performance was helped by stock selection in financials, consumer discretionary, and consumer staples. Performance was hurt by stock selection in health care, energy, and information technology.

Investment Performance



Past performance is not indicative of future results.

Source: RBC Global Asset Management, Rimes

Inception of the performance record is 1.1.15.

Returns are presented in gross and net of fees and include the reinvestment of all income. All returns for periods greater than one year are shown on an annualized basis. Performance and composite information presented is supplemental to the "GIPS® Compliant Presentation" which contains additional information regarding calculation of performance data.

Portfolio Characteristics¹

	Strategy	Benchmark
Return on Equity	15.7%	9.7%
Return on Assets	2.4%	1.5%
Total Debt to Equity	0.9	1.3
Net Profit Margin	13.4%	7.7%
FCF Yield (ex Fin)	3.7%	4.5%
Weighted Average Market Cap	\$78bn	\$70bn
Weighted Median Market Cap	\$49bn	\$35bn
Holdings (ex Cash)	34	
Active Share	91.8%	-
Market Cap Distribution		
< \$10 billion	12.1%	17.9%
\$10 - \$20 billion	6.8%	15.9%
\$20 - \$50 billion	31.4%	27.7%
> \$50 billion	49.7%	38.4%

Top Ten Holdings¹

Company Name	Country	Strategy (%)
AIA	Hong Kong	6.1
Roche Holding	Switzerland	5.8
Unilever	Netherlands	5.5
HDFC Bank	India	5.4
TSMC	Taiwan	4.8
InterContinental Hotels	United Kingdom	4.6
Nidec	Japan	4.5
Anheuser-Busch	Belgium	4.2
Deutsche Post	Germany	4.2
Naspers	South Africa	4.2

Strategy Overview

- \$1,159 Million Assets Under Management*
- Inception: January 2015
- Benchmark: MSCI ACWI ex-US Net Index
- Vehicles: Segregated Account, US '40 Act

Investment Philosophy & Style

- Businesses with strong competitive dynamics generate considerable economic value over the long-term - poor businesses destroy it
- Owning over-priced stocks puts capital at risk
- Differentiated source of alpha with very low correlation to style-driven managers and peer group

Investment Process

- Competitive Dynamics Assessment: Identify competitive businesses with growth opportunities
- Conviction-based strategy aims to deliver predictable and consistent risk-adjusted returns
- Embedded risk management process dedicated to monitoring and managing risk
- Integrated ESG factors to identify long-term risks to financial sustainability

Portfolio Construction

- High conviction portfolio: 30-70 issues
- Majority of returns from stock selection
- Maximum in a single security: 7.5%
- Sector exposure: +/- 10% versus index
- Country exposure: +/- 10% versus index (except US +/- 15%)

Investment Team

Habib Subjally, Head of RBC Global Equity
Industry Experience: 24 years

Seven Sector Focused Specialists Three Risk and Portfolio Construction Specialists

The investment team of eleven experts has over 180 years of collective investment experience and is based in the RBC GAM-UK London office.

* Assets under management include two composites in the strategy: ex-North America and ex-US.

About RBC Global Asset Management

- Over \$345 billion Assets Under Management
- Offices in North America, Europe and Asia
- Over 340 investment professionals globally
- Part of Royal Bank of Canada (RBC), one of the highest rated and largest banks in the world*

*Ratings: S&P: AA-, Moody's: Aa2 (Bloomberg, 6.30.19). Ranked 5th largest bank in North America and 10th globally based on market capitalization (Bloomberg, 6.30.19).

Region Allocation¹

	Strategy (%)	Benchmark (%)
Europe/Middle East	56.5	42.5
Asia Pacific	27.6	24.3
Emerging Markets	14.4	26.4
Americas	0.8	6.8
Cash	0.7	0.0

Sector Allocation¹

	Strategy (%)
Financials	24.0
Consumer Discretionary	15.7
Industrials	15.2
Consumer Staples	13.0
Health Care	9.6
Materials	8.6
Information Technology	5.9
Energy	4.5
Utilities	2.8
Cash	0.7

Risk Characteristics

3 Years

	Alpha (%)	Beta	Standard Deviation (%)	R-Squared (%)	Upside Capture (%)	Downside Capture (%)	Sharpe Ratio
Strategy (Gross)	0.4	1.1	12.6	90.3	113.0	107.7	0.7
Benchmark	-	-	11.2	-	-	-	0.7

Total Risk from

Stock Specific Sources¹

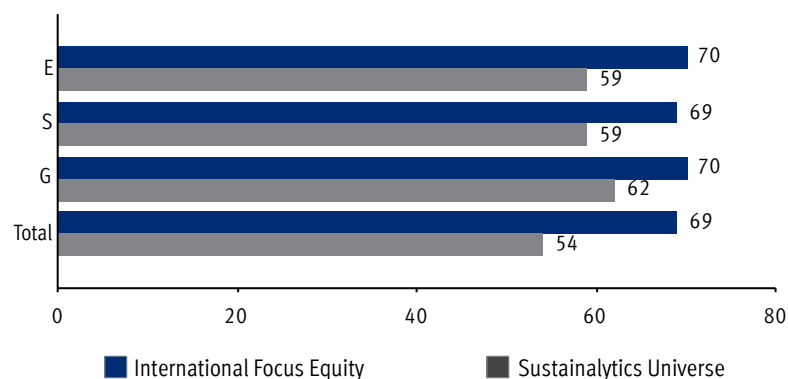


Active Share¹



Source: RBC, MSCI, Northfield, UBS PAS, Citigram, Axioma.

Environmental, Social & Governance Credentials¹



Sustainalytics scores these companies on a scale out of 100. The un-weighted average score of holdings in the International Focus Equity strategy compared to the Sustainalytics coverage universe.

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Past performance is not indicative of future results.

Source: RBC Global Asset Management, Rimes

¹Supplemental information complements the "GIPS® Compliant Presentation" as provided. The information presented are those of the representative account in the strategy. There is no guarantee that every account will be identical to the information presented here.

This presentation should not be construed as a recommendation to buy or sell any financial instruments. The information contained herein should not be relied upon as the sole investment-making decision.

GIPS® Compliant Presentation, as at June 30, 2019

RBC GAM Non-U.S. Equity - Concentrated

Inception Date: January 1, 2015

Benchmark: MSCI ACWI ex US Total Return Net Index

Currency: USD

Annual Returns

Year End	Composite Gross Return (%)	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of Portfolios	Internal Dispersion (%)	Composite Assets (millions)	Firm Assets (millions)
2015	0.36	-0.34	-5.66	n/a	n/a	1	-	5.5	276,979.3
2016	-4.37	-5.04	4.50	n/a	n/a	1	-	22.7	289,538.6
2017	34.30	33.36	27.19	12.10	11.87	1	-	64.6	331,885.2
2018	-16.16	-16.74	-14.20	12.40	11.38	1	-	56.5	305,983.2
YTD 2019	20.04	19.62	13.60	12.55	11.24	1	-	74.7	345,911.9

Description of the Firm: For the purposes of Global Investment Performance Standards (GIPS®), RBC Global Asset Management is the asset management division of Royal Bank of Canada (RBC), operating under the following brands: RBC Global Asset Management (RBC GAM) in Canada, the U.S. (institutional), the U.K. and Hong Kong; Phillips, Hager & North Investment Management (institutional); and BlueBay Asset Management (institutional). With offices around the world, RBC GAM offers a full range of global investment solutions in cash management and fixed income, equity, balanced, alternative and specialty investment strategies through mutual funds, hedge funds, pooled funds and separately managed accounts. The RBC GAM group of companies has more than C\$417 billion (US\$305 billion) in assets under management as at December 31, 2018. RBC purchased Phillips, Hager & North Investment Management, including the assets of BonaVista Asset Management, on May 1, 2008, and BlueBay Asset Management on December 17, 2010. A complete list and description of the firm's composites and performance results is available upon request.

Compliance Statement: RBC GAM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. RBC GAM has been independently verified for the periods January 1, 2002 through December 31, 2018. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. The Non-U.S. Equity composite has been examined for the periods January 1, 2015 - December 31, 2018. The verification and performance examination reports are available upon request.

Composite Description: The Non-U.S. Equity - Concentrated composite achieves long-term capital growth by investing primarily in a diversified portfolio of common stocks domiciled in the world's largest industrialized countries outside the United States. Portfolios follow a concentrated approach of 30-70 positions.

Benchmark: The benchmark is the MSCI ACWI ex USA net index. The Index is designed to measure the equity market performance of all countries across the world excluding the United States of America. Index returns are provided for comparison purposes to represent the investment environment existing during the time periods shown. An index is fully invested, includes the reinvestment of dividends and capital gains, but does not include any transaction costs, management fees, or other costs. Holdings of each separately managed account in a composite will differ from the index. An investor may not invest directly in an index.

Gross of Fees: Gross of fees performance is presented gross of all fees, but after all trading expenses.

Net of Fees: Net of fee performance is calculated using the maximum stated annual fee of 0.70% calculated and applied monthly.

Performance Calculations: Results are based on all fully discretionary accounts meeting the composite definition, including those accounts no longer with the firm. Returns are shown in U.S. Dollars, and include the reinvestment of all income. Performance shown for the Non-U.S. Equity - Concentrated Composite is based on information generated by RBC Global Asset Management's internal performance systems, which may differ from the performance shown in official books and records of certain investment funds which form a part of the composite. Official books and records for certain investment funds which form a part of the composite include the impact of a fair value for market timing that is applied to certain securities as of the close of trading for the fund. For the purposes of calculating the Non-U.S. Equity - Concentrated Composite, we prepare a separate performance stream for such funds that eliminates the impact of this fair value adjustment. This second performance stream is used to calculate performance of the composite in an effort to better align the methodology for calculating composite performance with the methodology applied to calculate the benchmark. Additional information regarding policies for valuing portfolios, calculating performance, and preparing presentations is available upon request. Past performance is not indicative of future results.

Composite Dispersion: The composite dispersion of annual returns is indicated by the performance of individual accounts representing the equal weighted standard deviation of returns. Dispersion of returns is calculated for portfolios included in the composite for the full year.

3-Year Standard Deviation: Periods with less than 3 years of data will show "n/a".

Derivatives, Leverage and Short Positions: The portfolios may use derivatives for hedging purposes, and may also use derivatives such as options, forwards for non-hedging purposes as a substitute for direct investment, as long as the portfolio's use of derivatives is consistent with its investment objectives. No leverage has been used in any of the portfolios contained in the composite.

Fee Schedule: The management fee schedule is as follows: 0.70% for the first US\$50m, 0.60% on the next US\$50m, and 0.55% for all assets over US\$100m. Advisory fees are described on this page and on Form ADV Part 2A. RBC GAM reserves the right to negotiate all advisory fees.

Minimum Account Size: Currently there is no minimum account size in order to be included in this composite.

Creation Date: This composite was created on January 1, 2015 and has an inception date of January 1, 2015.

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