



RBC Global Focus Equity

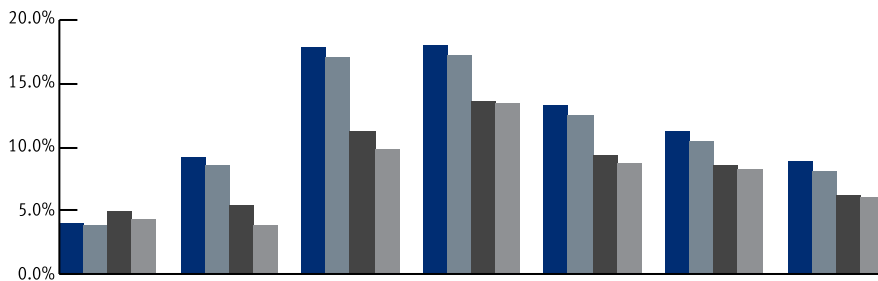
Quarterly Commentary

Global equities delivered strong total returns in the third quarter. There was remarkably impressive performance of the US market while other markets have lagged or retreated. Europe had a string of country-level crises to tackle such as Brexit-driven uncertainty in the UK and inconclusive election results in Italy, Germany and Sweden, leading to fragile coalitions. Monetary uncertainty has not helped. Japan, enjoying a fragile recovery, was hit hard by the US/China trade war while having an unfortunate series of meteorological phenomena.

Global equities, as measured by the MSCI ACWI Index, returned 4.3% in the third quarter. Health care (10.9%) was the best performing sector, followed by information technology (6.7%), and industrials (6.0%). In the face of trade wars and rising yields, real estate (-1.6%) struggled whilst materials (0.2%) and utilities (0.6%) lagged the index.

Performance was helped by strong stock selection in information technology and financials, but was hurt by selection in consumer staples, health care and consumer discretionary. The team continues to look to the long term to discover companies with strong inherent qualities that will be robust enough to withstand shorter-term market forces.

Investment Performance



	QTR (%)	YTD (%)	1YR (%)	3YR (%)	5YR (%)	10YR (%)	SI (%)
■ Composite (Gross)	3.98	9.11	17.71	17.89	13.20	11.12	8.84
■ Composite (Net)	3.80	8.54	16.89	17.07	12.41	10.34	8.08
■ Benchmark	4.98	5.43	11.24	13.54	9.28	8.56	6.16
■ Secondary Benchmark	4.28	3.83	9.77	13.40	8.66	8.19	5.97

Past performance is not indicative of future results.

Source: RBC Global Asset Management, Rimes

Inception of the performance record is 9.1.06.

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. The secondary benchmark is used for comparison purposes as a comparison for the US market.

Portfolio Characteristics¹

	Strategy	Benchmark	Secondary Benchmark
Fundamental data			
Sales Growth	15.9%	11.3%	12.0%
Net Profit Margin	15.0%	15.2%	15.6%
Asset Turnover	75.9%	63.9%	63.1%
Debt to Equity	0.9	1.3	1.3
ROE (T1Y)	18.3%	12.9%	13.0%
ROA (T1Y)	3.3%	2.1%	2.2%
Market data			
P/E (F1Y)	19.8	15.5	14.8
FCF Yield (ex-Financials)	3.8%	4.3%	4.2%
Weighted Avg Mkt Cap	\$176.0bn	\$169.9bn	\$160.9bn
Active Share	90.9%	-	-
12-Month Turnover	23.0%	-	-

Top Ten Holdings¹

Company Name	Country	Strategy (%)
UnitedHealth	United States	5.7
EOG Resources	United States	5.2
TJX	United States	5.1
Fortive	United States	4.7
Roche	Switzerland	4.6
Amazon.com	United States	4.3
Estée Lauder	United States	4.2
First Republic Bank	United States	4.1
Gartner	United States	4.0
HDFC Bank	India	3.7

Strategy Overview

- \$4,100 Million Assets Under Management
- Inception: September 2006
- Benchmarks: MSCI World Net Index, Secondary: MSCI ACWI Net Index
- Vehicles: Separate Account, SICAV (ISIN: LU1096671539), US '40 Act, US 3C7, Canadian Mutual Fund

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: 30-40 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.

Industry experience is updated annually.

About RBC Global Asset Management

- Over \$330 billion Assets Under Management
- Offices in North America, Europe and Asia
- Over 300 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, 9.30.18). Ranked 5th largest bank in North America and 10th globally based on market capitalization (Bloomberg, 9.30.18).

Region Allocation¹

	Strategy (%)
North America	60.8
Europe/Middle East	22.9
Emerging Markets	8.9
Asia Pacific	7.0
Cash	0.3

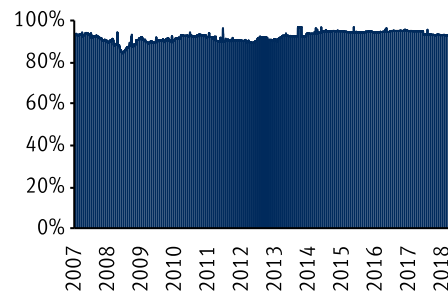
Sector Allocation¹

	Strategy (%)
Financials	21.9
Consumer Discretionary	17.5
Health Care	15.1
Information Technology	14.1
Industrials	11.6
Consumer Staples	10.3
Energy	5.2
Materials	3.9
Cash	0.3

Total Risk from Stock Specific Sources¹

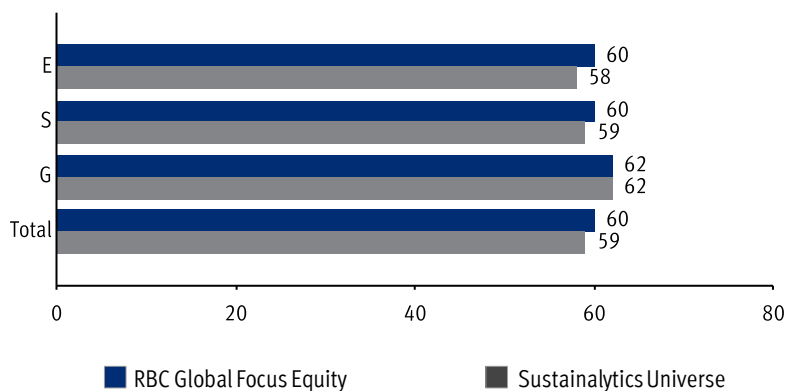


Active Share¹



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 RBC Global Focus Equity strategy compared to the Sustainalytics coverage universe.

Proxy Voting Record 12 Months Ending 9/2018

With Management	Against	Total
91%	9%	100%

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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 September 30, 2018

RBC GAM Global Equity - Concentrated (USD)

Inception Date: September 1, 2006

Benchmark: MSCI World Total Return Net Index

Secondary Benchmark: MSCI ACWI Net Index (USD)

Currency: USD

Annual Returns	Composite Gross Return (%)	Composite Net Return (%)	Benchmark Return (%)	Benchmark 2 Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Benchmark 2 3-Yr St Dev (%)	Number of Portfolios	Internal Dispersion (%)	Composite Assets (millions)	Firm Assets (millions)
2008	-40.29	-40.70	-40.71	-42.19	n/a	n/a	n/a	2	-	83.3	164,090.1
2009	28.83	27.93	29.99	34.63	21.66	21.40	22.34	2	0.09	109.4	228,136.6
2010	9.46	8.69	11.76	12.67	23.91	23.72	24.49	2	0.11	101.5	252,397.6
2011	-3.00	-3.68	-5.54	-7.35	20.47	20.15	20.59	3	0.07	613.7	244,857.4
2012	15.27	14.46	15.83	16.13	17.98	16.74	17.13	3	0.31	609.3	279,416.3
2013	29.68	28.78	26.68	22.80	14.15	13.54	13.94	2	0.12	111.5	296,003.0
2014	7.03	6.28	4.94	4.16	10.28	10.23	10.50	3	-	1,004.6	302,064.4
2015	4.79	4.06	-0.87	-2.36	10.34	10.80	10.79	4	0.31	1,401.2	276,979.3
2016	4.06	3.34	7.51	7.86	10.92	10.92	11.06	4	0.22	1,801.6	289,538.6
2017	35.37	34.42	22.40	23.97	10.59	10.23	10.36	4	0.38	2,806.1	331,885.2
YTD 2018	9.11	8.54	5.43	3.83	9.83	9.03	9.24	5	0.13	4,100.4	332,659.9

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\$331 billion) in assets under management as at December 31, 2017. 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, 2017. 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 Global Equity - Concentrated (USD) composite has been examined for the periods September 1, 2006 - December 31, 2017. The verification and performance examination reports are available upon request.

Composite Description: The Global Equity - Concentrated (USD) Composite is defined as consisting of those mandates that have exposure primarily in stocks of all the developed markets in the world, with high alpha concentration. Funds may also invest between 20 - 30% of their assets in Emerging Markets.

Benchmark: The primary benchmark for the composite is the MSCI World (net of withholding taxes) - a free-float weighted equity index. The index is designed to measure the equity market performance of developed markets across the world. The MSCI All Country World Index (net of withholding taxes) - a free-float weighted equity index is also used as a secondary benchmark.

Gross of Fees: Performance total returns have been calculated before management fees & expenses and after all trading commissions. Returns are calculated net of non-reclaimable taxes on dividends, interest, and capital gains. Reclaimable withholding taxes have been accrued.

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 Global Equity- Concentrated Composite is based on information generated by RBC Global Asset Management's internal performance systems starting February 1, 2014, 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 Global 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 use of hedging or leverage has not been used in the management of any funds within the composite.

Cash Flow Policy: For all periods from January 1, 2010 - January 31, 2014, the composite has had in place a significant cash flow policy whereby a portfolio will be removed from the composite if the cash flow is 10% or more of a portfolio's [or fund's] value. The firm has determined that an external cash flow of 10% or more may temporarily prevent the firm from implementing the intended investment strategy; thereby the fund is no longer representative of the composite strategy.

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: There is currently no minimum account size for inclusion in this composite.

Creation Date: This composite was created on February 1, 2014, with a data inception of September 1, 2006.

Composite History: Performance for the periods September 1, 2006 - January 31, 2014 was achieved while under employment at First State Investments. Past performance has been linked to the on-going performance of the RBC GAM Global Equity Concentrated Composite starting January 1, 2014. While at First State the composite was called the FSI High Alpha Concentrated Composite.

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