

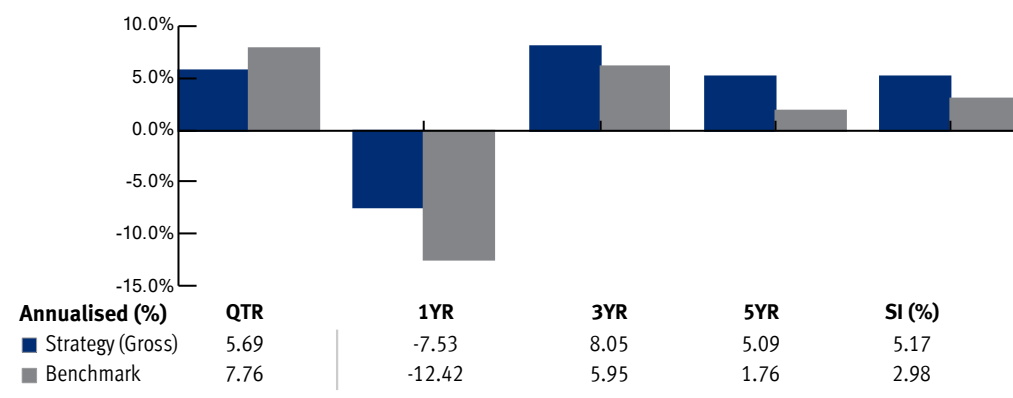


RBC Emerging Markets Small Cap Equity

Quarterly Commentary

The Emerging Markets Small Cap Equity Strategy returned 5.7% in Q1 2019 versus a return of 7.8% for its benchmark, the MSCI EM Small Cap Net Index. Overall, stock selection and top-down positioning detracted from returns during the quarter. The top contributor to returns was our holding in Chinese property management firm China Overseas Property which reported solid results driven by faster-than-expected growth in its property management services. Positions in food and beverage company Vitasoy and investment holding company Bajaj Holdings also contributed. Vitasoy benefited from an improved outlook for domestic consumption in China and Bajaj's two key businesses, Bajaj Finance and Bajaj Auto, benefited from improved sentiment in the non-bank financials segment. The biggest detractor was a position in South African consumer company AVI which reported disappointing results due to sales volume weakness and competitor discounting. Positions in JSE, the South African stock exchange, and Sri Lankan bank Hatton Bank also detracted in the quarter.

Investment Performance



Calendar Year (%)	2018	2017	2016	2015	2014	Cumulative SI
Strategy (Gross)	-9.01	26.52	6.56	-5.77	7.63	33.65
Benchmark	-18.59	33.84	2.28	-6.85	1.01	18.41

Past performance is not indicative of future results and is calculated in USD. Returns may increase or decrease as a result of currency fluctuations.

Source: RBC Global Asset Management, Rimes. Returns include the reinvestment of all income. Net calendar returns can be viewed in the GIPS appendix. Inception of the performance record is 01.07.2013. Performance is presented as supplemental to the "GIPS® Compliant Presentation" which contains additional information regarding calculation of performance data.

Portfolio Characteristics¹

	Strategy	Benchmark
EBITDA Margin (ex Fin)	17.1%	12.5%
Return on Equity	12.0%	6.6%
Weighted Average Market Cap	\$2bn	\$1bn
Portfolio Turnover	24.5%	-
Active Share	95.1%	-
Market Cap Distribution		
< \$1 billion	26.0%	44.7%
\$1 - \$2 billion	44.1%	39.0%
\$2 - \$3 billion	14.3%	13.1%
\$3 - \$4 billion	2.5%	2.6%
> \$4 billion	13.2%	0.7%

Top Ten Holdings¹

Company Name	Country	Strategy (%)
Cyient	India	4.4
Century Pacific Food	Philippines	3.9
Bajaj & Investment	India	3.6
AVI	South Africa	3.5
Inversiones La Construccion	Chile	3.2
Aramex PJSC	United Arab	3.1
Marico	India	3.0
Duratex	Brazil	2.8
Delta Electronics Thailand	Thailand	2.7
Sundaram Finance	India	2.7

Strategy Overview

- \$483 million Assets Under Management
- Inception: July 2013
- Benchmark: MSCI EM Small Cap Net Index
- Vehicles: Segregated Account, SICAV, US '40 Act, Canadian Mutual Fund

Investment Philosophy & Style

- High cash flow return on investment produces strong long-term returns
- Quality and growth at a reasonable price
- Fundamental research-focused approach drives decision making, ESG focus

Investment Process

- Distinctive top-down thematic research (20 - 40% of expected contribution)
- In-depth and rigorous company-level research drives security selection (60 - 80% expected contribution)
- ESG analysis embedded in investment process

Portfolio Construction

- High conviction portfolio: typically 50 - 60 holdings
- Majority of returns sought from stock selection
- Maximum in a single security: 5%
- Tracking error of 3 - 8%
- Low portfolio turnover: 30 - 50%

Investment Team*

Phil Langham, Head of RBC Emerging Markets Equity, Senior Portfolio Manager
Industry Experience: 27 years

Laurence Bensafi, CFA, Deputy Head of RBC Emerging Markets Equity
Industry Experience: 18 years

Guido Giammattei, Head of Research, Portfolio Manager
Industry Experience: 21 years

Veronique Erb, Portfolio Manager
Industry Experience: 19 years

Zeena Dahdaleh, CFA, Portfolio Manager
Industry Experience: 12 years

Richard Farrell, CFA, Portfolio Manager
Industry Experience: 12 years

Christoffer Enemaerke, CFA, Portfolio Manager
Industry Experience: 9 years

Ashna Yarashi, Associate Portfolio Manager
Industry Experience: 7 years

*Industry experience is updated annually.

About RBC Global Asset Management

- Over \$334 billion Assets Under Management
- Offices in North America, Europe and Asia
- Over 300 investment professionals globally
- Part of Royal Bank of Canada, one of the highest rated, largest and safest banks in the world*

*Ratings: S&P: AA-, Moody's: Aa2 (Bloomberg, 31.03.2019). Ranked 5th largest bank in North America and 10th globally based on market capitalisation (Bloomberg, 31.03.2019).

Past performance is not indicative of future results. Source: RBC Global Asset Management, Bloomberg, FactSet, Rimes

¹Supplemental information complements the RBC Emerging Markets Small Cap Equity Composite presentation as provided in the "GIPS® Compliant Presentation". The information presented is derived from the representative account of the strategy. The representative account is the account in the composite that most closely reflects the current portfolio management style for the strategy.

This document is being provided by RBC Global Asset Management (UK) Limited, part of RBC Global Asset Management. This document may not be reproduced in whole or part, any may not be delivered to any person without the consent of RBC Global Asset Management. This document is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any investment strategy and should not be construed as tax or legal advice. Not all products, services or investments described herein are available in all jurisdictions and some are available on a limited basis only, due to local regulatory and legal requirements. Past performance is not indicative of future results. The information contained in this report has been compiled by RBC Global Asset Management and/or its affiliates from sources believed to be reliable, but no representation or warranty, express or implied is made to its accuracy, completeness or correctness. With all investments there is a risk of loss of all or a portion of the amount invested. This document contains the current opinions of RBC Global Asset Management and is not intended to be, and should not be interpreted as, a recommendation of any particular security, strategy or investment product. Unless otherwise indicated, all information and opinions herein are as of the date of this document. All information and opinions herein are subject to change without notice. RBC Global Asset Management is the name used for certain investment advisory subsidiaries of the Royal Bank of Canada. RBC Global Asset Management is the asset management division of Royal Bank of Canada and includes RBC Global Asset Management (U.S.) Inc., RBC Global Asset Management Inc. and BlueBay Asset Management LLP, which are separate, but affiliated, corporate entities. RBC Global Asset Management (UK) Limited is authorised and regulated by the Financial Conduct Authority ®/™ Trademark(s) of Royal Bank of Canada. All information as at 31.03.2019 and in US dollars unless otherwise stated.

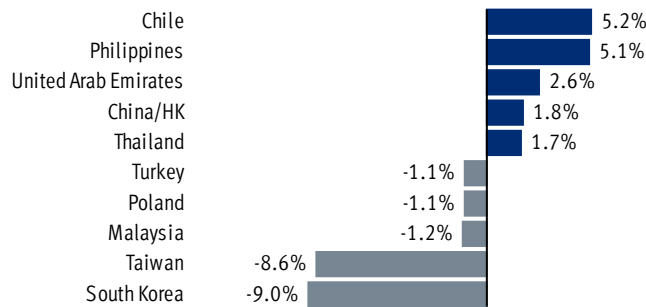
Top Ten Benchmark Countries ¹

Country	Strategy (%)
India	16.7
China/HK	14.3
Taiwan	10.9
South Korea	8.5
Chile	6.9
Philippines	6.1
Brazil	5.8
Thailand	5.5
South Africa	5.3
United Arab Emirates	3.1

Sector Allocation ¹

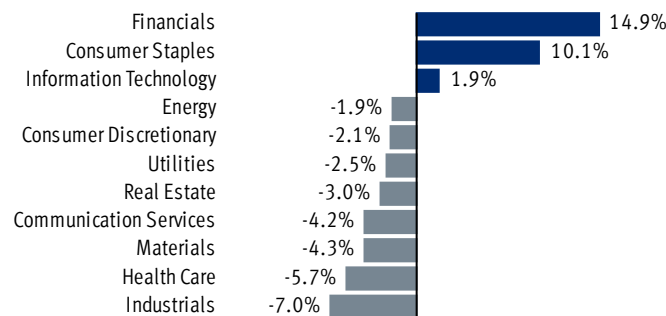
	Strategy (%)
Financials	26.0
Consumer Staples	16.8
Information Technology	16.8
Consumer Discretionary	12.3
Materials	7.4
Industrials	7.2
Real Estate	4.9
Health Care	2.7
Utilities	2.1
Cash	3.8

Relative Weights for Benchmark Countries ¹



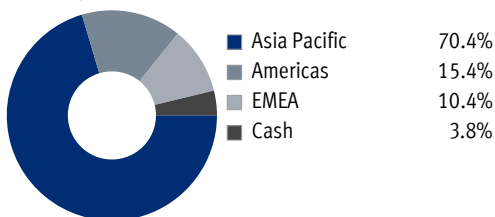
Top and bottom 5 relative weights for benchmark countries. Hong Kong is included as part of the overall China allocation although Hong Kong is not an official MSCI EM index constituent.

Relative Sector Weights ¹

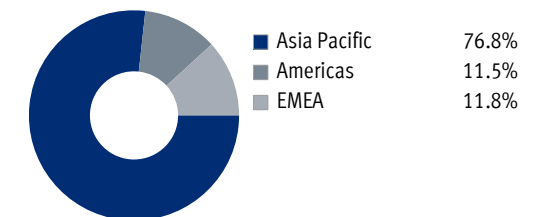


Regional Breakdown ¹

Strategy



Benchmark



Risk Characteristics

5 Years

	Alpha (%)	Beta	Standard Deviation (%)	R-Squared (%)	Upside Capture (%)	Downside Capture (%)	Sharpe Ratio
Strategy (Gross)	3.6	0.7	10.8	79.2	77.2	73.8	0.4
Benchmark	-	-	14.0	-	-	-	0.1

GIPS® Compliant Presentation, as at March 31, 2019

RBC GAM Emerging Markets Equity - Small Cap (USD)

Inception Date: July 1, 2013

Benchmark: MSCI Emerging Markets Small-Cap 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)
2013/07 - 2013/12	1.65	1.06	4.79	n/a	n/a	1	-	59.6	296,003.0
2014	7.63	6.40	1.01	n/a	n/a	2	1.15	178.4	302,064.4
2015	-5.77	-6.85	-6.85	n/a	n/a	3	0.87	242.6	276,979.3
2016	6.56	5.35	2.28	11.44	14.33	3	0.24	302.7	289,538.6
2017	26.52	25.07	33.84	10.84	14.36	3	0.39	418.3	331,885.2
2018	-9.01	-10.05	-18.59	11.92	14.01	3	0.19	447.9	305,983.2
YTD 2019	5.69	5.39	7.76	10.69	12.29	3	0.12	483.3	330,790.9

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, 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 Emerging Markets Equity - Small Cap (USD) composite has been examined for the periods July 1, 2013 - December 31, 2017. The verification and performance examination reports are available upon request.

Composite Description: The Emerging Market Equity - Small Cap (USD) Composite includes all portfolios that invest in emerging markets equities of small-cap companies managed by RBC GAM directly.

Benchmark: The benchmark is the MSCI Emerging Market Small-Cap (net of taxes) index. The Index is designed to measure the equity market performance of emerging markets with a focus on small market capitalization companies. 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. Returns are presented net of withholding taxes on dividends, interest income and capital gains where applicable.

Net of Fees: Net of fee performance is calculated using the maximum stated annual fee of 1.15% 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 Emerging Markets Equity Small Cap 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 Emerging Markets Equity Small Cap 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, futures, forwards and swaps 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. Currency hedging is used primarily as a risk management tool to limit the volatility of portfolio returns and may be used tactically to enhance returns. Currency hedge ratios can range between 0-100%, depending on asset class and mandate. No leverage has been used in any of the portfolios contained in the composite.

Fee Schedule: The management fee schedule is as follows: For U.S. clients: 1.15% for the first US\$50mm, 1.05% on the next US \$50mm, and 1.00% 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 July 1, 2013 and has an inception date of July 1, 2013.

GIPS® is a registered trademark owned by CFA Institute.

®/™ Trademark(s) of Royal Bank of Canada. Used under license. © RBC Global Asset Management Inc., 2019