



RBC Asia ex-Japan Equity

Quarterly Commentary

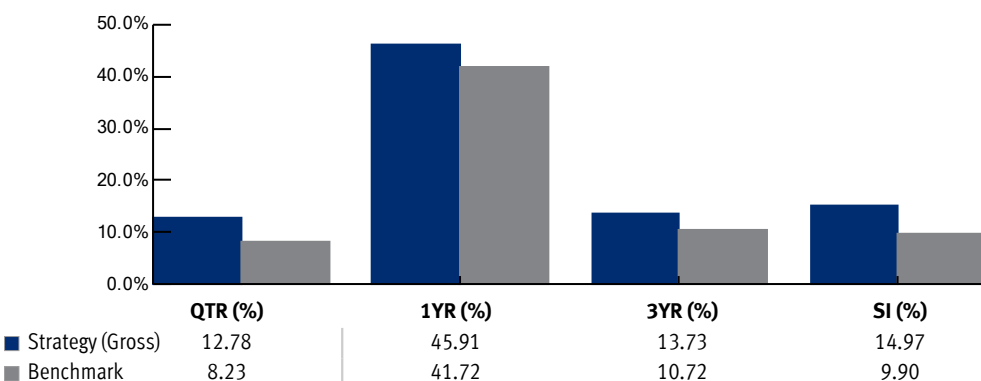
In 4Q17, the strategy returned 12.8% outperforming its benchmark, the MSCI AC Asia ex-Japan Total Return Index (Net), which returned 8.2%.

Asian markets are now in an extended bull market with continued momentum. Greater China and Korea markets have led the way in 2017 as technology stocks performed well, there was a sustained recovery in margins, and export-dominated economies profited. Markets in China have been underpinned by supportive fiscal and monetary policies and earlier concerns of RMB depreciation and capital outflows have subsided as the RMB appreciated in 2017. Geopolitical risks relating to North Korea and the Middle East have been largely shrugged off by investors and Asian markets have been seeing significant inflows.

The fund outperformed largely due to good stock selection in China, particularly in technology stocks.

The backdrop for Asian economies remains constructive, although we may see volatility in markets as the Fed shrinks its balance sheets and geopolitical risks remain possible.

Investment Performance



Past performance is not indicative of future results.

Source: RBC Global Asset Management, Russell, FactSet

Returns include the reinvestment of all income. All returns for periods greater than one year are shown on an annualised basis.

Inception of the performance record is 1.10.14. 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 Financials)	18.8%	19.8%
FCF Yield (ex Financials)	2.7%	3.8%
ROE (Trailing 12 mos)	12.3%	12.2%
Weighted Avg Market Cap	\$111.5bn	\$108.9bn
12-Month Turnover	71.1%	-
Active Share	71.2%	-
Market Cap Distribution		
> \$20 billion (Large)	58.8%	63.3%
\$10 - \$20 billion (Medium/Large)	14.3%	17.0%
\$3 - \$10 billion (Medium)	13.7%	17.0%
\$1.5 - \$3 billion (Medium/Small)	5.9%	2.5%
< \$1.5 billion (Small)	7.2%	0.1%

Top Ten Holdings¹

Company Name	Country	Strategy (%)
Tencent Holdings	China	7.7
HDFC Bank	India	5.7
Samsung Electronics	Korea	5.2
Ping An Insurance	China	4.9
AIA Group	Hong Kong	4.6
Taiwan Semiconductor Manufacturing	Taiwan	4.2
Alibaba Group Holding	China	4.1
Shinhan Financial Group	Korea	2.9
China Literature	China	2.8
Catcher Technology	Taiwan	2.7

Strategy Overview

- \$13 million Assets Under Management
- Inception: October 2014
- Benchmark: MSCI AC Asia Ex-Japan Total Return Index (Net)
- Vehicles: SICAV

Investment Philosophy & Style

- Businesses with high and/or improving return on capital
- We look to buy stocks that we perceive to be at a significant discount to long term fair value
- A disciplined and unconstrained view of the benchmark

Investment Process

- Systematic filtering to eliminate high risk investment ideas and narrow research universe
- Repeatable, disciplined idea generation using proprietary quantitative modelling
- In-depth, on-the-ground research
- Substantive ESG analysis

Portfolio Construction

- High conviction portfolio with sizeable active positions
- No single stock 'underweights'; sizeable off-benchmark positions
- Disciplined risk management monitoring factor exposures

Investment Team

Mayur Nallamala, Head of RBC Asian Equity, Portfolio Manager
Industry Experience: 25 years

About RBC Global Asset Management

- Over \$335 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: A1 (Bloomberg, 31.12.2017). Ranked 5th largest bank in North America and 10th globally based on market capitalisation (Bloomberg, 31.12.2017).

Past performance is not indicative of future results.

Source: RBC Global Asset Management, Russell, FactSet

¹Supplemental information complements the RBC Asia ex-Japan 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.

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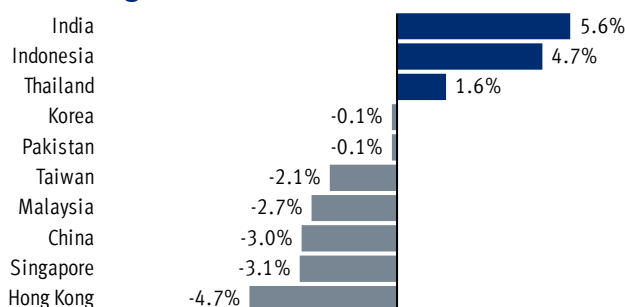
Top Ten Benchmark Countries¹

Country	Strategy (%)
China	31.3
Korea	17.7
India	15.6
Taiwan	10.8
Indonesia	7.2
Hong Kong	6.7
Thailand	4.2
Singapore	1.1
Philippines	1.0
Malaysia	0.0

Sector Allocation¹

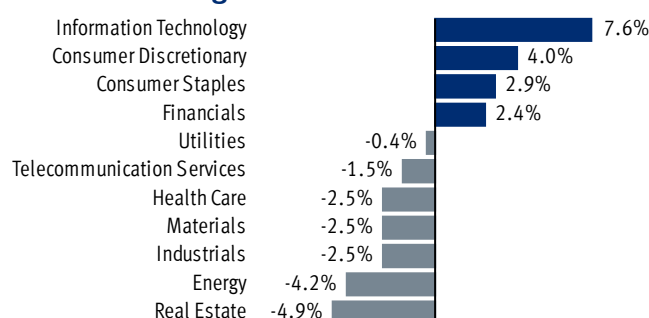
	Strategy (%)
Information Technology	39.3
Financials	25.7
Consumer Discretionary	13.3
Consumer Staples	7.5
Industrials	4.3
Telecommunication	2.7
Utilities	2.4
Materials	2.1
Real Estate	1.0
Cash	1.7

Relative Weights for Benchmark Countries¹



Top and bottom 5 relative country weights.

Relative Sector Weights¹



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GIPS® Compliant Presentation, as at December 31, 2017

RBC GAM Asian Equity - Excluding Japan

Inception Date: October 1, 2014

Benchmark: MSCI AC Asia ex-Japan Total Return Net Index (USD)

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)
2014/10 - 2014/12	6.97	6.72	0.12	n/a	n/a	1	-	6.0	302,064.4
2015	-3.74	-4.65	-9.17	n/a	n/a	1	-	7.8	276,979.3
2016	4.74	3.75	5.44	n/a	n/a	1	-	10.2	289,538.6
2017	45.91	44.53	41.72	14.07	14.83	1	-	13.0	331,885.2

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, 2016. The verification report(s) is/are available upon request. 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. Verification does not ensure the accuracy of any specific composite presentation.

Composite Description: The Asian Equity - Excluding Japan composite provides long-term total returns principally through capital appreciation. The Fund invests primarily in equity securities of companies domiciled within Asian markets excluding Japan.

Benchmark: The benchmark is the MSCI AC Asia ex Japan net index. The Index is designed to measure the equity market performance of the Asia region excluding Japan. 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 returns are presented before management fees and administrative 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 0.95% 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. 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: 0.95% for the first US\$50mm, 0.85% on the next US \$50mm, and 0.80% 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 October 1, 2014.

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