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 CoverPageAddedID logoRBCCM1 Capital Markets 0 April 2019 Rules-Based Investment Securities (RBIs)A New Way to Invest

Today's Discussion About Royal Bank of Canada (RBC) & RBC Capital MarketsRules-Based Investment Securities (RBIs) - A New Way to InvestRBC Global Tactical Total Return Index - Risk-Adjusted Global AccessRBC Global Tactical Total Return Index - Historical Performance & AnalysisFrequently Asked Questions & ConsiderationsRBC Emerging Market Tactical Index - Historical Performance & AnalysisRBC Global Tactical Sub-Indices - Historical Performance & AnalysisAppendix

About Royal Bank of Canada (RBC) & RBC Capital Markets

Part of a Leading Financial Service Provider: Royal Bank of Canada Top 10 One of the largest global banks by market capitalization1 11.5% Common Equity Tier 1 Ratio 2 Aa2 & AA- Credit ratings fromMoody's and S&P, respectively3 $1.3 trillion Total Assets2 16 million Clients served around the globe2 36 Countries of operations2 Leading, diversified provider of financial services10th largest bank globally, 5th largest bank in North America1Universal structure with diversified business model20-25% of earnings from RBC Capital Markets2Consistently outperforms global peers:17.6% Return on Equity in 2018211% 5-Year Annualized Total Shareholder Return in 20182 By The Numbers   Strong Financial Performance   Market Capitalization (US$ Billion)1   1 By Market Capitalization, Bloomberg (November 2018)2 RBC 2018 Annual Report (November 2018) 3 Based on long-term senior debt ratings, as at November 2018

 "Our daily focus is on creating valued partnerships with our clients to help achieve their business goals. We are able to do this by maintaining our longstanding record of financial strength and performance. It's that straightforward."Doug McGregorChairman & CEO RBC Capital Markets Today Deep expertise in capital markets, banking, and financeRecognized by significant corporations, institutional investors, asset managers, private equity firms, and governments around the globe as an innovative, trusted partnerWell-established in the largest, most mature capital markets   Our Presence Vancouver Calgary San Francisco Los Angeles Denver Houston Chicago Toronto Montreal Atlanta Boston New York Paris Mumbai Beijing Singapore Sydney Hong Kong Frankfurt Major Trading Hubs Coverage Offices Madrid Tokyo   London

and 33 other cities around the world An Innovative, Trusted Partner   Top-10Global Investment Bank Over7,300professionals around the globe Footprint covers80%of global investment banking fee pool4 Serving14,700clients in115 countries Operating from70offices in15 countries By the Numbers   4 Thomson Reuters Global Investment Banking Review (H1 2018)

A Decade of Momentum and Growth Moved up from 16th largest to the 9th largest global investment bank7 Ranked as one of the most trusted global investment banks by The Economist Doubled our annual revenue and increased our global team by 20% (now at more than 7,300 professionals)5Grown our debt, equity, and loan origination businesses, while becoming a recognized corporate finance and M&A advisor   Over the last 10 years,RBC Capital Markets…   By the Numbers (2008 vs. 2017)5,6   340.3 494.4 3.9 8.1 38.3 83.4 6,090 7,300 +4%Annual +8%Annual +9%Annual +20%Total 16th Largestin 20087 9th Largestin 20177 1.1 2.2 1,433 2,921 +8%Annual +8%Annual 5 RBC Annual Reports (2008-2017)6 Dealogic Analytics (Criteria based on completion date between 1/1/2008 – 12/31/2017) 7 Dealogic Analytics (2008-2017) 2008 2017 2008 2017 2008 2017 2008 2017 2008 2017 2008 2017

Quantitative Investment Strategies ("QIS") at RBC RBC currently offers an extensive range of QIS3 areas of focus: Equities Commodities Multi-AssetRange of fundamental, tactical, technical and allocation strategies, on a variety of timeframes, including intra-dayStrong presence in the Canadian equities and Americas commodities QIS marketIssued over $4B in notional linked to QIS strategies in AmericasOff-the-shelf strategies, as well as customized to suit client needsOngoing trade-execution, performance reporting and operational support

 Liquidity Carry Momentum Volatility Targeting Thematic Factor Driven Tactical Volatility Targeting Fixed Allocation Dynamic Allocation Volatility
Targeting COMMODITIES EQUITIES MULTI-ASSET   Timing Existing Capabilities

Rules-Based Investment Securities (RBIs)A New Way to Invest

A New Risk Management ToolInvestment product that potentially provides more efficient access to strategies designed to meet or exceed risk-adjusted benchmark returnsPositioned as an alternative to traditional equity and/or fixed income portfoliosDifferentiated solution for the US market, with some features not available in ETFs and/or mutual fundsKey FeaturesWrapper: Unsecured senior debt obligation of RBC (Note)Unwinds: Redemption daily at indicative note valueMaturity: Up to 20 yearsLinked to: Index developed by RBC Capital Markets designed to try to provide better risk-adjusted returns relative to applicable benchmark- Independently administered, maintained, calculated and verified by an Index Administrator & Calculation AgentPeriodic Payments: None; total return investment; investors do not receive any dividends declared by the issuers of the index constituentsTaxation1: Treated as pre-paid cash settled derivatives. Possible capital gain or loss treatment upon sale, redemption or maturityTracking error: None or minimal to underlying indexAt maturity: 100% participation in the index for invested funds, with deduction for applicable fees; full principal at risk What are Rules-Based Investment Securities (RBIs)? Linked to arules-based strategy   Alternative totraditional equities & bonds   Distinctive features not availablein ETFs or mutual funds 1 Taxation: The tax consequences of these RBIs are not certain. No statutory, judicial or administrative authority directly discusses their treatment. Alternative tax treatments are possible. Please see the applicable prospectus (https://www.sec.gov/Archives/edgar/data/1000275/000114036119006307/formfwp.htm) for a more complete discussion of the potential tax treatments. Please consult with your tax advisor to discuss your tax consequences.

Why consider RBIs now? Systematic Approach to Risk ManagementRemoves emotion from investingAllows clients to focus on long-term investing goals and not near-term market noiseLinked to a rules-based strategy (an index) designed to potentially deliver improved risk-adjusted returnsAutomatically allocates to equities on bullish signals, allocates away from the market and plays defense (cash/fixed income) on bearish signalsTransparencyIndex methodology and notional positions are fully disclosed and easily observable (not a "black box")The Index Methodology is available to investors upon request, or at the following link https://www.solactive.com/wp-content/uploads/2019/02/Guideline_Global_Tactical_Equity_final.pdf Daily redemptions and monthly performance reportingEfficient Implementation"One-ticket" solution – no need to manually rebalance or execute numerous transactionsTreated as pre-paid cash settled derivatives. Possible capital gain or loss treatment upon sale, redemption or maturity1Given the rules, anyone could try to implement a rules-based strategy; but the potential remains for:Emotional bias (i.e. ignoring the rules based on own views)Missed trades (i.e. not properly following the strategy)Difficulty in monitoring positionsHigher trading costs than RBC's institutional trading deskTracking error to the targeted strategyCustomizationRBIs' term and the underlying index strategy can be customized to meet specific investment views, risk tolerances and return expectations   1 Taxation: The tax consequences of these RBIs are not certain. No statutory, judicial or administrative authority directly discusses their treatment. Alternative tax treatments are possible. Please see the applicable prospectus (https://www.sec.gov/Archives/edgar/data/1000275/000114036119006307/formfwp.htm) for a more complete discussion of the potential tax treatments. Please consult with your tax advisor to discuss your tax consequences.

RBC Global Tactical Equity Total Return IndexRisk-Adjusted Global Access

Index Composition: The RBC Global Tactical Index is comprised of 4 sub-indices, the "Tactical Indices", which together provide global equity exposure:Rules-Based StrategyDynamic Allocation: Each sub-index will either be allocated to:Fixed-income: Fed Funds rate orEquity Exposure: Front-month futures contract linked to its respective equity index + Fed FundsAllocation Determination Monthly observations of a tactical trigger (Daily Moving Average (DMA))Tactical Trigger: On the monthly observation date, if the closing price level ("Spot") of a Relevant ETF is:Greater than or equal to its 100 DMA (200 DMA for Large Cap US) => Bullish signal = >100% equity exposure for that sub-indexLess than its 100 DMA (200 DMA for Large Cap US) => Bearish signal => 100% Fed Funds allocation for that sub-indexRebalancing: Index is rebalanced annually to the Target Weights (see table above)   The RBC Global Tactical Equity Total Return Index aims to optimize asset allocation between global equities and fixed-income by observing bullish or bearish trends in the market RBC Global Tactical Equity Total Return Index Global Allocation Sub-Index Name Target Weight Relevant ETF Domestic(60%) RBC Large Cap US Tactical Equity Total Return Index   50% SPY   RBC Small Cap US Tactical Equity Total Return Index 10% IWM International(40%) RBC International Developed Tactical Equity Total Return Index   25% EFA   RBC Emerging Markets Tactical Equity Total Return Index 15% EEM

RBC Global Tactical Index Methodology (Hypothetical Example)   SPY200
DMA FedFunds EquityExposure Sub-Index #1U.S. Large CapWeight: 50% IWM100 DMA EFA100
DMA EEM100 DMA Sub-Index #2U.S. Small CapWeight: 10% Sub-Index #3International DevelopedWeight:
25% Sub-Index #4Emerging MarketsWeight: 15% Sub-Index & Weighting   Tactical Trigger   Monthly
Observation
Dates EquityExposure FedFunds EquityExposure FedFunds FedFunds EquityExposure EquityExposure FedFunds SPYS

Index Construction Summary   Allocation Determination: Monthly Observations

Global Allocation	Sub-Index & Weighting		Relevant ETF	Tactical Trigger	At or above Tactical Trigger Bullish Signal Equity Exposure	Below Tactical Trigger Bearish Signal Fixed-Income Exposure
Domestic(60%)	RBC Large Cap US Tactical Equity TR Index	50%	SPY	200 DMA	S&P 500 Index front-month futures contract2 + Fed Funds	Fed Funds
	RBC Small Cap US Tactical Equity TR Index	10%	IWM	100 DMA	Russell 2000 Index front-month futures contract2 + Fed Funds	Fed Funds
Int'l(40%)	RBC Int'l Developed Tactical Equity TR Index	25%	EFA	100 DMA	MSCI EAFE Index front-month futures contract2 + Fed Funds	Fed Funds
	RBC Emerging Markets Tactical Equity TR Index	15%	EEM	100 DMA	MSCI EM Index front-month futures contract2 + Fed Funds	Fed Funds
RBC Global Tactical Equity Total Return Index						

2 Futures Contracts: For important details about the futures contracts used, such as the index levels that they track, their name, exchange they trade on etc., please see the table describing them at the end of this document on page 56, and refer to the relevant pricing supplement found at https://www.sec.gov/Archives/edgar/data/1000275/000114036119006307/formfwp.htm.

RBC Global Tactical Equity Total Return IndexHistorical Performance & Analysis

Source: Solactive, Bloomberg, RBC Capital Markets Hypothetical Historical Performance Historical Period: December 29, 19951 - March 31, 2019 Any historical analysis presented above is intended solely for illustrative purposes. It relies on historical data and past performance, and does not guarantee future returns. The performance of the RBC Global Tactical Equity Total Return Index shown is hypothetical only. The performance was derived by applying the strategy to the relevant index data. However, there is no actual historical information or an index applying the strategy of the RBC Global Tactical Equity Total Return Index for the indicated period. Performance data does not reflect all the fees that would reduce the performance of a product linked to the RBC Global Tactical Equity Total Return Index.   Hypothetical Performance Using Proxies as described on pp. 23, 57-59 Hypothetical Performance of Current Indexas described in Section III (pp. 10-13) 1: See pages 23 and 57-59 for important information regarding the use of Proxies in showing extended hypothetical historical performance.

Hypothetical Historical Out-Performance during Market Corrections Historical Period: December 29, 19951 - March 31, 2019Potential protection against market downturns Dot.com Bubble Drawdown(Mar '00 - Oct '02)   MSCI ACWI IMI Net TR -49.2% RBC Global Tactical Equity TR -10.8% Financial Crisis Drawdown(Oct '07 - Mar '09)   MSCI ACWI IMI Net TR -58.4% RBC Global Tactical Equity TR -9.1% 1: See pages 23 and 57-59 for important information regarding the use of Proxies in showing extended hypothetical historical performance.   Source: Solactive, Bloomberg, RBC Capital Markets Any historical analysis presented above is intended solely for illustrative purposes. It relies on historical data and past performance, and does not guarantee future returns. The performance of the RBC Global Tactical Equity Total Return Index shown is hypothetical only. The performance was derived by applying the strategy to the relevant index data. However, there is no actual historical information or an index applying the strategy of the RBC Global Tactical Equity Total Return Index for the indicated period. Performance data does not reflect all the fees that would reduce the performance of a product linked to the RBC Global Tactical Equity Total Return Index.

Hypothetical Historical Annual Returns Distribution Historical Period: December 29, 19951 - March 31, 2019Hypothetical outperformance in 11 out of 23 annual periods, including all 7 years where the benchmark return was negative   1: See pages 23 and 57-59 for important information regarding the use of Proxies in showing extended hypothetical historical performance.   Source: Solactive, Bloomberg, RBC Capital Markets Any historical analysis presented above is intended solely for illustrative purposes. It relies on historical data and past performance, and does not guarantee future returns. The performance of the RBC Global Tactical Equity Total Return Index shown is hypothetical only. The performance was derived by applying the strategy to the relevant index data. However, there is no actual historical information or an index applying the strategy of the RBC Global Tactical Equity Total Return Index for the indicated period. Performance data does not reflect all the fees that would reduce the performance of a product linked to the RBC Global Tactical Equity Total Return Index.

Hypothetical Historical Difference in Annual Returns Historical Period: December 29, 19951 - March 31, 2019Hypothetical outperformance in 11 out of 23 annual periods, including all 7 years where the benchmark return was negative 1: See pages 23 and 57-59 for important information regarding the use of Proxies in showing extended hypothetical historical performance.   Source: Solactive, Bloomberg, RBC Capital Markets Any historical analysis presented above is intended solely for illustrative purposes. It relies on historical data and past performance, and does not guarantee future returns. The performance of the RBC Global Tactical Equity Total Return Index shown is hypothetical only. The performance was derived by applying the strategy to the relevant index data. However, there is no actual historical information or an index applying the strategy of the RBC Global Tactical Equity Total Return Index for the indicated period. Performance data does not reflect all the fees that would reduce the performance of a product linked to the RBC Global Tactical Equity Total Return Index.

Hypothetical Historical Performance Metrics Historical Period: December 29, 1995[1] - March 31, 2019

Potentially improved risk-adjusted returns relative to the benchmark

Performance Statistics	MSCI ACWI Proxy Net Total Return Index	RBC Global Tactical Equity Total Return Index
Annualized Returns		
Since December 29, 1995	6.1%	8.7%
1 Year	2.7%	5.9%
3 Year	11.0%	11.4%
5 Year	6.6%	7.0%
10 Year	11.7%	9.3%
15 Year	6.9%	7.9%
Best/Worst		
Best 3-month Return	45.9%	25.3%
Worst 3-month Return	-42.4%	-13.5%
Best 6-month Return	65.2%	34.9%
Worst 6-month Return	-51.1%	-14.2%
Best 12-month Return	77.9%	43.2%
Worst 12-month Return	-51.1%	-12.3%
Max Drawdown	-58.4%	-15.2%
Period Start	10/31/2007	04/29/2011
Trough Date	03/09/2009	08/08/2011
Period End	05/17/2013	05/03/2013
Duration Under Water	67 months	24 months
Longest Drawdown	-49.8%	-12.7%
Period Start	03/27/2000	03/24/2000
Trough Date	10/09/2002	02/13/2003
Period End	01/06/2006	06/17/2003
Duration Under Water	69 months	39 months
Additional Statistics		
Annualized Alpha to Benchmark[2]	N/A	4.7%
Beta[3]	1	0.43
Sharpe Ratio[4]	0.31	0.63
Standard Deviation	15.3%	10.6%

1: See pages 23 and 57-59 for important information regarding the use of Proxies in showing extended hypothetical historical performance
2: Excess return of the Index once all beta-drive performance has been accounted for
3: Expected variability of the Index returns relative to the Benchmark returns
4: Based on the average of daily excess returns against Fed Funds, annualized with a 252-day factor

Source: Solactive, Bloomberg, RBC Capital Markets

Any historical analysis presented above is intended solely for illustrative purposes. It relies on historical data and past performance, and does not guarantee future returns. The performance of the RBC Global Tactical Equity Total Return Index shown is hypothetical only. The performance was derived by applying the strategy to the relevant index data. However, there is no actual historical information or an index applying the strategy of the RBC Global Tactical Equity Total Return Index for the indicated period. Performance data does not reflect all the fees that would reduce the performance of a product linked to the RBC Global Tactical Equity Total Return Index.

Hypothetical Monthly Historical Allocation1 Historical Period: December 29, 19952 - March 31, 2019 Source: Solactive, Bloomberg, RBC Capital Markets Any historical analysis presented above is intended solely for illustrative purposes. It relies on historical data and past performance, and does not guarantee future returns. The allocation was derived by applying the strategy to the relevant index data. However, there is no actual historical information or an index applying the strategy of the RBC Global Tactical Equity Total Return Index.   1: Allocation shows the hypothetical exposure the Global Tactical Index would have had for each month to the four Tactical Indices. It is meant only to capture whether each sub-index was allocated or not to its relevant Futures for that month, and hence the annual Target Weight (see page 11) for the sub-index is shown. The Global Tactical Index always maintains 100% exposure to the Fed Funds rate.   2: See pages 23 and 57-59 for important information regarding the use of Proxies in showing extended hypothetical monthly historical allocation.3: Average hypothetical allocation based on Target Weights to each Tactical Index over the Historical Period.

Maximum Average Median Minimum Deviation 374% 183% 191% 1% 70% Hypothetical Annual Turnover1 Historical Period: December 29, 19952 - March 31, 2019Individual investors may not be likely to complete the transactions required to replicate the Index performance Source: Solactive, Bloomberg, RBC Capital Markets Any historical analysis presented above is intended solely for illustrative purposes. It relies on historical data and past performance, and does not guarantee future returns. The allocation was derived by applying the strategy to the relevant index data. However, there is no actual historical information or an index applying the strategy of the RBC Global Tactical Equity Total Return Index.   1: Annual Turnover measures the total notional transactions measured as a percentage of the Index value performed over the course of a one year period by the Global Tactical Index. This includes changes due to the Annual Rebalance and also those due to the monthly allocation determination done within each of the four Tactical Indices.   2: See pages 23 and 57-59 for important information regarding the use of Proxies in showing extended hypothetical historical annual turnover.

RBC Global Tactical Equity Index – Hypothetical Historical Monthly

Returns	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2019	0.2%	0.5%	0.5%										1.3%

2018 Period: December 29, 19951 - March 31, 2019 1: See pages 23 and 57-59 for important information regarding the use of Proxies in showing extended hypothetical historical performance.   Source: Solactive, Bloomberg, RBC Capital Markets Any historical analysis presented above is intended solely for illustrative purposes. It relies on historical data and past performance, and does not guarantee future returns. The performance of the RBC Global Tactical Equity Total Return Index shown is hypothetical only. The performance was derived by applying the strategy to the relevant index data. However, there is no actual historical information or an index applying the strategy of the RBC Global Tactical Equity Total Return Index for the indicated period. Performance data does not reflect all the fees that would reduce the performance of a product linked to the RBC Global Tactical Equity Total Return Index.

What is the Proxy Backtest? RBC Capital Markets developed the rules and methodology of the Global Tactical and Tactical Indices described on pages 10-13 with the benefit of hindsight. In other words, the Indices were developed with the benefit of being able to evaluate how the Indices rules would have caused the Indices to perform had it existed during the hypothetical back-tested period.Historical information for the Relevant Futures Contracts, the relevant ETFs, and the relevant Benchmarks is not available for all periods covered by the hypothetical back-tested information. For those periods, the back-tested information is based on the performance of related assets, as described below (in chronological order). Accordingly, the information for these periods may not reflect the performance of the Global Tactical and Tactical Indices had the Relevant Futures Contracts and/or ETFs been available at those times. The term Proxy thus indicates that the Global Tactical and Tactical Indices methodology was applied to the changes in the prices or levels of the related assets of the Relevant Futures, the relevant ETFs, and the relevant Benchmarks for the periods over which historical information the Relevant Futures, and/or the relevant ETFs, and /or the relevant Benchmarks was not available. Relevant FuturesRelevant front-month futures contracts available on different trading venues –refer to Appendix II for more detailsRelevant net total return indices –refer to Appendix II for more detailsRelevant net total return versions of the Investable Market Indices (IMI) –refer to Appendix II for more detailsETFsRelevant price return indices –refer to Appendix III for more detailsBenchmarksRelevant net total return indices –refer to Appendix IV for more detailsRelevant net total return versions of the Investable Market Indices (IMI) –refer to Appendix IV for more details

Frequently AskedQuestions & Risks and Considerations

What are some differences between RBIs and ETFs? Feature RBIs ETFs Liquidity Daily, through the redemption provisions included in the terms of the RBIs Daily on exchange, subject to market Recourse Issuer credit Value of ETF shares depends on value of the securities that it holds Principal Subject to market and issuer credit risk Typically subject to market risk only Tracking error Typically none or minimal to the underlying index, subject to the fees embedded in the RBI Low Tax Treated as pre-paid cash settled derivatives. Possible capital gain or loss treatment upon sale, redemption or maturity. See the relevant offering documents for a more detailed discussion of potential alternative tax treatment. Investors should consult their tax advisors to determine their own tax treatment of the RBIs1   Potential exposure to capital gains and losses of portfolio, although creation/redemption mechanism works to minimizethis. Dividends and interest income passesthrough to shareholders Transparency Performance of RBIs is based on the return of the underlying index, minus applicable fees and costs. The underlying index methodology, including the index constituents, is fully transparent and disclosed Generally depends on the returns of a portfolio of securities, which are fully disclosed Investment Strategy Linked to the performance of a rules-based index: the RBC Global Tactical Equity Total Return Index or the RBC Emerging Market Tactical Equity Total Return Index Passive, active, and quantitative strategies are available 1 Taxation: The tax consequences of these RBIs are not certain. No statutory, judicial or administrative authority directly discusses their treatment. Alternative tax treatments are possible. Please see the applicable prospectus (https://www.sec.gov/Archives/edgar/data/1000275/000114036119006307/formfwp.htm) for a more complete discussion of the potential tax treatments. Please consult with your tax advisor to discuss your tax consequences.

Why are futures used for the equity exposure as opposed to the actual index?Most efficient way to gain access to the indexOther access vehicles:ETFs: buying and selling ETFs could be treated differently from a tax perspective (see previous page)Buying basket of stocks: operationally inefficient and costly to maintainOptions: pricing would not accurately reflect the performance of the strategy in real-timeWhy do we observe the tactical trigger ahead of the 3rd Friday of every month?The futures contracts used all expire on the 3rd Friday of each calendar quarter (March, June, September and December)Market participants typically "roll" from the expiring future into the next expiring future in the week leading up to this expiryLiquidity is typically highest during this period; therefore, it makes sense to match those windows to help reduce any potential trading and transaction costs of implementing the strategyWhy do we use the 200 DMA for US Large Cap and 100 DMA for the other equity exposures?200 DMA is typically more appropriate when determining trends in less-volatile indexes, which could be expected to move up or down more slowly. In that case, such indices will stay close to their moving averages. A shorter DMA would increase the risk of false signals. Using a longer-term moving average will include values from further back in time, hence increasing the distance of spot to the moving average, and potentially reducing the risk of false signals Conversely, a 100 DMA is typically more appropriate when an index moves more quickly, as the distance to its moving average could be high. If that were the case, with a longer DMA, there is a higher risk that large moves are required before the moving average can generate any signal. A shorter moving average would mitigate this by reacting more quickly   RBC Global Tactical Equity Total Return Index Construction Questions

Considerations – How is a Moving Average Calculated? What difference does the length make?

Example Calculation of MA – Underlying Up 1% Each Day

	Closing Price	5 Day MA	10 Day MA
Day 1	100.00		
Day 2	101.00		
Day 3	102.01		
Day 4	103.03		
Day 5	104.06	102.02	
Day 6	105.10	103.04	
Day 7	106.15	104.07	
Day 8	107.21	105.11	
Day 9	108.29	106.16	
Day 10	109.37	107.22	104.62
Day 11	110.46	108.30	105.67
Day 12	111.57	109.38	106.73
Day 13	112.68	110.47	107.79
Day 14	113.81	111.58	108.87
Day 15	114.95	112.69	109.96
Day 16	116.10	113.82	111.06
Day 17	117.26	114.96	112.17
Day 18	118.43	116.11	113.29
Day 19	119.61	117.27	114.42
Day 20	120.81	118.44	115.57

To calculate the moving average ("MA"), add the values for each day and divide by the number of days, e.g. in the table add the values for Day 1-5 (100 +101 +102.01 +103.03 +104.06). This adds to 510.1. Now divide by the number of days, 5, to obtain the average of 102.02We say "moving" average because on each new day we will drop the oldest Spot and include the latest Spot in its calculation. Hence, the average of the Spot "moves"We refer to "Closing Price" and "Spot" interchangeably When the Closing Price is strictly rising (table to the left), the longer MA will always be lower than the shorter MAThis is because, in such a scenario, the longer MA still takes into account the lower, earlier values. E.g. the value for the 10 Day MA ("10DMA") can first be calculated from Day10 onwards. Its calculation includes the Period 1-5 values, which are the lowest, whereas the 5DMA ignores these, averaging only the Day 6-10 Closing Price values When the Spot is strictly falling (table to the right), the opposite holds true – the longer MA will be strictly higher than the shorter MA

Example Calculation of MA – Underlying Down 1% Each Day

	Closing Price	5 Day MA	10 Day MA
Day 1	100.00		
Day 2	99.00		
Day 3	98.01		
Day 4	97.03		
Day 5	96.06	98.02	
Day 6	95.10	97.04	
Day 7	94.15	96.07	
Day 8	93.21	95.11	
Day 9	92.27	94.16	
Day 10	91.35	93.22	95.62
Day 11	90.44	92.28	94.66
Day 12	89.53	91.36	93.72
Day 13	88.64	90.45	92.78
Day 14	87.75	89.54	91.85
Day 15	86.87	88.65	90.93
Day 16	86.01	87.76	90.02
Day 17	85.15	86.88	89.12
Day 18	84.29	86.01	88.23
Day 19	83.45	85.15	87.35
Day 20	82.62	84.30	86.48

Considerations – Why use different MA lengths?

Example Calculation of MA – Underlying Up 1% Each Day

Day	Spot	5 Day MA	10 Day MA
Day 1	100.00		
Day 2	101.00		
Day 3	102.01		
Day 4	103.03		
Day 5	104.06	102.02	
Day 6	105.10	103.04	
Day 7	106.15	104.07	
Day 8	107.21	105.11	
Day 9	108.29	106.16	
Day 10	109.37	107.22	104.62
% Drop Required		-2%	-4.5%

Consider two assets: one that rises 1% each Day (Slow), the other rises 2% (Fast). For the Spots to fall below their respective MAs, the loss on Fast would need to be twice as great as the loss on Slow. For a faster moving index or market, it can thus be more prudent to choose a shorter MA, as it is going to require less of a loss before it triggers. False signals and whipsawing (see page 30) are major risks when using MAs. A shorter MA may help limit the losses from a false signal. A shorter MA would trigger more often than a longer one, but would be expected to show smaller gains or losses each time it does trigger (assuming it's applied to the same market).

Example Calculation of MA – Underlying Up 2% Each Day

Day	Spot	5 Day MA	10 Day MA
Day 1	100.00		
Day 2	102.00		
Day 3	104.04		
Day 4	106.12		
Day 5	108.24	104.08	
Day 6	110.41	106.16	
Day 7	112.62	108.29	
Day 8	114.87	110.45	
Day 9	117.17	112.66	
Day 10	119.51	114.91	109.50
% Drop Required		-4%	-9.1%

Example on S&P 500 over historical period from December 31, 2007 to December 31, 2011

100D MA vs 200D MA

100DMA triggers back into market;200DMA stays out 100DMA gets back into market earlier;200DMA stays out longer 100DMA gets false signal;200DMA steers clear 100DMA whipsaws;200DMA does not

Source: Bloomberg, RBC Capital Markets

Risk Considerations – False Moving Average Signals Consider two ways of observing the tactical trigger used in the RBC Emerging Market Tactical Equity Total Return Index: one using the MXEF Index and the other using the EEM ETF, along with their respective 100-day Moving Average On June 16, 2008, the tactical trigger is observed and the allocation is made on June 18, 2008 An investor would not allocate to equity using the trigger on the MXEF Index, but would be fully exposed to equity using the trigger on the EEM ETF, until the next allocation date (July 16, 2008) If the observation date had been three calendar days earlier (on June 13, 2008), an investor would not have been exposed to equity using either methodThe performance in each scenario is displayed in the table below Historical Period: April 2, 2007 - December 31, 2009For illustration purposes only – graph not to scale Historical Period: May 30, 2008 - July 21, 2008For illustration purposes only – graph not to scale

May 30, 2008 – July 21, 2008	Out	In
	In	Out
Observation Date	06/16/2008	06/13/2008
Allocation Date	06/18/2008	06/17/2008
Next Allocation Date	07/16/2008	07/15/2008
EM Futures contract	-9.3%	-
Fed Funds Rate	0.16%	0.16%
Signal on MXEF	OUT	OUT
Return using Trigger on MXEF Index	0.16%	0.16%
Signal on EEM	IN	OUT
Return using Trigger on EEM ETF	-9.1%	0.16%

Source: Bloomberg, RBC Capital Markets

Considerations – Negative Return Asymmetry versus "Whipsawing" What is the trade-off I make when using this strategy? On the plus side….The Tactical Indices attempt to exit the equity markets and switch to cash, thus avoiding the worst negative returnsDue to the way negative returns impact overall compounded returns, this can be a good long-term strategyThis is because negative returns affect compound returns more strongly than positive ones ("asymmetry"), as discussed below Depending on the magnitude of the loss avoided, this could make a substantial difference to investment returnsOn the minus side… False signalsThe signals used to identify when to enter and exit equity exposure can be "false"Meaning the signals could cause the index to exit the equity exposure, yet equities rise thereafter; and they could also cause the index to re-enter the market when the equity market subsequently fallsWhen this happens in sequence, the index "buys high and sells low" or gets "whipsawed", which causes it to underperform versus maintaining the equity or cash exposure throughout On the minus side… Lagged signalsThe moving average signal will react with a lag – by construction, it will only be able to signal to exit market exposure when markets have already fallen and it can only signal to re-enter market exposure when it has already started to riseThe rise and fall required to trigger the signal could be substantial, which in turn could negatively impact investment returnsOverall?When markets exhibit clear and prolonged periods moving in alternate directions (up then down, or vice-versa) this strategy would be expected to work bestWhen markets move sideways with large swings in either direction, causing not only many false signals, but large ones, the strategy would be expected to work the worst and underperform a buy and hold alternative the mostOver a full-cycle, outperformance is possible (more likely if large down periods are included). Outperformance is likely in a down market only and unlikely in an up market only

Considerations – Return Asymmetry Hypothetical Illustrations Consider the 7 Scenarios belowIn Scenario 1, an investment falls by 5%. A $100 initial investment would now be worth $95. To recover that loss, the investment must rise by $5 or in percentage returns by $5/$95 or just over 5%In Scenario 3, after a $20 or 20% loss to a value of $80, the required return to get back to $100 would be $20/$80, or 25%To recover from a 50% loss, the required return is 100%, or a doublingBy the time a 75% loss is arrived at, even a small additional loss can make a very large difference in required recovery returns: losing $75 of the initial $100 requires a fourfold increase to recover; losing just another $5 (or $80 in total), requires a fivefold increase to recoverShould such losses materialize in practice, it could take a very long time to recover. Avoiding half of the loss of 50% and suffering only 25% loss would mean an increase of only one third is required to recover, versus a doubling to recover

FedFunds Equity   Considerations – Underperformance Potential ("Whipsaw") Underperformance Scenario #2Rising equity market FedFunds Equity   Equity FedFunds Equity   Underperformance Scenario #1Declining equity market Underperformance Scenario #3Declining & Rising equity market

RBC Global Tactical Equity Index – Historical Drawdown Analysis Historical Period: December 29, 1995 - March 31, 2019 Source: Solactive, Bloomberg, RBC Capital Markets Possibly reduced maximum drawdowns: in historical simulation of down periods in the equity markets, the RBC Global Tactical Equity Index (RBCEGTUT) would have suffered the least, with a maximum drawdown around 1/3 of those of both the MSCI ACWI Proxy Net Total Return Index (the benchmark) and the S&P 500 Total Return Index (SPXT) Protection during market downturns: the benchmark and the SPXT hit their worst trough in March 2009 (~58% and ~55%, respectively), with the RBCEGTUT down only 12%Potentially faster recovery: the longest drawdowns for all 3 indices overlap. The benchmark and SPXT took more than 40 months to recover from their trough, while the RBCEGTUT would have taken about 4 months in this historical simulation Performance Statistics RBC Global Tactical Equity Total Return Index MSCI ACWI Proxy Net Total Return Index S&P 500 Total Return Index Max Drawdown -15.2% -58.4% -55.3% Period Start 04/29/2011 10/31/2007 10/09/2007 Trough Date 08/08/2011 03/09/2009 03/09/2009 Period End 05/03/2013 05/17/2013 04/02/2012 Duration Under Water 24 months 67 months 54 months Longest Drawdown -12.7% -49.8% -47.4% Period Start 03/24/2000 03/27/2000 09/01/2000 Trough Date 02/13/2003 10/09/2002 10/09/2002 Period End 06/17/2003 01/06/2006 10/23/2006 Duration Under Water 39 months 69 months 74 months Potentially Improved Drawdown Metrics Historical Drawdowns Historical Drawdowns Summary Historical Durations Under Water (days) Benchmark (-58%) SPXT (-55%) RBCEGTUT Benchmark SPXT RBCEGTUT Benchmark SPXT

Other Risks to Consider Credit RiskRBIs are senior unsecured debt obligations of the issuer, Royal Bank of CanadaAll payments at maturity, if any, are subject to the credit of the issuerFederal Funds RateThe reference rate used is the Federal Funds rate, which may be low and in theory even negativeThus when the index is allocated to the Federal Funds rate, the scope for gains may be very limited, particularly when the effect of any Index Adjustment Factor applied to the RBIs is includedNo Active ManagementThe index is completely rules-based. Hence, if the strategy underperforms, even if it underperforms significantly, no attempts will be made to change the rules to try to address such underperformanceEquity RisksThe index, via the respective futures, exposes an investor to small capitalization stock risks, emerging market stock risks and foreign securities market stock risksIndex Specific RisksThe index uses moving averages which exposes investors to the risk of the chosen parameters not working well, or at all, going forward. These risks, some of which have been discussed previously, can be associated with, but are not necessarily limited to: (i) the choice of when the signal is observed versus an alternative choice; (ii) the length of the moving average chosen versus another choice; (iii) the frequency at which the signal is observed and acted upon versus alternatives etc.The index may not perform well relative to alternative choices of investmentThe hypothetical performance information that RBC has provided in this document is based on criteria that has been applied retroactively with the benefit of hindsight, and these criteria cannot account for all financial risk that may affect the actual performance of a product linked to the indexFor a more thorough discussion of risks associated with RBIs, please refer to the relevant pricing supplement available at https://www.sec.gov/Archives/edgar/data/1000275/000114036119006307/formfwp.htm. You should only invest in securities linked to the index after carefully reviewing the risk factors set forth in that document.

Tactical Indices – The RBC Emerging Market Tactical Equity Total Return Index Historical Performance & Analysis

Hypothetical Historical Performance Historical Period: December 29, 1995[1] - March 31, 2019 Average Allocation to Emerging Markets: 57%[2] Hypothetical Performance Using Proxies Hypothetical Performance of Current Indexas described in Section III (pp. 10-13) 1: See pages 23 and 57-59 for important information regarding the use of Proxies in showing extended hypothetical historical performance. 2: The percentage of months that the Index was allocated to the relevant Futures over the Historical Period.   Source: Solactive, Bloomberg, RBC Capital Markets Any historical analysis presented above is intended solely for illustrative purposes. It relies on historical data and past performance, and does not guarantee future returns. The performance of the RBC Emerging Market Tactical Equity Total Return Index shown is hypothetical only. The performance was derived by applying the strategy to the relevant index data. However, there is no actual historical information or an index applying the strategy of the RBC Emerging Market Tactical Equity Total Return Index for the indicated period. Performance data does not reflect all the fees that would reduce the performance of a product linked to the RBC Emerging Market Tactical Equity Total Return Index.

  Allocation to Futures Contracts

Hypothetical Historical Annual Returns Distribution Historical Period: December 29, 19951 - March 31, 2019Hypothetical outperformance in 9 of the 23 annual periods, including 9 out of 11 years where the benchmark return was negative   1: See pages 23 and 57-59 for important information regarding the use of Proxies in showing extended hypothetical historical performance.   Source: Solactive, Bloomberg, RBC Capital Markets Any historical analysis presented above is intended solely for illustrative purposes. It relies on historical data and past performance, and does not guarantee future returns. The performance of the RBC Emerging Market Tactical Equity Total Return Index shown is hypothetical only. The performance was derived by applying the strategy to the relevant index data. However, there is no actual historical information or an index applying the strategy of the RBC Emerging Market Tactical Equity Total Return Index for the indicated period. Performance data does not reflect all the fees that would reduce the performance of a product linked to the RBC Emerging Market Tactical Equity Total Return Index.

Hypothetical Historical Difference in Annual Returns Historical Period: December 29, 19951 - March 31, 2019 Hypothetical outperformance in 9 of the 23 annual periods, including 9 out of 11 years where the benchmark return was negative   1: See pages 23 and 57-59 for important information regarding the use of Proxies in showing extended hypothetical historical performance.   Source: Solactive, Bloomberg, RBC Capital Markets Any historical analysis presented above is intended solely for illustrative purposes. It relies on historical data and past performance, and does not guarantee future returns. The performance of the RBC Emerging Market Tactical Equity Total Return Index shown is hypothetical only. The performance was derived by applying the strategy to the relevant index data. However, there is no actual historical information or an index applying the strategy of the RBC Emerging Market Tactical Equity Total Return Index for the indicated period. Performance data does not reflect all the fees that would reduce the performance of a product linked to the RBC Emerging Market Tactical Equity Total Return Index.

Performance Statistics	MSCI EM Proxy Net Total Return Index	RBC EM Tactical Equity Total Return Index
Annualized Returns		
Since December 29, 1995	5.2%	8.9%
1 Year	-7.3%	3.6%
3 Year	11.7%	12.9%
5 Year	3.9%	7.5%
10 Year	8.5%	7.4%
15 Year	8.1%	9.2%
Best/Worst		
Best 3-month Return	68.9%	42.7%
Worst 3-month Return	-54.3%	-22.8%
Best 6-month Return	84.2%	65.5%
Worst 6-month Return	-61.8%	-21.2%
Best 12-month Return	113.5%	84.5%
Worst 12-month Return	-63.0%	-27.6%
Max Drawdown	-65.2%	-31.9%
Period Start	10/29/2007	07/08/1997
Trough Date	10/27/2008	01/25/1999
Period End	07/19/2017	07/02/1999
Duration Under Water	117 months	24 months
Longest Drawdown	-65.2%	-23.5%
Period Start	10/29/2007	01/11/2010
Trough Date	10/27/2008	05/19/2016
Period End	07/19/2017	07/14/2017
Duration Under Water	117 months	90 months
Additional Statistics		
Annualized Alpha to Benchmark2	N/A	5.5%
Beta3	1	0.40
Sharpe Ratio4	0.24	0.52
Standard Deviation	18.8%	14.2%

Hypothetical Historical Performance Metrics Historical Period: December 29, 19951 - March 31, 2019Potentially improved risk-adjusted returns relative to the benchmark Any historical analysis presented above is intended solely for illustrative purposes. It relies on historical data and past performance, and does not guarantee future returns. The performance of the RBC Emerging Market Tactical Equity Total Return Index shown is hypothetical only. The performance was derived by applying the strategy to the relevant index data. However, there is no actual historical information or an index applying the strategy of the RBC Emerging Market Tactical Equity Total Return Index for the indicated period. Performance data does not reflect all the fees that would reduce the performance of a product linked to the RBC Emerging Market Tactical Equity Total Return Index. 1: See pages 23 and 57-59 for important information regarding the use of Proxies in showing extended hypothetical historical performance2: Excess return of the Index once all beta-driven performance has been accounted for3: Expected variability of the Index returns relative to the Benchmark returns4:Based on the average of daily excess returns against Fed Funds, annualized with a 252-day factor Source: Solactive, Bloomberg, RBC Capital Markets

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Year 2019 0.2% 1.0% 1.2%   2.4% 2018 8.2% -5 Emerging Market Tactical Equity Index – Hypothetical Historical Monthly Returns Historical Period: December 29, 19951 - March 31, 2019 1: See pages 23 and 57-59 for important information regarding the use of Proxies in showing extended hypothetical historical performance. Source: Solactive, Bloomberg, RBC Capital Markets Any historical analysis presented above is intended solely for illustrative purposes. It relies on historical data and past performance, and does not guarantee future returns. The performance of the RBC Emerging Market Tactical Equity Total Return Index shown is hypothetical only. The performance was derived by applying the strategy to the relevant index data. However, there is no actual historical information or an index applying the strategy of the RBC Emerging Market Tactical Equity Total Return Index for the indicated period. Performance data does not reflect all the fees that would reduce the performance of a product linked to the RBC Emerging Market Tactical Equity Total Return Index.

Tactical Indices – The RBC Tactical Equity Total Return Sub-Indices Historical Performance & Analysis

RBC Tactical Equity Total Return Sub-Indices – Hypothetical Historical Performance Historical Period: December 29, 19951 - March 31, 2019 1: See pages 23 and 57-59 for important information regarding the use of Proxies in showing extended hypothetical historical performance.   Source: Solactive, Bloomberg, RBC Capital Markets Any historical analysis presented above is intended solely for illustrative purposes. It relies on historical data and past performance, and does not guarantee future returns. The performance of the RBC Global Tactical Equity Total Return Index and the Tactical Indices (together the "Indices") shown is hypothetical only. The performance was derived by applying the strategy to the relevant index data. However, there is no actual historical information or an index applying the strategy of the Indices for the indicated period. Performance data does not reflect all the fees that would reduce the performance of a product linked to the Indices.

 RBC Large Cap US Tactical Equity Index – Hypothetical Historical Performance Historical Period: December 29, 19951 - March 31, 2019Average Allocation to Large Cap US: 72%2 Source: Solactive, Bloomberg, RBC Capital Markets Any historical analysis presented above is intended solely for illustrative purposes. It relies on historical data and past performance, and does not guarantee future returns. The performance of the RBC Large Cap US Tactical Equity Total Return Index shown is hypothetical only. The performance was derived by applying the strategy to the relevant index data. However, there is no actual historical information or an index applying the strategy of the RBC Large Cap US Tactical Equity Total Return Index for the indicated period. Performance data does not reflect all the fees that would reduce the performance of a product linked to the RBC Large Cap US Tactical Equity Total Return Index.   Allocation to Futures Contracts 1: See pages 23 and 57-59 for important information regarding the use of Proxies in showing extended hypothetical historical performance. 2: The percentage of months that the Index was allocated to the relevant Futures over the Historical Period.

 RBC Large Cap US Tactical Equity Index – Hypothetical Historical Annual Returns Distribution Historical Period: December 29, 19951 - March 31, 2019 Hypothetical outperformance in 6 of the 23 annual periods, including all 5 years where benchmark return was negative   1: See pages 23 and 57-59 for important information regarding the use of Proxies in showing extended hypothetical historical performance.   Source: Solactive, Bloomberg, RBC Capital Markets Any historical analysis presented above is intended solely for illustrative purposes. It relies on historical data and past performance, and does not guarantee future returns. The performance of the RBC Large Cap US Tactical Equity Total Return Index shown is hypothetical only. The performance was derived by applying the strategy to the relevant index data. However, there is no actual historical information or an index applying the strategy of the RBC Large Cap US Tactical Equity Total Return Index for the indicated period. Performance data does not reflect all the fees that would reduce the performance of a product linked to the RBC Large Cap US Tactical Equity Total Return Index.

RBC Large Cap US Tactical Equity Index – Hypothetical Historical Difference in Annual Returns Historical Period: December 29, 19951 - March 31, 2019 Hypothetical outperformance in 6 of the 23 annual periods, including all 5 years where benchmark return was negative   1: See pages 23 and 57-59 for important information regarding the use of Proxies in showing extended hypothetical historical performance.   Source: Solactive, Bloomberg, RBC Capital Markets Any historical analysis presented above is intended solely for illustrative purposes. It relies on historical data and past performance, and does not guarantee future returns. The performance of the RBC Large Cap US Tactical Equity Total Return Index shown is hypothetical only. The performance was derived by applying the strategy to the relevant index data. However, there is no actual historical information or an index applying the strategy of the RBC Large Cap US Tactical Equity Total Return Index for the indicated period. Performance data does not reflect all the fees that would reduce the performance of a product linked to the RBC Large Cap US Tactical Equity Total Return Index.

Performance Statistics	S&P 500 Total Return Index	RBC Large Cap US Tactical Equity Total Return Index
Annualized Returns		
Since December 29, 1995	8.8%	9.8%
1 Year	9.5%	9.1%
3 Year	13.6%	13.1%
5 Year	11.1%	7.9%
10 Year	15.7%	10.6%
15 Year	8.6%	8.1%
Best/Worst		
Best 3-month Return	40.2%	25.6%
Worst 3-month Return	-40.6%	-16.6%
Best 6-month Return	54.6%	31.8%
Worst 6-month Return	-46.1%	-15.2%
Best 12-month Return	72.3%	51.4%
Worst 12-month Return	-47.5%	-14.0%
Max Drawdown	-55.3%	-19.6%
Period Start	10/09/2007	07/17/1998
Trough Date	03/09/2009	08/31/1998
Period End	04/02/2012	03/08/1999
Duration Under Water	54 months	8 months
Longest Drawdown	-47.4%	-13.1%
Period Start	09/01/2000	03/24/2000
Trough Date	10/09/2002	10/12/2000
Period End	10/23/2006	05/30/2003
Duration Under Water	74 months	38 months
Additional Statistics		
Annualized Alpha to Benchmark2	N/A	4.5%
Beta3	1	0.44
Sharpe Ratio4	0.43	0.63
Standard Deviation	18.8%	12.8%

RBC Large Cap US Tactical Equity Index – Hypothetical Historical Performance Metrics Historical Period: December 29, 19951 - March 31, 2019 Potentially improved risk-adjusted returns relative to the benchmark Any historical analysis presented above is intended solely for illustrative purposes. It relies on historical data and past performance, and does not guarantee future returns. The performance of the RBC Large Cap US Tactical Equity Total Return Index shown is hypothetical only. The performance was derived by applying the strategy to the relevant index data. However, there is no actual historical information or an index applying the strategy of the RBC Large Cap US Tactical Equity Total Return Index for the indicated period. Performance data does not reflect all the fees that would reduce the performance of a product linked to the RBC Large Cap US Tactical Equity Total Return Index.   1: See pages 23 and 57-59 for important information regarding the use of Proxies in showing extended hypothetical historical performance 2: Excess return of the Index once all beta-driven performance has been accounted for 3: Expected variability of the Index returns relative to the Benchmark returns 4:Based on the average of daily excess returns against Fed Funds, annualized with a 252-day factor Source: Solactive, Bloomberg, RBC Capital Markets

RBC Small Cap US Tactical Equity Index – Hypothetical Historical Performance Historical Period: December 29, 19951 - March 31, 2019 Average Allocation to Small Cap US: 66%2 Hypothetical Performance Using Proxies Hypothetical Performance of Current Indexas described in Section III (pp. 10-13) Source: Solactive, Bloomberg, RBC Capital Markets Any historical analysis presented above is intended solely for illustrative purposes. It relies on historical data and past performance, and does not guarantee future returns. The performance of the RBC Small Cap US Tactical Equity Total Return Index shown is hypothetical only. The performance was derived by applying the strategy to the relevant index data. However, there is no actual historical information or an index applying the strategy of the RBC Small Cap US Tactical Equity Total Return Index for the indicated period. Performance data does not reflect all the fees that would reduce the performance of a product linked to the RBC Small Cap US Tactical Equity Total Return Index.   Allocation to Futures Contracts 1: See pages 23 and 57-59 for important information regarding the use of Proxies in showing extended hypothetical historical performance. 2: The percentage of months that the Index was allocated to the relevant Futures over the Historical Period.

 RBC Small Cap US Tactical Equity Index – Hypothetical Historical Annual Returns Distribution Historical Period: December 29, 19951 - March 31, 2019 Hypothetical outperformance in 9 of the 23 annual periods, including 5 of 8 years where benchmark return was negative   1: See pages 23 and 57-59 for important information regarding the use of Proxies in showing extended hypothetical historical performance.   Source: Solactive, Bloomberg, RBC Capital Markets Any historical analysis presented above is intended solely for illustrative purposes. It relies on historical data and past performance, and does not guarantee future returns. The performance of the RBC Small Cap US Tactical Equity Total Return Index shown is hypothetical only. The performance was derived by applying the strategy to the relevant index data. However, there is no actual historical information or an index applying the strategy of the RBC Small Cap US Tactical Equity Total Return Index for the indicated period. Performance data does not reflect all the fees that would reduce the performance of a product linked to the RBC Small Cap US Tactical Equity Total Return Index.

 RBC Small Cap US Tactical Equity Index – Hypothetical Historical Annual Returns Distribution Historical Period: December 29, 19951 - March 31, 2019 Hypothetical outperformance in 9 of the 23 annual periods, including 5 of 9 years where benchmark return was negative   1: See pages 23 and 57-59 for important information regarding the use of Proxies in showing extended hypothetical historical performance.   Source: Solactive, Bloomberg, RBC Capital Markets Any historical analysis presented above is intended solely for illustrative purposes. It relies on historical data and past performance, and does not guarantee future returns. The performance of the RBC Small Cap US Tactical Equity Total Return Index shown is hypothetical only. The performance was derived by applying the strategy to the relevant index data. However, there is no actual historical information or an index applying the strategy of the RBC Small Cap US Tactical Equity Total Return Index for the indicated period. Performance data does not reflect all the fees that would reduce the performance of a product linked to the RBC Small Cap US Tactical Equity Total Return Index.

Performance Statistics	Russell 2000 Total Return Index	RBC Small Cap US Tactical Equity Total Return Index
Annualized Returns		
Since December 29, 1995	8.5%	6.3%
1 Year	2.0%	5.5%
3 Year	13.1%	11.2%
5 Year	7.4%	6.4%
10 Year	15.2%	11.4%
15 Year	8.1%	6.7%
Best/Worst		
Best 3-month Return	54.5%	31.5%
Worst 3-month Return	-47.1%	-27.5%
Best 6-month Return	72.2%	42.1%
Worst 6-month Return	-51.6%	-28.2%
Best 12-month Return	97.9%	62.4%
Worst 12-month Return	-48.0%	-32.3%
Max Drawdown	-58.9%	-42.5%
Period Start	07/13/2007	03/09/2000
Trough Date	03/09/2009	02/13/2003
Period End	02/11/2011	01/10/2006
Duration Under Water	43 months	70 months
Longest Drawdown	-44.1%	-42.5%
Period Start	03/09/2000	03/09/2000
Trough Date	10/09/2002	02/13/2003
Period End	01/08/2004	01/10/2006
Duration Under Water	46 months	70 months
Additional Statistics		
Annualized Alpha to Benchmark2	N/A	1.2%
Beta3	1	0.45
Sharpe Ratio4	0.38	0.32
Standard Deviation	22.5%	15.5%

RBC Small Cap US Tactical Equity Index – Hypothetical Historical Performance Metrics Historical Period: December 29, 19951 - March 31, 2019Potentially improved risk-adjusted returns relative to the benchmark Any historical analysis presented above is intended solely for illustrative purposes. It relies on historical data and past performance, and does not guarantee future returns. The performance of the RBC Small Cap US Tactical Equity Total Return Index shown is hypothetical only. The performance was derived by applying the strategy to the relevant index data. However, there is no actual historical information or an index applying the strategy of the RBC Small Cap US Tactical Equity Total Return Index for the indicated period. Performance data does not reflect all the fees that would reduce the performance of a product linked to the RBC Small Cap US Tactical Equity Total Return Index.   1: See pages 23 and 57-59 for important information regarding the use of Proxies in showing extended hypothetical historical performance2: Excess return of the Index once all beta-driven performance has been accounted for3: Expected variability of the Index returns relative to the Benchmark returns4:Based on the average of daily excess returns against Fed Funds, annualized with a 252-day factor Source: Solactive, Bloomberg, RBC Capital Markets

 RBC Int'l Developed Tactical Equity Index – Hypothetical Historical Performance Historical Period: December 29, 19951 - March 31, 2019 Average Allocation to International Developed Markets: 58%2 Hypothetical Performance Using Proxies Hypothetical Performance of Current Indexas described in Section III (pp. 10-13) Source: Solactive, Bloomberg, RBC Capital Markets Any historical analysis presented above is intended solely for illustrative purposes. It relies on historical data and past performance, and does not guarantee future returns. The performance of the RBC International Developed Tactical Equity Total Return Index shown is hypothetical only. The performance was derived by applying the strategy to the relevant index data. However, there is no actual historical information or an index applying the strategy of the RBC International Developed Tactical Equity Total Return Index for the indicated period. Performance data does not reflect all the fees that would reduce the performance of a product linked to the RBC International Developed Tactical Equity Total Return Index.   Allocation to Futures Contracts 1: See pages 23 and 57-59 for important information regarding the use of Proxies in showing extended hypothetical historical performance. 2: The percentage of months that the Index was allocated to the relevant Futures over the Historical Period.

RBC Int'l Developed Tactical Equity Index – Hypothetical Historical Annual Returns Distribution Historical Period: December 29, 1995[1] - March 31, 2019 Hypothetical outperformance in 10 of the 23 annual periods, including all 9 years where benchmark return was negative   1: See pages 23 and 57-59 for important information regarding the use of Proxies in showing extended hypothetical historical performance.   Source: Solactive, Bloomberg, RBC Capital Markets Any historical analysis presented above is intended solely for illustrative purposes. It relies on historical data and past performance, and does not guarantee future returns. The performance of the RBC International Developed Tactical Equity Total Return Index shown is hypothetical only. The performance was derived by applying the strategy to the relevant index data. However, there is no actual historical information or an index applying the strategy of the RBC International Developed Tactical Equity Total Return Index for the indicated period. Performance data does not reflect all the fees that would reduce the performance of a product linked to the RBC International Developed Tactical Equity Total Return Index.

RBC Int'l Developed Tactical Equity Index – Hypothetical Historical Annual Returns Distribution Historical Period: December 29, 19951 - March 31, 2019 Hypothetical outperformance in 10 of the 23 annual periods, including all 9 years where benchmark return was negative   1: See pages 23 and 57-59 for important information regarding the use of Proxies in showing extended hypothetical historical performance.   Source: Solactive, Bloomberg, RBC Capital Markets Any historical analysis presented above is intended solely for illustrative purposes. It relies on historical data and past performance, and does not guarantee future returns. The performance of the RBC International Developed Tactical Equity Total Return Index shown is hypothetical only. The performance was derived by applying the strategy to the relevant index data. However, there is no actual historical information or an index applying the strategy of the RBC International Developed Tactical Equity Total Return Index for the indicated period. Performance data does not reflect all the fees that would reduce the performance of a product linked to the RBC International Developed Tactical Equity Total Return Index.

Performance Statistics	MSCI EAFE Proxy Net Total Return Index	RBC Int'l Developed Tactical Equity Total Return Index
Annualized Returns		
Since December 29, 1995	4.4%	6.1%
1 Year	-3.5%	1.3%
3 Year	7.8%	6.6%
5 Year	2.5%	4.6%
10 Year	8.7%	5.8%
15 Year	5.2%	5.9%
Best/Worst		
Best 3-month Return	47.1%	26.2%
Worst 3-month Return	-41.2%	-15.6%
Best 6-month Return	71.9%	48.4%
Worst 6-month Return	-51.5%	-20.2%
Best 12-month Return	75.7%	46.2%
Worst 12-month Return	-53.1%	-17.0%
Max Drawdown	-60.4%	-28.9%
Period Start	10/31/2007	01/14/2010
Trough Date	03/09/2009	08/30/2012
Period End	06/02/2014	05/29/2014
Duration Under Water	79 months	52 months
Longest Drawdown	-60.4%	-28.9%
Period Start	10/31/2007	01/14/2010
Trough Date	03/09/2009	08/30/2012
Period End	06/02/2014	05/29/2014
Duration Under Water	79 months	52 months
Additional Statistics		
Annualized Alpha to Benchmark[2]	N/A	3.2%
Beta[3]	1	0.32
Sharpe Ratio[4]	0.20	0.37
Standard Deviation	17.1%	11.3%

RBC Int'l Developed Tactical Equity Index – Hypothetical Historical Performance Metrics Historical Period: December 29, 1995[1] - March 31, 2019 Potentially improved risk-adjusted returns relative to the benchmark

Any historical analysis presented above is intended solely for illustrative purposes. It relies on historical data and past performance, and does not guarantee future returns. The performance of the RBC International Developed Tactical Equity Total Return Index shown is hypothetical only. The performance was derived by applying the strategy to the relevant index data. However, there is no actual historical information or an index applying the strategy of the RBC International Developed Tactical Equity Total Return Index for the indicated period. Performance data does not reflect all the fees that would reduce the performance of a product linked to the RBC International Developed Tactical Equity Total Return Index.   1: See pages 23 and 57-59 for important information regarding the use of Proxies in showing extended hypothetical historical performance 2: Excess return of the Index once all beta-driven performance has been accounted for 3: Expected variability of the Index returns relative to the Benchmark returns 4: Based on the average of daily excess returns against Fed Funds, annualized with a 252-day factor Source: Solactive, Bloomberg, RBC Capital Markets

Appendix

Appendix I

RBC Global Tactical Equity Total Return Index

Geography	Name	BBG Ticker	RIC Code
Large Cap US	RBC Large Cap US Tactical Equity Total Return Index	RBCELTUT	.RBCELTUT
Small Cap US	RBC Small Cap US Tactical Equity Total Return Index	RBCESTUT	.RBCESTUT
International Developed	RBC International Developed Tactical Equity Total Return Index	RBCEITUT	.RBCEITUT
Emerging Market	RBC Emerging Market Tactical Equity Total Return Index	RBCEETUT	.RBCEETUT

List of the Tactical Equity Total Return Sub-Indices

Geography	Name	BBG Ticker	RIC Code
Global	RBC Global Tactical Equity Total Return Index	RBCEGTUT	.RBCEGTUT

Geography	Future Contracts	Exchange	Generic Index
Large Cap US	E-mini S&P 500 Future	CME	ES1 Index
Small Cap US	E-mini Russell 2000 Future	CME	RTY1 Index
International Developed	MSCI EAFE Future	ICE	MFS1 Index
Emerging Market	MSCI Emerging Markets Future	ICE	MES1 Index

List of the Future Contracts

Appendix II Futures Contract Proxies used for the Historical Period – From December 29, 1995 to March 31, 2019 Geography Futures Contract Historical Period Large Cap US E-mini S&P 500 Futures (ES1 Index) September 10, 1997 – March 31, 2019 S&P 500 Futures (SP1 Index) December 29, 1995 – September 10, 1997 Small Cap US E-mini Russell 2000 Futures (RTY1 Index) July 11, 2017 – March 31, 2019 Russell 2000 Mini Futures (RTA1 Index) August 20, 2007 – July 11, 2017 Russell 2000 Futures (RL1 Index) December 29, 1995 – August 20, 2007 International Developed MSCI EAFE Futures (MFS1 Index) September 9, 2009 – March 31, 2019 E-mini MSCI EAFE Futures (BL1 Index) March 20, 2006 – September 8, 2009 MSCI EAFE Net Total Return Index (M1EA Index) December 31, 1998 – March 20, 2006 MSCI EAFE IMI Net Index (MIMUEAFN Index) December 31, 1995 – December 31, 1998 Emerging Market MSCI Emerging Markets Futures (MES1 Index) September 9, 2009 – March 31, 2019 MSCI Emerging Markets Futures (LLL1 Index) October 22, 2007 – September 9, 2009 MSCI Emerging Markets Net Total Return (M1EF Index) December 29, 2000 – October 22, 2007 MSCI EM Emerging Markets IMI Net Index (MIMUEMRN Index) December 29, 1995 – December 29, 2000

Appendix III ETF Proxies used for the Historical Period – From December 29, 1995 to March 31, 2019 Geography ETF Historical Period Large Cap US SPDR S&P 5000 ETF Trust (SPY US Equity) December 29, 1995 – March 31, 2019 Small Cap US iShares Russell 2000 ETF (IWM US Equity) October 17, 2000 – March 31, 2019   Russell 2000 Index (RTY Index) December 29, 1995 – October 17, 2000 International Developed iShares MSCI EAFE ETF (EFA US Equity) January 15, 2002 – March 31, 2019   MSCI EAFE Index (MXEA Index) December 29, 1995 – January 15, 2002 Emerging Market iShares MSCI Emerging Markets ETF (EEM US Equity) September 3, 2003 – March 31, 2019   MSCI Emerging Markets Index (MXEF Index) December 29, 1995 – September 2, 2009

Appendix IV Benchmark Proxies used for the Historical Period – From December 29, 1995 to March 31, 2019 Geography ETF Historical Period Large Cap US S&P Total Return Index (SPXT Index) December 29, 1995 – March 31, 2019 Small Cap US Russell 2000 Total Return Index (RU20INTR Index) October 17, 2000 – March 31, 2019 International Developed MSCI EAFE Net Total Return Index (NDDUEAFE Index) December 31, 1998 – March 31, 2019 MSCI EAFE IMI Net Index (MIMUEAFN Index) December 29, 1995 – December 31, 1998 Emerging Market MSCI Emerging Net Total Return Index (NDUEEGF Index) December 31, 1998 – March 31, 2019 MSCI EM Emerging Markets IMI Net Index (MIMUEMRN Index) December 29, 1995 – December 31, 1998 Global MSCI ACWI Net Total Return Index (NDUEACWF Index) December 31, 1998 – March 31, 2019 MSCI ACWI IMI Net Total Return Index (MIMUAWON Index) December 29, 1995 – December 31, 1998

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