



RBC Emerging Markets Bond Fund (CAD Hedged)

Investment Objective

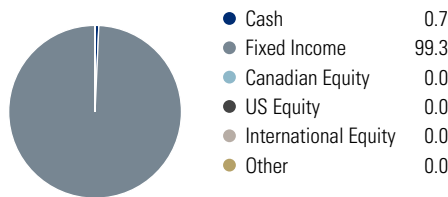
To provide total returns comprised of interest income and capital growth while minimizing the exposure to currency fluctuations between foreign currencies and the Canadian dollar. The fund invests primarily in government debt securities of emerging market countries and may also invest in emerging market corporate bonds and government debt securities of developed countries. The fund may do so either directly or indirectly through investment in other mutual funds managed by RBC GAM or an affiliate. The fund will also use derivatives to hedge against the fluctuations in the value of foreign currencies relative to the Canadian dollar.

Fund Details

Series	Currency	Fund Code
0	CAD	RBF10428
Inception Date: September 2016		
Total Fund Assets \$Mil: 11.2		
Benchmark: JP Morgan EMBI Global Diversified (Hedged to CAD)		

Portfolio Analysis as of April 30, 2019

Asset Mix



Fixed Income Breakdown

Category	% Fixed Income
Government Bonds	63.3
Corporate Bonds	35.4
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	1.2
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	1.2	Under 1 year	0.5
AAA	2.2	1 - 5 Yrs	28.4
AA	3.1	5 - 10 Yrs	35.6
A	7.2	Over 10 Yrs	35.5
BBB	30.9		
Below BBB	52.3	Avg. Term to maturity (Yrs)	11.2
Mortgages	0.0	Duration (Yrs)	6.8
NR/NA	3.2	Yield to Maturity	5.3

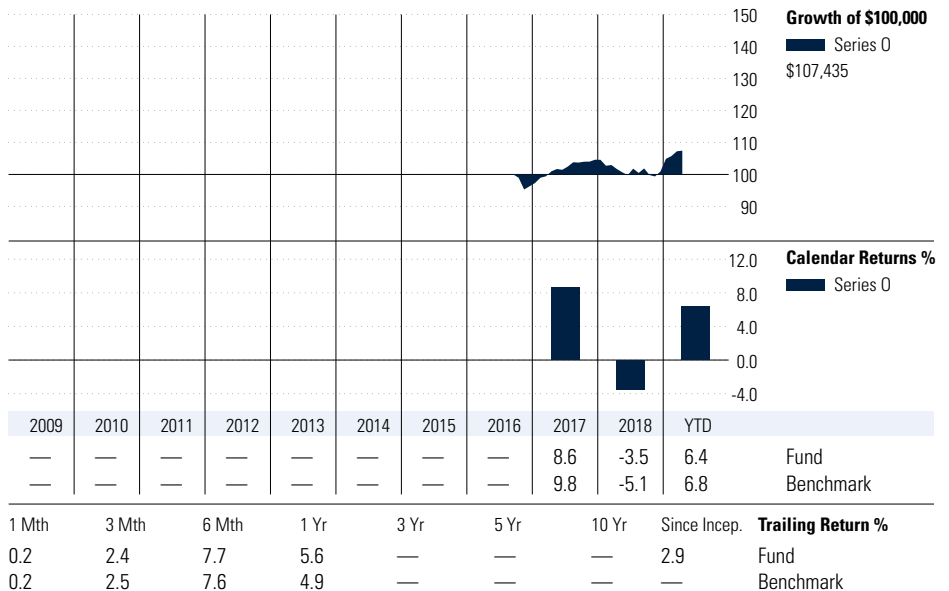
Geographic Allocations	% Assets
Canada	0.0
United States	2.2
International (ex-Emerging Markets)	0.0
Emerging Markets	97.8

Risk Measures	Fund	Benchmark
3 Year Std Dev	—	—
5 Year Std Dev	—	—

Top 10 Holdings

Holder	% Assets
The Republic of Peru 8.75% 21-11-2033	2.6
US Treasury Notes 2.25% 15-02-2027	2.2
Dominican Republic 7.45% 30-04-2044	1.6
State of Qatar 6.4% 20-01-2040	1.5
Vietnam Socialist Rep 4.8% 19-11-2024	1.4
Serbia (Republic Of) 7.25% 28-09-2021	1.4
Saudi Arabia 4.5% 17-04-2030	1.4
Pemex Project Master Tr 6.62% 15-06-2035	1.4
Philippines Rep 7.75% 14-01-2031	1.3
Republic of Colombia 6.12% 18-01-2041	1.3
Total % of Top 10 Holdings	16.0
Total Number of Stock Holdings	0
Total Number of Bond Holdings	802
Total Number of Other Holdings	24
Total Number of Holdings	826

Performance Analysis as of April 30, 2019





RBC Emerging Markets Bond Fund (CAD Hedged)

Management Overview

Manager Bios

David Nava

RBC Global Asset Management Inc.

David joined the Emerging Markets (EM) Bond team in 2004 and has been directly involved in the management of the firm's EM bond assets since 2010. He manages EM bond allocations for several of the firm's fixed income funds and is a member of the Fixed Income Strategy Committee.

David is a graduate (BSc Economics) of the prestigious Instituto Tecnológico Autónomo de México (ITAM). After moving to Canada in 2001, David completed his MBA at the Rotman School of Management in Toronto.

Performance Analysis Cont'd as of April 30, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	0.11	0.49	0.66	0.33	—	—	—	—	—	—	—
Interest	0.11	0.49	0.47	0.16	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	0.19	0.17	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	11-2017	9.2	—	—	—	—	—	—
Worst	11-2018	-4.5	—	—	—	—	—	—
Average		1.7	—	—	—	—	—	—
No. of Periods		20	—	—	—	—	—	—
Pct. Positive		60.0	—	—	—	—	—	—

* Distributions are characterized into income type at year-end.

Quarterly Commentary as at March 31, 2019

Emerging Markets (EM) bonds delivered a solid performance in the Q1. The headwinds that had weighed on appetite for EM assets at the end of last year dissipated during Q1 with indications of more accommodative policies by the U.S. Federal Reserve and European Central Bank, potential breakthroughs in the trade negotiations between U.S. and China, and initial signs that Chinese growth may have begun to stabilize.

The positive sentiment for emerging market assets during Q1 was reflected in the strong performance of the riskier countries such as Ecuador, Venezuela and Nigeria, all of which recorded double-digit returns in U.S. dollars. The overweight in high yield countries in the Fund contributed positively to the performance of the Fund although our bias towards BB-rated countries, away from the lower rated countries, detracted somewhat.

We lowered the duration of the Fund from a neutral stance at the beginning of the year to a duration below the benchmark at the end of the quarter by reducing exposure to the long-end of

investment grade countries with rich valuations such as Colombia and the Philippines.

During the quarter we increased exposure to Brazil following indications that the new administration is likely to tackle some of the structural problems of the economy. In addition, we continued to add to Middle Eastern countries, such as Qatar and Saudi Arabia as this region is gradually phased in the benchmark this year. The addition to the Middle East region in the Fund was sourced mainly from Asia and Eastern Europe, specifically from Turkey where macroeconomic and political concerns have resurfaced.

At the moment, the immediate concerns for EM bonds are potential disappointments from either Chinese economic data or a fallout in trade negotiations between the U.S. and China, in addition to indications that the U.S. economy is now entering its late cycle which could weigh down on the global growth outlook.



RBC Emerging Markets Bond Fund (CAD Hedged)

Disclosure

RBC Funds, RBC Private Pools, BlueBay Funds, PH&N Funds and RBC Corporate Class Funds are offered by RBC Global Asset Management Inc. and distributed through authorized dealers.

Series O units are available to individuals, institutional clients or dealers who have entered into an agreement directly with RBC GAM. No management fees are payable by the fund in respect of Series O units. Unitholders of Series O units pay a negotiated fee directly or indirectly to RBC GAM.

Management fees and expenses all may be associated with mutual fund investments. Please read the prospectus or Fund Facts document before investing. Except as otherwise noted, the indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns.

Mutual fund securities are not guaranteed or covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer. For money market funds, there can be no assurances that the fund will be able to maintain its net asset value per unit at a constant amount or that the full

amount of your investment in the fund will be returned to you. The value of mutual funds change frequently and past performance may not be repeated.

This document has been compiled by RBC Global Asset Management Inc. (RBC GAM) from sources believed to be reliable, but no representations or warranty, express or implied, are made by RBC GAM, its affiliates or any other person as to its accuracy, completeness or correctness. All opinions and estimates constitute RBC GAM's judgment as of the date of this document, are subject to change without notice and are provided in good faith but without legal responsibility. The Top Ten/25 Holdings may change due to ongoing portfolio transactions within the fund. The Prospectus and other information about the underlying investment funds are available at www.sedar.com.

MER (%) for RBC Funds, RBC Private Pools, PH&N Funds and BlueBay Funds is based on actual expenses for the preceding calendar year or most recent half-year period ended June 30 expressed on an annualized basis, depending on availability of data at the time of publication.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the preceding full year period ended March 31 or half-year period ended September 30 expressed on an annualized basis, depending on availability of

data at the time of publication.

Graphs are only used to illustrate the effects of the compound growth rate and do not reflect future values of any fund or returns on investment of any fund.

The fund profile is provided for informational purposes only. Particular investments and/or trading strategies should be evaluated relative to each individual's investment objectives. The information contained in the fund profile is not, and should not be construed as, investment or tax advice. You should not act or rely on the information contained in the fund profile without seeking the advice of an appropriate professional advisor.

Phillips, Hager & North Investment Management (PH&N IM) is a division of RBC Global Asset Management Inc. (RBC GAM). RBC GAM is the manager of PH&N Funds and the principal portfolio adviser for PH&N Funds. The principal distributor of PH&N Funds is Phillips, Hager & North Investment Funds Ltd. (PH&NIF), which uses the trade name PH&N Investment Services. RBC GAM is an indirect, wholly-owned subsidiaries of Royal Bank of Canada.

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