



RBC Emerging Markets Small-Cap Equity Fund

Investment Objective

To provide long-term total capital growth. The fund invests primarily in equity securities of small-cap companies located or active in emerging markets.

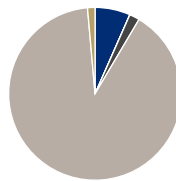
The Fund provides an effective way to gain exposure to the growth potential of smaller emerging market companies. The investment team focuses on a relatively concentrated portfolio of high-quality companies that generate sustainably high cash-flow returns. The investment process combines distinctive top-down thematic views with rigorous company-level research.

Fund Details

Series	Currency	Fund Code
0	CAD	RBF285
Inception Date		June 2013
Total Fund Assets \$Mil		599.9
Benchmark		MSCI Emerging Markets Small-Cap Net Index (C\$)

Portfolio Analysis as of April 30, 2019

Asset Mix

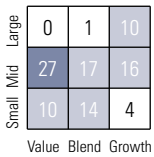


	% Assets
Cash	6.6
Fixed Income	0.0
Canadian Equity	0.0
US Equity	1.9
International Equity	90.1
Other	1.4

Top 10 Holdings

	% Assets
Cyient Ltd	4.2
Century Pacific Food Inc	3.9
AVI Ltd	3.6
Bajaj Holdings and Investment Ltd	3.3
Inversiones La Construccion SA	3.2
Aramex PJSC	3.1
Marico Ltd	3.1
Vitasoy International Holdings Ltd	2.8
Chroma Ate Inc	2.7
Sundaram Finance Ltd	2.5
Total % of Top 10 Holdings	32.4
Total Number of Stock Holdings	53
Total Number of Bond Holdings	0
Total Number of Other Holdings	3
Total Number of Holdings	56

Equity Style



Weight %
● > 50
● 25 - 50
● 10 - 25
○ 0 - 10

Equity Statistics

P/B Ratio	1.7
P/E Ratio	13.3
P/FCF	12.8
P/S	1.5
Avg. Mkt Cap. \$B	1.9
Dividend Yield	3.1

Top 5 Equity Sectors

	% Equity
Financials	27.4
Consumer Staples	18.3
Information Technology	15.3
Consumer Discretionary	12.9
Industrials	7.9
% in Top 5 Equity Sectors	81.8

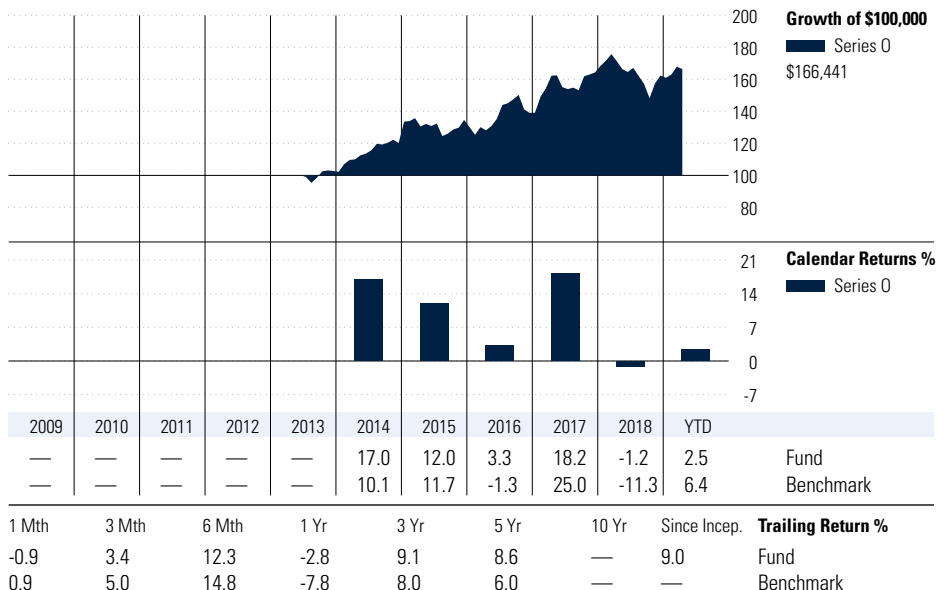
Risk Measures

	Fund	Benchmark
3 Year Std Dev	11.3	11.4
5 Year Std Dev	11.3	12.5

Geographic Allocations

	% Assets
India	17.7
Taiwan	11.4
China	9.5
South Korea	8.1
Chile	7.7

Performance Analysis as of April 30, 2019





RBC Emerging Markets Small-Cap Equity Fund

Management Overview

Manager Bios

Philippe Langham

RBC Global Asset Management (UK) Limited

Philippe is Head of Emerging Markets Equities & Senior Portfolio Manager. He has worked in the investment industry since 1992 and joined the firm in 2009 to establish and lead the team that manages the emerging markets equity strategies. Prior to RBC, Philippe was Head of Global Emerging Markets with Société Générale Asset Management S.A. Philippe holds a Bachelor's degree in Economics from the University of Manchester and is a qualified Chartered Accountant.

Performance Analysis Cont'd as of April 30, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	—	0.55	0.51	0.36	0.50	0.26	—	—	—	—	—
Interest	—	0.33	0.43	0.26	0.25	0.16	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.22	0.09	0.10	0.25	0.10	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	1-2015	30.7	8-2016	15.0	8-2018	11.2	—	—
Worst	10-2018	-8.5	10-2018	4.8	10-2018	7.6	—	—
Average		10.0		10.0		9.5		—
No. of Periods		59		35		11		—
Pct. Positive		79.7		100.0		100.0		—

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

Quarterly Commentary as at March 31, 2019

Emerging Markets equities posted a strong recovery in Q1 2019, following a challenging 2018.

China continues to be a key driver of performance, with the CSI 300 index of stocks listed in Shanghai and Shenzhen up over +30% over the quarter. Colombia was another top performer, posting a strong recovery from last year. Turkey was one of the few markets in EM to finish the quarter in negative territory. After a strong recovery in January, Turkey's equity and currency markets weakened as concerns resurfaced relating to president Erdogan's unorthodox approach to managing the economy. At the sector level, all sectors delivered a positive return over the quarter.

The biggest contributor to relative returns was China Overseas Property which reported strong results with a net profit increase of 31% over 2018, driven by faster-than-expected growth in the company's property management services. Vitasoy's shares benefitted from an improved

outlook for domestic consumption in China, driven by cuts in VAT and income tax. Vitasoy is also benefitting from the ongoing shift towards healthier foods by Chinese consumers. Giant Manufacturing's share price strengthened on the back of strong revenue growth driven by e-bike sales in Europe.

South African consumer company AVI was the biggest detractor after reporting disappointing results due to sales volume weakness and competitor discounting. The share price of JSE, the South African stock exchange, declined alongside broader weakness in local equity markets on the back of a challenging political and macro environment in the country. Duratex's share price declined in line with the broader market as Brazilian equities have seen some profit-taking this year after their stellar performance following Bolsonaro's election victory last year.



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Disclosure

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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.

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