



# RBC Emerging Markets Bond Fund

## Investment Objective

To provide total returns comprised of interest income and capital growth. The fund invests primarily in government debt securities of emerging market countries. The fund may also invest in emerging market corporate bonds and government debt securities of developed countries.

The investment team seeks countries with attractive growth profiles, sustainable or improving credit metrics, positive public policy momentum and constructive relationships with the official sector. Liquidity is also important. The Fund will also tilt away from countries with higher political volatility and/or a repeated history of default. Up to 30% of the Fund can be off-index, allowing for investment in emerging market corporates and more developed markets as return-enhancing opportunities arise.

## Fund Details

Series	Currency	Fund Code
0	CAD	RBF297
0	USD	RBF298
Inception Date		August 2010
Total Fund Assets \$Mil		1,147.9
Benchmark		JPM EMBI Global Diversified (\$CDN)

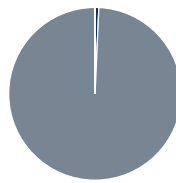
## Notes

Performance Analysis is in CAD and for CAD series 0 fund (RBF297).

Securities have been classified as 'NR/NA' if the security has not been rated by a rating agency such as DBRS, S&P or Moody's. Typically, unrated securities are bond issues for which the issuer has not sought a credit rating.

## Portfolio Analysis as of April 30, 2019

### Asset Mix



	% Assets
Cash	0.7
Fixed Income	99.3
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

### Fixed Income Breakdown

	% 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

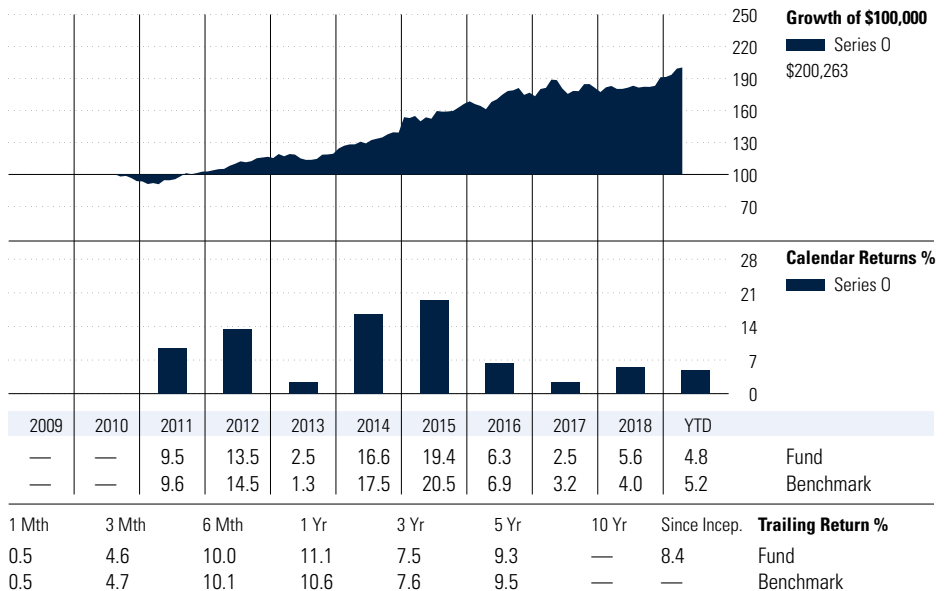
### Risk Measures

	Fund	Benchmark
3 Year Std Dev	7.4	7.7
5 Year Std Dev	8.1	8.4

### Top 10 Holdings

	% 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
<b>Total Number of Holdings</b>	<b>826</b>

## Performance Analysis as of April 30, 2019





# RBC Emerging Markets Bond Fund

## 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	0.15	0.60	0.75	0.90	1.07	0.78	0.58	0.51	0.52	0.16	—
Interest	0.15	0.60	0.60	0.63	0.65	0.57	0.54	0.51	0.52	0.16	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	0.15	0.27	0.42	0.21	0.04	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	1-2015	23.6	8-2016	16.2	7-2016	12.9	—	—
Worst	4-2018	-4.6	11-2018	4.0	4-2018	8.6	—	—
Average		9.4		10.2		10.6		—
No. of Periods		93		69		45		—
Pct. Positive		93.5		100.0		100.0		—

\* 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.



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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.

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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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