



# RBC Emerging Markets Foreign Exchange Fund

## Investment Objective

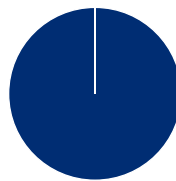
To provide total returns associated with those of emerging market currencies and short-term interest rates and to provide total returns comprised of income and modest capital growth. The fund invests primarily in short-term Canadian money market instruments and foreign exchange forward contracts on emerging market currencies.

## Fund Details

Series A	Load Structure: No Load	Currency: CAD	Fund Code: RBF406
Inception Date	July 2015		
Total Fund Assets \$Mil	1,112.1		
Series A NAV \$	8.99		
Series A MER %	1.70		
Benchmark	JP Morgan Emerging Local Markets Index (ELMI+) (CAD)		
Income Distribution	Quarterly		
Capital Gains Distribution	Annually		
Sales Status	Open		
Min. Investment \$	500		
Subsequent Investment \$	25		
Fund Category	Emerging Markets Fixed Income		
Management Company	RBC Global Asset Management Inc.		
Web Site	www.rbcgam.com		

## Portfolio Analysis as of September 30, 2018

### Asset Mix



	% Assets
Cash	100.0
Fixed Income	0.0
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

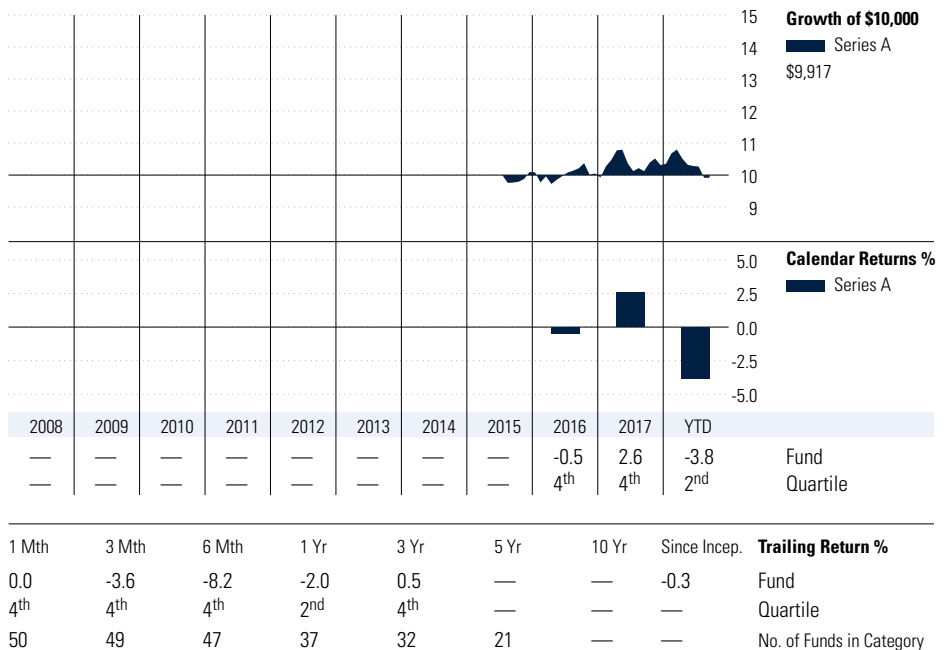
### Top 25 Holdings

	% Assets
Mexico	9.8
China	9.7
South Korea	9.5
India	8.6
Russia	7.3
Singapore	6.8
Turkey	5.1
Thailand	4.9
Poland	4.8
Brazil	4.7
Indonesia	4.5
Malaysia	4.4
Taiwan	3.4
Czech Rep	3.0
South Africa	2.6
Chile	1.9
Peru	1.9
Hungary	1.4
Argentina	1.2
Philippines	1.1
Romania	1.0
Columbia	0.8
Japan	0.5
Canada	0.4
Israel	0.3
Total % of Top 25 Holdings	99.6
Total Number of Other Holdings	25
<b>Total Number of Holdings</b>	<b>25</b>

### Geographic Allocations

	% Assets
Asia	53.5
Eastern Europe, Middle East & Africa	22.9
Latin America	20.4
Canada & US	0.4

## Performance Analysis as of September 30, 2018





# RBC Emerging Markets Foreign Exchange Fund

## Management Overview

### Manager Bios

#### Dagmara Fijalkowski

#### RBC Global Asset Management Inc.

As Head of Global Fixed Income and Currencies at RBC Global Asset Management, Dagmara leads investment teams in Toronto, London. In her duties as a portfolio manager, Dagmara heads management of several bond funds, manages foreign-exchange hedging and active currency overlay programs across a number of funds. Dagmara chairs the Fixed Income Strategy Committee. She is also a member of the Investment Policy Committee, which determines asset mix for balanced and multi-strategy products, and the RBC Investment Strategy Committee.

### Performance Analysis Cont'd as of September 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.00	0.33	0.26	0.35	—	—	—	—	—	—	—
Interest	0.00	0.33	0.26	0.35	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	4-2017	10.8	7-2018	0.9	—	—	—	—
Worst	5-2018	-4.4	9-2018	0.5	—	—	—	—
Average		2.1		0.6				
No. of Periods		27		3				
Pct. Positive		70.4		100.0				

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

### Quarterly Commentary as at September 30, 2018

The relative performance of the Fund suffered during the period because of the larger exposure in the Turkish lira compared to the benchmark, as part of the Fund's tactical strategy in high-carry currencies.

The performance of emerging market currencies was mixed in Q3. The Mexican peso was the top performer, gaining on better economic data, lessened political uncertainty and a resolution of NAFTA negotiations. Most attention, however, was focused on the large currency devaluations of the Argentine peso and Turkish lira, both of which had dropped by more than 20%. This put downward pressure on other countries with similar external funding requirements as investors quickly reduced exposure to trade and fiscal-deficit currencies. The Indian rupee and the South African rand were among those that underperformed the currency universe, along with the Brazilian real which suffered during the quarter on political concerns.

Risks to emerging market assets are fairly well known: a withdrawal of stimulus from global central banks, increased trade protectionism, and important elections in Brazil, Turkey and India. Of these risks, it is trade tensions between the U.S. and China that will be most important for the fourth quarter. As U.S. mid-term elections near, anti-China rhetoric from politicians will likely become more hostile. While being conscious of these risks, we also recognize that emerging-market currencies have weakened substantially and now appear to reflect more attractive valuations, lighter positions and higher yields.

We have used recent weakness to increase exposure to higher-beta currencies, such as those in Russia, South Africa and Brazil. However, selectivity remains critical under the current market environment, and longer-term positions will tend to favour countries with stable funding dynamics and attractive growth profiles.



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## Disclosure

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

Commissions, trailing commissions, 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 funds are not guaranteed or covered by the Canadian 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.

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MER (%) for RBC Funds, PH&N Funds and BlueBay Funds is based on actual expenses for the half-year period, January 1 to June 30, 2018, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the full year period, April 1, 2017 to March 31, 2018.

Series H and Series I are not available for purchase by new investors. Existing investors who hold Series H or Series I units can continue to make additional investments into the same series of the funds they hold.

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.

Quartile rankings are determined by Morningstar Research Inc., an independent research firm, based on categories maintained by the Canadian Investment Funds Standards Committee (CIFSC). Quartile rankings are comparisons of the performance of a fund to other funds in a particular category and are subject to change monthly. The quartiles divide the data into four equal segments expressed in terms of rank (1, 2, 3 or 4). This is the Morningstar quartile ranking of Series A and F units of the Fund as of September 30, 2018.

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