



# RBC Emerging Markets Foreign Exchange Fund

## Investment Objective

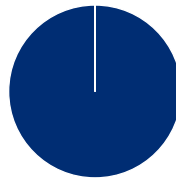
To provide total returns associated with those of emerging market currencies and short-term interest rates and to provide total returns comprised of income and modest capital growth. The fund invests primarily in short-term Canadian money market instruments and foreign exchange forward contracts on emerging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

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF406
Inception Date		July 2015	
Total Fund Assets \$Mil		839.2	
Series A NAV \$		9.53	
Series A MER %		1.67	
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		Global Fixed Income	
Management Company		RBC Global Asset Management Inc.	
Web Site		www.rbcgam.com	

## Portfolio Analysis as of August 31, 2017

### 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

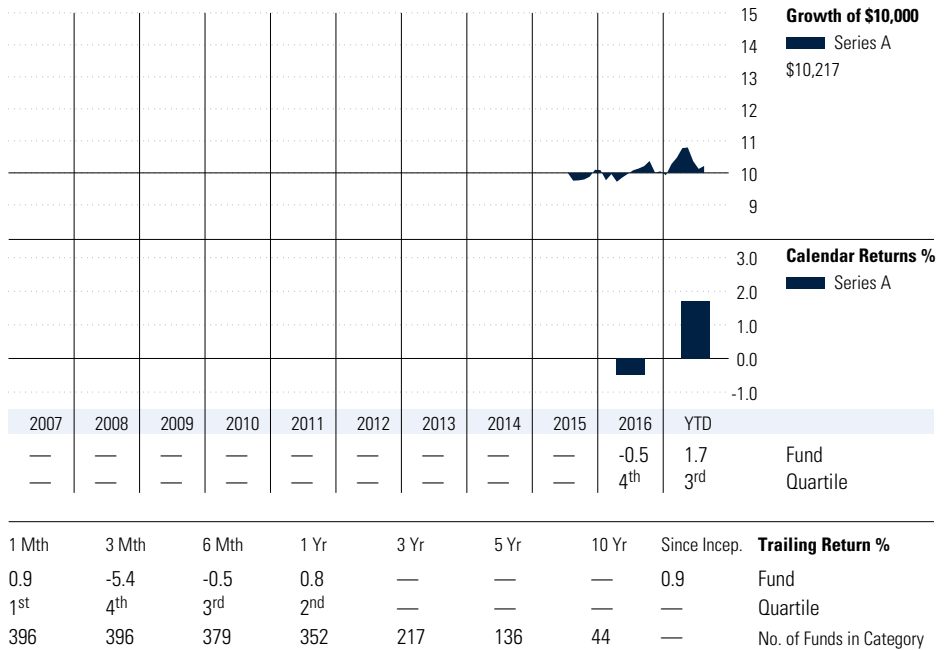
### Top 10 Holdings

	% Assets
Mexico	11.5
South Korea	8.8
China	8.5
India	8.3
Singapore	6.8
Russia	6.7
Brazil	5.3
Turkey	4.8
Poland	4.7
Thailand	4.1
Total % of Top 10 Holdings	69.5
Total Number of Other Holdings	24
<b>Total Number of Holdings</b>	<b>24</b>

### Geographic Allocations

	% Assets
Asia	49.2
Eastern Europe & Africa	25.3
Latin America	23.3
Canada & US	2.3

## Performance Analysis as of August 31, 2017





# RBC Emerging Markets Foreign Exchange Fund

## Management Overview

### Manager Bios

#### Dagmara Fijalkowski

#### RBC Global Asset Management Inc.

Dagmara is Sr. Vice President & Sr. Portfolio Manager, and Head, Global Fixed Income & Currencies at RBC Global Asset Management. She leads a team of over 20 professionals with more than \$50 billion in assets under management. Dagmara also co-manages several of the firms' bond funds and manages foreign exchange hedging and active currency management programs. She has an MBA from the Richard Ivey School of Business and a Master's in economics from the University of Lodz, and is a CFA charterholder.

### Performance Analysis Cont'd as of August 31, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.06	0.26	0.35	—	—	—	—	—	—	—	—
Interest	0.06	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	—	—	—	—	—	—
Worst	1-2017	-1.6	—	—	—	—	—	—
Average		3.6		—		—		—
No. of Periods		14		—		—		—
Pct. Positive		85.7		—		—		—

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

### Quarterly Commentary as at June 30, 2017

Most emerging market currencies showed strength versus the Canadian dollar during Q2. This performance was underpinned by a growing enthusiasm for emerging market assets, largely due to improvement in Chinese economic growth. Risks to emerging market assets have also declined with the passing of key European elections, the reduced threat of protectionist measures from the U.S. and with less concern about the damaging effects to growth from U.S. Federal Reserve interest rate hikes.

Looking ahead, we believe that recent strength in the Canadian dollar will prove to be temporary, as the currency is weighed down by longer-term concerns such as Canada's lagging competitiveness and large current-account deficit. The currency also looks overbought in the short-term as the shift in tone by the Bank of Canada has led investors to close previously bearish bets. An increase in emerging-market currencies relative

to the Canadian dollar would be good for performance since the funding currency of the fund is Canadian dollars.

The economic recovery in the developing world will continue to provide support for the currencies of these countries. At the same time, some currencies are no longer as cheap and carry higher risks of political disfunction and geopolitical upset. Consequently, we expect a greater degree of dispersion amongst currency returns for the rest of the year and aim to exploit these differences by favouring countries with more stable external funding, contained fiscal pressures and reduced political uncertainty. The Fund now takes a more cautious stance toward currencies that are highly sensitive to risk sentiment. Overweight positions in Brazil and Russia have been reduced as those currencies are becoming overvalued.



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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, 2017, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the full-year period, April 1, 2016 to March 31, 2017, expressed on an annualized basis.

Adjusted MER is provided for funds with management fee changes effective June 30, 2016. The Adjusted MER represents what the reported MER would have been had management fee changes been in effect throughout 2016.

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 August 31, 2017.

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