



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.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF485
Adv	Deferred Sales	CAD	RBF885
Adv	Front End	CAD	RBF715
Adv	Low Load	CAD	RBF085

Inception Date	August 2013
Total Fund Assets \$Mil	561.2
Series A NAV \$	14.05
Series A MER %	2.35
Benchmark	MSCI Emerging Markets Small-Cap Total Return Net Index (\$C)

Income Distribution	Annually
Capital Gains Distribution	Annually

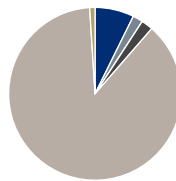
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Fund Category	Emerging Markets Equity
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Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

Portfolio Analysis as of June 30, 2018

Asset Mix

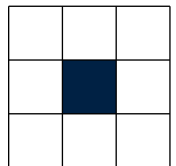


	% Assets
Cash	7.3
Fixed Income	1.9
Canadian Equity	0.0
US Equity	2.2
International Equity	87.6
Other	1.0

Top 25 Holdings

	% Assets
Cyient Ltd	4.6
AVI Ltd	4.1
Godrej Industries Ltd	3.5
Bajaj Holdings and Investment Ltd	3.1
Marico Ltd	2.8
Aeon Thana Sinsap (Thailand) PCL DR	2.8
Koh Young Technology Inc	2.4
TI Financial Holdings Ltd	2.4
Sundaram Finance Ltd	2.3
Chroma Ate Inc	2.2
Samsonite International SA	2.2
Inversiones Aguas Metropolitanas SA	2.2
Century Pacific Food Inc	2.1
Standard Foods Corp	2.1
Delta Electronics (Thailand) PCL	2.1
Vitasoy International Holdings Ltd	2.0
Wistron Neweb Corp	2.0
MAHLE-Metal Leve SA	2.0
Hatton National Bank PLC	2.0
Aramex Pjsc, Participation Notes	1.9
Duratex SA	1.9
Amorepacific Pfd	1.9
DGB Financial Group Co Ltd	1.9
China BlueChemical Ltd H	1.7
Luthai Textile Co Ltd	1.7
Total % of Top 25 Holdings	59.7
Total Number of Stock Holdings	54
Total Number of Bond Holdings	1
Total Number of Other Holdings	3
Total Number of Holdings	58

Equity Style



Value Blend Growth

Equity Statistics

P/B Ratio	2.0
P/E Ratio	14.5
Avg. Mkt Cap. \$B	2.1

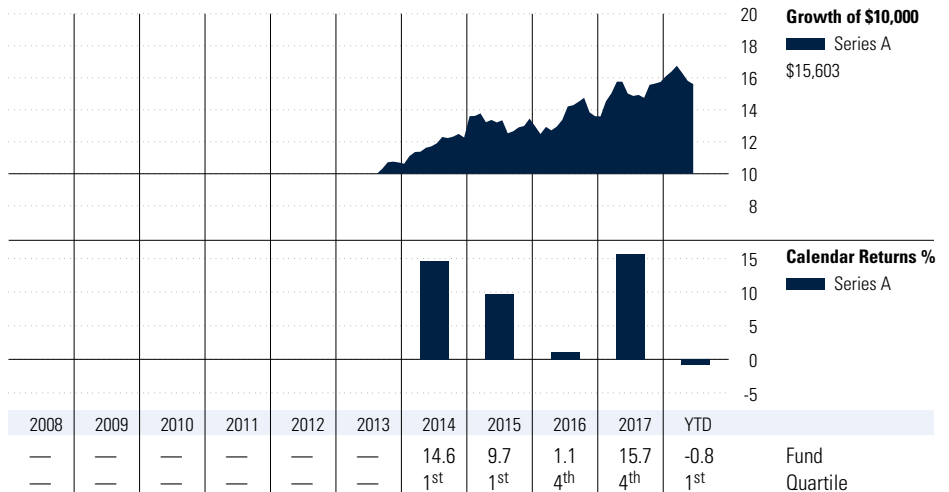
Top 5 Sectors

	% Equity
Financials	22.5
Consumer Staples	21.0
Information Technology	17.8
Consumer Discretionary	15.0
Industrials	8.0

Geographic Allocations

	% Assets
India	21.6
Taiwan	11.2
South Korea	8.9
Brazil	7.3
China	7.0

Performance Analysis as of June 30, 2018



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	-1.3	-6.8	-0.8	3.9	5.7	—	—	8.3	Fund
	1st	2nd	1st	3rd	3rd	—	—	—	Quartile
	243	237	236	232	151	109	56	—	No. of Funds in Category



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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 June 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	0.20	0.09	0.25	0.10	—	—	—	—	—	—
Interest	—	0.11	—	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.09	0.09	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	28.0	8-2016	12.6	—	—	—	—
Worst	2-2016	-8.3	6-2018	5.7	—	—	—	—
Average		9.8		8.5		—		—
No. of Periods		47		23		—		—
Pct. Positive		89.4		100.0		—		—

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

Quarterly Commentary as at June 30, 2018

Emerging-market (EM) equities returned -8.0% in Q2, marking the worst quarter for the asset class since 2015. Geopolitics has now replaced central-bank actions as the most important driver of global markets with the see-sawing of U.S./North Korea relations and the escalating U.S./China – and now global – trade tensions.

All sectors finished the quarter in negative territory with defensives outperforming cyclicals, particularly in June. The most resilient sectors were Energy, Health Care and Information Technology (IT) while Financials, Real Estate and Industrials fared the worst. At the country level, Colombia and Qatar were the only EM markets to finish the quarter in positive territory. Brazil, Turkey and Pakistan were the worst performers.

At the country level, stock selection contributed positively, but this was partially offset by top-down positioning. Stock selection in China and India was particularly strong while our underweight positions to China and Taiwan negatively impacted relative returns. At the sector level, top-down positioning drove outperformance

given our more defensive positioning, but stock selection overall dragged on relative returns, particularly in Consumer Discretionary and IT.

The biggest contributor to relative returns was Indian IT services company, Cyient Ltd., on the back of strong revenue and earnings growth. China BlueChemical Ltd. also contributed to returns. After a challenging first quarter, the share price of the Chinese chemical and mineral producer recovered as a result of improving volumes and prices for its fertilizer business as well as increased usage of a new methanol production facility.

The biggest detractor from relative returns in Q2 was our holding in Brazilian materials company, Duratex. The company suffered from broader weakness in Brazilian equity markets relating to uncertainty ahead of the upcoming presidential elections. Not owning Taiwanese company, Walsin Technology Corp., also hurt relative returns as its share price rallied on the back of strong results.



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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 full year period, January 1 to December 31, 2017, 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 June 30, 2018.

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