



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	480.5
Series A NAV \$	14.21
Series A MER %	2.40
Benchmark	MSCI Emerging Markets Small-Cap Total Return Net Index (\$C)

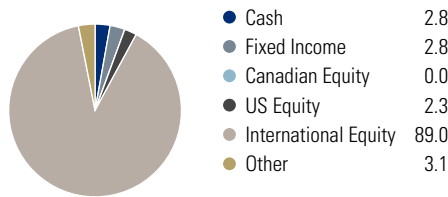
Income Distribution	Annually
Capital Gains Distribution	Annually

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

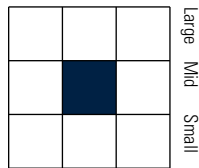
Fund Category	Emerging Markets Equity
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

Portfolio Analysis as of October 31, 2017

Asset Mix



Equity Style



Value Blend Growth

Equity Statistics

P/B Ratio	2.2
P/E Ratio	17.1
Avg. Mkt Cap. \$B	2.1

Top 5 Sectors

Sector	% Equity
Information Technology	20.2
Consumer Discretionary	20.1
Financials	19.8
Consumer Staples	18.7
Materials	7.5

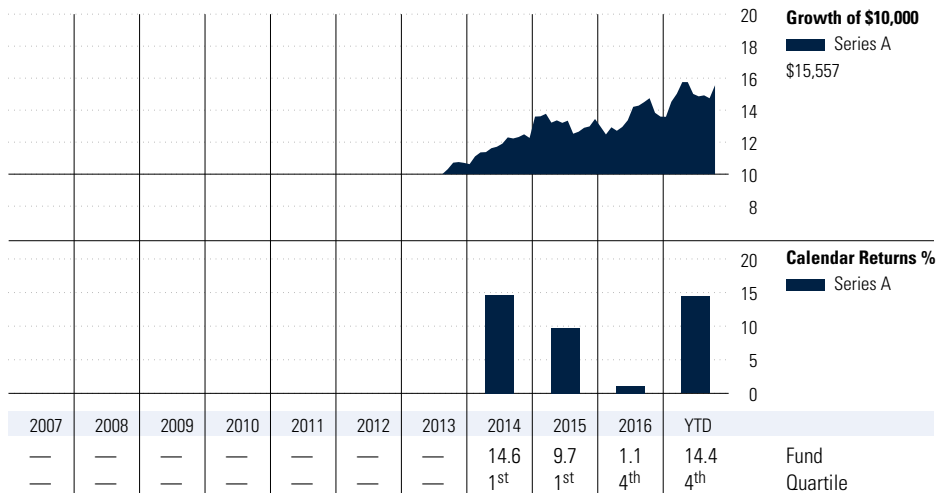
Geographic Allocations

Region	% Assets
India	20.9
Taiwan	13.5
Brazil	9.0
Thailand	8.7
South Korea	7.2

Top 10 Holdings

Company	% Assets
Cyient Ltd	4.3
Delta Electronics (Thailand) PCL	3.3
Bajaj Holdings and Investment Ltd	3.1
Godrej Industries Ltd	3.1
Aramex Pjsc, Participation Notes	2.8
Aeon Thana Sinsap (Thailand) PCL DR	2.7
Wistron Newweb Corp	2.7
Marico Ltd	2.7
Standard Foods Corp	2.6
Inversiones Aguas Metropolitanas SA	2.5
Total % of Top 10 Holdings	29.9
Total Number of Stock Holdings	55
Total Number of Bond Holdings	1
Total Number of Other Holdings	4
Total Number of Holdings	60

Performance Analysis as of October 31, 2017



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
5.5	4.7	-1.3	5.5	8.1	—	—	9.6	Fund
3 rd	4 th	4 th	4 th	3 rd	—	—	—	Quartile
254	251	250	223	160	109	51	—	No. of Funds in Category



RBC Emerging Markets Small-Cap Equity Fund

Management Overview

Manager Bios

Philippe Langham

RBC Global Asset Management (UK) Limited

Philippe Langham is Head of Emerging Markets Equities & Senior Portfolio Manager. He has worked in the investment industry since 1992 and in 2009 joined RBC Global Asset Management (UK) Limited to establish and lead the team that manages RBC Emerging Markets Equity Fund. Prior to RBC, Philippe was Head of Global Emerging Markets with Société Générale Asset Management S.A., August 2007 to August 2009. Philippe is a graduate of the University of Manchester in England, where he earned a Bachelor's degree in Economics. He is also a qualified Chartered Accountant.

Performance Analysis Cont'd as of October 31, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	—	0.09	0.25	0.10	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	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	9-2017	6.4	—	—	—	—
Average		9.8		9.4				
No. of Periods		39		15				
Pct. Positive		87.2		100.0				

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

Quarterly Commentary as at September 30, 2017

Emerging markets continued their outperformance in Q3 – outperforming developed markets. This was aided by robust earnings and the weakness of the U.S. dollar; however the dollar began to rebound against emerging market currencies towards the end of Q3.

Commodities had notable gains for most of the period, with crude oil, gas and metals rising significantly.

Brazil, Russia and Chile were the best performing countries, while Indonesia and Qatar were among the worst. Privatisation plans to tackle rising government deficits helped Brazilian equities and the dismissal of corruption charges against the President reinvigorated the prospects of reform. Qatar continued to suffer from claims by neighbouring countries that it supports terrorism.

Real Estate, Energy and Information Technology were the best performing sectors, while Industrials, Consumer Staples and Telecommunication Services were the worst.

The Emerging Markets Small-Cap Equity Strategy underperformed its benchmark, the MSCI Emerging Market Small Cap Net Index.

Taiwan and Thailand, together with an

underweight in China, detracted from returns. Stock selection in India, South Korea and the Philippines contributed.

Stock selection in the Consumer Staples (plus being overweight that sector) and Consumer Discretionary sectors detracted from returns. Our underweight in Industrials and strong stock selection in Materials and Financials was positive for returns.

Bajaj Holdings was the top contributor after it reported stronger-than-expected net profit. TI Financials caught up with the broader Indian market on news of progress on the demerger of its financials and manufacturing business. China BlueChemical reported strong results driven by a rise in the price of urea. Duratex and Natura Cosmetics also performed well.

The biggest detractor was Amorepacific as its preferred and common shares fell as the market reacted to weaker earnings momentum due to geopolitical issues impacting its China business. DGB Financial fell following a period of good performance. MC Group's share price fell due to disappointing Q2 results and Godrej Industries and Giant Manufacturing also detracted.



RBC Emerging Markets Small-Cap Equity Fund

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.

This document has been compiled by RBC Global Asset Management Inc. (RBC GAM) from sources believed to be reliable, but no representations or warranty, express or implied, are made by RBC GAM, its affiliates or any other person as to its accuracy,

completeness or correctness. All opinions and estimates constitute RBC GAM's judgment as of the date of this document, are subject to change without notice and are provided in good faith but without legal responsibility. The Top Ten/25 Holdings may change due to ongoing portfolio transactions within the fund. The Prospectus and other information about the underlying investment funds are available at www.sedar.com.

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 October 31, 2017.

® / ™ Trademark(s) of Royal Bank of Canada. Used under licence. © RBC Global Asset Management Inc. 2017