



# 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.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF497
A	No Load	USD	RBF402
Adv	Deferred Sales	CAD	RBF897
Adv	Front End	CAD	RBF797
Adv	Low Load	CAD	RBF097
Adv	Low Load	USD	RBF4402

Inception Date	August 2010
Total Fund Assets \$Mil	852.6
Series A NAV \$	10.87
Series A MER %	1.78
Benchmark	JPM EMBI Global Diversified (C\$)

Income Distribution	Quarterly
Capital Gains Distribution	Annually

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

Fund Category	Emerging Markets Fixed Income
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Management Company	RBC Global Asset Management Inc.
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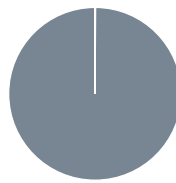
Web Site	www.rbcgam.com
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## Notes

Performance Analysis is in CAD and for CAD series A fund (RBF497).

## Portfolio Analysis as of September 30, 2018

### Asset Mix



	% Assets
Cash	0.1
Fixed Income	99.9
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

### Top 25 Holdings

	% Assets
US Treasury Notes 2.25% 15-02-2027	3.3
The Republic of Peru 8.75% 21-11-2033	2.9
Serbia (Republic Of) 7.25% 28-09-2021	1.7
Republic of Colombia 6.12% 18-01-2041	1.6
Dominican Republic 7.45% 30-04-2044	1.6
Ukraine (Republic of) 7.75% 01-09-2022	1.6
Pemex Project Master Tr 6.62% 15-06-2035	1.4
Vietnam Socialist Rep 4.8% 19-11-2024	1.4
Philippines Rep 7.75% 14-01-2031	1.4
1MDB Energy Limited 5.99% 11-05-2022	1.3
Turkey (Republic of) 4.88% 16-04-2043	1.3
Turkiye Ihracat Kred Bk 5.38% 08-02-2021	1.3
Poland (Republic of) 3.25% 06-04-2026	1.2
Pemerintah, Indonesia 5.25% 17-01-2042	1.2
Republic of Chile 3.86% 21-06-2047	1.2
Uruguay (Republic of) 7.62% 21-03-2036	1.1
Hungary (Republic Of) 5.38% 25-03-2024	1.1
Republic of Colombia 8.12% 21-05-2024	1.1
Russian Federation 4.75% 27-05-2026	1.1
Republic of Panama 6.7% 26-01-2036	1.1
Dominican Republic 5.88% 18-04-2024	1.1
Republic of Panama 7.12% 29-01-2026	1.1
Russian Federation 4.88% 16-09-2023	1.1
Republic of Ecuador 7.95% 20-06-2024	1.0
Republic of Rwanda 6.62% 02-05-2023	1.0
<b>Total % of Top 25 Holdings</b>	<b>35.2</b>
<b>Total Number of Stock Holdings</b>	<b>0</b>
<b>Total Number of Bond Holdings</b>	<b>740</b>
<b>Total Number of Other Holdings</b>	<b>23</b>
<b>Total Number of Holdings</b>	<b>763</b>

### Fixed Income Breakdown

	% Fixed Income
Government Bonds	62.9
Corporate Bonds	37.0
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	0.1
Asset Backed Securities	0.0

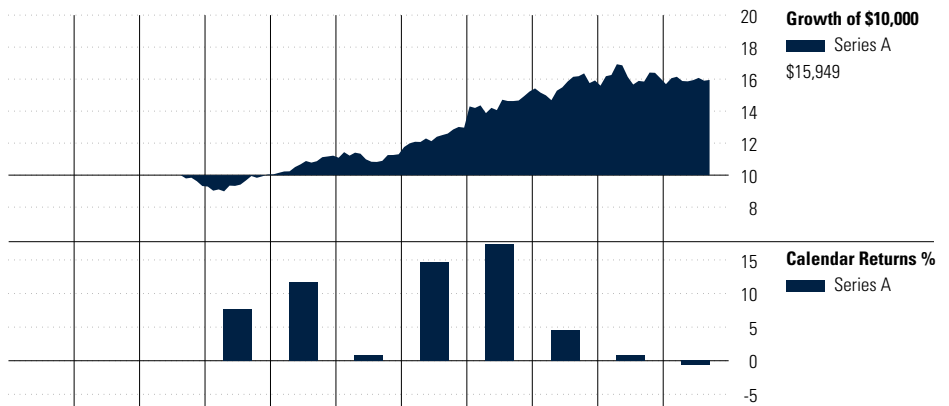
### Bond Rating

	%	Term to Maturity	%
Cash / Cash Equiv.	0.1	Under 1 year	0.3
AAA	3.3	1 - 5 Yrs	29.2
AA	1.4	5 - 10 Yrs	38.0
A	5.6	Over 10 Yrs	32.4
BBB	33.1		
Below BBB	52.7	Avg. Term to maturity (Yrs)	10.9
Mortgages	0.0	Duration (Yrs)	6.6
NR/NA	3.8	Yield to Maturity	5.6

### Geographic Allocations

	% Assets
Canada	0.0
United States	3.3
International (ex-Emerging Markets)	0.0
Emerging Markets	96.7

## Performance Analysis as of September 30, 2018



Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD	
Calendar Returns %	—	—	—	7.7	11.7	0.8	14.7	17.4	4.5	0.8	-0.6	Fund
	—	—	—	2 <sup>nd</sup>	4 <sup>th</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	1 <sup>st</sup>	Quartile

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	0.3	0.1	-1.2	0.6	2.9	7.9	—	6.0	Fund
	4 <sup>th</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	3 <sup>rd</sup>	1 <sup>st</sup>	—	—	Quartile
	50	49	47	37	32	21	—	—	No. of Funds in Category



# RBC Emerging Markets Bond Fund

## Management Overview

### Manager Bios

**Jane Lesslie**

**RBC Global Asset Management Inc.**

Jane Lesslie is Senior Portfolio Manager, Global Fixed Income and Currencies. She has been in the investment industry since 1988.

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

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.31	0.56	0.70	0.86	0.58	0.42	0.34	0.39	0.08	—	—
Interest	0.31	0.41	0.43	0.44	0.37	0.38	0.34	0.39	0.08	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.15	0.27	0.41	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	21.6	8-2016	14.3	7-2016	11.0	—	—
Worst	4-2018	-6.2	8-2013	2.7	4-2018	6.8	—	—
Average		7.9		9.0		9.0		—
No. of Periods		86		62		38		—
Pct. Positive		87.2		100.0		100.0		—

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

### Quarterly Commentary as at September 30, 2018

Despite spurts of volatility in emerging market (EM) bonds during Q3, the asset class still experienced strong returns. With countries having issued heavily in the first half of the year, EM bond supply has recently tailed off. Consequently even newer, riskier credits have been able to issue at lower than expected risk premiums on strong demand.

During the quarter, the high yield (HY) portion of EM bonds outperformed the investment grade (IG) portion, which benefitted the Fund as it is overweight in the BB segment of HY. We have been bringing the underweight duration of the Fund back to neutral by adding duration in the high quality countries.

During Q3, Turkey and Argentina sold off to attractive valuation levels, which caused us to bring our weighting in these countries back to neutral. The Fund also benefitted from existing positions in off index countries such as Qatar, Saudi Arabia and Bahrain when JP Morgan

announced it would be introducing these countries to the index in the New Year. This prompted heavy buying by dedicated investors trying to position themselves in advance of the index change.

The biggest risks for EM are increasing trade tensions between the U.S. and China, which notably would be negative for most of the world, not solely EM and materially slower growth in China.

Recent economic data from EM countries still remains at decent levels however, the momentum is slowing and while Chinese policy makers are attempting to stimulate the economy, it appears to be stabilizing rather than accelerating it.

Overall, we believe that the structural, long-term story of EM remains sound: the fundamental picture of sovereign balance sheets remains positive and the sell-off witnessed this year in EM debt is creating value and opportunities.



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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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