



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	786.2
Series A NAV \$	12.28
Series A MER %	1.77
Benchmark	JPM EMBI Global Diversified (C\$)

Income Distribution	Quarterly
Capital Gains Distribution	Annually

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

Fund Category	High Yield Fixed Income
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Management Company	RBC Global Asset Management Inc.
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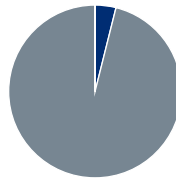
Web Site	www.rbcgam.com
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Notes

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

Portfolio Analysis as of May 31, 2017

Asset Mix



	% Assets
Cash	3.9
Fixed Income	96.1
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

Top 10 Holdings

	% Assets
Peru Rep 8.75% 21-11-2033	2.8
US Treasury Note 2.25% 15-11-2025	1.8
Dominican Republic 7.45% 30-04-2044	1.8
Republic Of Turkey 4.875% 16-04-2043	1.8
Russian Federation 4.75% 27-05-2026	1.7
State Treas Repu Poland 5.125% 21-04-2021	1.7
Indonesia Rep 4.875% 05-05-2021	1.6
Vietnam Socialist Rep 4.8% 19-11-2024	1.5
United Mexican Sts Mtn 5.75% 12-10-2110	1.5
Hungary Rep 5.375% 25-03-2024	1.5
Total % of Top 10 Holdings	17.8
Total Number of Stock Holdings	0
Total Number of Bond Holdings	675
Total Number of Other Holdings	27
Total Number of Holdings	702

Fixed Income Breakdown

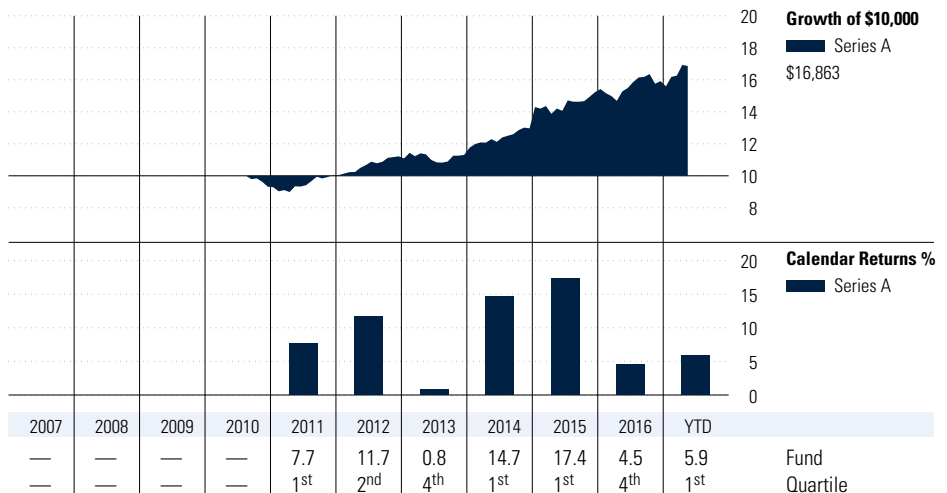
	% Fixed Income
Government Bonds	59.4
Corporate Bonds	36.3
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	3.8
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	3.8	Under 1 year	3.1
AAA	1.8	1 - 5 Yrs	32.2
AA	1.3	5 - 10 Yrs	38.4
A	6.5	Over 10 Yrs	26.3
BBB	32.6		
Below BBB	50.3	Avg. Term to maturity (Yrs)	10.3
Mortgages	0.0	Duration (Yrs)	6.3
NR/NA	3.6	Yield to Maturity	4.5

Geographic Allocations

	% Assets
Canada	0.0
United States	1.9
International (ex-Emerging Markets)	0.0
Emerging Markets	98.1

Performance Analysis as of May 31, 2017



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
-0.4	4.2	7.0	10.4	11.1	9.9	—	8.1	Fund
4th	1st	1st	2nd	1st	1st	—	—	Quartile
509	507	497	464	341	188	46	—	No. of Funds in Category



RBC Emerging Markets Bond Fund

Management Overview

Manager Bios

Jane Lesslie

RBC Global Asset Management (UK) Limited

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 May 31, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.12	0.70	0.86	0.58	0.42	0.34	0.39	0.08	—	—	—
Interest	0.12	0.43	0.44	0.37	0.38	0.34	0.39	0.08	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	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	8-2011	-3.4	8-2013	2.7	8-2015	7.9	—	—
Average		9.8		10.0		10.0		—
No. of Periods		70		46		22		—
Pct. Positive		95.7		100.0		100.0		—

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

Quarterly Commentary as at March 31, 2017

Emerging markets (EM) bonds rebounded from a weak fourth quarter as investor optimism related to Trump's fiscal and protectionist policies began to wane. U.S. Treasuries traded in a relatively tight range, with the 10 year yield ending the quarter at 2.39%, 4 basis point lower than where it started the year. Narrowing spreads for EM bonds were the key contributor to the strong positive returns for the quarter. With Trump having a difficult time implementing his pre-election promises, investor concerns over his protectionist policies and the potential implications on EM countries diminished. This sentiment was reflected in robust demand for EM sovereign and corporate bonds.

Within the market, long-term EM bonds outperformed shorter-term issues. Our decision to increase the Fund's weight to longer-term bonds near the end of last quarter proved to be beneficial for returns. We also broadly saw lower quality sovereign issuers outperform the higher quality

countries. The Fund tends to have a bias towards higher quality names, so the low quality outperformance was a key source of underperformance relative to the benchmark.

As we look ahead, the large supportive factors for EM remain intact. Chinese growth, stable commodity prices and accommodative monetary policy have created an environment that is favourable to EM generally and has resulted in riskier high yielding debt outperforming better quality investment grade. Fundamental strength may play a larger role in relative performance between EM countries in a weaker market environment, but for now investors appear keen to chase yield and not discriminate much between credit fundamentals. We continue to bias the Fund toward countries with positive economic and policy momentum and are stubbornly embracing the path to reform.



RBC Emerging Markets Bond 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.

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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 and PH&N Funds is based on actual expenses for the full-year period, January 1 to December 31, 2016, 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.

PH&N Funds Series A formerly known as Series C.

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 April 30, 2017.

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