



RBC Emerging Markets Foreign Exchange Fund

Investment Objective

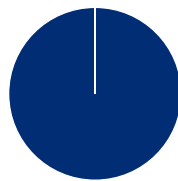
To provide total returns associated with those of emerging market currencies and short-term interest rates and to provide total returns comprised of income and modest capital growth. The fund invests primarily in short-term Canadian money market instruments and foreign exchange forward contracts on emerging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

Fund Details

Series A	Load Structure: No Load	Currency: CAD	Fund Code: RBF406
Inception Date	July 2015		
Total Fund Assets \$Mil	785.4		
Series A NAV \$	9.33		
Series A MER %	1.68		
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	Emerging Markets Fixed Income		
Management Company	RBC Global Asset Management Inc.		
Web Site	www.rbcgam.com		

Portfolio Analysis as of June 30, 2018

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

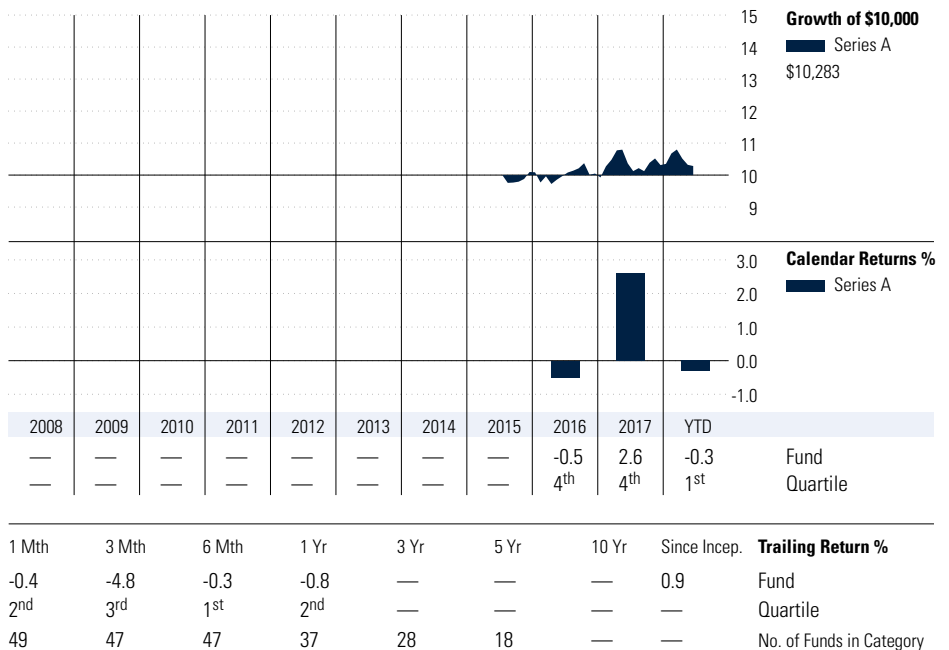
Top 25 Holdings

	% Assets
Mexico	10.3
China	10.0
South Korea	9.6
India	8.7
Singapore	7.5
Russia	6.7
Turkey	5.1
Thailand	4.9
Poland	4.9
Indonesia	4.6
Malaysia	4.5
Brazil	4.1
Taiwan	3.7
Czech Rep	3.4
Peru	1.9
South Africa	1.6
Philippines	1.6
Chile	1.4
Argentina	1.3
Hungary	1.2
Columbia	1.1
Romania	0.9
Israel	0.5
U.S.	0.3
Canada	0.2
Total % of Top 25 Holdings	100.0
Total Number of Other Holdings	25
Total Number of Holdings	25

Geographic Allocations

	% Assets
Asia	55.0
Eastern Europe, Middle East & Africa	24.4
Latin America	20.1
Canada & US	0.5

Performance Analysis as of June 30, 2018





RBC Emerging Markets Foreign Exchange Fund

Management Overview

Manager Bios

Dagmara Fijalkowski

RBC Global Asset Management Inc.

As Head of Global Fixed Income and Currencies, Dagmara leads investment teams in Toronto, London and Minneapolis in charge of almost \$100 billion in fixed income assets. She heads management of several bond funds and manages foreign-exchange hedging and active currency overlay programs across a number of funds. Dagmara, who began her investment career in 1994, holds an MBA from the Richard Ivey School of Business, a Master's degree in economics from the University of Lodz in Poland and is a CFA charterholder.

Performance Analysis Cont'd as of June 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.00	0.33	0.26	0.35	—	—	—	—	—	—	—
Interest	0.00	0.33	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	5-2018	-4.4	—	—	—	—	—	—
Average		2.5		—		—		—
No. of Periods		24		—		—		—
Pct. Positive		75.0		—		—		—

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

Quarterly Commentary as at June 30, 2018

Emerging-market (EM) currencies declined versus the U.S. dollar during the quarter as the Trump administration imposed tariffs on the country's major trading partners. Additionally, concerns that Chinese policy makers would weaken the renminbi in retaliation were reminiscent of 2015, when speculative outflows caused the Chinese currency to weaken dramatically. In general, the expected negative effects on the growth outlook resulting from escalating trade tensions weighed on EM assets.

An additional contributor to EM currency weakness was the rise in U.S. bond yields, now sufficiently high enough to attract investments away from EM assets. The yield on the 10-year Treasury, for example, rose above 3.00% during the period from about 2.73% at the end of March. The increase in yields came as the U.S. Federal Reserve, responding to faster economic growth, raised short-term interest rates and curtailed bond purchases aimed at holding down longer-term rates.

The Canadian currency often declines with EM currencies, so the Fund's performance tends to be less volatile for those investing from Canada. While the Canadian dollar also weakened during the period on trade-related concerns, it did not weaken as much as EM currencies.

Though we remain cautious on countries leveraged to global trade, we have used recent weakness to crystalize gains on souring sentiment. We trimmed underweight positions in Taiwan and Korea as well as South Africa, where expectations of positive changes by the new administration have been toned down. The Fund has added exposure to higher-yielding, undervalued currencies on a tactical basis, although the manager recognizes that country differentiation is key under the current market environment and prefers currencies of countries with stable funding dynamics and attractive growth profiles.



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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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