



# 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	765.9
Series A NAV \$	11.65
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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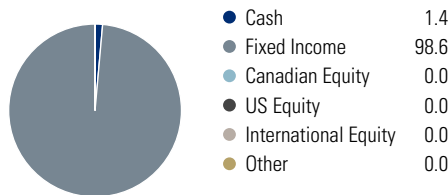
Web Site	www.rbcgam.com
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## Notes

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

## Portfolio Analysis as of June 30, 2017

### Asset Mix



### Fixed Income Breakdown

Fixed Income Category	% Fixed Income
Government Bonds	62.6
Corporate Bonds	35.7
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	1.4
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	1.4	Under 1 year	2.9
AAA	3.0	1 - 5 Yrs	31.6
AA	1.3	5 - 10 Yrs	39.5
A	6.9	Over 10 Yrs	25.9
BBB	33.5		
Below BBB	51.5	Avg. Term to maturity (Yrs)	10.5
Mortgages	0.0	Duration (Yrs)	6.4
NR/NA	2.5	Yield to Maturity	4.7

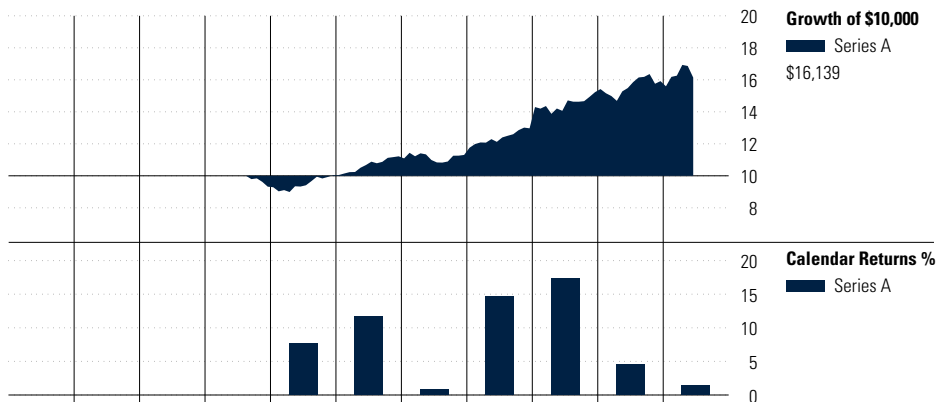
### Geographic Allocations

Geographic Allocation	% Assets
Canada	0.0
United States	3.0
International (ex-Emerging Markets)	0.0
Emerging Markets	97.0

### Top 25 Holdings

Top 25 Holdings	% Assets
US Treasury Note 2.25% 15-11-2025	3.0
Peru Rep 8.75% 21-11-2033	2.9
Dominican Republic 7.45% 30-04-2044	1.9
State Treas Repu Poland 5.125% 21-04-2021	1.8
Republic Of Turkey 4.875% 16-04-2043	1.7
Russian Federation 4.75% 27-05-2026	1.7
Vietnam Socialist Rep 4.8% 19-11-2024	1.6
Serbia Rep 7.25% 28-09-2021	1.5
Hungary Rep 5.375% 25-03-2024	1.5
Export Cr Bk Turkey 5.375% 08-02-2021	1.5
Panama Rep 7.125% 29-01-2026	1.5
Pemex Proj Fdg Maste Tr 6.625% 15-06-2035	1.5
Croatia Rep 6.75% 05-11-2019	1.4
1mdb Energy Ltd. 5.990% 11-05-2022	1.4
United Mexican Sts Mtn 5.75% 12-10-2110	1.4
Petro Mexicanos Mtn 5.375% 13-03-2022	1.4
Dominican Republic 7.5% 06-05-2021	1.3
Indonesia Rep 4.875% 05-05-2021	1.3
Philippines Rep 7.75% 14-01-2031	1.3
Hungary Rep 6.25% 29-01-2020	1.3
Colombia Rep 8.125% 21-05-2024	1.3
Republic Of Venezuela 7% 31-03-2038	1.1
Indonesia Rep 5.25% 17-01-2042	1.1
Republic Of Ecuador 7.95% 20-06-2024	1.1
Biz Fin 9.625% 27-04-2022	1.1
<b>Total % of Top 25 Holdings</b>	<b>38.9</b>
Total Number of Stock Holdings	0
Total Number of Bond Holdings	669
Total Number of Other Holdings	11
<b>Total Number of Holdings</b>	<b>680</b>

## Performance Analysis as of June 30, 2017



Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	YTD	Fund Quartile
Calendar Returns %	—	—	—	—	7.7	11.7	0.8	14.7	17.4	4.5	1.4	—
	—	—	—	—	1 <sup>st</sup>	2 <sup>nd</sup>	4 <sup>th</sup>	1 <sup>st</sup>	1 <sup>st</sup>	4 <sup>th</sup>	4 <sup>th</sup>	—

Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Calendar Returns %	-4.3	-0.7	1.4	4.2	10.0	8.6	—	7.3	Fund
	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	1 <sup>st</sup>	1 <sup>st</sup>	—	—	Quartile
No. of Funds in Category	543	505	495	482	343	187	47	—	—



# 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 June 30, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.22	0.70	0.86	0.58	0.42	0.34	0.39	0.08	—	—	—
Interest	0.22	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		9.7		10.0		9.9		—
No. of Periods		71		47		23		—
Pct. Positive		95.8		100.0		100.0		—

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

### Quarterly Commentary as at June 30, 2017

Emerging Market bonds continued to enjoy strong returns in Q2. The Fund continued to benefit from the increase in longer maturity bonds added at the end of last year but was hurt by its lower weighting in poorer quality bonds which outperformed higher quality bonds. We have trimmed the longer maturity bonds in the Fund as the backdrop for global interest rates is poised to turn higher.

The U.S. Federal Reserve, the European Central Bank and even the Bank of Canada began indicating plans to raise rates and the first two have raised expectation they will begin trimming their investments of government bonds built up over the past several years in order to suppress rates and buttress growth. As rates rise bond prices fall with longer maturity bonds falling proportionately more. We have reduced holdings in some longer maturity bonds in places such as

Russia, Mexico, Turkey and Indonesia which had done very well in the first half.

Recent bond issues by Belarus, the Maldives and 100 year maturity bonds by Argentina indicate that emerging market bonds have become somewhat frothy. We have reduced our holdings of some similarly risky African credits where economic conditions continue to be poor or which are more vulnerable to weaker commodity prices. We expect Chinese growth to slow as the year advances and demand for commodities and other emerging market exports may weaken. For this reason we have reduced our exposure to Latin America in favour of Europe and among riskier credits are emphasizing those which have established programs with the International Monetary Fund which fosters good economic policy.



# 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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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](http://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.

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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