



# 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	885.7
Series A NAV \$	11.20
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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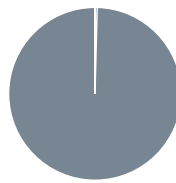
Web Site	www.rbcgam.com
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## Notes

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

## Portfolio Analysis as of March 31, 2018

### Asset Mix



	% Assets
Cash	0.4
Fixed Income	99.6
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

### Fixed Income Breakdown

	% Fixed Income
Government Bonds	64.3
Corporate Bonds	35.2
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	0.5
Asset Backed Securities	0.0

### Bond Rating

	%	Term to Maturity	%
Cash / Cash Equiv.	0.5	Under 1 year	0.6
AAA	3.4	1 - 5 Yrs	31.5
AA	1.6	5 - 10 Yrs	38.2
A	6.2	Over 10 Yrs	29.7
BBB	32.4	Avg. Term to maturity (Yrs)	10.5
Below BBB	51.9	Duration (Yrs)	6.5
Mortgages	0.0	Yield to Maturity	5.0
NR/NA	3.9		

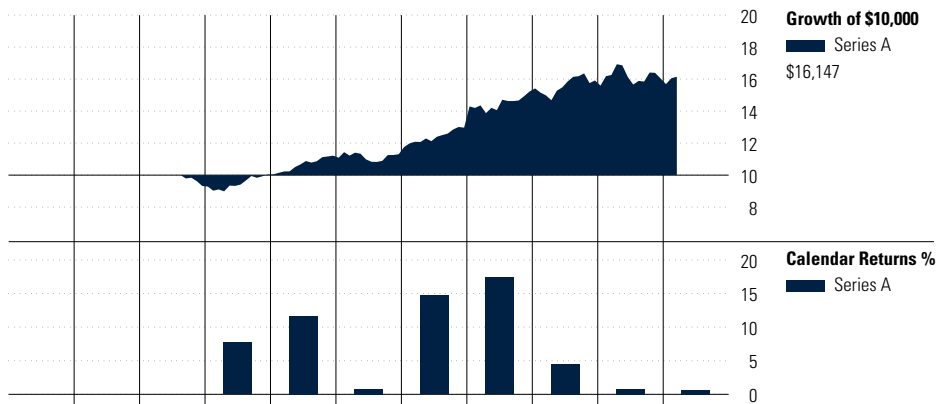
### Geographic Allocations

	% Assets
Canada	0.0
United States	3.5
International (ex-Emerging Markets)	0.0
Emerging Markets	96.5

### Top 25 Holdings

	% Assets
US Treasury Note 2.25% 15-02-2027	3.5
Peru Rep 8.75% 21-11-2033	2.9
Dominican Republic 7.45% 30-04-2044	2.1
Ministry Fin Ukraine 7.75% 01-09-2022	1.6
Serbia Rep 7.25% 28-09-2021	1.5
Vietnam Socialist Rep 4.8% 19-11-2024	1.4
Pemex Proj Fdg Master 6.625% 15-06-2035	1.4
Philippines Rep 7.75% 14-01-2031	1.3
Imdb Engy Limited 5.99% 11-05-2022	1.3
Panama Rep 7.125% 29-01-2026	1.3
Export Cr Bk Turkey 5.375% 08-02-2021	1.3
Colombia Rep 6.125% 18-01-2041	1.3
Romania Medium Term Reg 6.75% 07-02-2022	1.2
Poland Rep 3.25% 06-04-2026	1.2
Croatia Rep 5.5% 04-04-2023	1.2
Indonesia Rep 5.25% 17-01-2042	1.2
Chile Rep 3.86% 21-06-2047	1.1
Colombia Rep 8.125% 21-05-2024	1.1
Republic Oriental Urug 7.625% 21-03-2036	1.1
Hungary Rep 5.375% 25-03-2024	1.1
Russian Federation 4.75% 27-05-2026	1.1
Croatia Rep 6.75% 05-11-2019	1.1
Panama Rep 6.7% 26-01-2036	1.1
Republic Of Ecuador 7.95% 20-06-2024	1.0
Russia Fed Ministry 4.875% 16-09-2023	1.0
<b>Total % of Top 25 Holdings</b>	<b>35.7</b>
Total Number of Stock Holdings	0
Total Number of Bond Holdings	736
Total Number of Other Holdings	8
<b>Total Number of Holdings</b>	<b>744</b>

## Performance Analysis as of March 31, 2018



Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD	Fund Quartile
Return %	—	—	—	7.7	11.7	0.8	14.7	17.4	4.5	0.8	0.6	Fund
Rank	—	—	—	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>	3 <sup>rd</sup>	Quartile

Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Return %	0.6	0.6	1.9	-0.7	4.0	7.6	—	6.5	Fund
Rank	1 <sup>st</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	1 <sup>st</sup>	—	—	Quartile
No. of Funds in Category	53	53	43	43	28	18	—	—	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 March 31, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.12	0.56	0.70	0.86	0.58	0.42	0.34	0.39	0.08	—	—
Interest	0.12	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	8-2011	-3.4	8-2013	2.7	2-2018	7.0	—	—
Average		8.6		9.5		9.3		—
No. of Periods		80		56		32		—
Pct. Positive		90.0		100.0		100.0		—

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

### Quarterly Commentary as at March 31, 2018

Emerging-market (EM) bonds got off to a rough start in 2018 as rising treasury yields and wider spreads conspired to push returns into negative territory. However, losses on bonds were more than offset by strength in the U.S. dollar relative to the Canadian dollar.

A pickup in global growth, a transparent U.S. Federal Reserve and low inflation was meant to be a good recipe for continued positive momentum in EM bonds. However, a rise in volatility from very low levels, higher treasury yields, record EM sovereign issuance and tight spread levels all worked against the asset class during the quarter. We also saw heavy new issuance from African countries such as Senegal, Kenya, Nigeria and Egypt – countries looking to take advantage of relatively favourable financing conditions.

The Fund benefited from a lower-than-benchmark allocation to longer-maturity bonds, which were among the weakest performers during the quarter. Security selection in Latin America and Africa also

contributed positively to performance.

The outlook for EM growth continues to be constructive. The uptrend in commodity prices remains intact. Political risks could be more prevalent in the coming year with elections scheduled in Brazil, Mexico, Malaysia and Venezuela. Given election risks, we have reduced the Fund's allocation to some riskier credits in Latin America such as Brazil, Argentina, Ecuador and Mexico and increased the quality of the portfolio partially through higher allocations to South Africa, Qatar and U.S. Treasuries.

Despite widening since the start of the year, risk premiums for EM bonds remain close to three-year lows and risks related to rising protectionism and populism appear to be rising. However, with over 15% of all outstanding government bonds trading at negative yields, demand for EM bonds is likely to remain robust.



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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 half-year period, April 1, to September 30, 2017, expressed on an annualized basis.

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 March 31, 2018.

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