



# RBC Emerging Markets Small-Cap Equity Fund

RBC Emerging Markets Small-Cap Equity Fund provides an effective way to gain access to the growth potential of smaller emerging market companies. Small-cap companies offer a wide range of investment opportunities, including access to growing domestic demand and a track record of providing attractive returns.

## Why Emerging Market Small-Cap Equities?

- **A wider choice of opportunities** – Small-cap companies comprise over 90% of the emerging markets universe, tend to have the greatest potential for growth and offer compelling opportunities to gain access to growing domestic demand in emerging markets.
- **Diversification benefits** – At different phases of the economic cycle, small- and large-cap stocks can perform very differently from one another. Combining the appropriate amount of small- and large-cap equities in a portfolio can produce significant diversification benefits.
- **The emerging markets small-cap anomaly** – While it is common in most markets for small-cap stocks to outperform large-cap stocks over the long term, they have generally done so with more volatility. However, over the past 15 years, small-cap emerging market equities have outperformed large-cap emerging market equities with slightly less volatility.

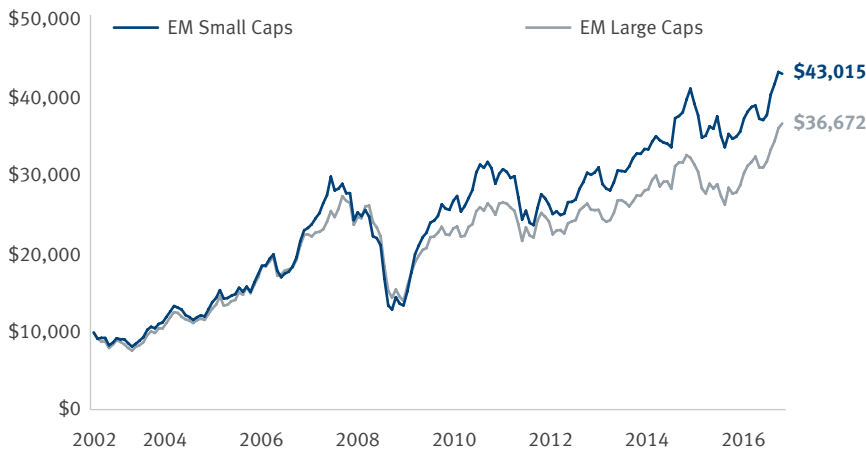
### APPROPRIATE FOR INVESTORS WHO:

- Are seeking access to quality small-cap emerging market companies with the objective of achieving long-term capital growth.
- Have a long-term investment horizon.
- Can tolerate the relatively high degree of price fluctuations typical of small-cap emerging market investments.

### FUND FACTS

- The Fund invests primarily in equity securities of small-cap companies located or active in emerging markets.
- Competitive management fee.
- Minimum investment
  - Registered plans: \$500
  - Non-registered plans: \$500
  - Additional investments: \$25
- Fund launched August 2013.

Emerging Markets: 15-year track record of small-caps versus large-caps



Source: Morningstar Direct, 15-year period ending May 31, 2017. EM Small Caps represented by the MSCI Emerging Markets Small Cap Net Index (CAD) and EM Large Caps represented by the MSCI Emerging Markets Net Index (CAD). Note: An investment cannot be made directly into an index. The chart does not reflect transaction costs, investment management fees or taxes. If such costs and fees were reflected, returns would be lower. Past performance is not a guarantee of future results.

## Why RBC Emerging Markets Small-Cap Equity Fund?

- **An experienced and accomplished team** – The Fund is managed by Philippe Langham, who has over 25 years of experience in the investment industry, and is his team of seven investment professionals who have a wide array of experiences and backgrounds.
- **A unique strategy** – The Fund is the only one of its kind in Canada, providing exposure to the vast investment opportunities in the emerging markets small-cap universe.
- **A straightforward process** – The Fund aims to identify companies with strong fundamentals and in industry groups with strong secular growth trends. Stock selection decisions are ultimately based on an understanding of the company, its business and its outlook.



**Philippe Langham**

Head, Emerging Markets Equities & Senior Portfolio Manager, RBC Global Asset Management (UK) Limited

Philippe has worked in the investment industry since 1992 and in 2009 joined the firm as a Senior Portfolio Manager to establish and lead the team that manages RBC's emerging markets equity strategies. Previously, he managed emerging market portfolios at Société Générale Asset Management in London, Credit Suisse in Zurich and the Kuwait Investment Office in London. Philippe is a graduate of the University of Manchester in England, where he earned a Bachelor's degree in Economics. He is also a qualified Chartered Accountant.

### Key characteristics used to search for high-quality growth companies



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