



RBC Emerging Markets Bond Fund (CAD Hedged)

Investment Objective

To provide total returns comprised of interest income and capital growth while minimizing the exposure to currency fluctuations between foreign currencies and the Canadian dollar. The fund invests primarily in government debt securities of emerging market countries and may also invest in emerging market corporate bonds and government debt securities of developed countries. The fund may do so either directly or indirectly through investment in other mutual funds managed by RBC GAM or an affiliate. The fund will also use derivatives to hedge against the fluctuations in the value of foreign currencies relative to the Canadian dollar.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF428
Adv	Front End	CAD	RBF6428
Adv	Low Load	CAD	RBF4428

Inception Date	September 2016
Total Fund Assets \$Mil	11.6
Series A NAV \$	9.32
Series A MER %	1.83
Benchmark	JP Morgan EMBI Global Diversified (Hedged to CAD)

Income Distribution	Quarterly
Capital Gains Distribution	Annually

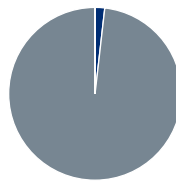
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Fund Category	Emerging Markets Fixed Income
---------------	-------------------------------

Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

Portfolio Analysis as of July 31, 2019

Asset Mix



	% Assets
Cash	1.8
Fixed Income	98.2
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

Fixed Income Breakdown

	% Fixed Income
Government Bonds	63.6
Corporate Bonds	34.7
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	1.7
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	1.7	Under 1 year	0.5
AAA	2.1	1 - 5 Yrs	30.5
AA	3.0	5 - 10 Yrs	32.4
A	7.0	Over 10 Yrs	36.6
BBB	29.6		
Below BBB	53.8	Avg. Term to maturity (Yrs)	11.3
Mortgages	0.0	Duration (Yrs)	6.9
NR/NA	2.9	Yield to Maturity	4.8

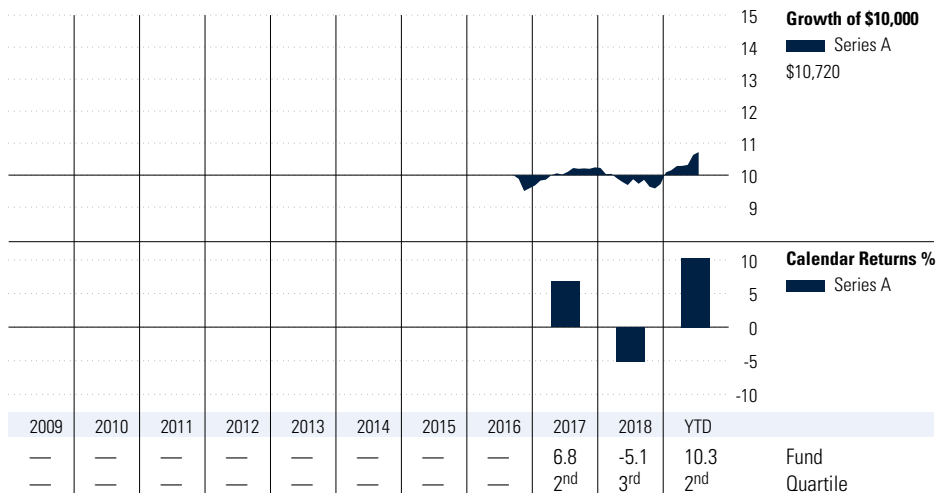
Geographic Allocations

	% Assets
Canada	0.0
United States	2.1
International (ex-Emerging Markets)	0.0
Emerging Markets	97.9

Top 10 Holdings

	% Assets
The Republic of Peru 8.75% 21-11-2033	2.5
US Treasury Notes 2.25% 15-02-2027	2.0
Dominican Republic 7.45% 30-04-2044	1.8
State of Qatar 6.4% 20-01-2040	1.5
Saudi Arabia 4.5% 17-04-2030	1.4
Vietnam Socialist Rep 4.8% 19-11-2024	1.3
Republic of Kazakhstan 4.88% 14-10-2044	1.3
Republic of Colombia 6.12% 18-01-2041	1.3
Philippines Rep 7.75% 14-01-2031	1.3
Republic of Chile 3.86% 21-06-2047	1.3
Total % of Top 10 Holdings	15.6
Total Number of Stock Holdings	0
Total Number of Bond Holdings	807
Total Number of Other Holdings	24
Total Number of Holdings	831

Performance Analysis as of July 31, 2019



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	0.8	4.2	6.3	8.6	—	—	—	2.5	Fund
	4 th	2 nd	2 nd	1 st	—	—	—	—	Quartile
	46	46	46	45	28	24	—	—	No. of Funds in Category



RBC Emerging Markets Bond Fund (CAD Hedged)

Management Overview

Manager Bios

David Nava

RBC Global Asset Management Inc.

David joined the Emerging Markets (EM) Bond team in 2004 and has been directly involved in the management of the firm's EM bond assets since 2010. He manages EM bond allocations for several of the firm's fixed income funds and is a member of the Fixed Income Strategy Committee.

David is a graduate (BSc Economics) of the prestigious Instituto Tecnológico Autónomo de México (ITAM). After moving to Canada in 2001, David completed his MBA at the Rotman School of Management in Toronto.

Performance Analysis Cont'd as of July 31, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	0.15	0.34	0.53	0.29	—	—	—	—	—	—	—
Interest	0.15	0.34	0.30	0.12	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	0.22	0.17	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	6-2019	9.7	—	—	—	—	—	—
Worst	11-2018	-6.0	—	—	—	—	—	—
Average		1.1	—	—	—	—	—	—
No. of Periods		23	—	—	—	—	—	—
Pct. Positive		56.5	—	—	—	—	—	—

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

Commentary as at June 30, 2019

Emerging-market bonds rose in the first half of 2019, as yields plunged, amid indications that major central banks including the U.S. Federal Reserve (the "Fed") would lower short-term interest rates and that economic growth in China, the largest emerging market, was firming after a slowdown last year. The recovery in emerging-market fixed income reversed headwinds that had weighed on markets in 2018, when faster global economic growth and related expectations of faster inflation pushed interest rates higher and bond prices lower. Yields on emerging-market bonds fell more than they did on developed-market securities in the first half of the year, reflecting a renewed appetite for emerging-market and other riskier assets.

The resumption of an environment of falling yields renewed investors' appetites for assets that offer higher yields. Emerging-market sovereign issuers, both investment grade and high yield, took advantage of this for emerging-market fixed-income assets in order to front-load the majority of their external financing needs of the year.

Significant exposure to high-yield emerging-market countries contributed to performance, although a preference for better-quality countries within this area held back returns. In the first half of this year, the portfolio manager increased exposure to Brazil given indications that the new government will work to tackle some of the economy's structural problems.

The Fed's bias for lower interest rates and revived hopes that China and the U.S. can arrive at a trade agreement are supporting emerging-market bonds for now. However, the outlook for emerging-market economic growth hasn't improved enough, in the view of the portfolio manager, to make emerging-market bonds particularly attractive at current valuations, which are near their long-term average. The portfolio manager also recognizes that the conditions that led the strong performance of emerging-market bonds in the first half of 2019 will be hard to replicate in the second half of the year.



RBC Emerging Markets Bond Fund (CAD Hedged)

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.

This document has been compiled by RBC Global Asset Management Inc. (RBC GAM) from sources believed to be reliable, but no representations or warranty, express or implied, are made by RBC GAM, its affiliates

or any other person as to its accuracy, 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.

MER (%) for RBC Funds, PH&N Funds and BlueBay Funds is based on actual expenses for the preceding calendar year or most recent half-year period ended June 30 expressed on an annualized basis, depending on availability of data at the time of publication.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the preceding full year period ended March 31 or half-year period ended September 30 expressed on an annualized basis, depending on availability of data at the time of publication.

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).

® / ™ Trademark(s) of Royal Bank of Canada. Used under licence. © RBC Global Asset Management Inc. 2019