



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	1,257.6
Series A NAV \$	11.86
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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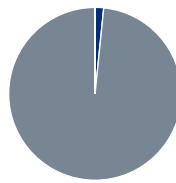
Web Site	www.rbcgam.com
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Notes

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

Portfolio Analysis as of July 31, 2019

Asset Mix



	% Assets
Cash	1.6
Fixed Income	98.4
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

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 6.13% 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	15.7
Total Number of Stock Holdings	0
Total Number of Bond Holdings	807
Total Number of Other Holdings	24
Total Number of Holdings	831

Fixed Income Breakdown

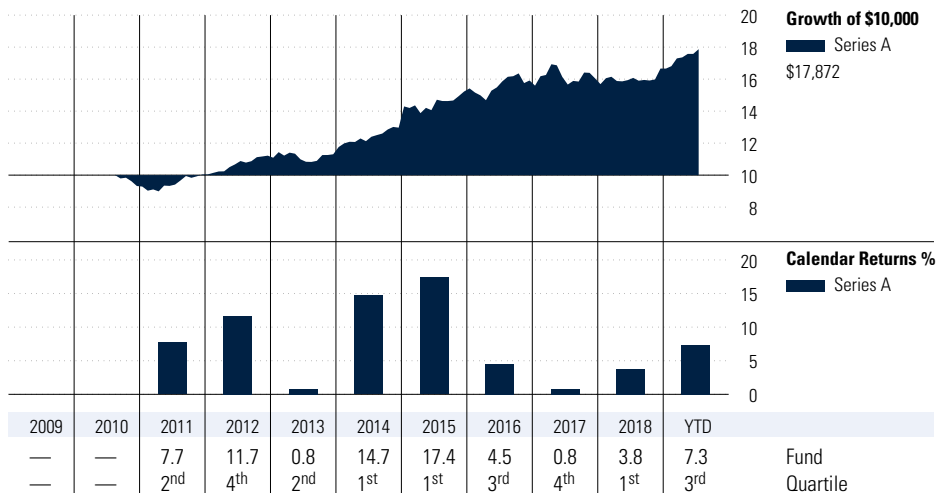
	% Fixed Income
Government Bonds	63.6
Corporate Bonds	34.7
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	1.7
Asset Backed Securities	0.0

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

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 %
	1.7	3.0	7.3	11.2	4.1	7.6	—	6.8	Fund
	1 st	3 rd	1 st	1 st	1 st	1 st	—	—	Quartile
	46	46	46	45	28	24	—	—	No. of Funds in Category



RBC Emerging Markets Bond Fund

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	0.20	0.42	0.56	0.70	0.86	0.58	0.42	0.34	0.39	0.08	—
Interest	0.20	0.42	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	4-2018	-6.2	11-2018	2.3	4-2018	6.8	—	—
Average		7.7		8.3		8.7		—
No. of Periods		96		72		48		—
Pct. Positive		86.5		100.0		100.0		—

* 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.



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Disclosure

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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.

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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.

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