

# RBC Funds (Lux) - Emerging Markets Value Equity Fund

## Investment commentary

The biggest contributor to relative returns this month was a holding Daqo New Energy as the Chinese polysilicon producer reported strong year-on-year earnings growth, benefitting from higher prices due to tight supply. The company is positively exposed to the green infrastructure theme which is a key focus area for the Chinese government. Positions in Longshine Technology and Bank Negara Indonesia also contributed. Longshine continued to be a top performer in the portfolio and the stock is still undiscovered however investors are increasingly becoming aware of its strong growth potential and attractive valuations. Bank Negara's share price benefited from an improving macro environment in Indonesia and loan growth recovery, coupled with the company's recently-announced digital partnership with Sea Ltd.

The biggest detractor was a holding in Zoomlion Heavy Industry as the company reported weaker-than-expected Q3 results as a result of lower property-related demand coupled with elevated costs. Positions in Electrobras and Falabella also detracted. Electrobras's share price was negatively impacted by the broader weakness in Brazil due to a challenging macro and political backdrop in the country, and Chile's equity markets continued to be weak due to ongoing political uncertainty in the run-up to the presidential elections and this caused Falabella's share price to underperform despite strong fundamentals.

## Fund information

Investment manager	RBC Global Asset Management Inc.
Sub-investment manager	RBC Global Asset Management (UK) Limited
Portfolio manager	Laurence Bensafi, CFA
Fund launch date	April 30, 2015
Benchmark	MSCI Emerging Markets Total Return Net Index
Fund size (USD)	85.9 m
Fund type	UCITS
Fund domicile	Luxembourg
SFDR classification	Article 6
Investment objective:	
To provide long-term total returns consisting of regular dividend income and capital growth by investing primarily in equity securities of companies located in or with significant business interests in emerging markets with above average dividend yields.	

## Share class information

Share class	Mgmt fees (%)	TER* (%)	NAV	Bloomberg	ISIN
O (acc) USD	0.85	1.05	142.90	RBCEMVO LX	LU1217269478
O (acc) GBP	0.85	1.05	204.27	RBEOAGH LX	LU1327514805
O (acc) GBP (H)	0.85	1.05	116.70	RMVOAGH LX	LU1708194110
O (acc) EUR (H)	0.85	1.05	103.96	RMVOAEH LX	LU1748250849
A (acc) USD	1.60	1.90	132.64	RBCEMVA LX	LU1217269049
B (acc) USD	0.85	1.15	140.69	RBCEMVB LX	LU1217269122
B (acc) EUR (H)	0.85	1.15	103.39	RMVBAEH LX	LU1748250922
B (dist) GBP (H)	0.85	1.15	121.11	RBCVBGH LX	LU1217269395

## Net annualised performance (%)

Share class	1 M	3 M	YTD	1 Y	3 Y	5 Y	10 Y	SI**
O (acc) USD	1.16	-2.05	6.81	33.11	14.30	9.85	-	5.64
O (acc) GBP	-0.49	-0.65	6.51	25.56	11.66	7.34	-	12.87
O (acc) GBP (H)	1.12	-2.20	6.44	32.36	12.68	-	-	3.95
O (acc) EUR (H)	1.07	-2.30	5.83	31.48	11.85	-	-	1.03
A (acc) USD	1.09	-2.26	5.86	31.68	13.03	8.61	-	4.44
B (acc) USD	1.16	-2.05	6.66	32.88	14.04	9.59	-	5.39
B (acc) EUR (H)	1.05	-2.40	5.59	31.17	11.68	-	-	0.88
B (dist) GBP (H)	1.10	-2.28	6.00	31.82	12.40	7.89	-	4.01
Benchmark (USD)	0.99	-0.49	-0.27	16.96	12.30	9.39	-	5.11

## Fund characteristics

	Fund	Benchmark
Holdings (ex cash)	83	1,352
Portfolio turnover (%)	73.5	-
Active share (%)	81.1	-

**Past performance is not indicative of future results and is calculated in various currencies as labeled. Returns may increase or decrease as a result of currency fluctuations.**

Source: RBC Global Asset Management, MSCI. All returns for periods greater than one year are shown on an annualised basis.

\*TER – Total expense ratio. \*\*SI – Since inception.

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## Net calendar year performance (%)

Share class	2020	2019	2018	2017	2016	Cumulative SI**	Inception date
O (acc) USD	19.25	15.62	-18.14	36.74	16.09	42.90	28-Apr-15
O (acc) GBP	15.57	11.16	-13.05	24.91	38.47	104.27	07-Dec-15
O (acc) GBP (H)	17.48	13.29	-19.80	-	-	16.70	03-Nov-17
O (acc) EUR (H)	17.05	12.10	-	-	-	3.96	19-Jan-18
A (acc) USD	17.87	14.33	-19.08	35.18	14.69	32.64	28-Apr-15
B (acc) USD	18.98	15.31	-18.37	36.40	15.80	40.69	28-Apr-15
B (acc) EUR (H)	16.92	11.97	-	-	-	3.39	19-Jan-18
B (dist) GBP (H)	17.49	12.93	-20.13	34.38	14.67	29.17	28-Apr-15
Benchmark (USD)	18.31	18.42	-14.57	37.28	11.19	38.28	28-Apr-15

## Top 10 holdings (%)

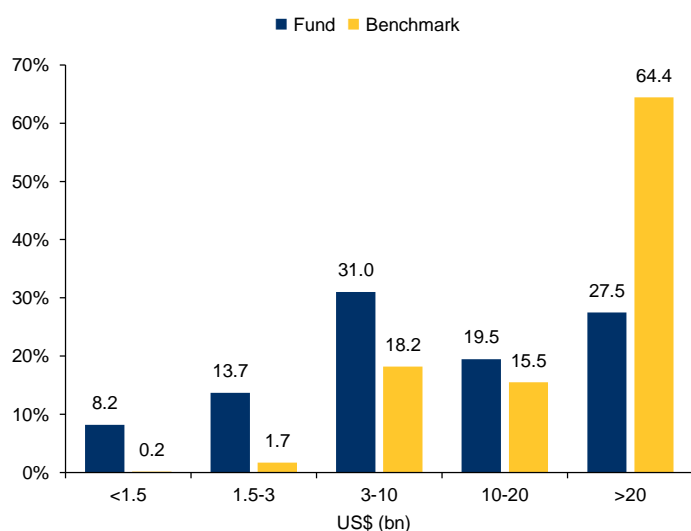
Issuer	Fund	Benchmark
Alibaba	4.7	4.0
TSMC	4.0	6.6
Samsung Electronics	3.7	4.2
Ping An Bank	2.6	0.0
Ping An Insurance	2.3	0.6
Sieyuan Electric	1.9	0.0
Hana Financial	1.8	0.1
Hindalco Industries	1.7	0.1
Longshine Technology	1.5	0.0
Credicorp	1.5	0.1
Total	25.8	15.8

## Top / bottom 5 contributors (%)

Top 5 contributors	Contribution
Daqo New Energy	0.32
Longshine Technology	0.31
Bank Negara Indonesia Persero	0.29
Ping An Bank	0.21
Nexteer Automotive	0.21

Bottom 5 contributors	Contribution
Zoomlion Heavy Industry	-0.23
Centrais Eletricas Brasileiras	-0.18
Falabella	-0.18
Hypera	-0.16
Fila	-0.16

## Market capitalisation distribution (%)

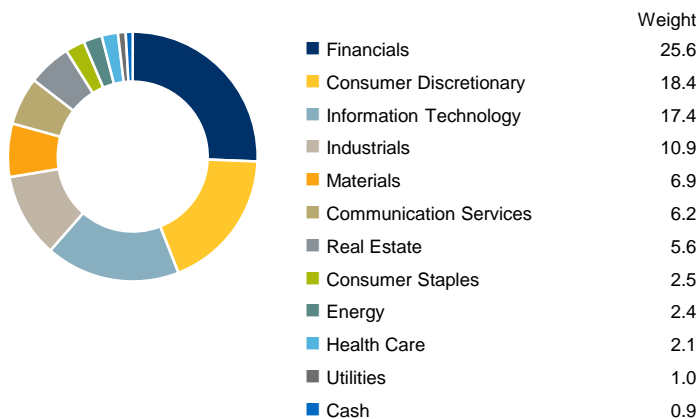


## Fund positions

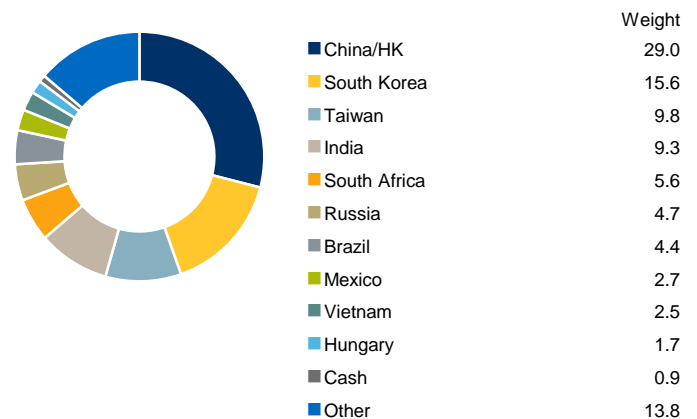
Closed positions
Lee & Man Paper Manufacturing Ltd
Imperial Logistics Ltd

Opened positions
Topsports International Holdings Ltd
Shanghai Haohai Biological Technology Co Ltd

## Sector allocation (%)



## Geographic allocation (%)



Source: RBC Global Asset Management, MSCI. Weights reflect actual positions, figures may not sum to 100% due to rounding. \* Indicates securities that are not held. The top 5 open and closed positions are displayed in order of position size, descending in order from largest to smallest. All transactions were completed as at 31.10.2021. If you require any further information, please visit our [website](#) for contact information.

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## Fund country attribution (%)

Top 5 Contributors	Active weight	Asset allocation	Security selection	Total effect
China/HK	-7.23	1.99	7.23	9.37
South Africa	3.30	0.24	1.34	1.59
South Korea	3.98	0.30	1.12	1.43
Vietnam	1.92	-0.12	1.17	1.05
Hungary	1.58	0.65	0.11	0.76

Bottom 5 contributors	Active weight	Asset allocation	Security selection	Total effect
Taiwan	-4.09	-0.75	-0.18	-0.93
Saudi Arabia	-2.80	-0.86	0.00	-0.86
Russia	0.75	0.31	-0.64	-0.34
Poland	-0.70	-0.22	0.00	-0.22
Brazil	0.50	-0.17	-0.01	-0.18

## Fund sector attribution (%)

Sector	Active weight	Asset allocation	Security selection	Total effect
Industrials	5.31	0.44	3.77	4.23
Communication Services	-4.86	0.96	2.51	3.49
Consumer Discretionary	1.16	-0.17	2.74	2.57
Materials	0.58	0.49	1.85	2.34
Information Technology	-1.89	0.11	2.22	2.33
Financials	5.27	0.62	-0.21	0.41
Health Care	-2.50	0.29	0.06	0.35
Real Estate	3.71	-0.88	0.95	0.05
Consumer Staples	-3.64	0.09	-0.12	-0.03
Energy	-2.11	-0.67	0.43	-0.24
Utilities	-1.03	-0.11	-0.14	-0.25
Other*	0.00	0.00	-0.47	-0.47
TOTAL	-	1.16	14.33	15.65

Source: RBC Global Asset Management, MSCI. Attribution results are calculated over a trailing 12 month period. Attribution is intended to demonstrate trends in performance due to security selection and sector/country allocation and is calculated from the underlying segregated asset positions and may not add up to the total portfolio return calculated using the NAV of the fund. Fund sector/country weights in the attribution table are based on beginning market values, adjusted for purchases and sales activities during the year. \*Other reflects accrual for unrealised Indian Capital Gains Tax charges following an update to RBC Funds (Lux) NAV policies which took place in October 2021.

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**Important Risk Considerations:**

**Large Shareholder Risk:** Investors holding a large portion of issued and outstanding shares of a Sub-Fund are likely to incur transaction costs in case of redemptions.

**Liquidity Risk:** Under highly volatile markets, securities may not be sold as quickly or easily, which could have an influence on meeting redemption requests on demand.

**Market Risk:** The market value of a Sub-Fund's investments will fluctuate based on specific company developments, broader equity or fixed-income market conditions, economic and financial conditions.

**Shanghai-Hong Kong Stock Connect Risk:** Investments made through Stock Connect may be subject to greater risk factors to comply with Stock Connect rules and counterparty risks with respect to ChinaClear.

**Currency Hedging Risk:** Hedging currency risks may protect investors against a decrease in the value of the Reference Currency relative to the Hedged Share Class, but it may also preclude investors from benefiting from an increase in the value of such currencies. All costs and gains/losses of hedging transactions are borne by the relevant Hedged Share Classes.

**Currency Risk:** Sub-Funds are invested in securities denominated in different currencies other than the Reference currency. As a result, changes in the value of the Reference Currency compared to other currencies will affect the value in the Reference Currency of any securities denominated in another currency.

**Derivative Risk:** Derivative instruments are highly sensitive to changes in the value of the underlying asset that they are based on. Certain derivatives may result in losses greater than the amount originally invested.

**Emerging Markets Risk:** The price of emerging market securities is subject to higher risk of price fluctuation due to possible lack of adequate political, economic, legal, trading liquidity structures and relatively lower liquidity.

**International Investment Risk:** Investments on an international basis are subject to uncertainties, including: changes in government policies, taxation, fluctuations in foreign exchange rates, accounting and financial reporting standards, and fluctuations in value due to discrepancy of currency.

Further details of the risks that apply to the fund can be found in the funds prospectus.

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Past performance is not indicative of future results. With all investments there is a risk of loss of all or a portion of the amount invested. Where return estimates are shown, these are provided for illustrative purposes only and should not be construed as a prediction of returns; actual returns may be higher or lower than those shown and may vary substantially, especially over shorter time periods. It is not possible to invest directly in an index.

Exchange rate movement could increase or decrease the value of underlying investments/ holdings. The Sub-Fund may be invested in securities denominated in a number of different currencies other than the Reference Currency. As a result, changes in the value of the Reference Currency compared to other currencies will affect the value, in the Reference Currency, of any securities denominated in another currency. While it is the intention of the Sub-Fund to achieve its investment objective, there can be no assurance that it will.

Index returns are for illustrative purposes only, do not represent actual fund performance and do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index.

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None of the Shares of the Sub-Funds has been or will be registered for sale or distribution in Canada or in the United States.

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