

RBC Funds (Lux) - Emerging Markets Small Cap Equity Fund

Investment commentary

The biggest contributor to relative returns was a holding in Leeno, as the company reported robust Q3 2021 results driven by strong sales of test sockets and pins for mass production and R&D purposes. Holdings in SITC and Xiamen Faratronic also contributed. SITC strengthened on the back of positive near-term guidance from management and a constructive longer-term outlook, while this month's announcement that Xiamen Faratronic would be included in the benchmark drove the stock higher.

The biggest detractor from relative returns was a holding in DGB Financial as shares in the South Korean bank underperformed alongside broader risk-off sentiment in South Korean equity markets due to renewed concerns about COVID-19. Holdings in Vitasoy and Amorepacific also detracted. Vitasoy reported weak H1 2021 results driven by its mainland China business which continues to face competitive pressures, and Amorepacific reported mixed results with strong sales performance for a number of its brands but a continuing drag from the Innisfree restructuring. Additionally, renewed concerns about COVID-19 weighed on the share price.

Fund information

Investment manager	RBC Global Asset Management Inc.
Sub-investment manager	RBC Global Asset Management (UK) Limited
Portfolio manager	Guido Giammattei
Fund launch date	April 28, 2015
Benchmark	MSCI Emerging Markets Small-Cap Total Return Net Index
Fund size (USD)	5.5 m
Fund type	UCITS
Fund domicile	Luxembourg
SFDR classification	Article 8
Investment objective:	
To provide long-term capital growth by investing primarily in equity securities of small-cap companies located in or with significant business interests in emerging markets.	

Fund characteristics

	Fund	Benchmark
Holdings (ex cash)	51	1,806
Portfolio turnover (%)	81.1	-
Active share (%)	96.5	-

Share class information

Share class	Mgmt fees (%)	TER* (%)	NAV	Bloomberg	ISIN
O (acc) USD	1.00	1.30	122.62	RBCEMSO LX	LU1217269809
A (acc) USD	2.05	2.50	113.49	RBCEMSA LX	LU1217269551
B (dist) GBP (H)	1.10	1.55	111.71	RBCSBGH LX	LU1217269718

Net annualised performance (%)

Share class	1 M	3 M	YTD	1 Y	3 Y	5 Y	10 Y	SI**
O (acc) USD	-1.19	-2.42	11.64	19.16	5.73	5.32	-	3.14
A (acc) USD	-1.29	-2.70	10.50	17.82	4.48	4.08	-	1.94
B (dist) GBP (H)	-1.15	-2.50	11.08	18.39	4.17	3.58	-	1.69
Benchmark (USD)	-2.94	-4.70	13.96	22.75	14.25	10.52	-	5.14

Net calendar year performance (%)

Share class	2020	2019	2018	2017	2016	Cumulative SI**	Inception date
O (acc) USD	4.51	1.04	-10.46	24.79	5.73	22.62	28-Apr-15
A (acc) USD	3.29	-0.23	-11.51	23.37	4.49	13.49	28-Apr-15
B (dist) GBP (H)	3.02	-1.21	-12.37	22.62	4.42	11.71	28-Apr-15
Benchmark (USD)	19.29	11.50	-18.59	33.84	2.28	39.10	28-Apr-15

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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Top 10 holdings (%)

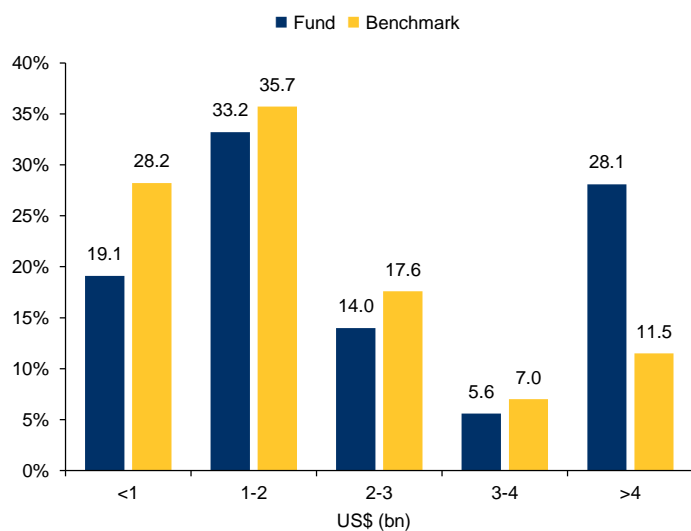
Issuer	Fund	Benchmark
Chroma ATE	5.2	0.2
LEENO Industrial	4.0	0.2
Century Pacific Food	3.8	0.1
Cyient	3.5	0.1
Giant Manufacturing	3.4	0.0
Voltronic Power Technology	3.3	0.3
Bajaj	3.2	0.0
Koh Young Technology	3.1	0.1
SITC International	3.0	0.0
Cholamandalam Financial	3.0	0.1
Total	35.5	1.1

Top / bottom 5 contributors (%)

Top 5 contributors	Contribution
LEENO Industrial	0.60
SITC International	0.57
Xiamen Faratronic	0.55
Tube Investments of India	0.28
Chroma ATE	0.27

Bottom 5 contributors	Contribution
DGB Financial	-0.32
Vitasoy International	-0.25
Amorepacific	-0.25
Greatview Aseptic Packaging	-0.16
Aramex	-0.14

Market capitalisation distribution (%)



Fund positions

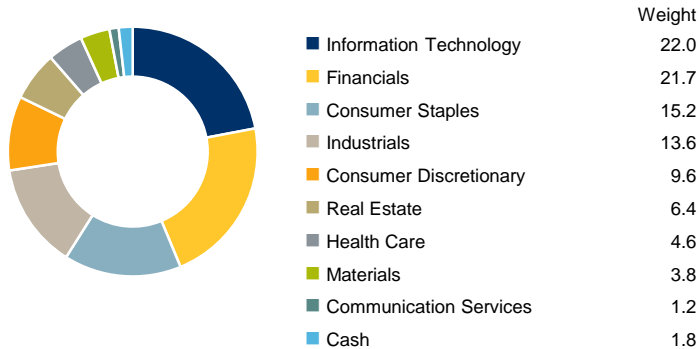
Closed positions

There were no positions closed for the current time period.

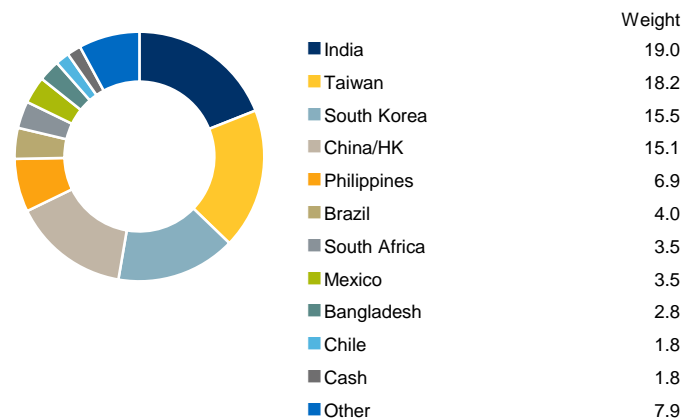
Opened positions

There were no positions opened for the current time period.

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 30.11.2021. 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	2.59	-0.72	5.13	4.38
India	3.14	0.88	-0.09	0.80
Turkey	-1.41	0.43	0.00	0.43
South Korea	-5.05	0.31	0.09	0.40
Thailand	-3.30	0.21	0.15	0.36

Bottom 5 contributors	Active weight	Asset allocation	Security selection	Total effect
Chile	2.21	-0.59	-1.07	-1.65
South Africa	0.99	0.28	-1.68	-1.40
Brazil	-1.40	0.54	-1.81	-1.28
Mexico	1.75	-0.32	-0.42	-0.74
Bangladesh	2.57	-0.66	0.09	-0.57

Fund sector attribution (%)

Sector	Active weight	Asset allocation	Security selection	Total effect
Industrials	-0.37	0.04	2.54	2.57
Information Technology	2.32	0.22	1.75	1.97
Health Care	-3.57	1.07	0.74	1.82
Real Estate	-1.16	0.32	-0.14	0.19
Energy	-2.05	0.06	0.00	0.06
Consumer Staples	11.13	-1.48	1.13	-0.37
Communication Services	-2.63	0.02	-0.40	-0.39
Consumer Discretionary	-3.16	0.23	-0.65	-0.41
Utilities	-3.73	-0.38	-0.07	-0.45
Other*	0.00	0.00	-0.45	-0.46
Financials	12.19	0.44	-3.03	-2.60
Materials	-8.96	-0.95	-1.78	-2.71
TOTAL	-	-0.44	-0.48	-0.91

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.

Small Cap Risk: Securities of small cap companies are typically traded less frequently and in smaller volumes relative to large cap companies, leading to less stable prices and difficulty to trade.

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.

Important Information: This information is intended for Professional Investors and shareholders of the retail investor share class only. This document may only be distributed in countries where RBC Funds (Lux) is registered, with the exception of Belgium. The Financial Services and Markets Authority ("FSMA") in Belgium has not approved this document.

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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.

The value of the Sub-Fund can change from day to day because the value of the securities in which it invests can be affected by changes in interest rates, the general financial market and economic conditions or individual company news. As a result, at the time of redemption, Sub-Fund Shares may be worth more or less than the original purchase price. There can be a number of risk factors that impact the value of an investment in a Sub-Fund. Investors should refer to the section called "Risk Factors" in the Prospectus before investing.

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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