



RBC \$U.S. High Yield Bond Fund

Investment Objective

To provide total returns comprised of interest income and modest capital growth. The fund invests primarily in higher yielding corporate debt securities issued by U.S. corporations.

The investment team emphasizes value, seeking quality companies with stable-to-improving credit profiles that are undervalued. Detailed credit and industry analysis is conducted to evaluate opportunities for superior rates of return while simultaneously minimizing default prospects. The portfolio is well-diversified across issuer, industry and credit rating, with the goal of balancing volatility with portfolio return optimization. Mandate guidelines are flexible, with the option to tilt toward investment-grade bonds when appropriate.

Fund Details

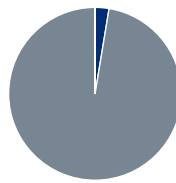
Series	Currency	Fund Code
O	USD	RBF283
Inception Date		October 2013
Total Fund Assets \$Mil		123.9
Benchmark		ICE BofA Merrill Lynch U.S. High Yield BB-B Index (USD)

Notes

Securities have been classified as 'NR/NA' if the security has not been rated by a rating agency such as DBRS, S&P or Moody's. Typically, unrated securities are bond issues for which the issuer has not sought a credit rating.

Portfolio Analysis as of April 30, 2019

Asset Mix



	% Assets
Cash	2.6
Fixed Income	97.4
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

Fixed Income Breakdown

	% Fixed Income
Government Bonds	0.0
Corporate Bonds	97.5
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	2.5
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	2.5	Under 1 year	0.0
AAA	0.0	1 - 5 Yrs	26.0
AA	0.0	5 - 10 Yrs	72.0
A	0.0	Over 10 Yrs	2.0
BBB	3.9		
Below BBB	93.5	Avg. Term to maturity (Yrs)	6.2
Mortgages	0.0	Duration (Yrs)	3.7
NR/NA	0.0	Yield to Maturity	5.5

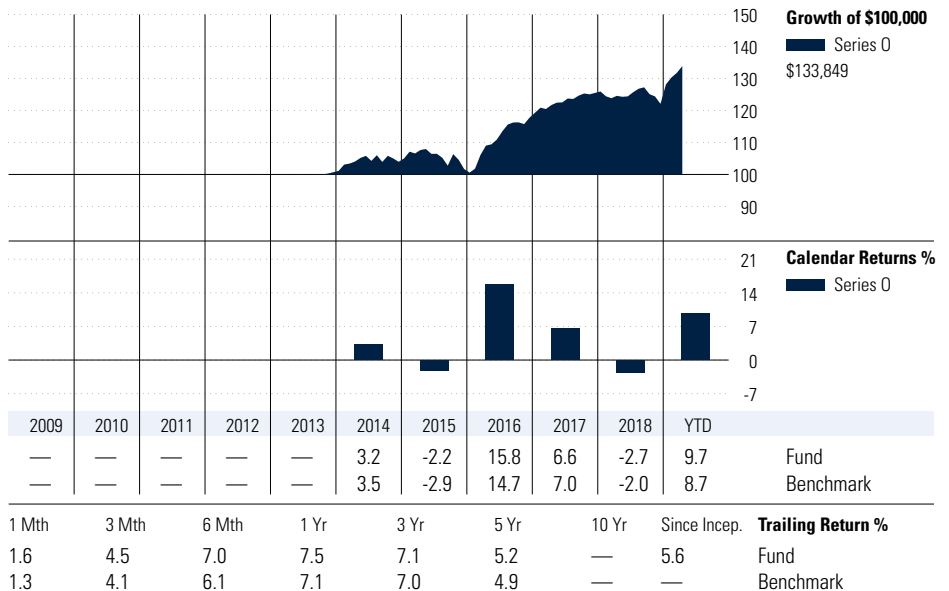
Geographic Allocations	% Assets
Canada	4.7
United States	94.4
International (ex-Emerging Markets)	0.9
Emerging Markets	0.0

Risk Measures	Fund	Benchmark
3 Year Std Dev	4.2	3.9
5 Year Std Dev	5.2	5.0

Top 10 Holdings

	% Assets
Cco Hldgs Cap 144A 5.75% 15-02-2026	2.1
Sprint Capital Corp 6.88% 15-11-2028	1.9
CSC Holdings, LLC 5.5% 15-04-2027	1.8
CenturyLink, Inc. 7.5% 01-04-2024	1.8
HCA Inc. 5.88% 15-02-2026	1.7
Seven Generations Engy 5.38% 30-09-2025	1.7
Tenet Healthcare Corp 4.62% 15-07-2024	1.5
Avis Budget Car Rental LLC 15-03-2025	1.5
Vistra Operations Co LLC 5.5% 01-09-2026	1.4
Blue Racer Midstream 6.125% 15-07-2026	1.4
Total % of Top 10 Holdings	16.7
Total Number of Stock Holdings	11
Total Number of Bond Holdings	1,426
Total Number of Other Holdings	22
Total Number of Holdings	1,459

Performance Analysis as of April 30, 2019





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Management Overview

Manager Bios

Frank Gambino

RBC Global Asset Management Inc.

Frank Gambino is Vice President and Senior Portfolio Manager, Global Fixed Income and Currencies. He has been in the investment industry since 1990.

Stephen Notidis

RBC Global Asset Management Inc.

Stephen Notidis is Portfolio Manager, Global Fixed Income and Currencies. He has been in the investment industry since 1995.

Performance Analysis Cont'd as of April 30, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	0.14	0.63	0.48	0.69	0.76	0.55	0.14	—	—	—	—
Interest	0.14	0.57	0.46	0.53	0.56	0.49	0.11	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.06	0.01	0.16	0.20	0.06	0.04	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2017	18.7	2-2019	8.6	4-2019	5.2	—	—
Worst	2-2016	-5.0	5-2018	4.8	12-2018	3.9	—	—
Average		4.8		5.9		4.7		—
No. of Periods		55		31		7		—
Pct. Positive		81.8		100.0		100.0		—

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

Quarterly Commentary as at March 31, 2019

US High Yield bonds experienced a strong recovery during the first quarter of 2019, generating the strongest first quarter returns in 27 years. Credit spreads (the premium required by investors to invest in lower rated debt) fell sharply during the first quarter, causing high yield bond prices to rise, especially for lower rated credits. The primary driver of this quarter's returns was the U.S. Federal Reserve's (Fed) dovish pivot in its approach to monetary policy, softening its tone, and reducing the number of anticipated rate increases. A recovery in oil prices, and a de-escalation in trade war rhetoric also eased investor uncertainty and contributed to the rally in risk assets like high yield bonds and equities. The limited supply of newly issued high-yield bonds, and continued inflows from investors also provided support for high yield bonds. Meanwhile, the health of the corporate bond market improved slightly, and defaults fell,

remaining at low levels. The Fund was positively impacted by its exposure to specific issuers in the Energy, Consumer Discretionary and Information Technology sectors, and was negatively impacted by its defensive cash holdings and its underweight position in the Financial Services and Healthcare sectors.

Valuations of high-yield bonds have improved since the cycle tights of October, but they remain below long-term averages and are not exceptionally compelling. Meanwhile, the U.S. Federal Reserve has become more supportive, corporate health has improved modestly, and defaults remain low. We expect moderate returns in the near term, and therefore maintain our guarded outlook and remain conservatively positioned.



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Disclosure

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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.

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MER (%) for RBC Funds, RBC Private Pools, 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.

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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