



RBC \$U.S. Investment Grade Corporate Bond Fund

Investment Objective

To provide interest income with the potential for modest capital growth by investing primarily in U.S. corporate bonds. The fund invests primarily in a portfolio of diversified investment grade fixed-income securities issued by U.S. corporations.

The investment-grade credit team uses a bottom-up, research-focused strategy to develop robust, active opinions in their sectors. Analysts' opinions are driven by qualitative and quantitative credit factors, along with market and business cycle considerations. The process emphasizes the importance of independent research and understanding of risk, with the team focused on managing downside risks and avoiding negative credit events. An investment-grade credit portfolio will generally comprise 150–200 bonds broadly diversified across various market sectors and industries.

Fund Details

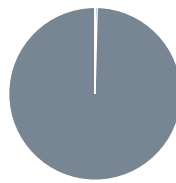
Series	Currency	Fund Code
0	USD	RBF284
Inception Date		August 2013
Total Fund Assets \$Mil		159.4
Benchmark		Bloomberg Barclays U.S. Corporate Bond Index (US\$)

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	0.4
Fixed Income	99.6
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

Fixed Income Breakdown

	% Fixed Income
Government Bonds	0.9
Corporate Bonds	99.0
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	0.1
Asset Backed Securities	0.0

Bond Rating

	%	Term to Maturity	%
Cash / Cash Equiv.	0.1	Under 1 year	3.6
AAA	0.9	1 - 5 Yrs	31.9
AA	3.1	5 - 10 Yrs	32.0
A	41.5	Over 10 Yrs	32.5
BBB	54.4		
Below BBB	0.0	Avg. Term to maturity (Yrs)	10.8
Mortgages	0.0	Duration (Yrs)	7.3
NR/NA	0.0	Yield to Maturity	3.6

Geographic Allocations

	% Assets
Canada	2.1
United States	83.4
International (ex-Emerging Markets)	14.5
Emerging Markets	0.0

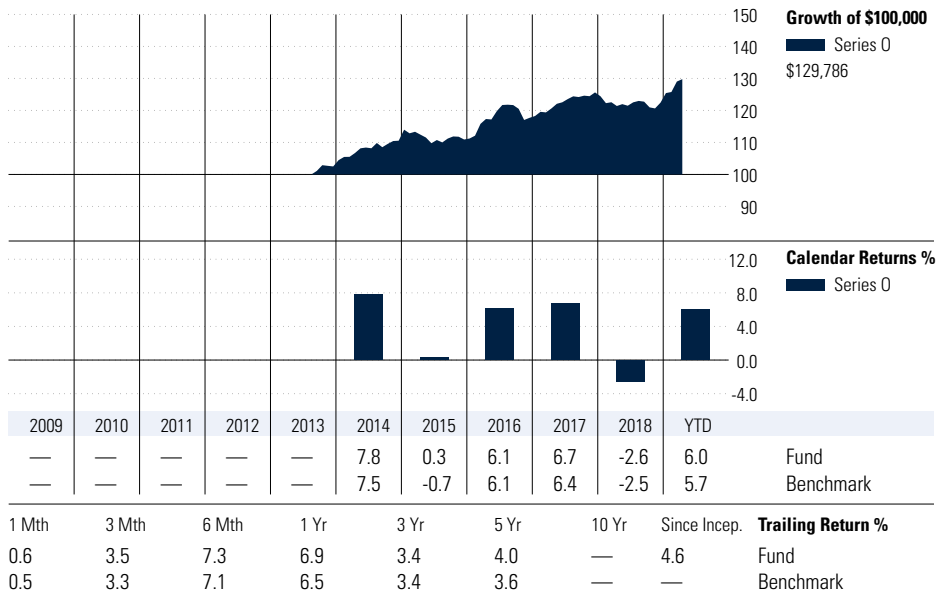
Risk Measures

	Fund	Benchmark
3 Year Std Dev	3.9	3.8
5 Year Std Dev	4.0	3.9

Top 10 Holdings

	% Assets
Bank of America Corp 3.88% 01-08-2025	1.2
Southern Power Company 4.95% 15-12-2046	1.2
Cooperatieve Rabobank 4.38% 04-08-2025	1.1
Appalachian Power Company 7% 01-04-2038	1.1
Citigroup Inc. 3.2% 21-10-2026	1.1
ConocoPhillips Company 6.95% 15-04-2029	1.1
Morgan Stanley 3.88% 27-01-2026	1.0
Delta Air Lines Inc 2.88% 13-03-2020	1.0
Wells Fargo & Company 3% 23-10-2026	1.0
Broadcom Corp, Cayman 3.625% 15-01-2024	1.0
Total % of Top 10 Holdings	10.9
Total Number of Stock Holdings	0
Total Number of Bond Holdings	207
Total Number of Other Holdings	5
Total Number of Holdings	212

Performance Analysis as of April 30, 2019





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Management Overview

Manager Bios

James Weinand

RBC Global Asset Management (U.S.) Inc.

Jim Weinand is a portfolio manager in our fixed income group. He researches the telecommunications, media, technology, consumer, health care and REIT sectors of the corporate market. Before joining the firm in 2010, Jim conducted high yield credit and quantitative equity research at Columbia Management. He earned a BS in finance from the University of Minnesota, Carlson School of Management and is a CFA charterholder.

Performance Analysis Cont'd as of April 30, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	0.10	0.38	0.39	0.61	0.96	0.44	0.16	—	—	—	—
Interest	0.10	0.38	0.34	0.39	0.43	0.37	0.14	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	0.05	0.22	0.53	0.07	0.02	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	8-2016	10.7	8-2016	6.8	8-2018	4.2	—	—
Worst	11-2018	-3.1	11-2018	2.6	11-2018	3.3	—	—
Average		3.7		4.0		3.8		—
No. of Periods		57		33		9		—
Pct. Positive		82.5		100.0		100.0		—

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

Quarterly Commentary as at March 31, 2019

During the 1st quarter of 2019, the RBC \$U.S. Investment Grade Corporate Bond Fund outperformed its benchmark. Overall performance benefited from a combination of falling treasury yields and lower corporate spreads relative to U.S. Treasuries. Yields were lower by 20-25 bps during the quarter as the U.S. Federal Reserve signaled a potential end to their tightening monetary policy cycle due to weaker inflation and concerns of slower global growth. Corporate spreads tightened by 34 bps as corporate fundamentals remain solid. Additionally, a search for higher yields and a "risk-on" mentality have driven demand, particularly amongst lower quality (BBB-rated) securities which outperformed higher quality bonds.

Relative to the benchmark, the Fund primarily outperformed due to an overweight to BBB-rated bonds. Additionally, the Fund benefited by being overweight to the Energy sector, which performed strongly as oil prices rebounded. Security selection in Financials and Utilities was also

positive. The top three position contributors were Southern Company, ConocoPhillips and AB Inbev. The Fund's lack of General Electric holdings detracted from relative performance as news around the company was generally positive and performance rebounded.

We continue to favor large companies with stable to improving credit profiles. We avoid companies that are likely to finance large acquisitions with debt or are likely to engage in shareholder friendly activity at the expense of bondholders. Sector over-weights are in the Financials and Utility sectors. We prefer companies that focus on the U.S. market, generate consistent cash flow and are in the process of reducing debt. We continue to believe that the positive regulatory environment in Financials and Utilities has a favorable impact on the credit profile of these companies. Interest rate positioning relative to the benchmark continues to be neutral.



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Disclosure

RBC Funds, RBC Private Pools, BlueBay Funds, PH&N Funds and RBC Corporate Class Funds are offered by RBC Global Asset Management Inc. and distributed through authorized dealers.

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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.

Mutual fund securities are not guaranteed or covered by the Canada 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

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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.

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.

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