



RBC High Yield Bond Fund

Investment Objective

To provide a high level of income with the potential for modest capital growth. The fund invests primarily in higher yielding corporate debt securities issued by Canadian and 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

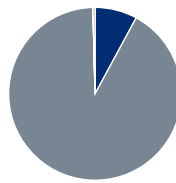
Series	Currency	Fund Code
O	CAD	RBF296
Inception Date		October 2010
Total Fund Assets \$Mil		2,049.7
Benchmark		FTSE Canada Universe Bond Index

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	7.9
Fixed Income	91.7
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.4

Fixed Income Breakdown

	% Fixed Income
Government Bonds	0.6
Corporate Bonds	90.6
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	8.9
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	8.9	Under 1 year	0.7
AAA	0.5	1 - 5 Yrs	31.0
AA	0.5	5 - 10 Yrs	64.6
A	2.5	Over 10 Yrs	3.7
BBB	9.8		
Below BBB	77.8	Avg. Term to maturity (Yrs)	6.2
Mortgages	0.0	Duration (Yrs)	3.5
NR/NA	0.0	Yield to Maturity	4.3

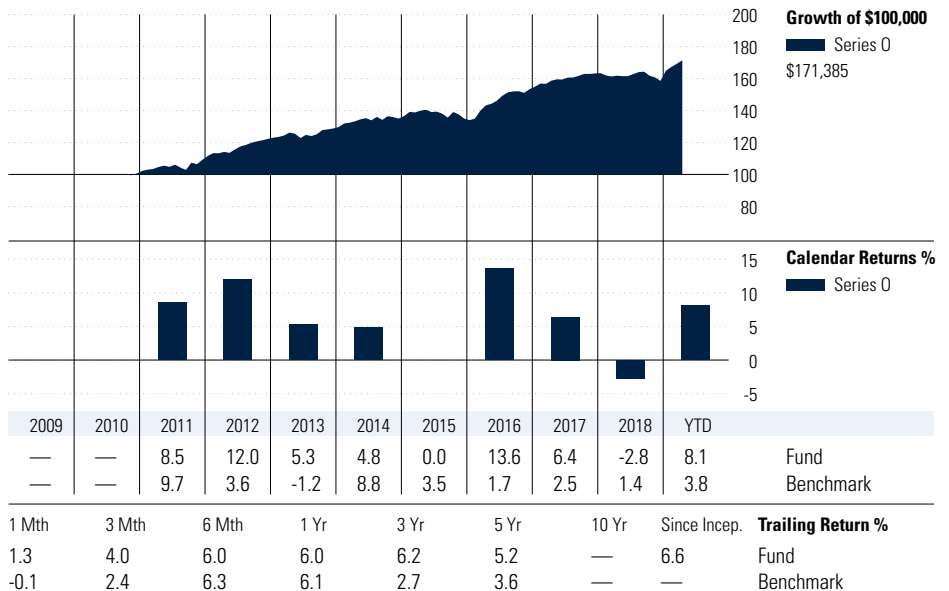
Geographic Allocations	% Assets
Canada	16.1
United States	83.5
International (ex-Emerging Markets)	0.3
Emerging Markets	0.0

Risk Measures	Fund	Benchmark
3 Year Std Dev	3.5	3.7
5 Year Std Dev	4.2	3.8

Top 10 Holdings

	% Assets
Cco Hldgs Cap 144A 5.75% 15-02-2026	1.7
Videotron Ltee 5.75% 15-01-2026	1.4
Equinix, Inc. 5.88% 15-01-2026	1.3
Vermilion Energy Inc. 5.62% 15-03-2025	1.3
HCA Inc. 5.88% 15-02-2026	1.2
Hilton Dom. Op. Co 5.12% 01-05-2026	1.2
Boyd Gaming Corporation 6.38% 01-04-2026	1.2
United Rental North Am 5.88% 15-09-2026	1.2
CSC Holdings, LLC 5.5% 15-04-2027	1.2
Seven Generations Engy 5.38% 30-09-2025	1.2
Total % of Top 10 Holdings	12.7
Total Number of Stock Holdings	11
Total Number of Bond Holdings	1,453
Total Number of Other Holdings	28
Total Number of Holdings	1,492

Performance Analysis as of April 30, 2019





RBC High Yield Bond Fund

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	0.15	0.57	0.54	0.55	0.62	0.64	0.61	0.76	0.54	0.06	—
Interest	0.15	0.57	0.54	0.55	0.62	0.64	0.61	0.65	0.54	0.03	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	0.11	—	0.03	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	9-2012	16.5	9-2014	9.3	9-2016	8.1	—	—
Worst	2-2016	-2.9	1-2016	2.9	12-2018	4.2	—	—
Average		6.4		6.4		6.1		—
No. of Periods		91		67		43		—
Pct. Positive		94.5		100.0		100.0		—

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

Quarterly Commentary as at March 31, 2019

U.S. High Yield bonds experienced a strong recovery during the first quarter of 2019, generating the strongest first quarter returns in 27 years, and outperforming Canadian Investment Grade rated bonds. 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. Meanwhile, the Canadian investment grade bond market benefitted from falling government bond yields, but underperformed the U.S. High Yield bond market. The primary driver of this quarter's returns was the U.S. Federal Reserve's 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 U.S. High Yield bonds in general, and by its exposure to specific issuers in the Energy, Communication Services and Information Technology sectors. The Fund was negatively impacted by its defensive cash holdings.

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 with our higher quality high yield portfolio.



RBC High Yield Bond Fund

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.

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