



# RBC \$U.S. Short-Term Corporate Bond Fund

## Investment Objective

To provide regular monthly income with the potential for modest capital growth. The fund invests primarily in a well-diversified portfolio of short-term fixed-income securities issued in the U.S. market by U.S. and foreign corporations either directly or indirectly through investment in other mutual funds managed by RBC GAM or an affiliate of RBC GAM.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	USD	RBF409
Adv	Low Load	USD	RBF4409
Adv	No Load	USD	RBF6409

Inception Date	January 2018
Total Fund Assets \$Mil	55.3
Series A NAV \$	9.85
Series A MER %	0.99
Benchmark	Bloomberg Barclays U.S. 1-5 Year Corporate Bond Index (USD)

Income Distribution	Monthly
Capital Gains Distribution	Annually

Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Fund Category	Global Corporate Fixed Income
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Management Company	RBC Global Asset Management Inc.
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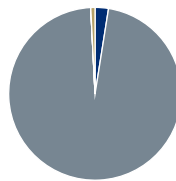
Web Site	www.rbcgam.com
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## Notes

Securities regulations do not allow us to report performance for a mutual fund that has been available for less than one year. This fund was launched January 29, 2018.

## Portfolio Analysis as of September 30, 2018

### Asset Mix



	% Assets
Cash	2.5
Fixed Income	96.7
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.8

### Fixed Income Breakdown

	% Fixed Income
Government Bonds	1.3
Corporate Bonds	98.7
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	0.0
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	0.0	Under 1 year	2.5
AAA	1.3	1 - 5 Yrs	93.2
AA	12.3	5 - 10 Yrs	4.4
A	34.8	Over 10 Yrs	0.0
BBB	51.7		
Below BBB	0.0	Avg. Term to maturity (Yrs)	3.1
Mortgages	0.0	Duration (Yrs)	2.6
NR/NA	0.0		

### Geographic Allocations

	% Assets
Canada	0.0
United States	100.0
International (ex-Emerging Markets)	0.0
Emerging Markets	0.0

## Performance Analysis as of September 30, 2018

											15	<b>Growth of \$10,000</b>
											14	Series A
											13	
											12	
											11	
											10	
											9	
											0.4	<b>Calendar Returns %</b>
											0.3	Series A
											0.2	
											0.1	
											0.0	
2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD		
—	—	—	—	—	—	—	—	—	—	—		Fund
—	—	—	—	—	—	—	—	—	—	—		Quartile
1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	<b>Trailing Return %</b>				
—	—	—	—	—	—	—	—	Fund				
—	—	—	—	—	—	—	—	Quartile				
117	117	111	104	86	65	13	—	No. of Funds in Category				



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## Management Overview

### Manager Bios

#### Brandon Swensen

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

Brandon oversees fixed income research, portfolio management and trading at RBC GAM (U.S.). He is a portfolio manager for several cash management and core solutions. Brandon joined the firm in 2000 and most recently was a portfolio manager on the mortgage and government team before being promoted to Co-Head. Brandon earned a BS in finance from St. Cloud State University and an MBA in finance from the University of St. Thomas. He is a CFA charterholder.

#### 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 September 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.03	—	—	—	—	—	—	—	—	—	—
Interest	0.03	—	—	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	—	—	—	—	—	—	—	—
Worst	—	—	—	—	—	—	—	—
Average	—	—	—	—	—	—	—	—
No. of Periods	—	—	—	—	—	—	—	—
Pct. Positive	—	—	—	—	—	—	—	—

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

### Quarterly Commentary as at September 30, 2018

During Q3, overall performance benefited from tightening corporate spreads relative to U.S. Treasuries. Over the quarter, 1-5 year corporate spreads tightened by 15 bps, driven by strong company fundamentals and slower supply of new debt issuance. Conversely, increasing interest rates negatively impacted performance as the 2-year Treasury increased by 30 bps.

Positive performance was driven by the Fund's overweight positioning and security selection in the Energy sector, and an overweight to BBB-rated securities. Negative performance was primarily driven by security selection in the Financials sector.

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. We prefer the Financials and Utility sectors given the positive impact of the regulatory environment and earnings outlook for these industries. The Fund also maintains an overweight in BBB-rated bonds as valuations have been attractive in the 1-5 year market. We prefer companies that focus on the U.S. market, generate consistent cash flow and are in the process of reducing debt.

Interest rate positioning relative to the benchmark continues to be neutral. Our philosophy is grounded in a tight risk management focus which reinforces our belief that interest rate calls are difficult to time – and expensive when wrong.



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## Disclosure

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

Commissions, trailing commissions, 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 funds are not guaranteed or covered by the Canadian 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 amount of your investment in the fund will be returned to you. The value of mutual funds change frequently and past performance may not be repeated.

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MER (%) for RBC Funds, PH&N Funds and BlueBay Funds is based on actual expenses for the half-year period, January 1 to June 30, 2018, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the full year period, April 1, 2017 to March 31, 2018.

Series H and Series I are not available for purchase by new investors. Existing investors who hold Series H or Series I units can continue to make additional investments into the same series of the funds they hold.

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.

Quartile rankings are determined by Morningstar Research Inc., an independent research firm, based on categories maintained by the Canadian Investment Funds Standards Committee (CIFSC). Quartile rankings are comparisons of the performance of a fund to other funds in a particular category and are subject to change monthly. The quartiles divide the data into four equal segments expressed in terms of rank (1, 2, 3 or 4). This is the Morningstar quartile ranking of Series A and F units of the Fund as of September 30, 2018.

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