



# BlueBay European High Yield Bond Fund (Canada)

## Investment Objective

To provide total returns comprised of interest income and modest capital appreciation. The fund invests primarily in high yield debt securities issued by entities domiciled in or carrying out the majority of their business activities in Europe.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF436
Adv	Front End	CAD	RBF6636
Adv	Low Load	CAD	RBF036

Inception Date	October 2016
Total Fund Assets \$Mil	618.7
Series A NAV \$	10.13
Series A MER %	1.74
Benchmark	ICE BofA Merrill Lynch European Currency High Yield Constrained Index (CAD Hedged)

Income Distribution	Quarterly
Capital Gains Distribution	Annually

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

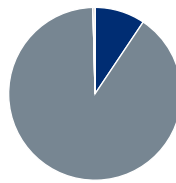
Fund Category	High Yield Fixed Income
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Management Company	RBC Global Asset Management Inc.
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Web Site	www.rbcgam.com
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## Portfolio Analysis as of April 30, 2019

### Asset Mix



	% Assets
Cash	9.4
Fixed Income	90.2
Canadian Equity	0.0
US Equity	0.0
International Equity	0.4
Other	0.0

### Top 10 Holdings

	% Assets
Telecom Italia S.p.A. 4% 11-04-2024	2.5
Teva Pharmaceutical Fin Netherlands 25-07-2020	2.5
Unitymedia KabelBW GmbH 3.75% 15-01-2027	2.3
Tenneco Inc. 5% 15-07-2024	1.7
Synlab Bondco Plc 3.5% 01-07-2022	1.6
Vantiv LLC and Vantiv 3.88% 15-11-2025	1.5
Telefonica Europe B V 2.62%	1.5
AA Bond Co Limited 5.5% 31-07-2043	1.5
PPF Arena 1 3.12% 27-03-2026	1.5
UPC Holding B.V. 3.88% 15-06-2029	1.4
Total % of Top 10 Holdings	18.0
Total Number of Stock Holdings	1
Total Number of Bond Holdings	1,071
Total Number of Other Holdings	18
<b>Total Number of Holdings</b>	<b>1,090</b>

### Fixed Income Breakdown

	% Fixed Income
Government Bonds	0.0
Corporate Bonds	88.6
Other Bonds	6.3
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	5.1
Asset Backed Securities	0.0

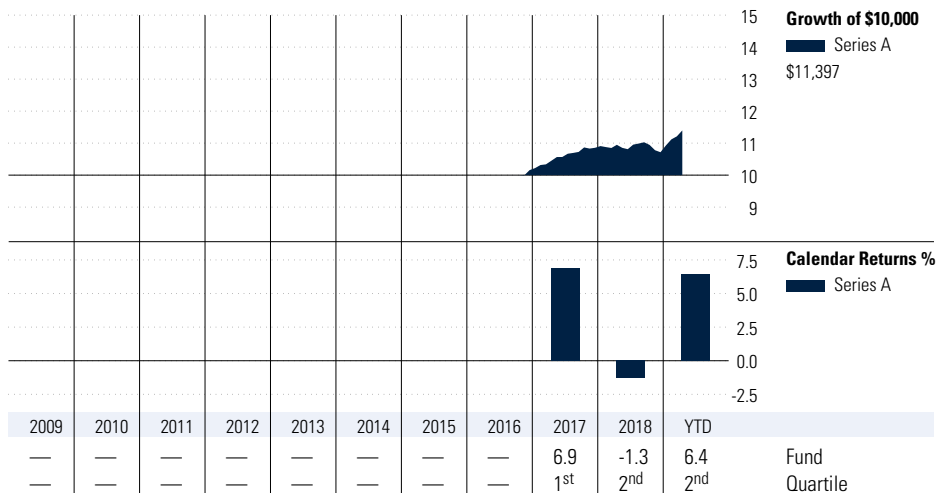
### Bond Rating

	%	Term to Maturity	%
Cash / Cash Equiv.	5.1	Under 1 year	7.3
AAA	0.0	1 - 5 Yrs	40.5
AA	0.0	5 - 10 Yrs	49.1
A	0.0	Over 10 Yrs	3.0
BBB	1.9		
Below BBB	93.0	Avg. Term to maturity (Yrs)	4.8
Mortgages	0.0	Duration (Yrs)	2.9
NR/NA	0.0	Yield to Maturity	4.4

### Geographic Allocations

	% Assets
Canada	0.0
United States	14.6
International (ex-Emerging Markets)	83.6
Emerging Markets	1.9

## Performance Analysis as of April 30, 2019



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	1.7	4.3	4.1	4.1	—	—	—	5.2	Fund
	1st	1st	3rd	3rd	—	—	—	—	Quartile
	534	533	525	514	344	230	52	—	No. of Funds in Category



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## Management Overview

### Manager Bios

#### Justin Jewell

##### BlueBay Asset Management LLP

Justin is Co-Head of BlueBay's Global Leveraged Finance Long-Only Strategies and a senior portfolio manager within the Global Leveraged Finance Group. Justin joined BlueBay in 2009, initially as Head of High Yield Trading, before moving into portfolio management at the beginning of 2012. He has spent a large part of his career at UBS where, most recently, he was Director of High Yield and Distressed Trading in Europe.

#### Rajat Mittal

##### BlueBay Asset Management LLP

Rajat joined BlueBay in March 2007 as a credit analyst within the Global Leveraged Finance Group before being promoted to his current role in June 2015. Prior to joining BlueBay, Rajat spent almost four years at Goldman Sachs, initially as an equity analyst in the consumer space for one year, before moving to the tactical research team where he developed quantitative equity portfolio strategies for almost three years. Rajat holds an MBA from the Indian Institute of Management, Ahmadabad.

### Performance Analysis Cont'd as of April 30, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	0.06	0.68	0.30	0.15	—	—	—	—	—	—	—
Interest	0.06	0.30	0.30	0.03	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.38	—	0.13	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	10-2017	8.7	—	—	—	—	—	—
Worst	12-2018	-1.3	—	—	—	—	—	—
Average		3.6		—		—		—
No. of Periods		19		—		—		—
Pct. Positive		89.5		—		—		—

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

### Quarterly Commentary as at March 31, 2019

European high yield (HY) markets opened the year with renewed vigour, quickly retracing all of the drawdown experienced during the fourth quarter of 2018. Although the economic backdrop in Europe remains mixed, HY assets continue to look through this, preferring to place faith in the European Central Bank's support actions alongside the supportive rhetoric from both the US Federal Reserve and the Bank of China.

The fund underperformed the benchmark over the quarter. Despite increasing exposure to BBs over the course of the year, the fund remains underweight in the rating category. The most significant contribution to outright and relative performance came from the fund's modest overweights to the media and leisure sectors. On the contrary, lower exposure to cyclical sectors (such as automotive and capital goods) was a drag

on performance in the latter part of the period as central bank rhetoric provided a boost to those sectors more sensitive to economic growth. The fund's commensurate overweight in B and CCC-rated securities naturally generated outperformance versus the benchmark. However, this was not sufficient to offset the drag experienced in higher-rated securities.

In terms of future prospects for the wider HY market, we note that while the European economic backdrop is far from robust, we are beginning to note some glimmers in the most recently reported data. As we monitor these trends, perhaps of greater importance in the short term at least is the technical backdrop for the European HY market, which remains highly supportive.



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### Disclosure

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MER (%) for RBC Funds, 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.

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.

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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 April 30, 2019.

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