



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.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	USD	RBF483
Adv	Deferred Sales	USD	RBF883
Adv	Front End	USD	RBF723
Adv	Low Load	USD	RBF083

Inception Date	October 2013
Total Fund Assets \$Mil	200.3
Series A NAV \$	9.72
Series A MER %	1.42
Benchmark	BoA Merrill Lynch U.S. High Yield BB-B Index (USD)

Income Distribution	Quarterly
Capital Gains Distribution	Annually

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

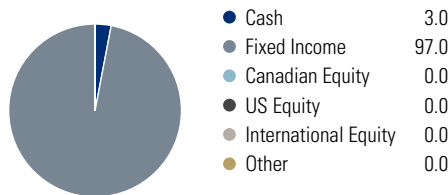
Fund Category	High Yield Fixed Income
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Management Company	RBC Global Asset Management Inc.
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Web Site	www.rbcgam.com
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Portfolio Analysis as of January 31, 2018

Asset Mix



Fixed Income Breakdown

Fixed Income Category	% Fixed Income
Government Bonds	0.0
Corporate Bonds	97.2
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	2.8
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	2.8	Under 1 year	7.5
AAA	0.0	1 - 5 Yrs	11.2
AA	0.0	5 - 10 Yrs	77.1
A	0.0	Over 10 Yrs	4.2
BBB	3.2		
Below BBB	93.6	Avg. Term to maturity (Yrs)	6.5
Mortgages	0.0	Duration (Yrs)	4.4
NR/NA	0.4	Yield to Maturity	5.3

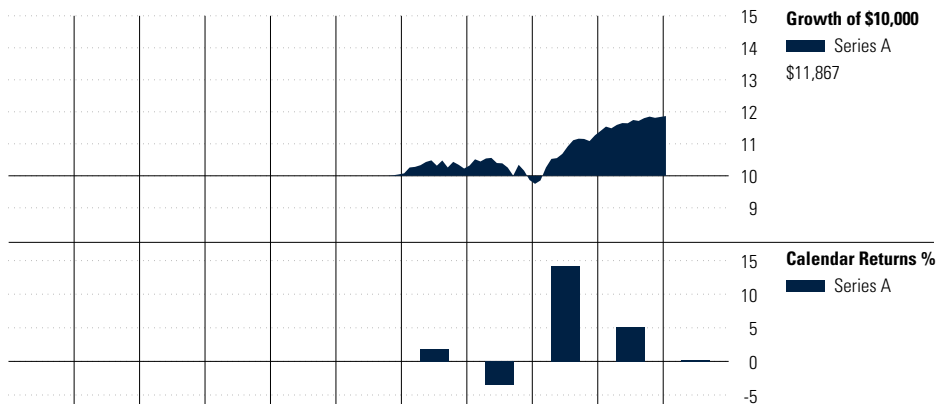
Geographic Allocations

Geographic Allocation	% Assets
Canada	6.0
United States	93.1
International (ex-Emerging Markets)	0.9
Emerging Markets	0.0

Top 10 Holdings

Top 10 Holdings	% Assets
Hca 5.875% 15-02-2026	2.5
Sprint Cap 6.875% 15-11-2028	2.0
Csc Hldgs 144A 5.5% 15-04-2027	2.0
Diamond 1 Fin Corp 6.02% 15-06-2026	1.7
Arcelormittal Luxembourg 7% 15-10-2039	1.6
Cco Hldgs LLC /Cap 144A 5.75% 15-02-2026	1.6
Western Digital 4.75% 15-02-2026	1.6
Calatlantic Grp 5.25% 01-06-2026	1.4
Videotron Ltee 5.625% 15-06-2025	1.3
Targa Res Partners 5% 15-01-2028	1.3
Total % of Top 10 Holdings	17.0
Total Number of Stock Holdings	2
Total Number of Bond Holdings	1,295
Total Number of Other Holdings	11
Total Number of Holdings	1,308

Performance Analysis as of January 31, 2018



Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD	Fund Quartile
—	—	—	—	—	—	—	1.8	-3.5	14.2	5.1	0.2	Fund Quartile
—	—	—	—	—	—	—	1 st	1 st	2 nd	4 th	4 th	Quartile

Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
0.2	0.2	0.1	1.0	4.1	4.8	—	—	4.3	Fund
4 th	4 th	4 th	4 th	4 th	3 rd	—	—	—	Quartile
588	587	562	495	360	242	47	—	—	No. of Funds in Category



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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 January 31, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	0.34	0.55	0.63	0.40	0.11	—	—	—	—	—
Interest	—	0.32	0.39	0.43	0.34	0.07	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	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	17.1	12-2017	5.0	—	—	—	—
Worst	2-2016	-6.3	11-2016	3.4	—	—	—	—
Average		4.2		4.1		—		—
No. of Periods		40		16		—		—
Pct. Positive		72.5		100.0		—		—

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

Quarterly Commentary as at December 31, 2017

High yield bonds had a modest positive return during the quarter, as the market had to contend with both rising U.S. government bond yields and an increase in the premium required by investors to invest in lower rated corporate bonds. The quarter saw an increase in issuer-specific and sector specific risks, notably in the retail sub sector and Telecommunication Services sector. Meanwhile, key supports for the high yield market remained in place. Credit conditions were benign, corporate health continued to improve slightly, the net supply of newly issued bonds remained manageable, the price of oil continued to recover and the corporate default rate remained low. The Fund maintained its overall defensive positioning during the quarter but reduced its cash holdings, and used the proceeds to buy attractively priced newly issued high yield bonds. The Fund benefitted from its exposure to high yield bonds in

general, while its cash position reduced volatility but also served as a drag on performance.

Demand for yield and a healthy economic backdrop should continue to support corporate bonds. Given that central banks are beginning to lean toward tighter monetary policies, we believe that high-yield corporate bonds remain attractive relative to other fixed-income assets. However, it is likely that future returns will be lower than those experienced in the recent past as valuations become less compelling and possible headwinds emerge. This extended credit cycle may continue for a while yet. We intend to closely monitor the credit quality of the Fund, and look to add attractively valued bonds as they become available.



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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, 2017, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the half-year period, April 1, to September 30, 2017, expressed on an annualized basis.

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 January 31, 2018.

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