



# 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.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	USD	RBF484
Adv	Deferred Sales	USD	RBF884
Adv	Front End	USD	RBF724
Adv	Low Load	USD	RBF084

Inception Date	August 2013
Total Fund Assets \$Mil	175.8
Series A NAV \$	9.19
Series A MER %	1.27
Benchmark	Bloomberg Barclays U.S. Corporate Bond Index (US\$)

Income Distribution	Quarterly
Capital Gains Distribution	Annually

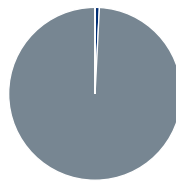
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

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

## Portfolio Analysis as of September 30, 2018

### Asset Mix



	% Assets
Cash	0.8
Fixed Income	99.2
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

### Fixed Income Breakdown

	% Fixed Income
Government Bonds	0.0
Corporate Bonds	98.6
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	1.4
Asset Backed Securities	0.0

### Bond Rating

	%
Cash / Cash Equiv.	1.4
AAA	0.0
AA	3.1
A	39.7
BBB	55.8
Below BBB	0.0
Mortgages	0.0
NR/NA	0.0

### Term to Maturity

	%
Under 1 year	2.7
1 - 5 Yrs	33.2
5 - 10 Yrs	31.3
Over 10 Yrs	32.8
Avg. Term to maturity (Yrs)	10.8
Duration (Yrs)	7.1
Yield to Maturity	4.1

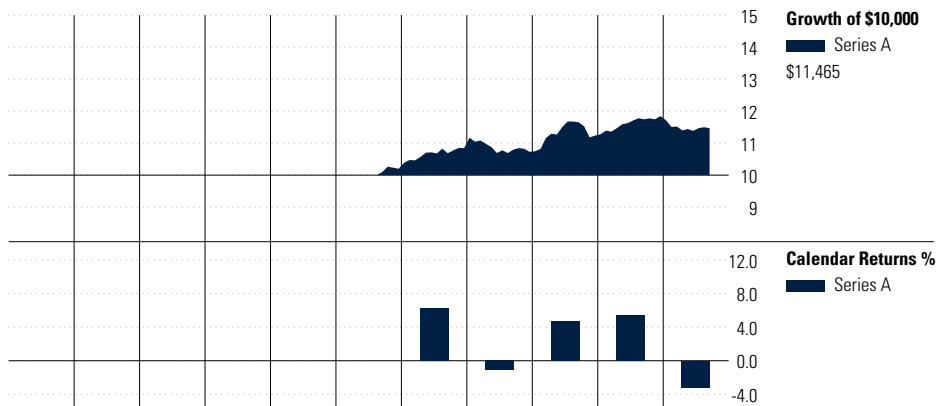
### Geographic Allocations

	% Assets
Canada	0.5
United States	85.5
International (ex-Emerging Markets)	14.0
Emerging Markets	0.0

### Top 25 Holdings

	% Assets
Cooperatieve Rabobank 4.38% 04-08-2025	1.4
Bank of America Corp 3.88% 01-08-2025	1.0
Southern Power Company 4.95% 15-12-2046	1.0
Appalachian Power Company 7% 01-04-2038	1.0
Lloyds Banking Group 2.91% 07-11-2023	1.0
Morgan Stanley 3.59% 22-07-2028	1.0
Citigroup Inc. 3.67% 24-07-2028	1.0
Citigroup Inc. 3.2% 21-10-2026	0.9
ConocoPhillips 6.95% 15-04-2029	0.9
Delta Air Lines Inc 2.88% 13-03-2020	0.9
Broadcom Corp, Cayman 3.625% 15-01-2024	0.9
Kinder Morgan Energy 6.95% 15-01-2038	0.9
Morgan Stanley 3.88% 27-01-2026	0.9
Goldman Sachs Group 3.75% 22-05-2025	0.9
Wells Fargo & Company 3% 23-10-2026	0.9
Exelon Corporation 5.62% 15-06-2035	0.9
Starbucks Corporation 4.5% 15-11-2048	0.9
Duke Energy Corp 3.75% 01-09-2046	0.9
Rockwell Collins Inc 3.2% 15-03-2024	0.9
Wells Fargo & Company 3.3% 09-09-2024	0.8
Bank of America Corp 2.5% 21-10-2022	0.8
Goldman Sachs Group 5.75% 24-01-2022	0.8
AXA 8.6% 15-12-2030	0.8
Apple Inc. 4.25% 09-02-2047	0.8
Bank of America Co 3.09% 01-10-2025	0.8
Total % of Top 25 Holdings	23.2
Total Number of Stock Holdings	0
Total Number of Bond Holdings	207
Total Number of Other Holdings	4
<b>Total Number of Holdings</b>	<b>211</b>

## Performance Analysis as of September 30, 2018



Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD	Fund Quartile
Return	—	—	—	—	—	—	6.3	-1.1	4.7	5.4	-3.2	1st
Quartile	—	—	—	—	—	—	1st	1st	4th	4th	2nd	

Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Return	-0.3	0.7	-0.5	-2.4	2.0	2.6	—	2.6	Fund
Quartile	4th	4th	3rd	2nd	4th	1st	—	—	Quartile
No. of Funds in Category	117	117	111	104	86	65	13	—	No. of Funds in Category



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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 September 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.21	0.27	0.49	0.81	0.27	0.08	—	—	—	—	—
Interest	0.21	0.22	0.26	0.28	0.20	0.06	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.05	0.23	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	9.2	8-2016	5.3	8-2018	2.8	—	—
Worst	1-2016	-3.8	4-2018	1.3	9-2018	2.6	—	—
Average		2.6		2.7		2.7		—
No. of Periods		50		26		2		—
Pct. Positive		76.0		100.0		100.0		—

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

### Quarterly Commentary as at September 30, 2018

Overall performance benefited from tightening corporate spreads relative to U.S. Treasuries. Over the quarter corporate spreads tightened by 17 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 and 10-year Treasury increased by 20 bps. During the quarter there was a “risk-on” mentality as lower quality (BBB-rated) securities outperformed higher quality securities.

Additionally, longer maturity securities outperformed shorter maturities. The Fund’s overweight positioning and security selection in the Energy sector, and an overweight to BBB-rated securities drove performance. Top performing issuers were led by Energy companies like Kinder Morgan Inc. and ConocoPhillips. The Fund’s overweight to Utilities detracted from relative performance as the sector slightly lagged the

overall index.

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 overweights 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. 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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