



# 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	252.2
Series A NAV \$	9.60
Series A MER %	1.27
Benchmark	BarCap U.S. Corporate Bond Index (US\$)

Income Distribution	Quarterly
Capital Gains Distribution	Annually

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

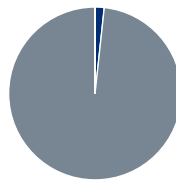
Fund Category	Global Fixed Income
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Management Company	RBC Global Asset Management Inc.
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Web Site	www.rbcgam.com
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## Portfolio Analysis as of January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

### Asset Mix



	% Assets
Cash	1.7
Fixed Income	98.3
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

### Top 10 Holdings

	% Assets
Cooperative Cent Raif 4.375% 04-08-2025	1.3
Microsoft 4.25% 06-02-2047	1.0
Wells Fargo Co New 3% 23-10-2026	1.0
Newell Brands 3.85% 01-04-2023	1.0
Bk Amer 4.2% 26-08-2024	1.0
Sherwin Williams 4.5% 01-06-2047	0.8
Australia&New Zealand Bk 4.4% 19-05-2026	0.8
Citigroup 2.7% 30-03-2021	0.8
Southern Pwr 4.95% 15-12-2046	0.8
Citigroup 3.2% 21-10-2026	0.8
Total % of Top 10 Holdings	9.3
Total Number of Stock Holdings	0
Total Number of Bond Holdings	239
Total Number of Other Holdings	3
<b>Total Number of Holdings</b>	<b>242</b>

### Fixed Income Breakdown

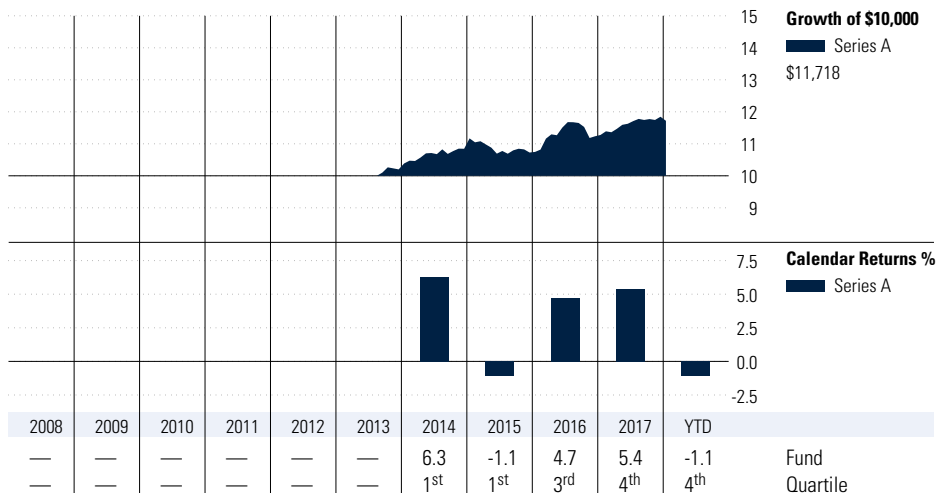
	% Fixed Income
Government Bonds	0.0
Corporate Bonds	98.7
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	1.3
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	1.3	Under 1 year	2.4
AAA	1.6	1 - 5 Yrs	37.9
AA	2.4	5 - 10 Yrs	33.4
A	37.7	Over 10 Yrs	26.3
BBB	57.0		
Below BBB	0.0	Avg. Term to maturity (Yrs)	10.7
Mortgages	0.0	Duration (Yrs)	7.4
NR/NA	0.0	Yield to Maturity	3.5

### Geographic Allocations

	% Assets
Canada	0.0
United States	86.1
International (ex-Emerging Markets)	13.9
Emerging Markets	0.0

## Performance Analysis as of January 31, 2018



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	-1.1	-0.5	0.1	3.9	1.6	—	—	3.5	Fund
	4th	4th	4th	4th	3rd	—	—	—	Quartile
	431	411	395	372	229	136	50	—	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 January 31, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	0.27	0.49	0.81	0.27	0.08	—	—	—	—	—
Interest	—	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	—	—	—	—
Worst	1-2016	-3.8	1-2018	1.6	—	—	—	—
Average		3.3		3.1				
No. of Periods		42		18				
Pct. Positive		85.7		100.0				

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

### Quarterly Commentary as at December 31, 2017

Over Q4, the Fund performed generally on par with the benchmark on a gross basis. Performance benefited from security selection in the Information Technology and Utilities sectors. Information Technology companies the Fund holds, like Microsoft, have benefited from strong earnings and are likely to see a positive impact from U.S. Tax reform. The new tax law will provide incentive to repatriate large foreign cash reserves and reduce debt. Utilities the Fund holds, like Exelon and Southern Company, were among companies that stand to benefit from an improved regulatory environment.

Other factors contributing to performance were the Fund's overweight in BBB-rated bonds, which slightly outperformed higher quality (A-AAA) bonds. The Fund's relative underexposure to the commodity-related sectors, Basic Materials and Energy, detracted from performance. The Fund did not own bonds of lower-quality commodity companies, such as Vale, which performed well

during the quarter.

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 over-weights are in the Financials and Utilities sectors. We prefer companies that focus on the U.S. market, generate consistent cash flow and are in the process of reducing debt. The regulatory environment in the Financials and Utilities sectors has also had a favorable impact on the credit profile of these companies.

Interest rate positioning relative to the benchmark continues to be largely 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, 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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