



RBC High Yield Bond Fund

Investment Objective

To provide a high level of income with the potential for modest capital growth. The fund invests primarily in higher yielding corporate debt securities issued by Canadian and U.S. corporations.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF496
Adv	Deferred Sales	CAD	RBF896
Adv	Front End	CAD	RBF796
Adv	Low Load	CAD	RBF096

Inception Date	October 2010
Total Fund Assets \$Mil	1,752.9
Series A NAV \$	10.35
Series A MER %	1.45
Benchmark	FTSE Canada Universe Bond Index

Income Distribution	Quarterly
Capital Gains Distribution	Annually

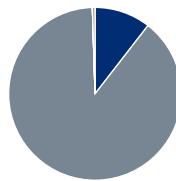
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

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

Portfolio Analysis as of January 31, 2019

Asset Mix



	% Assets
Cash	10.5
Fixed Income	89.0
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.5

Top 10 Holdings

	% Assets
Videotron Ltee 5.75% 15-01-2026	2.2
ArcelorMittal S.A. 7% 15-10-2039	2.0
Cco Hldgs Cap 144A 5.75% 15-02-2026	1.9
Western Digital Corp. 4.75% 15-02-2026	1.8
Diamond 2 144A 7.125% 15-06-2026	1.5
Equinix, Inc. 5.88% 15-01-2026	1.4
Vermilion Energy Inc. 5.62% 15-03-2025	1.4
HCA Inc. 5.88% 15-02-2026	1.4
T-Mobile USA, Inc. 4.75% 01-02-2028	1.4
Post Holdings Inc. 5.75% 01-03-2027	1.4
Total % of Top 10 Holdings	16.3
Total Number of Stock Holdings	4
Total Number of Bond Holdings	1,236
Total Number of Other Holdings	15
Total Number of Holdings	1,255

Fixed Income Breakdown

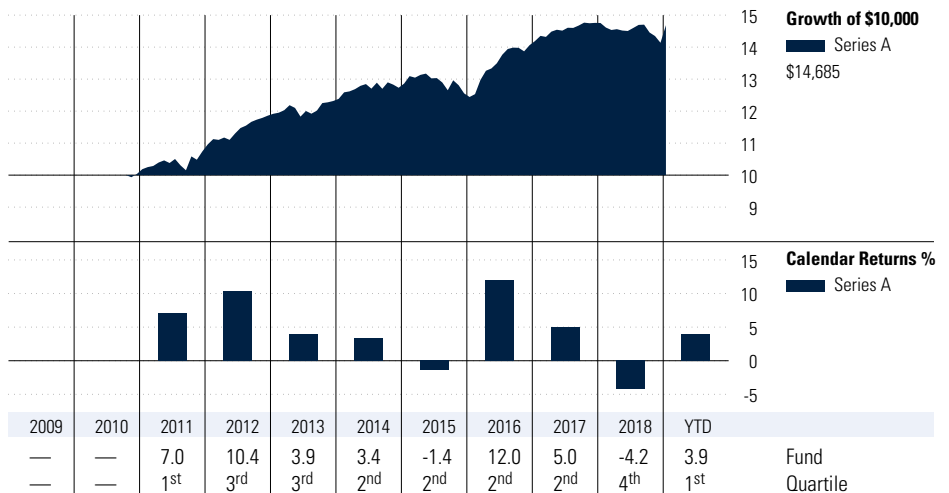
	% Fixed Income
Government Bonds	0.0
Corporate Bonds	90.1
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	9.9
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	9.9	Under 1 year	0.6
AAA	0.0	1 - 5 Yrs	21.7
AA	0.0	5 - 10 Yrs	71.9
A	0.0	Over 10 Yrs	5.9
BBB	13.9		
Below BBB	76.2	Avg. Term to maturity (Yrs)	6.6
Mortgages	0.0	Duration (Yrs)	4.4
NR/NA	0.0	Yield to Maturity	4.8

Geographic Allocations

	% Assets
Canada	15.2
United States	84.4
International (ex-Emerging Markets)	0.4
Emerging Markets	0.0

Performance Analysis as of January 31, 2019



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	3.9	1.6	0.6	-0.5	5.7	3.5	—	4.8	Fund
	1 st	1 st	2 nd	3 rd	3 rd	2 nd	—	—	Quartile
	467	463	456	452	331	222	48	—	No. of Funds in Category



RBC High Yield Bond Fund

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, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	—	0.41	0.38	0.39	0.46	0.49	0.48	0.57	0.51	0.07	—
Interest	—	0.41	0.38	0.39	0.46	0.49	0.48	0.46	0.51	0.05	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	0.11	—	0.03	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	9-2012	14.9	9-2014	7.7	9-2016	6.6	—	—
Worst	2-2016	-4.3	1-2016	1.4	12-2018	2.8	—	—
Average		5.0		4.9		4.7		—
No. of Periods		88		64		40		—
Pct. Positive		85.2		100.0		100.0		—

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

Quarterly Commentary as at December 31, 2018

U.S. High-yield bonds underperformed Canadian Investment-grade rated bonds during the last quarter of 2018. Credit spreads (the premium required by investors to invest in lower-rated debt) which had been falling for most of the year, hit the lows of this credit cycle in early October, before widening meaningfully by the end of the year, causing prices to fall. Meanwhile, the Canadian Investment-grade bond market benefitted from falling government bond yields, and outperformed the U.S. High-yield bond market. Key factors that influenced returns included lower oil prices, fears of slowing global growth, an increase in global trade tensions and the U.S. Federal Reserve Board's continued tightening of monetary policy.

The lowest-rated corporate credits, which had outperformed for most of the year, reversed course late in the fourth quarter and were the worst-performing part of the corporate bond market by

year end. Even so, measures of the health of the corporate bond market improved slightly, and defaults fell, remaining at low levels. The Fund was negatively impacted by its exposure to U.S. High-yield bonds in general, and by its exposure to specific issuers in the Technology and Automotive sectors. The Fund benefitted from its defensive cash holdings and from its exposure to higher-quality Canadian corporate bonds.

Valuations of high-yield bonds have improved as credit spreads widened, although they remain below long-term averages and we anticipate more volatility if central banks continue tightening monetary policy. While modest returns are expected in the near term, credit defaults remain low and we are adding opportunistically to bonds that have fallen in price and now offer the potential for more attractive returns.



RBC High Yield Bond Fund

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 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 January 31, 2019.

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