



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	1,898.9
Series A NAV \$	10.81
Series A MER %	1.43
Benchmark	FTSE TMX Canada Universe Bond Index

Income Distribution	Quarterly
Capital Gains Distribution	Annually

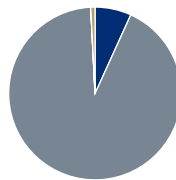
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

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, 2018

Asset Mix



	% Assets
Cash	6.8
Fixed Income	92.5
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.8

Top 10 Holdings

	% Assets
Videotron Ltee 5.75% 15-01-2026	2.1
Hca 5.875% 15-02-2026	1.8
Western Digital 4.75% 15-02-2026	1.6
Cco Hldgs LLC /Cap 144A 5.75% 15-02-2026	1.6
Hanesbrands 144A 4.875% 15-05-2026	1.6
Diamond 1 Fin Corp 6.02% 15-06-2026	1.4
Arcelormittal Luxembourg 7% 15-10-2039	1.4
Vermilion Engy 144A 5.625% 15-03-2025	1.3
Equinix 5.875% 15-01-2026	1.3
Calatlantic Grp 5.25% 01-06-2026	1.3
Total % of Top 10 Holdings	15.3
Total Number of Stock Holdings	2
Total Number of Bond Holdings	1,314
Total Number of Other Holdings	14
Total Number of Holdings	1,330

Fixed Income Breakdown

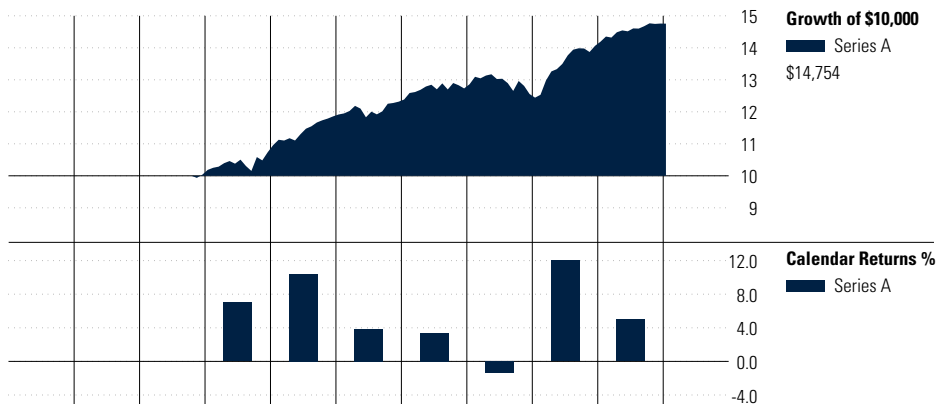
	% Fixed Income
Government Bonds	0.0
Corporate Bonds	91.3
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	8.7
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	8.7	Under 1 year	6.5
AAA	0.0	1 - 5 Yrs	10.2
AA	0.0	5 - 10 Yrs	77.4
A	0.1	Over 10 Yrs	5.9
BBB	12.8		
Below BBB	78.4	Avg. Term to maturity (Yrs)	6.5
Mortgages	0.0	Duration (Yrs)	4.1
NR/NA	0.0	Yield to Maturity	4.4

Geographic Allocations

	% Assets
Canada	14.5
United States	84.2
International (ex-Emerging Markets)	1.3
Emerging Markets	0.0

Performance Analysis as of January 31, 2018



2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD	
—	—	—	7.0	10.4	3.9	3.4	-1.4	12.0	5.0	0.0	Fund
—	—	—	1 st	3 rd	3 rd	3 rd	3 rd	2 nd	2 nd	3 rd	Quartile

1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
0.0	-0.1	1.0	4.0	4.7	4.4	—	5.6	Fund
3 rd	3 rd	3 rd	3 rd	2 nd	2 nd	—	—	Quartile
588	587	562	495	360	242	47	—	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, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	0.38	0.39	0.46	0.49	0.48	0.57	0.51	0.07	—	—
Interest	—	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	1-2016	4.1	—	—
Average		5.8		5.0		5.1		—
No. of Periods		76		52		28		—
Pct. Positive		92.1		100.0		100.0		—

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

Quarterly Commentary as at December 31, 2017

During Q4, U.S. high yield bonds had a modest positive return, but underperformed higher quality Canadian investment grade securities. The Canadian bond market benefitted from falling government bond yields compared to the U.S., while the U.S. high yield 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 by keeping the credit quality of the Fund high, and maintaining a conservative

cash position. The Fund benefitted from its exposure to high yield bonds in general, while its conservative 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 portfolio, 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.

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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, 2018.

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