



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	1,847.8
Series A NAV \$	10.53
Series A MER %	1.45
Benchmark	FTSE TMX Canada Universe Bond Index

Income Distribution	Quarterly
Capital Gains Distribution	Annually

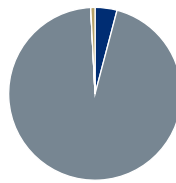
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

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 May 31, 2018

Asset Mix



	% Assets
Cash	4.1
Fixed Income	95.2
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.8

Fixed Income Breakdown

	% Fixed Income
Government Bonds	0.0
Corporate Bonds	96.8
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	3.2
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	3.2	Under 1 year	0.8
AAA	0.0	1 - 5 Yrs	17.0
AA	0.4	5 - 10 Yrs	76.4
A	1.5	Over 10 Yrs	5.9
BBB	12.8		
Below BBB	82.2	Avg. Term to maturity (Yrs)	7.0
Mortgages	0.0	Duration (Yrs)	5.0
NR/NA	0.0	Yield to Maturity	4.9

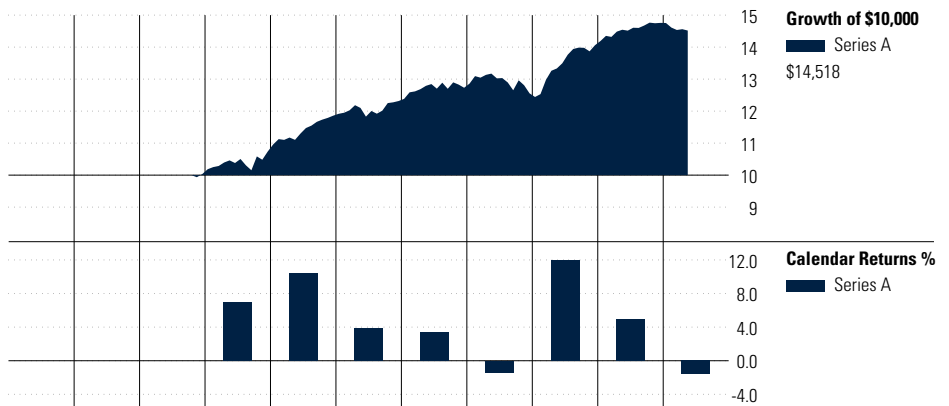
Geographic Allocations

	% Assets
Canada	15.0
United States	83.4
International (ex-Emerging Markets)	1.6
Emerging Markets	0.0

Top 10 Holdings

	% Assets
Videotron Ltee 5.75% 15-01-2026	2.1
Western Digital Corp. 4.75% 15-02-2026	1.7
ArcelorMittal S.A. 8% 15-10-2039	1.6
Cco Hldgs Cap 144A 5.75% 15-02-2026	1.6
Hanesbrands Inc. 4.88% 15-05-2026	1.6
Diamond 2 144A 7.125% 15-06-2026	1.4
Vermilion Energy Inc. 5.62% 15-03-2025	1.3
Equinix, Inc. 5.88% 15-01-2026	1.3
HCA Inc. 4.5% 15-02-2027	1.3
Lennar Corporation 5.25% 01-06-2026	1.2
Total % of Top 10 Holdings	15.1
Total Number of Stock Holdings	4
Total Number of Bond Holdings	3,203
Total Number of Other Holdings	21
Total Number of Holdings	3,228

Performance Analysis as of May 31, 2018



Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD	
Calendar Returns %	—	—	—	7.0	10.4	3.9	3.4	-1.4	12.0	5.0	-1.6	Fund
				1 st	3 rd	3 rd	2 nd	2 nd	2 nd	2 nd	4 th	Quartile

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Calendar Returns %	-0.3	-0.6	-1.6	-0.2	3.3	3.7	—	5.1	Fund
	3 rd	4 th	4 th	3 rd	2 nd	2 nd	—	—	Quartile
No. of Funds in Category	444	443	436	428	292	183	46	—	



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 May 31, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.11	0.38	0.39	0.46	0.49	0.48	0.57	0.51	0.07	—	—
Interest	0.11	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	4-2018	3.6	—	—
Average		5.6		4.9		5.0		—
No. of Periods		80		56		32		—
Pct. Positive		91.3		100.0		100.0		—

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

Quarterly Commentary as at March 31, 2018

In Q1, U.S. high-yield bonds underperformed higher-quality Canadian investment-grade securities as interest rates rose more in the U.S. than in Canada. Apart from the increase in government bond yields, the premium required by investors to invest in lower-rated corporate bonds ended the quarter only slightly higher than it started after hitting its lowest level since the credit crisis. Investors had to contend with volatile stock markets, the Trump Administration's revolving door, concerns over global trade wars and a new Chairman of the U.S. Federal Reserve. 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 low, the price of oil continued to recover and the corporate default rate, while higher than at year-end, remained low.

The Fund maintained its overall defensive

positioning during the quarter by keeping the credit quality of the portfolio high and used its cash position to buy high-yield bonds that fell in price. Compared to its benchmark, the Fund was negatively affected by its U.S. bond exposure in general as government yields rose more than Canadian interest rates during the quarter.

Demand for yield and a healthy economic backdrop should continue to support corporate bonds. Given that central banks are leaning toward tighter monetary policies, we believe that high-yield corporate bonds remain attractive relative to other fixed-income assets; however, future returns will likely be lower than those in the recent past as 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 full year period, January 1 to December 31, 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 May 31, 2018.

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