



# RBC Global High Yield Bond Fund

## Investment Objective

To provide above-average total returns comprised of interest income and capital growth and achieve a yield advantage.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF579
Adv	Deferred Sales	CAD	RBF801
Adv	Front End	CAD	RBF701
Adv	Low Load	CAD	RBF119

Inception Date	July 2003
Total Fund Assets \$Mil	3,687.6
Series A NAV \$	10.27
Series A MER %	1.80
Benchmark	50% JPM EMBI G1b Div* 50% ICE BoA ML US HY BB-B*

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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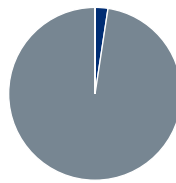
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Notes

\* Hedged to \$C

## Portfolio Analysis as of January 31, 2019

### Asset Mix



	% Assets
Cash	2.4
Fixed Income	97.6
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

### Fixed Income Breakdown

	% Fixed Income
Government Bonds	32.5
Corporate Bonds	66.5
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	1.0
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	1.0	Under 1 year	0.3
AAA	1.2	1 - 5 Yrs	24.6
AA	1.2	5 - 10 Yrs	56.5
A	3.6	Over 10 Yrs	18.6
BBB	18.1		
Below BBB	73.1	Avg. Term to maturity (Yrs)	8.9
Mortgages	0.0	Duration (Yrs)	6.0
NR/NA	1.7	Yield to Maturity	4.8

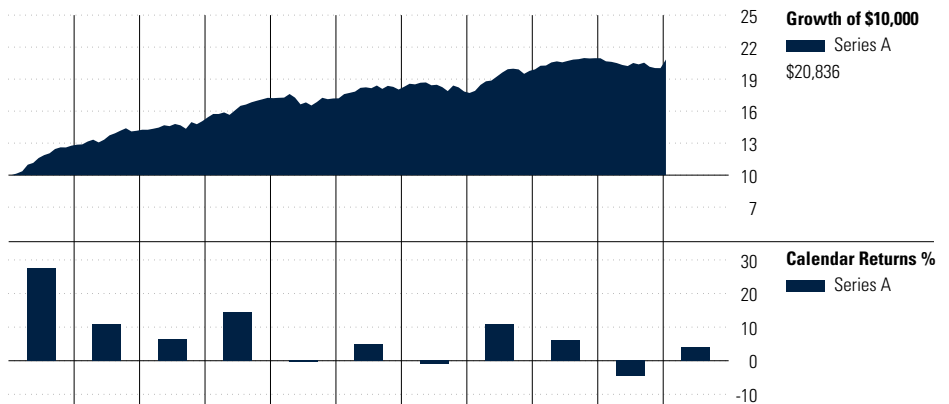
### Geographic Allocations

	% Assets
Canada	2.7
United States	44.9
International (ex-Emerging Markets)	0.3
Emerging Markets	52.2

### Top 10 Holdings

	% Assets
BlueBay Emerging Markets Corp Bd O	3.1
iShares iBoxx \$ High Yield Corp Bd ETF	2.1
SPDR® Blmbg Barclays High Yield Bd ETF	2.1
The Republic of Peru 8.75% 21-11-2033	1.3
US Treasury Notes 2.25% 15-02-2027	1.1
Cco Hldgs Cap 144A 5.75% 15-02-2026	0.9
Sprint Capital Corp 6.88% 15-11-2028	0.9
ArcelorMittal S.A. 7% 15-10-2039	0.8
Serbia (Republic Of) 7.25% 28-09-2021	0.8
Dominican Republic 7.45% 30-04-2044	0.8
Total % of Top 10 Holdings	14.0
Total Number of Portfolio Holdings	293
Total Number of Stock Holdings	9
Total Number of Bond Holdings	1,815
Total Number of Other Holdings	41
<b>Total Number of Underlying Holdings</b>	<b>1,865</b>

## Performance Analysis as of January 31, 2019



Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD	
Calendar Returns %	27.6	11.0	6.3	14.5	-0.3	4.9	-1.0	10.8	6.0	-4.5	4.0	Fund Quartile
	3 <sup>rd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	4 <sup>th</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	1 <sup>st</sup>	4 <sup>th</sup>	1 <sup>st</sup>	

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Calendar Returns %	4.0	3.3	1.6	-0.6	5.6	3.9	7.2	5.8	Fund Quartile
	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	—	Quartile
No. of Funds in Category	467	463	456	452	331	222	48	—	No. of Funds in Category



# RBC Global 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.

#### David Nava

David joined the Emerging Markets (EM) Bond team in 2004 and has been directly involved in the management of the firm's EM bond assets since 2010. He manages EM bond allocations for several of the firm's fixed income funds and is a member of the Fixed Income Strategy Committee.

David is a graduate (BSc Economics) of the prestigious Instituto Tecnológico Autónomo de México (ITAM). After moving to Canada in 2001, David completed his MBA at the Rotman School of Management in Toronto.

### Performance Analysis Cont'd as of January 31, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	—	0.40	0.39	0.40	0.42	0.44	0.46	0.56	0.51	0.52	0.52
Interest	—	0.40	0.39	0.40	0.42	0.44	0.46	0.44	0.51	0.52	0.52
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	0.12	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	11-2009	37.4	11-2011	17.2	11-2013	13.3	11-2018	8.1
Worst	11-2008	-18.0	11-2008	-3.1	11-2008	0.3	1-2016	5.6
Average		6.0		6.2		6.4		6.5
No. of Periods		175		151		127		67
Pct. Positive		83.4		97.4		100.0		100.0

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

### Quarterly Commentary as at December 31, 2018

Risk assets faced a challenging quarter as numerous headwinds, such as slowing economic growth, uncertain geopolitics, declining oil prices, and less accommodative central banks contributed to widespread risk-off sentiment.

In this environment, emerging market (EM) spreads widened and bonds prices registered losses, pushing performance further into negative territory for the year. During the quarter, within the portfolio's EM sleeve, the overweight in duration in the investment-grade portion benefitted the Fund as U.S. treasury yields fell, reflecting flight-to-quality behaviour. Additionally, the Fund's underweights in Oman, Argentina, Ghana and Sri Lanka benefitted the Fund as these high-yield countries sold off.

Within the U.S. high-yield (HY) market, credit spreads, which hit the lows of this credit cycle in early October, before widening meaningfully by the end of the year, caused prices to fall. Key factors that influenced returns included lower oil prices, fears of slowing global growth and an increase in

trade tensions. The lowest-rated corporate credits reversed course late in the fourth quarter and were the worst performing part of the corporate bond market by year-end. Nevertheless, the health of the corporate bond market improved slightly, and defaults remain low.

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

The biggest risks for EM are increasing trade tensions between the United States and China, as well as materially slower growth in China. Overall, we believe that the structural, long-term fundamentals for EM remain sound and that the sell-off witnessed this year in EM debt is creating opportunities.



# RBC Global 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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