



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	3,734.5
Series A NAV \$	10.74
Series A MER %	1.78
Benchmark	50% JPM EMBI Gib Div* 50% 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.
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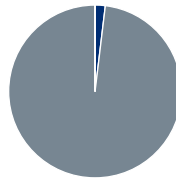
Web Site	www.rbcgam.com
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Notes

* Hedged to \$C

Portfolio Analysis as of January 31, 2018

Asset Mix



	% Assets
Cash	1.9
Fixed Income	98.1
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

Top 10 Holdings

	% Assets
BlueBay Emerging Markets Corp Bond Fund	3.5
SPDR® Blmbg Barclays High Yield Bd ETF	3.4
iShares iBoxx \$ High Yield Corp Bd ETF	3.4
US Treasury Note 2.25% 15-02-2027	1.7
Peru Rep 8.75% 21-11-2033	1.5
Russian Federation 4.75% 27-05-2026	1.1
Hca 5.875% 15-02-2026	1.1
Dominican Republic 7.45% 30-04-2044	1.0
Sprint Cap 6.875% 15-11-2028	0.8
Cco Hldgs LLC /Cap 144A 5.75% 15-02-2026	0.8
Total % of Top 10 Holdings	18.3
Total Number of Portfolio Holdings	277
Total Number of Stock Holdings	6
Total Number of Bond Holdings	2,158
Total Number of Other Holdings	47

Total Number of Underlying Holdings 2,211

Fixed Income Breakdown

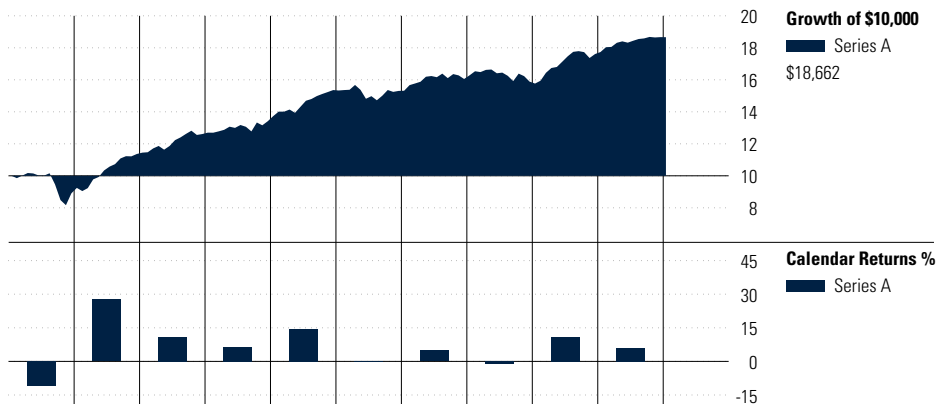
	% Fixed Income
Government Bonds	31.4
Corporate Bonds	64.4
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	4.0
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	4.0	Under 1 year	8.4
AAA	1.7	1 - 5 Yrs	20.7
AA	0.8	5 - 10 Yrs	54.0
A	3.1	Over 10 Yrs	16.9
BBB	16.5		
Below BBB	72.3	Avg. Term to maturity (Yrs)	8.3
Mortgages	0.0	Duration (Yrs)	6.1
NR/NA	1.7	Yield to Maturity	4.5

Geographic Allocations

	% Assets
Canada	3.0
United States	43.9
International (ex-Emerging Markets)	0.5
Emerging Markets	52.6

Performance Analysis as of January 31, 2018



Year	Return %	Quartile
2008	-10.9	2 nd
2009	27.6	2 nd
2010	11.0	2 nd
2011	6.3	1 st
2012	14.5	1 st
2013	-0.3	4 th
2014	4.9	2 nd
2015	-1.0	3 rd
2016	10.8	2 nd
2017	6.0	1 st
YTD	0.0	3 rd

Period	Return %	Quartile	No. of Funds in Category
1 Mth	0.0	3 rd	588
3 Mth	-0.1	3 rd	587
6 Mth	1.2	2 nd	562
1 Yr	5.2	1 st	495
3 Yr	4.7	2 nd	360
5 Yr	4.0	3 rd	242
10 Yr	6.4	1 st	47
Since Incep.	6.2	—	—
Trailing Return %		Fund	
		Quartile	



RBC Global High Yield Bond Fund

Management Overview

Manager Bios

Jane Lesslie

RBC Global Asset Management Inc.

Jane Lesslie is Senior Portfolio Manager, Global Fixed Income and Currencies. She has been in the investment industry since 1988.

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.

Performance Analysis Cont'd as of January 31, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	—	0.39	0.40	0.42	0.44	0.46	0.56	0.51	0.52	0.52	0.67
Interest	—	0.39	0.40	0.42	0.44	0.46	0.44	0.51	0.52	0.52	0.67
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	5-2014	7.3
Worst	11-2008	-18.0	11-2008	-3.1	11-2008	0.3	1-2016	5.6
Average		6.5		6.4		6.7		6.5
No. of Periods		163		139		115		55
Pct. Positive		88.3		97.1		100.0		100.0

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

Quarterly Commentary as at December 31, 2017

High yield and emerging market (EM) bonds capped off what was a good year for these asset classes with modest but positive returns in Q4. Investors 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 and telecommunication high yield sectors. 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.

Better than expected growth from China and other developed markets, coupled with higher commodity prices sparked record inflows into EM bonds during the year. EM bond spreads moved higher early in Q4, but then drifted back to finish at

similar levels to where they started. Longer term bonds broadly outperformed shorter term bonds during Q4, so the Fund's bias towards shorter-term bonds was a slight detractor from performance.

Demand for yield and a healthy economic backdrop should continue to support high yield and EM bonds. Given that central banks are beginning to lean toward tighter monetary policies, we believe that high-yield and EM 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. Risk premiums remain close to three year lows, volatility is subdued and investors have shrugged off rising geopolitical risk. We intend to closely monitor the credit quality of the Fund, and look to add attractively valued bonds as they become available.



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 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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