



# RBC \$U.S. Short-Term Corporate Bond Fund

## Investment Objective

To provide regular monthly income with the potential for modest capital growth. The fund invests primarily in a well-diversified portfolio of short-term fixed-income securities issued in the U.S. market by U.S. and foreign corporations either directly or indirectly through investment in other mutual funds managed by RBC GAM or an affiliate of RBC GAM.

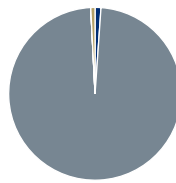
The investment team employs a fundamental investment process to construct a diversified portfolio of high quality investment grade corporate securities that aim to deliver consistent returns with low volatility. Their bottom-up, fundamental process is combined with robust, top-down risk management tools designed to meet the fund's objectives.

## Fund Details

Series	Currency	Fund Code
O	USD	RBF8409
Inception Date		January 2018
Total Fund Assets \$Mil		116.6
Series O MER %		0.02
Benchmark		Bloomberg Barclays U.S. 1-5 Year Corporate Bond Index (USD)
Min. Investment \$		500
Subsequent Investment \$		25

## Portfolio Analysis as of April 30, 2019

### Asset Mix



	% Assets
Cash	1.1
Fixed Income	98.2
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	100.0
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	0.0
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	0.0	Under 1 year	2.7
AAA	0.2	1 - 5 Yrs	91.4
AA	8.7	5 - 10 Yrs	5.9
A	30.2	Over 10 Yrs	0.0
BBB	60.9		
Below BBB	0.0	Avg. Term to maturity (Yrs)	3.1
Mortgages	0.0	Duration (Yrs)	2.7
NR/NA	0.0	Yield to Maturity	3.0

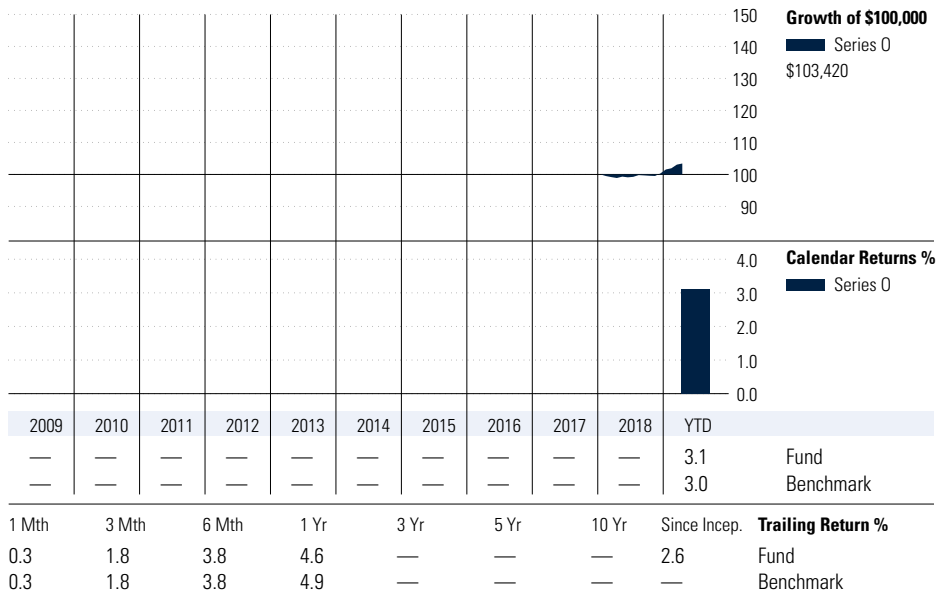
Geographic Allocations	% Assets
Canada	0.0
United States	100.0
International (ex-Emerging Markets)	0.0
Emerging Markets	0.0

Risk Measures	Fund	Benchmark
3 Year Std Dev	—	—
5 Year Std Dev	—	—

### Top 10 Holdings

	% Assets
Rockwell Collins Incorp 2.8% 15-03-2022	1.2
MPLX LP 3.38% 15-03-2023	1.1
Bank of America Corp 2.5% 21-10-2022	1.1
Citigroup Inc. 24-07-2023	1.1
United Health Grp Incorp 3.5% 15-02-2024	1.1
Morgan Stanley 3.12% 23-01-2023	1.1
Eversource Energy 3.8% 01-12-2023	1.0
Bank of America Corporation 01-10-2021	1.0
Citigroup Inc. 2.7% 30-03-2021	1.0
JPMorgan Chase & Co. 2.3% 15-08-2021	0.9
Total % of Top 10 Holdings	10.5
Total Number of Stock Holdings	0
Total Number of Bond Holdings	243
Total Number of Other Holdings	8
<b>Total Number of Holdings</b>	<b>251</b>

## Performance Analysis as of April 30, 2019





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## Management Overview

### Manager Bios

#### Brandon Swensen

##### RBC Global Asset Management (U.S.) Inc.

Brandon Swensen oversees our fixed income research, portfolio management and trading. In addition to shaping our overall fixed income philosophy and process, he is a portfolio manager for several of our cash management and core solutions. Brandon joined RBC GAM-US in 2000 and most recently was a portfolio manager on the mortgage and government team before being promoted to Co-Head. He also held research analyst positions covering asset-backed securities and credit and served as a financial analyst for the firm.

#### James Weinand

##### RBC Global Asset Management (U.S.) Inc.

Jim Weinand is a portfolio manager in our fixed income group. He researches the telecommunications, media, technology, consumer, health care and REIT sectors of the corporate market. Before joining the firm in 2010, Jim conducted high yield credit and quantitative equity research at Columbia Management. He earned a BS in finance from the University of Minnesota, Carlson School of Management and is a CFA charterholder.

### Performance Analysis Cont'd as of April 30, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	0.09	0.20	—	—	—	—	—	—	—	—	—
Interest	0.09	0.20	—	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	4-2019	4.6	—	—	—	—	—	—
Worst	1-2019	1.6	—	—	—	—	—	—
Average		3.1		—		—		—
No. of Periods		4		—		—		—
Pct. Positive		100.0		—		—		—

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

### Quarterly Commentary as at March 31, 2019

U.S. short-term fixed-income yields fell in the first quarter of 2019, sending bond prices higher, as the U.S. Federal Reserve (Fed) abandoned monetary tightening amid concerns about a global economic deceleration. The economy encountered trouble in the form of a trade dispute between the U.S. and China, anxiety in Europe over Brexit and the cumulative impact on financial markets of previous monetary tightening in the U.S. Investors pushed yields down once it became obvious that the Fed would take a more patient approach to monetary policy.

The Fund benefited from an overweight position in BBB-rated bonds. An overweight position in the Energy sector performed strongly as oil prices rebounded. Security selection in the Consumer Staples and Utilities sectors were also positive. AB Inbev, Citigroup and Kinder Morgan were the holdings that contributed the most to performance, while an underweight position in General Electric hurt performance amid optimism about a corporate

turnaround.

Weaker domestic and global economic growth mean that the Fed will probably hold off on interest-rate increases for the foreseeable future, and domestic fixed-income markets will likely stay in a tight range provided inflation remains low and geopolitical events do not upset financial markets.

The portfolio manager of the underlying fund continues to favour large companies with stable to improving credit, while avoiding companies that are likely to finance large acquisitions with debt or engage in shareholder-friendly activity at the expense of bondholders. The portfolio manager prefers U.S.-focused companies that generate consistent cash flow and are reducing debt. The portfolio manager believes that the regulatory environment in banking and Utilities will have a favourable impact on the sectors and has overweight positions in them.



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## Disclosure

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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 fund securities are not guaranteed or covered by the Canada 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

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MER (%) for RBC Funds, RBC Private Pools, 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.

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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