



RBC High Yield Bond Capital Class

Fund Category
High Yield Fixed Income

Morningstar Rating™
N/A

No. of Funds in Category
158

Investment Objective

The fund seeks to provide a high level of income with the potential for modest capital growth through exposure primarily to higher yielding corporate debt securities issued by Canadian and U.S. corporations.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF3003
Adv	Front End	CAD	RBF3203
Adv	Low Load	CAD	RBF3403
H	No Load	CAD	RBF3803
F	No Load	CAD	RBF3103
I	No Load	CAD	RBF3703

Inception Date	December 2011
Total Fund Assets \$Mil	260.6
Series A NAV \$	10.94
Series A MER %	1.46
Benchmark	FTSE TMX Canada Universe Bond Index

Income Distribution	Annually
Capital Gains Distribution	Annually

Sales Status	Capped
Min. Investment \$	
Subsequent Investment \$	

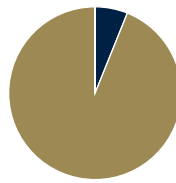
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

Notes

Units of this fund are no longer available for purchase effective April 2, 2013.

Portfolio Analysis as of June 30, 2014

Asset Mix



	% Assets
Cash	6.1
Fixed Income	93.9
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

Fixed Income Breakdown

	% Fixed Income
Government Bonds	0.0
Corporate Bonds	93.3
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	6.7
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	6.7	Under 1 Yr	0.5
AAA	0.0	1 - 5 Yrs	20.8
AA	0.0	5 - 10 Yrs	77.4
A	0.4	Over 10 Yrs	1.3
BBB	9.9		
Below BBB	83.0	Avg. Term to maturity (Yrs)	6.0
Mortgages	0.0	Duration (Yrs)	4.8
NR/NA	0.0	Yield to Maturity	5.2

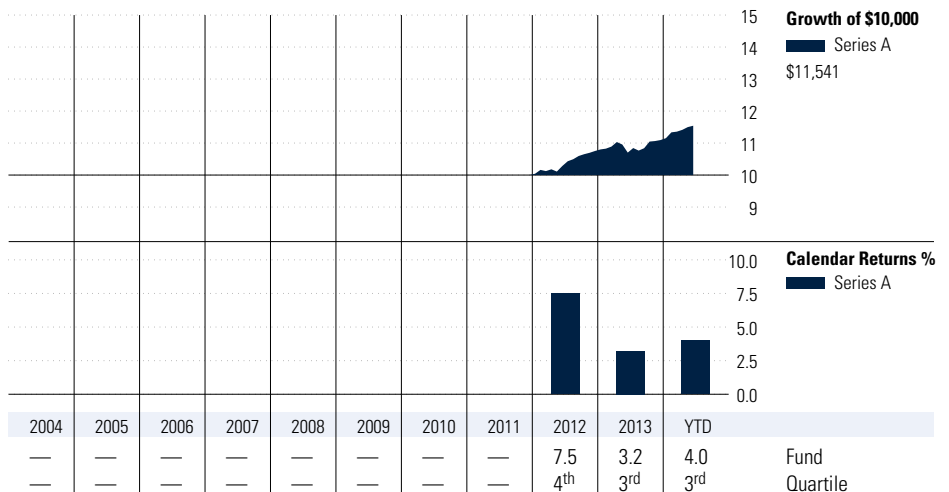
Geographic Allocations

	% Assets
Canada	15.5
United States	84.5
International (ex-Emerging Markets)	0.0
Emerging Markets	0.0

Top 25 Holdings

	% Assets
Ford Credit Canada 7.5% 18-08-2015	2.4
Sprint Nextel 144A 9% 15-11-2018	2.3
Dish Dbs 7.875% 01-09-2019	1.8
Ball 5.75% 15-05-2021	1.6
T Mobile Usa 6.625% 01-04-2023	1.6
Videotron Ltee 144A 6.875% 15-07-2021	1.5
Smithfield Foods 6.625% 15-08-2022	1.5
Continental Resources 7.125% 01-04-2021	1.4
Rite Aid 8% 15-08-2020	1.4
D R Horton 5.75% 15-08-2023	1.4
Quebecor Media 7.375% 15-01-2021	1.3
Qwest 6.75% 01-12-2021	1.3
Reynolds Grp Issuer 6.875% 15-02-2021	1.3
Hertz 6.25% 15-10-2022	1.2
ArcelorMittal19 SrN 01-06-2019	1.2
Lamar Media 144A 5.375% 15-01-2024	1.2
Standard Pac Corp New 8.375% 15-01-2021	1.2
Beazer Homes Usa 6.625% 15-04-2018	1.2
Nrg Engy 7.875% 15-05-2021	1.2
Concho Res 7% 15-01-2021	1.2
Toll Bros Fin 5.875% 15-02-2022	1.2
Sonic Automotive 7% 15-07-2022	1.2
Ingles Mkts 5.75% 15-06-2023	1.1
Unit 6.625% 15-05-2021	1.1
Intelsat Jackson Hldgs 7.25% 01-04-2019	1.1
Total % of Top 25 Holdings	35.0
Total Number of Stock Holdings	0
Total Number of Bond Holdings	133
Total Number of Other Holdings	1
Total Number of Holdings	134

Performance Analysis as of June 30, 2014



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	0.4	1.6	4.0	7.8	—	—	—	5.9	Fund
	3 rd	3 rd	3 rd	3 rd	—	—	—	—	Quartile
	455	432	408	339	158	77	40	—	No. of Funds in Category



RBC High Yield Bond Capital Class

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 June 30, 2014

Distributions (\$)/Unit	YTD*	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Total Distributions	0.25	0.33	—	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	0.25	0.33	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	4-2013	8.4	—	—	—	—	—	—
Worst	9-2013	2.3	—	—	—	—	—	—
Average		5.1		—		—		—
No. of Periods		19		—		—		—
Pct. Positive		100.0		—		—		—

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

Quarterly Commentary as at June 30, 2014

Most fixed income assets continued to perform well in the quarter. U.S. Government bond yields continued to fall, reflecting concerns over whether the economic weakness manifest in the first-quarter would persist and buoyed by demand from investors seeking security from rising geopolitical risks in the Ukraine and the Middle East. High yield bonds continued to benefit from a number of factors including low defaults and low government yields across most developed markets which fostered a global hunt for yield, driving demand for lower rated corporate bonds. By the end of June, credit spreads for lower rated corporate bonds had reached multi-year lows, and yields had fallen to all-time lows.

As the market continued to demonstrate continued resilience we invested in higher quality U.S. high

yield bonds, and kept our exposure to investment grade bonds unchanged. The Fund performed broadly in line with its benchmark despite our cash position and higher quality bias, which detracted from performance, while our exposure to high yield bonds helped performance.

The performance of the high yield market during Q2 2014 exceeded our expectations. We continue to believe that the current benign environment for corporate bonds will continue. However, considering the unexpectedly strong performance of high yield bonds during the quarter, it is likely that returns will moderate from recent levels. Our bias is to continue to add higher quality, shorter duration bonds, and to keep cash balances at levels that will allow us to take advantage of more favourable valuations should they arise.



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Disclosure

RBC 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 of the mutual fund 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 and PH&N Funds is based on actual expenses for the half-year period, January 1 to June 30, 2014, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the full-year period April 1, 2013 to March 31, 2014, expressed on an annualized basis.

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 units of the Fund as of June 30, 2014. Morningstar ratings are overall ratings reflecting risk adjusted performance as of June 30, 2014. The ratings are subject to change every month. The ratings are calculated for funds with a minimum of 3 years of performance, calculated from the funds' 1 and 3 year average annual returns measured against a 91-day Treasury Bill return with appropriate fee adjustments. The top 10% of the funds in a category receive 5 stars (high); if the funds fall in the next 22.5%, they receive 4 stars (above average); a place in the middle 35% earns a fund 3 stars (neutral or average); those in the next 22.5% receive 2 stars (below average); and the lowest 10% get 1 star (low). Ratings are just one factor to consider when investing. For more information, please see www.morningstar.ca.

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