



RBC \$U.S. High Yield Bond Fund

Investment Objective

To provide total returns comprised of interest income and modest capital growth. The fund invests primarily in higher yielding corporate debt securities issued by U.S. corporations.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	USD	RBF483
Adv	Deferred Sales	USD	RBF883
Adv	Front End	USD	RBF723
Adv	Low Load	USD	RBF083

Inception Date	October 2013
Total Fund Assets \$Mil	163.2
Series A NAV \$	9.31
Series A MER %	1.46
Benchmark	ICE BofA Merrill Lynch U.S. High Yield BB-B Index (USD)

Income Distribution	Quarterly
Capital Gains Distribution	Annually

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

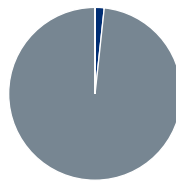
Fund Category	High Yield Fixed Income
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Management Company	RBC Global Asset Management Inc.
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Web Site	www.rbcgam.com
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Portfolio Analysis as of June 30, 2018

Asset Mix



	% Assets
Cash	1.7
Fixed Income	98.3
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	98.3
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	1.7
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	1.7	Under 1 year	1.1
AAA	0.0	1 - 5 Yrs	15.8
AA	0.0	5 - 10 Yrs	78.5
A	0.0	Over 10 Yrs	4.6
BBB	2.9		
Below BBB	95.4	Avg. Term to maturity (Yrs)	7.0
Mortgages	0.0	Duration (Yrs)	5.2
NR/NA	0.0	Yield to Maturity	6.3

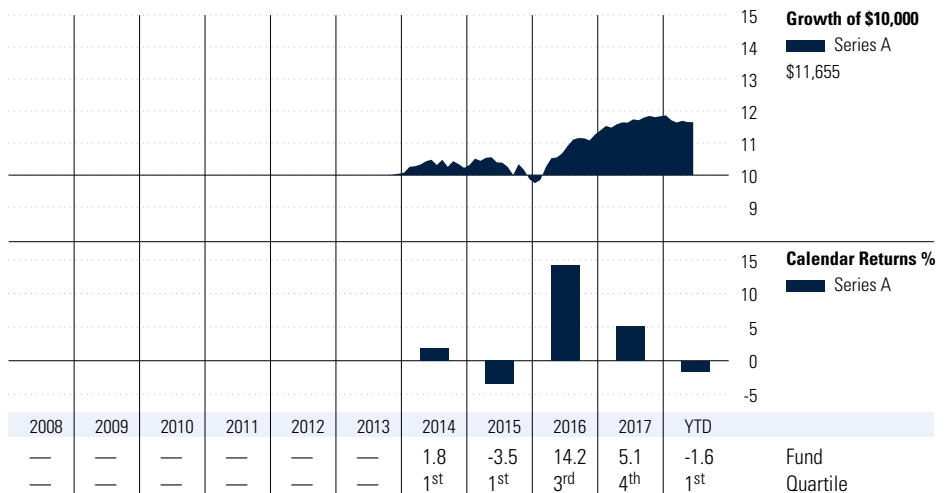
Geographic Allocations

	% Assets
Canada	5.9
United States	93.4
International (ex-Emerging Markets)	0.7
Emerging Markets	0.0

Top 25 Holdings

	% Assets
Sprint Capital Corp 6.88% 15-11-2028	2.3
Diamond 2 144A 7.125% 15-06-2026	2.0
ArcelorMittal S.A. 8% 15-10-2039	2.0
Cco Hldgs Cap 144A 5.75% 15-02-2026	1.7
HCA Inc. 5.88% 15-02-2026	1.7
CSC Holdings, LLC 5.5% 15-04-2027	1.6
Western Digital Corp. 4.75% 15-02-2026	1.6
Lennar Corporation 5.25% 01-06-2026	1.5
Alcoa Nederland Hldg 6.75% 30-09-2024	1.4
Lamb Weston Holdings 4.88% 01-11-2026	1.4
Ball Corporation 4.88% 15-03-2026	1.3
DANA INCORPORATED 5.5% 15-12-2024	1.3
Cedar Fair L P 5.375% 15-04-2027	1.3
Cinemark USA Inc. 4.88% 01-06-2023	1.3
American Axle & Manufact 6.5% 01-04-2027	1.2
Post Holdings Inc. 5.75% 01-03-2027	1.2
Seven Generations Engy 5.38% 30-09-2025	1.2
Hilton Domestic Operating Co Inc. 5.12% 01-05-2026	1.2
Six Flags Ent Corp New 5.5% 15-04-2027	1.2
Builders Firstsource 5.62% 01-09-2024	1.2
Hanesbrands Inc. 4.88% 15-05-2026	1.2
Videotron Ltee 5.62% 15-06-2025	1.2
SFR Group 6% 15-05-2022	1.2
The Goodyear Tire & Rubber Company 5% 31-05-2026	1.1
Berry Global Inc 4.5% 15-02-2026	1.1
Total % of Top 25 Holdings	35.3
Total Number of Stock Holdings	0
Total Number of Bond Holdings	133
Total Number of Other Holdings	2
Total Number of Holdings	135

Performance Analysis as of June 30, 2018



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	0.0	0.1	-1.6	0.1	3.9	—	—	3.6	Fund
	1st	1st	1st	2nd	1st	—	—	—	Quartile
	447	443	437	428	297	183	47	—	No. of Funds in Category



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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, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.23	0.34	0.55	0.63	0.40	0.11	—	—	—	—	—
Interest	0.23	0.32	0.39	0.43	0.34	0.07	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.01	0.16	0.20	0.06	0.04	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2017	17.1	12-2017	5.0	—	—	—	—
Worst	2-2016	-6.3	5-2018	3.4	—	—	—	—
Average		3.9		4.0		—		—
No. of Periods		45		21		—		—
Pct. Positive		75.6		100.0		—		—

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

Quarterly Commentary as at June 30, 2018

U.S. high-yield bonds had modest positive returns during Q2 as fixed-income investors contended with higher Treasury yields, escalating geopolitical risks and talk of trade wars. The global economy continued to expand and U.S. economic growth accelerated, causing interest rates and inflation to rise. In this environment of continued economic growth, bonds of higher-risk, lower-quality companies performed better than investment-grade bonds.

Key supports for the high-yield market remained in place. Borrowers were able to access credit; corporate earnings and balance sheets remained generally healthy; and the net supply of newly issued bonds remained lower than expected. Oil-related companies, which make up a significant portion of the high-yield bond market, benefited from rising oil prices, and corporate defaults remained well below the historical average. The Fund maintained its overall defensive positioning

during the period by keeping the credit quality of the portfolio higher than its benchmark. Compared with its benchmark, the Fund was helped by its exposure to cash and to certain securities in the Retail and Telecommunications sectors and was negatively affected by its lack of exposure to various lower-quality pharmaceutical companies that performed well over the period.

Demand for yield and a healthy economic backdrop should continue to provide support for high-yield corporate bonds compared with other fixed-income assets. However, there are potential headwinds – the credit cycle is at an advanced stage and valuations are relatively high. It is likely that future returns will be lower than in the recent past. The portfolio manager intends 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 full year period, April 1, 2017 to March 31, 2018.

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 June 30, 2018.

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