



# RBC High Yield Bond Fund

## Investment Objective

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

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF496
Adv	Deferred Sales	CAD	RBF896
Adv	Front End	CAD	RBF796
Adv	Low Load	CAD	RBF096

Inception Date	October 2010
Total Fund Assets \$Mil	1,865.0
Series A NAV \$	10.80
Series A MER %	1.43
Benchmark	FTSE TMX Canada Universe Bond Index

Income Distribution	Quarterly
Capital Gains Distribution	Annually

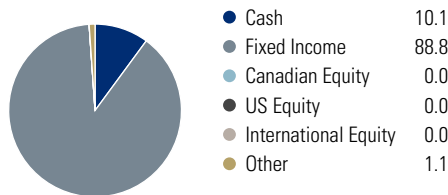
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Fund Category	High Yield Fixed Income
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Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Portfolio Analysis as of June 30, 2017

### Asset Mix



### Fixed Income Breakdown

Fixed Income Category	% Fixed Income
Government Bonds	0.0
Corporate Bonds	87.8
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	12.2
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	12.2	Under 1 year	7.6
AAA	0.0	1 - 5 Yrs	10.1
AA	0.0	5 - 10 Yrs	77.8
A	0.3	Over 10 Yrs	4.5
BBB	14.1		
Below BBB	73.4	Avg. Term to maturity (Yrs)	6.2
Mortgages	0.0	Duration (Yrs)	3.8
NR/NA	0.0	Yield to Maturity	4.2

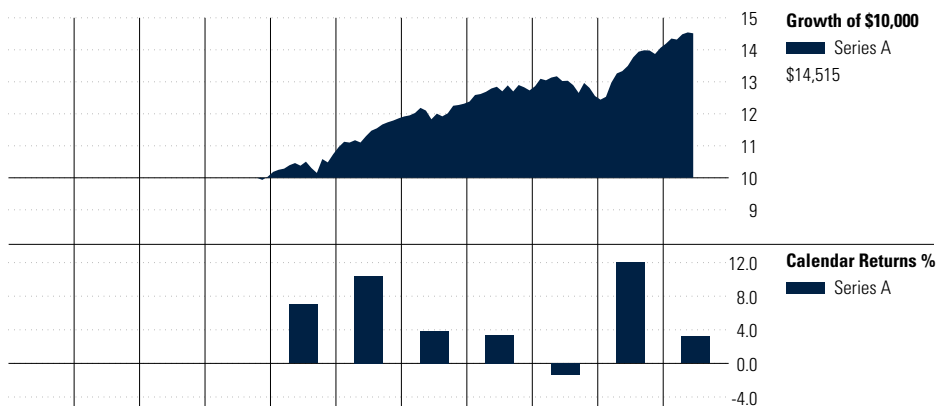
### Geographic Allocations

Geographic Allocation	% Assets
Canada	14.6
United States	84.1
International (ex-Emerging Markets)	1.3
Emerging Markets	0.0

### Top 25 Holdings

Top 25 Holdings	% Assets
Videotron Ltee 5.75% 15-01-2026	2.2
Hca 5.875% 15-02-2026	1.7
Diamond 1 Fin Corp 6.02% 15-06-2026	1.5
Calatlantic Grp 5.25% 01-06-2026	1.4
Cco Hldgs LLC /Cap 144A 5.75% 15-02-2026	1.3
Hanesbrands 144A 4.875% 15-05-2026	1.3
Amer Axle & Mfg 6.625% 15-10-2022	1.3
Adient Global Hldgs 4.875% 15-08-2026	1.2
Arcelormittal Luxembourg 7% 15-10-2039	1.2
Micron Tech 7.5% 15-09-2023	1.2
Vermilion Engy 144A 5.625% 15-03-2025	1.2
Equinix 5.875% 15-01-2026	1.2
Ineos Fin 4% 01-05-2023	1.2
Boyd Gaming 6.375% 01-04-2026	1.2
T Mobile Usa 6.625% 01-04-2023	1.1
Access Midstream Prtnr 4.875% 15-05-2023	1.1
Universal Hlth Svcs 4.75% 01-08-2022	1.1
Six Flags Entmt Corp 5.5% 15-04-2027	1.1
Scripps E W Co Ohio 5.125% 15-05-2025	1.1
Wynn Las Vegas Llc 5.25% 15-05-2027	1.1
Ncr Corp New 5% 15-07-2022	1.1
Alcoa Nederland Hldg 6.75% 30-09-2024	1.1
Western Digital 144A 7.375% 01-04-2023	1.1
Fmg Resources 5.125% 15-05-2024	1.1
Csc Hldgs 144A 5.5% 15-04-2027	1.1
<b>Total % of Top 25 Holdings</b>	<b>31.3</b>
<b>Total Number of Stock Holdings</b>	<b>2</b>
<b>Total Number of Bond Holdings</b>	<b>1,298</b>
<b>Total Number of Other Holdings</b>	<b>12</b>
<b>Total Number of Holdings</b>	<b>1,312</b>

## Performance Analysis as of June 30, 2017



Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	YTD	Fund Quartile
—	—	—	—	7.0 <sup>1st</sup>	10.4 <sup>3rd</sup>	3.9 <sup>3rd</sup>	3.4 <sup>3rd</sup>	-1.4 <sup>3rd</sup>	12.0 <sup>2nd</sup>	3.2 <sup>3rd</sup>	3.2 <sup>3rd</sup>	Fund Quartile

Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Return	-0.2	1.4	3.2	7.6	4.2	5.1	—	5.8	Fund
Ranking	2 <sup>nd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	—	—	Quartile
No. of Funds	543	505	495	482	343	187	47	—	No. of Funds in Category



# RBC 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.

#### 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, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.21	0.39	0.46	0.49	0.48	0.57	0.51	0.07	—	—	—
Interest	0.21	0.39	0.46	0.49	0.48	0.46	0.51	0.05	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	0.11	—	0.03	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	9-2012	14.9	9-2014	7.7	9-2016	6.6	—	—
Worst	2-2016	-4.3	1-2016	1.4	1-2016	4.1	—	—
Average		5.9		5.1		5.3		—
No. of Periods		69		45		21		—
Pct. Positive		91.3		100.0		100.0		—

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

### Quarterly Commentary as at June 30, 2017

During Q2, U.S. high yield bonds outperformed higher quality Canadian investment grade securities. Expectations of faster economic growth in Canada led to rising rates and caused Canadian fixed income securities to underperform corporate bonds in the U.S., meanwhile, key supports for the high yield market remained in place. Credit conditions were benign, corporate health continued to stabilize, the net supply of newly issued bonds remained very manageable and the corporate default rate remained low. In a reversal from Q1, higher quality high yield bonds outperformed the lower rated segments of the market, and the renewed weakness in the price of oil during the quarter put pressure on the energy sector and caused it to underperform.

The Fund slightly increased the credit quality of its holdings during Q2, trimmed its exposure to some high performing and more interest rate sensitive bonds, and maintained its conservative cash

position. The fund benefitted from its exposure to high yield bonds in general, while its conservative cash position reduced volatility but also served as a drag on performance.

Demand for higher bond yields and a healthy economic backdrop should continue to support corporate bonds. Given that central banks are beginning to lean toward tighter monetary policies, we believe that high-yield corporate 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, and the current weakness in oil prices could also have a negative impact on the high-yield bond market. This extended credit cycle may continue for a while yet. We intend to closely monitor the credit quality of the Fund, 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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completeness or correctness. All opinions and estimates constitute RBC GAM's judgment as of the date of this document, are subject to change without notice and are provided in good faith but without legal responsibility. The Top Ten/25 Holdings may change due to ongoing portfolio transactions within the fund. The Prospectus and other information about the underlying investment funds are available at [www.sedar.com](http://www.sedar.com).

MER (%) for RBC Funds and PH&N Funds is based on actual expenses for the full-year period, January 1 to December 31, 2016, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the full-year period, April 1, 2016 to March 31, 2017, expressed on an annualized basis.

Adjusted MER is provided for funds with management fee changes effective June 30, 2016. The Adjusted MER represents what the reported MER would have been had management fee changes been in effect throughout 2016.

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 April 30, 2017.

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