



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	3,704.5
Series A NAV \$	10.15
Series A MER %	1.81
Benchmark	50% JPM EMBI G1b Div* 50% ICE 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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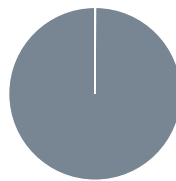
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

Notes

* Hedged to \$C

Portfolio Analysis as of June 30, 2018

Asset Mix



	% Assets
Cash	0.1
Fixed Income	99.9
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

Fixed Income Breakdown

	% Fixed Income
Government Bonds	33.5
Corporate Bonds	67.3
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	-0.9
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	-0.9	Under 1 year	1.1
AAA	1.5	1 - 5 Yrs	23.4
AA	0.9	5 - 10 Yrs	57.2
A	3.2	Over 10 Yrs	18.4
BBB	19.4		
Below BBB	73.9	Avg. Term to maturity (Yrs)	9.2
Mortgages	0.0	Duration (Yrs)	6.0
NR/NA	1.9	Yield to Maturity	5.5

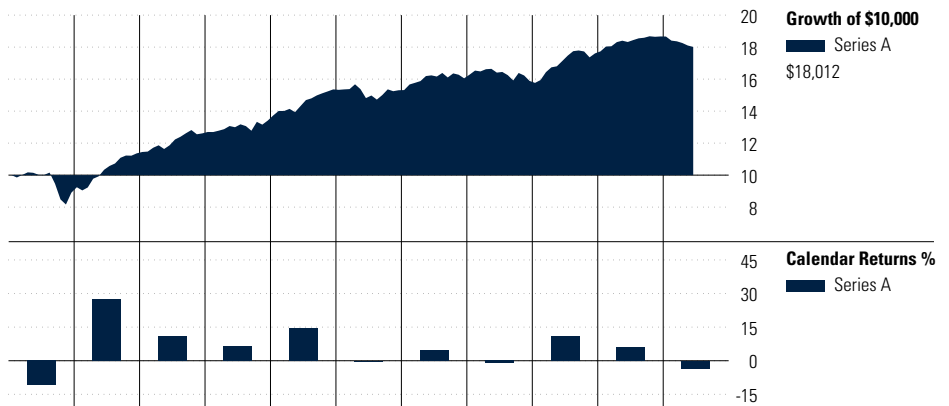
Geographic Allocations

	% Assets
Canada	3.0
United States	42.2
International (ex-Emerging Markets)	0.3
Emerging Markets	54.6

Top 25 Holdings

	% Assets
BlueBay Emerging Markets Corp Bond Fund	3.5
The Republic of Peru 8.75% 21-11-2033	1.6
US Treasury Notes 2.25% 15-02-2027	1.5
Serbia (Republic Of) 7.25% 28-09-2021	1.0
Cco Hldgs Cap 144A 5.75% 15-02-2026	0.9
Sprint Capital Corp 6.88% 15-11-2028	0.9
ArcelorMittal S.A. 8% 15-10-2039	0.9
Ukraine (Republic of) 7.75% 01-09-2022	0.9
Republic of Colombia 6.12% 18-01-2041	0.8
Romania (Republic Of) 6.75% 07-02-2022	0.8
Dominican Republic 7.45% 30-04-2044	0.8
Vietnam Socialist Rep 4.8% 19-11-2024	0.8
Petroleos Mexicanos 6.62% 15-06-2035	0.8
HCA Inc. 5.88% 15-02-2026	0.7
Philippines Rep 7.75% 14-01-2031	0.7
Republic of Panama 7.12% 29-01-2026	0.7
CSC Holdings, LLC 5.5% 15-04-2027	0.7
1MDB Energy Limited 5.99% 11-05-2022	0.7
Western Digital Corp. 4.75% 15-02-2026	0.7
Poland (Republic of) 3.25% 06-04-2026	0.6
Republic of Chile 3.86% 21-06-2047	0.6
Turkiye Ihracat Kred Bk 5.38% 08-02-2021	0.6
Indonesia Republic 5.25% 17-01-2042	0.6
Cinemark USA Inc. 4.88% 01-06-2023	0.6
Ball Corporation 4.88% 15-03-2026	0.6
Total % of Top 25 Holdings	23.1
Total Number of Portfolio Holdings	289
Total Number of Stock Holdings	6
Total Number of Bond Holdings	2,137
Total Number of Other Holdings	35
Total Number of Underlying Holdings	2,178

Performance Analysis as of June 30, 2018



Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD	
Calendar Returns %	-10.9	27.6	11.0	6.3	14.5	-0.3	4.9	-1.0	10.8	6.0	-3.5	Fund Quartile
	2 nd	2 nd	2 nd	1 st	1 st	4 th	2 nd	2 nd	2 nd	1 st	4 th	

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	-0.5	-1.9	-3.5	-1.7	3.2	4.0	6.0	5.8	Fund
	4 th	4 th	4 th	4 th	3 rd	3 rd	1 st	—	Quartile
	447	443	437	428	297	183	47	—	No. of Funds in Category



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 June 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.22	0.39	0.40	0.42	0.44	0.46	0.56	0.51	0.52	0.52	0.67
Interest	0.22	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		6.3		6.3		6.6		6.5
No. of Periods		168		144		120		60
Pct. Positive		86.9		97.2		100.0		100.0

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

Quarterly Commentary as at June 30, 2018

The Fund posted negative returns in the second quarter, primarily due to weakness in the emerging-market (EM) bond component of the portfolio. EM bonds came under pressure as mounting trade tensions between the U.S. and China dented sentiment toward EM countries and raised concerns that economic growth would slow.

A stronger U.S. dollar, higher treasury yields and the increasing likelihood of a trade war between the U.S. and China all conspired to drive risk premiums on EM bonds higher. Argentina, Turkey and other countries that rely heavily on foreign investors to finance high debt levels and large trade imbalances bore the brunt of the sell-off in EM debt. The Fund benefited from its lower-than-benchmark allocation to some of these more vulnerable countries.

U.S. high-yield bonds had modest positive returns during the period. 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.

Demand for yield and a healthy economic backdrop should continue to support high-yield and EM bonds, but there are potential headwinds. For high-yield bonds, the credit cycle is at an advanced stage and valuations are relatively high, so future returns will likely be lower than in the recent past. The biggest risks for EM are increasing trade tensions between the U.S. and China, which notably would be negative for most of the world, not solely EM, and materially slower growth in China. Overall, we believe that the structural, long-term fundamentals for EM remain strong and the sell-off in EM debt this year is creating value and opportunities.



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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.

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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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