



# 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	3,319.9
Series A NAV \$	10.71
Series A MER %	1.78
Benchmark	50% JPM EMBI Gib Div* 50% 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.
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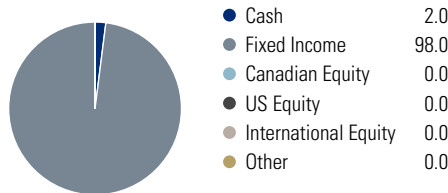
Web Site	www.rbcgam.com
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## Notes

\* Hedged to \$C

## Portfolio Analysis as of June 30, 2017

### Asset Mix



### Fixed Income Breakdown

Fixed Income Category	% Fixed Income
Government Bonds	31.0
Corporate Bonds	64.0
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	4.8
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	4.8	Under 1 year	8.4
AAA	1.5	1 - 5 Yrs	23.0
AA	0.7	5 - 10 Yrs	53.7
A	3.3	Over 10 Yrs	14.9
BBB	17.4		
Below BBB	71.0	Avg. Term to maturity (Yrs)	8.1
Mortgages	0.0	Duration (Yrs)	5.9
NR/NA	1.3	Yield to Maturity	4.5

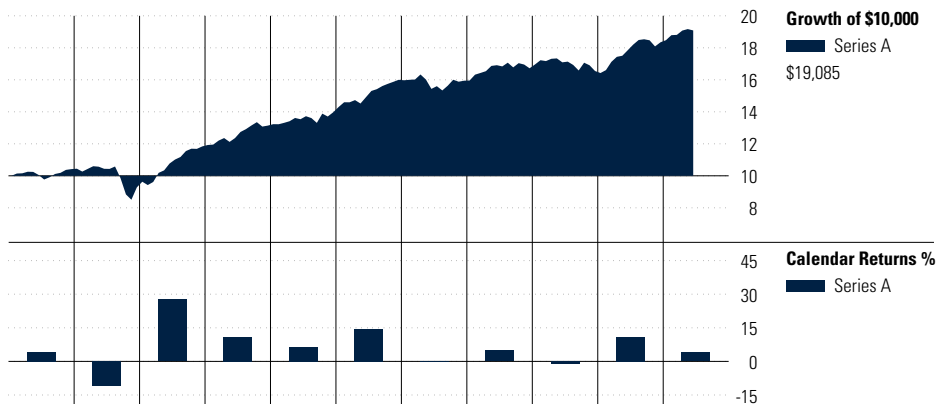
### Geographic Allocations

Geographic Allocation	% Assets
Canada	2.7
United States	42.3
International (ex-Emerging Markets)	0.6
Emerging Markets	54.4

### Top 25 Holdings

Top 25 Holdings	% Assets
BlueBay Emerging Markets Corp Bond Fund	4.0
iShares iBoxx \$ High Yield Corp Bd ETF	3.2
SPDR® Blmbg Barclays High Yield Bd ETF	3.2
iShares JP Morgan USD Em Mkts Bd ETF	1.9
US Treasury Note 2.25% 15-11-2025	1.5
Peru Rep 8.75% 21-11-2033	1.5
Dominican Republic 7.45% 30-04-2044	1.0
State Treas Repu Poland 5.125% 21-04-2021	0.9
Republic Of Turkey 4.875% 16-04-2043	0.9
Russian Federation 4.75% 27-05-2026	0.9
Vietnam Socialist Rep 4.8% 19-11-2024	0.8
Cco Hldgs LLC /Cap 144A 5.75% 15-02-2026	0.8
Hca 5.875% 15-02-2026	0.8
Hungary Rep 5.375% 25-03-2024	0.8
Serbia Rep 7.25% 28-09-2021	0.8
Export Cr Bk Turkey 5.375% 08-02-2021	0.8
Panama Rep 7.125% 29-01-2026	0.8
1mdb Energy Ltd. 5.990% 11-05-2022	0.8
Pemex Proj Fdg Maste Tr 6.625% 15-06-2035	0.8
Croatia Rep 6.75% 05-11-2019	0.7
Indonesia Rep 4.875% 05-05-2021	0.7
United Mexican Sts Mtn 5.75% 12-10-2110	0.7
Petro Mexicanos Mtn 5.375% 13-03-2022	0.7
Csc Hldgs 144A 5.5% 15-04-2027	0.7
Dominican Republic 7.5% 06-05-2021	0.7
<b>Total % of Top 25 Holdings</b>	<b>30.3</b>
<b>Total Number of Portfolio Holdings</b>	<b>258</b>
<b>Total Number of Stock Holdings</b>	<b>4</b>
<b>Total Number of Bond Holdings</b>	<b>1,860</b>
<b>Total Number of Other Holdings</b>	<b>13</b>
<b>Total Number of Underlying Holdings</b>	<b>1,877</b>

## Performance Analysis as of June 30, 2017



Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	YTD	
Calendar Returns %	4.2	-10.9	27.6	11.0	6.3	14.5	-0.3	4.9	-1.0	10.8	4.0	Fund Quartile
	1 <sup>st</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	4 <sup>th</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	

Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Calendar Returns %	-0.4	1.5	4.0	6.9	4.1	5.1	6.6	6.4	Fund Quartile
	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	1 <sup>st</sup>	—	Quartile
No. of Funds in Category	543	505	495	482	343	187	47	—	



# RBC Global High Yield Bond Fund

## Management Overview

### Manager Bios

#### Jane Lesslie

##### RBC Global Asset Management (UK) Limited

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, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.22	0.40	0.42	0.44	0.46	0.56	0.51	0.52	0.52	0.67	1.50
Interest	0.22	0.40	0.42	0.44	0.46	0.44	0.51	0.52	0.52	0.67	0.55
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	0.12	—	—	—	—	0.95
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		6.6		6.5		6.9		6.5
No. of Periods		156		132		108		48
Pct. Positive		87.8		97.0		100.0		100.0

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

### Quarterly Commentary as at June 30, 2017

Global high yield and emerging market bonds continued to enjoy strong returns in Q2.

Key supports for high yield bonds remained in place, as credit conditions remained 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 Q2 put pressure on the energy sector and caused it to underperform. The Fund slightly increased the credit quality of its holdings during Q2, and sold some shorter-dated, higher quality bonds that offered limited potential for gains.

The emerging market bond component continued to benefit from the increase in longer maturity bonds added at the end of last year but was hurt

by its lower weighting in poorer quality bonds which outperformed higher quality bonds. We have trimmed the longer maturity bonds in the Fund as the backdrop for global interest rates is poised to turn higher.

Demand for higher bond yields and a healthy economic backdrop should continue to support high yield and emerging market bonds. However, it is likely that future returns will be lower than those experienced in the recent past. We expect Chinese growth to slow as the year advances and demand for commodities and other emerging market exports may weaken. We have made some adjustments to the emerging market component to reflect this view. We intend to closely monitor the credit quality of the portfolio, and look to add attractively valued bonds as they become available.



# RBC Global High Yield Bond Fund

## 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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