



# 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	3,175.8
Series A NAV \$	10.65
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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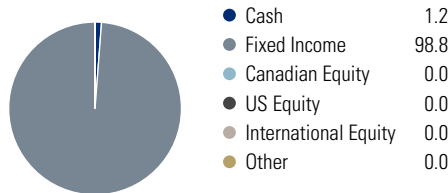
## Notes

\* Hedged to \$C

Fund name changed effective June 29, 2011.

## Portfolio Analysis as of March 31, 2017

### Asset Mix



### Fixed Income Breakdown

Fixed Income Category	% Fixed Income
Government Bonds	30.4
Corporate Bonds	68.5
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	7.3
AAA	1.0	1 - 5 Yrs	23.3
AA	0.8	5 - 10 Yrs	53.9
A	2.7	Over 10 Yrs	15.4
BBB	19.4		
Below BBB	73.9	Avg. Term to maturity (Yrs)	8.7
Mortgages	0.0	Duration (Yrs)	5.9
NR/NA	1.4	Yield to Maturity	4.9

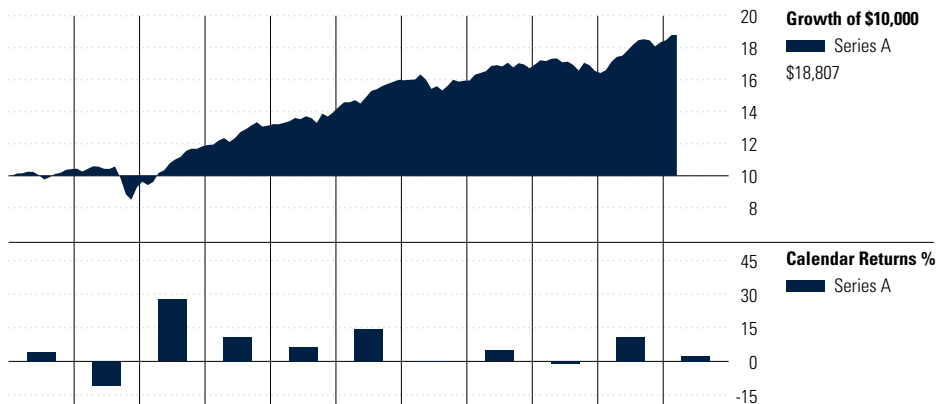
### Geographic Allocations

Geographic Allocation	% Assets
Canada	2.8
United States	42.6
International (ex-Emerging Markets)	0.6
Emerging Markets	54.0

### Top 25 Holdings

Top 25 Holdings	% Assets
BlueBay Emerging Markets Corp Bond Fund	4.4
iShares JPMorgan USD Emerg Markets Bond	3.0
iShares iBoxx \$ High Yield Corporate Bd	2.2
SPDR® Blmbg Barclays High Yield Bd ETF	2.2
Peru Rep 8.75% 21-11-2033	1.1
Republic Of Turkey 4.875% 16-04-2043	1.1
US Treasury Note 2.25% 15-11-2025	1.0
Dominican Republic 7.45% 30-04-2044	1.0
Indonesia Rep 4.875% 05-05-2021	0.9
Panama Rep 7.125% 29-01-2026	0.9
Cco Hldgs LLC /Cap 144A 5.75% 15-02-2026	0.8
Vietnam Socialist Rep 4.8% 19-11-2024	0.8
United Mexican Sts Mtn 5.75% 12-10-2110	0.8
Hca 5.875% 15-02-2026	0.8
Russian Federation 4.75% 27-05-2026	0.8
Serbia Rep 7.25% 28-09-2021	0.8
Pemex Proj Fdg Maste Tr 6.625% 15-06-2035	0.8
Hungary Rep 5.375% 25-03-2024	0.8
1mdb Energy Ltd. 5.990% 11-05-2022	0.7
Croatia Rep 6.75% 05-11-2019	0.7
Brazil Federative Rep 4.25% 07-01-2025	0.7
Export Cr Bk Turkey 5.375% 08-02-2021	0.7
Dominican Republic 7.5% 06-05-2021	0.7
Petro Mexicanos Mtn 5.375% 13-03-2022	0.7
Sprint Cap 6.875% 15-11-2028	0.7
<b>Total % of Top 25 Holdings</b>	<b>29.0</b>
<b>Total Number of Portfolio Holdings</b>	<b>271</b>
<b>Total Number of Stock Holdings</b>	<b>2</b>
<b>Total Number of Bond Holdings</b>	<b>1,867</b>
<b>Total Number of Other Holdings</b>	<b>11</b>
<b>Total Number of Underlying Holdings</b>	<b>1,880</b>

## Performance Analysis as of March 31, 2017



Year	1st	2nd	2nd	2nd	1st	1st	4th	2nd	2nd	2nd	2nd	Fund Quartile
2007	4.2	-10.9	27.6	11.0	6.3	14.5	-0.3	4.9	-1.0	10.8	2.5	Fund Quartile

1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
0.1	2.5	1.5	9.8	4.6	5.2	6.4	6.4	Fund
3 <sup>rd</sup>	2 <sup>nd</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	—	Quartile
508	500	494	439	328	181	46	—	No. of Funds in Category



# 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 March 31, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.12	0.40	0.42	0.44	0.46	0.56	0.51	0.52	0.52	0.67	1.50
Interest	0.12	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		6.5		6.5		6.9		6.5
No. of Periods		153		129		105		45
Pct. Positive		87.6		96.9		100.0		100.0

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

### Quarterly Commentary as at March 31, 2017

Emerging markets (EM) bonds outperformed high yield bonds and rebounded from a weak fourth quarter as investor optimism related to Trump's fiscal and protectionist policies began to wane. Narrowing spreads for EM bonds were the key contributor to the strong positive returns for the quarter. With Trump having a difficult time implementing his pre-election promises, investor concerns over his protectionist policies and the potential implications on EM countries diminished.

High yield bonds broadly outperformed U.S. Treasuries. Monetary conditions in the United States remain easy, the economy is growing, the deflationary "Trump" trade remains a possibility, credit conditions are benign, corporate health is stabilizing, commodity prices are firmer and the corporate default rate is falling. These key supports continued to drive credit spreads lower and prices higher, causing valuations to reach levels not seen since mid-2014.

The Fund benefited from an overweight allocation to EM bonds and underweight in U.S. high-yield debt for most of the quarter. We started 2017 with a slight underweight to EM bonds, but added to EM sovereigns and trimmed the allocation to U.S. high yield debt early in the quarter as the relative momentum of U.S. high yield bonds began to fade.

Global growth remains a concern, however pro-growth policies, demand for yield, firm commodity prices and stabilizing corporate health should continue to provide support for corporate and EM credit. In this environment, and with the risk of rising rates, we feel that EM and high yield corporate bonds continue to represent attractive relative value compared to other fixed income assets. However, it is likely that future returns will be lower than those experienced in the recent past.



# 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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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 half-year period, April 1, 2016 to September 30, 2016, 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.

PH&N Funds Series A formerly known as Series C.

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 March 31, 2017.

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