



# 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	1,976.1
Series A NAV \$	10.70
Series A MER %	1.44
Benchmark	FTSE Canada Universe Bond Index

Income Distribution	Quarterly
Capital Gains Distribution	Annually

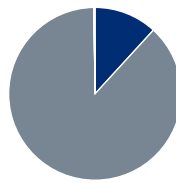
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

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 July 31, 2019

### Asset Mix



	% Assets
Cash	11.8
Fixed Income	88.0
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.2

### Fixed Income Breakdown

	% Fixed Income
Government Bonds	1.2
Corporate Bonds	86.7
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	12.1
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	12.1	Under 1 year	0.5
AAA	1.2	1 - 5 Yrs	35.7
AA	0.5	5 - 10 Yrs	59.6
A	2.7	Over 10 Yrs	4.1
BBB	8.6		
Below BBB	74.9	Avg. Term to maturity (Yrs)	6.3
Mortgages	0.0	Duration (Yrs)	3.2
NR/NA	0.0	Yield to Maturity	4.2

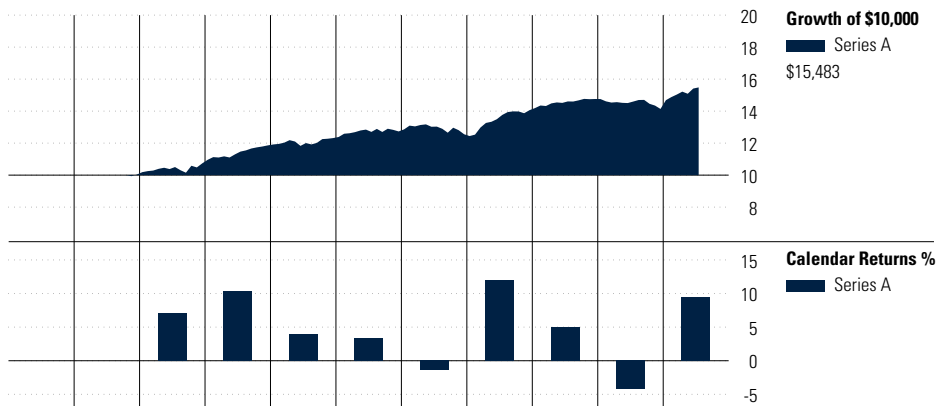
### Geographic Allocations

	% Assets
Canada	17.0
United States	82.7
International (ex-Emerging Markets)	0.3
Emerging Markets	0.0

### Top 10 Holdings

	% Assets
Cco Hldgs Cap 144A 5.75% 15-02-2026	2.4
Videotron Ltee 5.75% 15-01-2026	1.4
HCA Inc. 5.88% 15-02-2026	1.3
Vermilion Energy Inc. 5.62% 15-03-2025	1.3
Canada (Government of) 1% 01-06-2027	1.2
CSC Holdings, LLC 5.5% 15-04-2027	1.2
Tenet Healthcare Corp 4.62% 15-07-2024	1.2
Seven Generations Engy 5.38% 30-09-2025	1.2
Albertsons Comp LLC. 6.62% 15-06-2024	1.1
Sprint Corporation 7.88% 15-09-2023	1.1
Total % of Top 10 Holdings	13.4
Total Number of Stock Holdings	11
Total Number of Bond Holdings	853
Total Number of Other Holdings	19
<b>Total Number of Holdings</b>	<b>883</b>

## Performance Analysis as of July 31, 2019



Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD	
Calendar Returns %	—	—	7.0	10.4	3.9	3.4	-1.4	12.0	5.0	-4.2	9.5	Fund
	—	—	1 <sup>st</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	4 <sup>th</sup>	1 <sup>st</sup>	Quartile

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	0.5	1.7	5.4	6.1	4.0	4.0	—	5.2	Fund
	3 <sup>rd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	—	—	Quartile
	527	526	523	509	369	241	55	—	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 July 31, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	0.20	0.41	0.38	0.39	0.46	0.49	0.48	0.57	0.51	0.07	—
Interest	0.20	0.41	0.38	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	12-2018	2.8	—	—
Average		4.9		4.8		4.6		—
No. of Periods		94		70		46		—
Pct. Positive		86.2		100.0		100.0		—

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

### Commentary as at June 30, 2019

U.S. and Canadian high-yield bonds climbed during the first half of 2019, recovering from declines toward the end of 2018. Credit spreads, which represent the premium required by investors to hold lower-rated debt, fell sharply during the first quarter. Spreads then widened in May amid concern about the U.S.-China trade dispute and slowing global economic growth, but ended the period on a positive note, resulting in strong overall performance in the first half and the outperformance of high-yield bonds versus investment grade.

An important driver of returns was the U.S. Federal Reserve's (the "Fed") decision to signal the end of its rate-hiking cycle on concern about slowing economic growth, persistently weak inflation and a realization that higher interest rates were starting to damage the economy. Yields fell across the board, especially in the second quarter, with government-bond yields in the U.S. and Canada reflecting investor demand for a safe haven from the worsening macroeconomic backdrop.

The supply of newly issued high-yield bonds

picked up but remained low by historical standards. The Fund returns were aided by exposure to U.S. high-yield bonds in general, and by exposure to specific issuers in the areas of energy, homebuilding, base-metals mining and leisure. The Fund's performance was hurt by elevated cash holdings amid rising macroeconomic risks and valuations.

The health of the corporate-bond market has improved slightly and defaults remain low. Meanwhile, the hunt by investors for income in the low-yield environment is providing support for high-yield bonds.

Valuations of high-yield bonds are not especially attractive at current levels. However, the portfolio manager recognizes that credit defaults remain low, and that central banks have taken steps to support economic growth and, by extension, corporate profits. The Fund is conservatively positioned given the portfolio manager's expectation of more moderate near-term returns.



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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 preceding calendar year or most recent half-year period ended June 30 expressed on an annualized basis, depending on availability of data at the time of publication.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the preceding full year period ended March 31 or half-year period ended September 30 expressed on an annualized basis, depending on availability of data at the time of publication.

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).

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