



RBC Global Corporate Bond Fund

Investment Objective

To provide a high level of interest income with the potential for modest capital growth by investing primarily in global corporate bonds.

Fund Details

| Series | Load Structure | Currency | Fund Code |
|--------|----------------|----------|-----------|
| A | No Load | CAD | RBF580 |
| Adv | Deferred Sales | CAD | RBF853 |
| Adv | Front End | CAD | RBF753 |
| Adv | Low Load | CAD | RBF118 |

| | |
|-------------------------|--|
| Inception Date | August 2004 |
| Total Fund Assets \$Mil | 11,849.7 |
| Series A NAV \$ | 10.04 |
| Series A MER % | 1.75 |
| Benchmark | 40% Bloomberg Barclays US Corp Bond* 20% Bloomberg Barclays PanEuro Agg* 15% FTSE CAN All Corp Bond Index 10% JPM EMBI Gbl Div* 10% ICE BofAML US HY BB-B* 5% Bloomberg Barclays AP Corp* |

| | |
|----------------------------|-----------|
| Income Distribution | Quarterly |
| Capital Gains Distribution | Annually |

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

| | |
|---------------|-------------------------------|
| Fund Category | Global Corporate Fixed Income |
|---------------|-------------------------------|

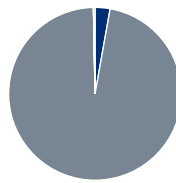
| | |
|--------------------|----------------------------------|
| Management Company | RBC Global Asset Management Inc. |
| Web Site | www.rbcgam.com |

Notes

* Hedged into Canadian dollars

Portfolio Analysis as of July 31, 2019

Asset Mix



| | % Assets |
|----------------------|----------|
| Cash | 2.8 |
| Fixed Income | 97.0 |
| Canadian Equity | 0.0 |
| US Equity | 0.0 |
| International Equity | 0.0 |
| Other | 0.3 |

Fixed Income Breakdown

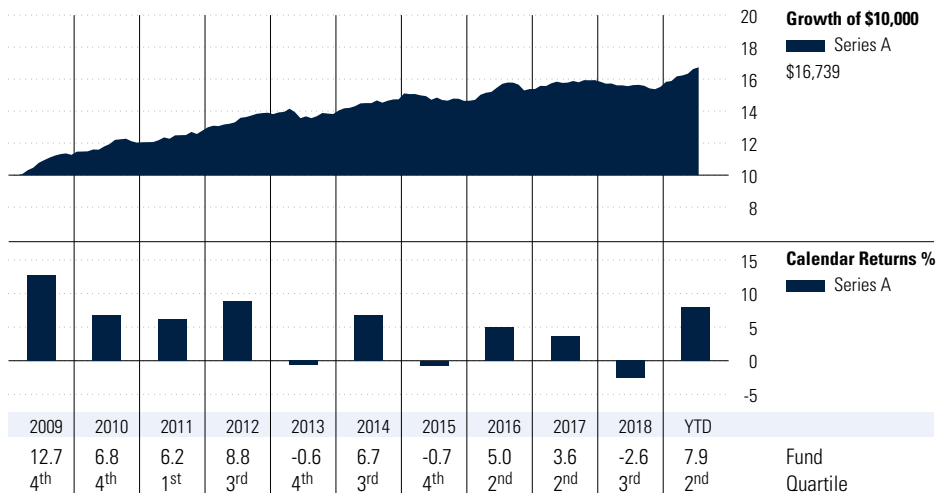
| | % Fixed Income |
|-------------------------------|----------------|
| Government Bonds | 3.7 |
| Corporate Bonds | 93.9 |
| Other Bonds | 0.0 |
| Mortgage Backed Securities | 0.0 |
| ST Investments (Cash & Other) | 2.4 |
| Asset Backed Securities | 0.0 |

| Bond Rating | % | Term to Maturity | % |
|--------------------|------|-----------------------------|------|
| Cash / Cash Equiv. | 2.4 | Under 1 year | 1.4 |
| AAA | 0.7 | 1 - 5 Yrs | 40.2 |
| AA | 8.8 | 5 - 10 Yrs | 33.6 |
| A | 32.7 | Over 10 Yrs | 24.9 |
| BBB | 36.9 | | |
| Below BBB | 18.3 | Avg. Term to maturity (Yrs) | 8.2 |
| Mortgages | 0.0 | Duration (Yrs) | 6.1 |
| NR/NA | 0.2 | Yield to Maturity | 2.9 |

Geographic Allocations

| | % Assets |
|-------------------------------------|----------|
| Canada | 18.9 |
| United States | 47.8 |
| International (ex-Emerging Markets) | 22.4 |
| Emerging Markets | 10.9 |

Performance Analysis as of July 31, 2019



| 1 Mth | 3 Mth | 6 Mth | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Since Incep. | Trailing Return % |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------|--------------------------|
| 0.6 ^{3rd} | 3.2 ^{2nd} | 5.8 ^{2nd} | 7.1 ^{2nd} | 2.1 ^{4th} | 2.9 ^{3rd} | 4.3 ^{4th} | 4.1 | Fund |
| 135 | 135 | 134 | 129 | 94 | 71 | 13 | — | Quartile |
| | | | | | | | | No. of Funds in Category |



RBC Global Corporate 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.

Marty Balch

RBC Global Asset Management Inc.

Marty Balch is Senior Portfolio Manager, Global Fixed Income and Currencies. He has been in the investment industry since 1991.

Soo Boo Cheah

RBC Global Asset Management (UK) Limited

Soo Boo is Senior Portfolio Manager, Global Fixed Income & Currencies, at RBC Global Asset Management (UK) Ltd. He joined the firm in 2000 as a Fixed Income Analyst and has been active in all aspects of global fixed income management. Soo Boo is a member of the Global Fixed Income & Currencies Committee and the RBC Investment Strategy Committee's Fixed Income & Currencies Advisory Committee. He earned an MBA from the University of New Brunswick and is a CFA charterholder.

Performance Analysis Cont'd as of July 31, 2019

| Distributions (\$)/Unit | YTD* | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|
| Total Distributions | 0.10 | 0.17 | 0.17 | 0.21 | 0.24 | 0.31 | 0.31 | 0.44 | 0.33 | 0.35 | 0.31 |
| Interest | 0.10 | 0.17 | 0.17 | 0.21 | 0.24 | 0.31 | 0.31 | 0.28 | 0.33 | 0.32 | 0.31 |
| Dividends | — | — | — | — | — | — | — | — | — | — | — |
| Capital Gains | — | — | — | — | — | — | — | 0.16 | — | 0.03 | — |
| Return Of Capital | — | — | — | — | — | — | — | — | — | — | — |

| Best/Worst Periods % | Ended | 1 Yr | Ended | 3 Yr | Ended | 5 Yr | Ended | 10 Yr |
|----------------------|---------|------|---------|-------|---------|-------|--------|-------|
| Best | 10-2009 | 18.2 | 10-2011 | 9.9 | 10-2013 | 7.7 | 7-2016 | 5.3 |
| Worst | 11-2018 | -3.5 | 10-2008 | 0.8 | 4-2018 | 2.0 | 7-2019 | 4.3 |
| Average | | 4.0 | | 4.5 | | 4.8 | | 4.8 |
| No. of Periods | | 168 | | 144 | | 120 | | 60 |
| Pct. Positive | | 83.3 | | 100.0 | | 100.0 | | 100.0 |

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

Commentary as at June 30, 2019

Corporate bonds rose in the first half of 2019, recovering from declines in late 2018, as the U.S. Federal Reserve (the "Fed") signaled an end to its current round of interest-rate hikes. Increased concerns about slowing global economic growth and persistently weak inflation led the Fed to take steps viewed as positive for supporting economic growth and corporate profitability. The European Central Bank (the "ECB") echoed this outlook, offering more monetary stimulus if European economic activity did not improve. Together these actions translated into increased investor demand for corporate bonds.

The renewed search for higher-yielding assets in a low-interest-rate environment contributed to particularly strong returns for lower-quality U.S. corporate bonds and emerging-market debt. U.S. investment-grade bonds also delivered strong results, though companies sensitive to China's economy such as automobile parts and technology were hurt by escalating trade tensions between China and the U.S. As a result, the Fund's higher-quality corporate bonds had more of a domestic

focus and tended to operate in industries that are less sensitive to swings in economic growth. In Europe, political developments in Italy and the U.K. dampened investor appetite for European corporate bonds, though a strong rebound in bonds issued by financial-services companies contributed to the Fund's returns. Exposure to Canadian investment-grade reset preferred shares hurt the Fund's results, as they tend to perform poorly when interest rates fall.

The decision by the Fed and the ECB to pivot to more accommodative monetary policies will support global fixed-income assets, though the uncertainty around trade protectionism, the aging business cycle and Chinese economic growth could hold back returns. The Fund is positioned to reflect increased uncertainty.

The portfolio has a small bias toward corporate bonds of higher-quality companies and is also positioned such that relative returns will not be unduly affected by changes in interest rates.



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Disclosure

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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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