



RBC Funds (Lux) – U.S. Investment Grade Corporate Bond Fund

Investment objective

To maximize total returns by investing primarily in a diversified portfolio of investment grade corporate fixed income securities, issued in the U.S. and denominated in U.S. dollars.

INVESTMENT MANAGER

RBC Global Asset Management Inc.

SUB-INVESTMENT MANAGER

RBC Global Asset Management (U.S.) Inc.

BENCHMARK

Barclays Capital U.S. Corporate Bond Index

FUND SIZE (USD)

24.9mm

Fund information

Share class	Mgmt fees	Total expense ratio	NAV per share	Bloomberg code	ISIN code
O (acc) USD	0.35%	0.45%	145.16	RBCUIGO LX	LU0494129082
O (dist) USD	0.35%	0.45%	109.72	RBCUIDO LX	LU0619788440
A (acc) USD	1.00%	1.30%	129.07	RBCUIGA LX	LU0610494527
B (acc) USD	0.50%	0.80%	110.64	RBCUIGB LX	LU0641092605
B (dist) GBP (H)	0.50%	0.80%	119.12	RBUSCGH LX	LU0954298823

Investment performance (total return) *

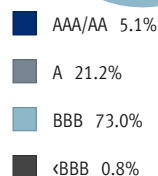
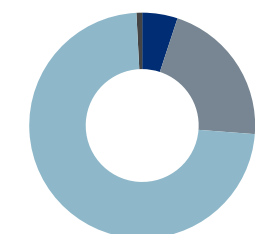
Share class	1 mo.	3 mo.	1 yr.	3 yr.	5 yr.	Since inception	Launch date
O (acc) USD	0.3%	1.0%	3.4%	4.0%	3.3%	5.1%	03-May-10
O (dist) USD	0.3%	1.0%	3.4%	4.0%	3.3%	4.8%	26-Apr-11
A (acc) USD	0.2%	0.8%	2.6%	3.1%	2.4%	4.0%	26-Apr-11
B (acc) USD	0.3%	0.8%	3.0%	--	--	3.6%	15-Dec-14
B (dist) GBP (H)	0.2%	0.5%	1.7%	3.2%	--	4.3%	29-Aug-13
Benchmark (USD)	0.4%	1.0%	3.5%	3.9%	3.3%	5.2%	--

* Returns more than one year are annualized. Except the Class O (acc) USD, Since Inception performance is calculated from the first month-end following inception. Benchmark Since Inception performance is calculated from Class O (acc) USD inception date.

* Returns may increase or decrease as a result of currency fluctuations.

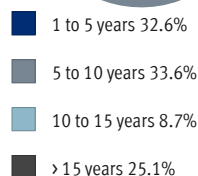
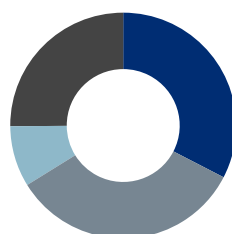
Credit quality

(As at October 31, 2017)



Maturity distribution

(As at October 31, 2017)



Top 10 holdings

Current

Verizon Communications Inc 5.15% 15/09/2023	1.1%
Appalachian Power Co 7% 01/04/2038	1.1%
Ford Motor Credit Co LLC 2.02% 03-05-2019	1.1%
Cooperatieve Rabobank UA 4.38% 04-08-2025	1.1%
Bank of America Corp 4.2% 26/08/2024	1.1%
Newell Brands Inc 3.85% 01-04-2023	1.1%
Credit Suisse Group Funding Guernsey Ltd 3.13% 10-12-2020	1.0%
ING Groep NV 3.15% 29-03-2022	1.0%
LyondellBasell Industries NV 6% 15/11/2021	0.9%
Conoco Inc 6.95% 15/04/2029	0.9%

Total **10.6%**

Cash and Equivalents **0.5%**

No. of Holdings **190**

Purchases

Lloyds Banking Group PLC 2.91% 07-11-2023
American Express Co 3% 30-10-2024
Phillips 66 Partners LP 3.75% 01-03-2028
Citigroup Inc 3.52% 27-10-2028
Northrop Grumman Corp 2.55% 15-10-2022

Sales

XLIT Ltd 5.25% 15-12-2043

Investment performance

Top 5 contributors (for the month)

	Beginning weight	Security return	Security contribution
Georgia-Pacific LLC 8% 15/01/2024	0.8%	2.3	0.02
Sherwin-Williams Co/The 4.5% 01-06-2047	0.9%	1.5	0.01
Kinder Morgan Energy Partners 6.95% 15/01/2038	0.8%	1.7	0.01
Conoco Inc 6.95% 15/04/2029	1.0%	1.3	0.01
MidAmerican Energy Hldgs 6.125% 01/04/2036	0.6%	1.8	0.01

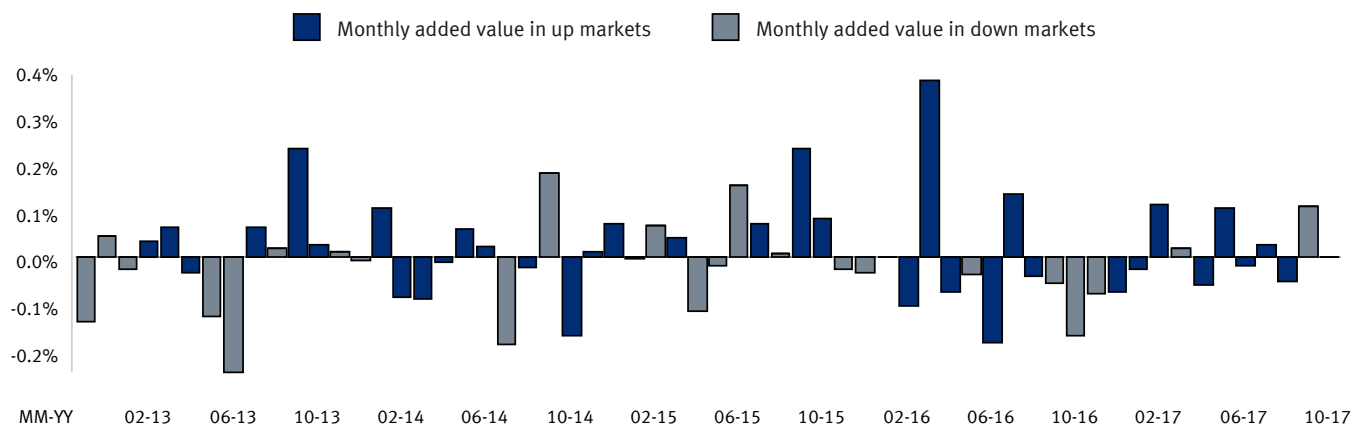
Bottom 5 contributors (for the month)

	Beginning weight	Security return	Security contribution
Pacific Gas & Electric Co. 5.8% 01/03/2037	0.5%	(3.3)	(0.02)
CVS Health Corp 5.13% 20-07-2045	0.5%	(2.3)	(0.01)
Walgreens Boots Alliance 4.8% 18/11/2044	0.5%	(1.9)	(0.01)
Teva Pharmaceutical III BV 2.2% 07/21/2021	0.4%	(2.0)	(0.01)
Southwest Gas Corp 3.8% 29-09-2046	0.3%	(1.7)	(0.01)

Portfolio characteristics (As at October 31, 2017)

	Portfolio	Benchmark
Convexity	113.86	109.04
Modified Duration	7.61	7.51
Yield to Maturity	3.28	3.17

Value added chart



Value added calculation is based on performance of Class O (acc) USD shares.

Important Risk Considerations:

- **General Investment and Taxation Risk:** The value of a Sub-Fund is highly sensitive to changes in interest rates, the general financial market and economic conditions or individual company news.
- **Credit Risk:** There is a potential that a borrower is unable or unwilling to repay the loan or obligation, either on time or at all.
- **Currency Risk:** Sub-Funds are invested in securities denominated in different currencies other than the Reference currency. As a result, changes in the value of the Reference Currency compared to other currencies will affect the value in the Reference Currency of any securities denominated in another currency.
- **Currency Hedging Risk:** Hedging currency risks may protect investors against a decrease in the value of the Reference Currency relative to the Hedged Share Class, but it may also preclude investors from benefiting from an increase in the value of such currencies. All costs and gains/losses of hedging transactions are borne by the relevant Hedged Share Classes.
- **Derivative Risk:** Derivative instruments are highly sensitive to changes in the value of the underlying asset that they are based on. Certain derivatives may result in losses greater than the amount originally invested.
- **Interest Rate Risk:** The value of the Sub-Fund is highly affected by fluctuations in interest rates.
- **Large Shareholder Risk:** Investors holding a large portion of issued and outstanding shares of a Sub-Fund are likely to incur transaction costs in case of redemptions.
- **Liquidity Risk:** Under highly volatile markets, securities may not be sold as quickly or easily, which could have an influence on meeting redemption requests on demand.
- **Specialization Risk:** Sub-Funds specializing in a particular sector may lead to underperformance relative to less specialized investments.

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Past performance is not a reliable guide to future performance. The value of investments and any income from them is not guaranteed and may fall or rise and the investor may not get back the original investment. Exchange rate movement could increase or decrease the value of underlying investments/ holdings. The Sub-Fund may be invested in securities denominated in a number of different currencies other than the Reference Currency. As a result, changes in the value of the Reference Currency compared to other currencies will affect the value, in the Reference Currency, of any securities denominated in another currency. While it is the intention of the Sub-Fund to achieve its investment objective, there can be no assurance that it will.

Index returns are for illustrative purposes only, do not represent actual fund performance and do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index.

The value of the Sub-Fund can change from day to day because the value of the securities in which it invests can be affected by changes in interest rates, the general financial market and economic conditions or individual company news. As a result, at the time of redemption, Sub-Fund Shares may be worth more or less than the original purchase price. There can be a number of risk factors that impact the value of an investment in a Sub-Fund. Investors should refer to the section called “Risk Factors” in the Prospectus before investing.

None of the Shares of the Sub-Funds has been or will be registered for sale or distribution in Canada or in the United States.

Copies of the Articles of Incorporation of the SICAV, the current Prospectus, the KIIDs and the latest financial reports may be obtained free of charge during normal office hours at the registered office of the SICAV in Luxembourg: 14, Porte de France, L- 4360 Esch-sur-Alzette, Grand Duchy of Luxembourg, or at rbcgam.lu. The Prospectus is available in the English and German languages. The KIIDs are available in the local language(s) of the jurisdictions in which the Sub-Fund(s) are registered.

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