



# 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)

51.2m

## Fund information

Share class	Mgmt fees	Total expense ratio	NAV per share	Bloomberg code	ISIN code
O (acc) USD	0.35%	0.45%	157.06	RBCUIGO LX	LU0494129082
A (acc) USD	1.00%	1.30%	137.60	RBCUIGA LX	LU0610494527
B (acc) USD	0.50%	0.80%	118.83	RBCUIGB LX	LU0641092605

## Investment performance (total return) - Annualised

Share class	1 mo.	3 mo.	1 yr.	3 yr.	5 yr.	Since inception	Inception date
O (acc) USD	0.6%	4.6%	10.4%	3.4%	4.2%	5.0%	03-May-10
A (acc) USD	0.5%	4.4%	9.5%	2.6%	3.3%	3.9%	26-Apr-11
B (acc) USD	0.5%	4.5%	9.9%	3.0%	--	3.8%	15-Dec-14
Benchmark (USD)	0.6%	4.5%	10.4%	3.6%	4.2%	5.1%	--

## Net Calendar Year Performance

Share class	2018	2017	2016	2015	2014	Cumulative Since Inception
O (acc) USD	(3.0)%	6.5%	5.8%	(0.2)%	7.3%	57.1%
A (acc) USD	(3.8)%	5.6%	4.9%	(1.1)%	6.4%	37.3%
B (acc) USD	(3.4)%	6.1%	5.4%	(0.5)%	--	18.7%
Benchmark (USD)	(2.5)%	6.4%	6.1%	(0.7)%	7.4%	58.8%

Since inception, share class performance & benchmark performance are calculated from the first month-end following the inception of the respective share classes. Past performance is not indicative of future results and returns may increase or decrease as a result of currency fluctuations.

## Top 10 holdings

	Current
Exelon Corp 5.625% 15/06/2035	1.3%
Cooperatieve Rabobank UA 4.38% 04-08-2025	1.1%
AT&T Inc 5.25% 01-03-2037	1.0%
Kinder Morgan Energy Partners 6.95% 15/01/2038	1.0%
Citigroup Inc 3.2% 21-10-2026	1.0%
Tyson Foods Inc 5.1% 28-09-2048	1.0%
Starbucks Corp 4.5% 15-11-2048	0.9%
Broadcom Corp / Broadcom Cayman Finance Ltd 3.63% 15-01-2024	0.9%
Citigroup Inc 2.7% 30-03-2021	0.9%
Duke Energy Corp 3.75% 01-09-2046	0.9%
<b>Total</b>	<b>10.0%</b>
<b>Cash and Equivalents</b>	<b>0.1%</b>
<b>No. of Holdings</b>	<b>241</b>

## Purchases

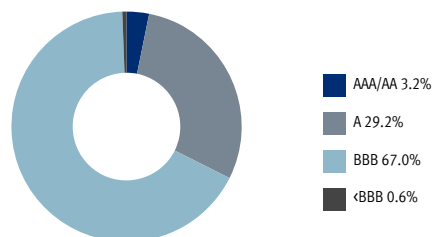
Williams Cos Inc/The 4.9% 15-01-2045
TransCanada PipeLines Ltd 6.1% 01-06-2040
Vodafone Group PLC 4.88% 19-06-2049
Westpac Banking Corp 4.42% 24-07-2039
Vodafone Group PLC 6.15% 27-02-2037

## Sales

Exelon Generation Co LLC 2.95% 15-01-2020
United States Treasury Bill
DXC Technology Co 2.88% 27-03-2020

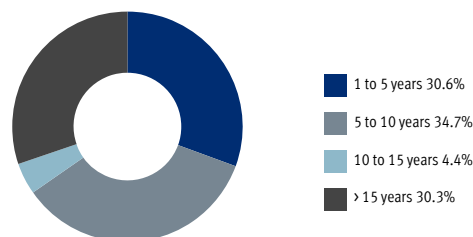
### Credit quality

(As at July 31, 2019)



### Maturity distribution

(As at July 31, 2019)



## Investment performance

### Top 5 contributors

(for the month)

	Beginning weight	Security return	Security contribution
Appalachian Power Co 7% 01/04/2038	0.8%	3.3	0.03
Sempra Energy 3.8% 01-02-2038	0.5%	3.9	0.02
Exelon Corp 4.45% 15-04-2046	0.6%	3.1	0.02
Tyson Foods Inc 5.1% 28-09-2048	1.0%	1.9	0.02
Consolidated Edison Co of New York Inc 4.13% 15-05-2049	0.8%	2.3	0.02

### Bottom 5 contributors

(for the month)

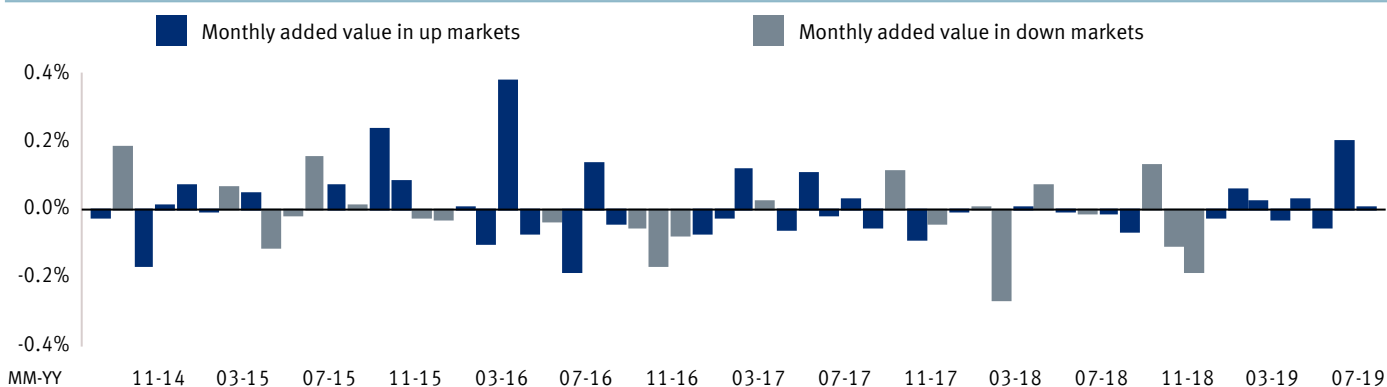
	Beginning weight	Security return	Security contribution
DuPont de Nemours Inc 4.49% 15-11-2025	0.6%	(0.5)	(0.00)
Concho Resources Inc 4.3% 15-08-2028	0.8%	(0.3)	(0.00)
Bristol-Myers Squibb Co 3.25% 27-02-2027	0.5%	(0.3)	(0.00)
Oracle Corp 4% 15-07-2046	0.4%	(0.4)	(0.00)
United States Treasury Note/Bond 3% 15-02-2049	1.4%	(0.1)	(0.00)

### Portfolio characteristics

(As at July 31, 2019)

	Portfolio	Benchmark
Convexity	120.31	113.21
Modified Duration	7.71	7.68
Yield to Maturity	3.16	3.17

### Value added chart



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

**Important Risk Considerations:**

<b>General Investment and Taxation Risk:</b>	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.
<b>Credit Risk:</b>	There is a potential that a borrower is unable or unwilling to repay the loan or obligation, either on time or at all.
<b>Currency Risk:</b>	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.
<b>Currency Hedging Risk:</b>	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.
<b>Derivative Risk:</b>	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.
<b>Interest Rate Risk:</b>	The value of the Sub-Fund is highly affected by fluctuations in interest rates.
<b>Large Shareholder Risk:</b>	Investors holding a large portion of issued and outstanding shares of a Sub-Fund are likely to incur transaction costs in case of redemptions.
<b>Liquidity Risk:</b>	Under highly volatile markets, securities may not be sold as quickly or easily, which could have an influence on meeting redemption requests on demand.
<b>Specialization Risk:</b>	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.

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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.

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