



FOR UNITHOLDERS OF RBC MANAGED PAYOUT SOLUTION,
RBC MANAGED PAYOUT SOLUTION – ENHANCED AND
RBC MANAGED PAYOUT SOLUTION – ENHANCED PLUS

RBC Managed Payout Solutions

Delivering predictable income through changing markets

Your investment in RBC Managed Payout Solutions (RBC MPS) focuses on providing you with consistent, sustainable and tax-efficient distributions while managing the impact to your initial investment. Each solution uses a different target payout rate (5%, 6% or 7%) to achieve these objectives, and this target rate determines the monthly distribution per unit for each solution.

Markets are constantly changing. To help preserve your wealth, we review the impact of market fluctuations on your investment each year to assess if your actual payout rate has drifted away from your solution's target payout rate. We then make prudent adjustments to bring your actual payout rate back in line with its target payout rate so that your investment

can continue to deliver the expected cash flow level over the next 12-month period.

Fixed income and equity markets suffered during the first quarter of 2016. The first major landmark of the year, the U.K.'s referendum and decision to exit the European Union, was initially greeted with a global selloff in stocks and bonds. However, investment markets quickly recovered and began to move higher in the wake of improving economic indicators and diminishing downside risks. The U.S. election dominated headlines in the final quarter of 2016, driving equity markets to all-time highs, while sending bond yields surging from record lows. These conditions have allowed for an increase to 2017 payouts from RBC MPS.

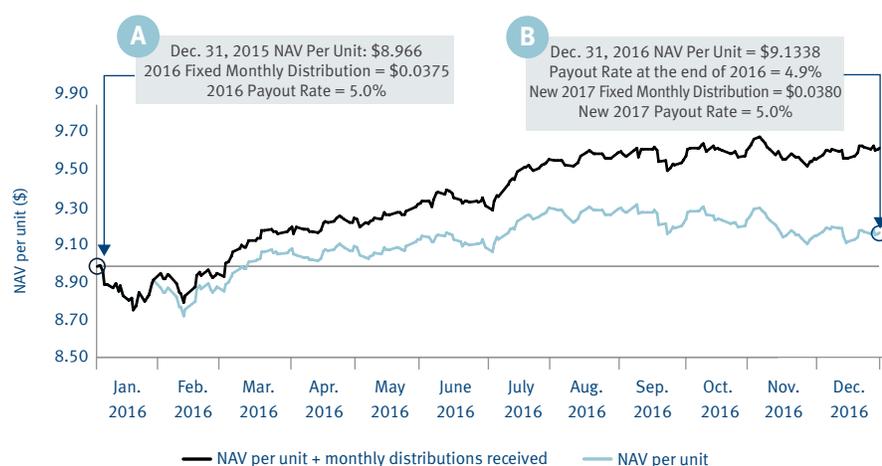
Monthly cash flow adjustments for 2017

As an investor in RBC MPS, you can be confident that RBC Global Asset Management is guiding your investment through ever changing markets to ensure that it is able to deliver the regular, predictable cash flow you've come to expect, while managing the impact to the capital you may need in the future.

In 2016, investment returns were above the target payout rates for RBC MPS. As a result, distributions per unit will increase in January 2017.

Series A	Target payout rate	2016 returns	Monthly payout per unit		Monthly payout example (\$100,000 invested December 31, 2015)	
			2016	New in 2017	2016	New in 2017
RBC Managed Payout Solution	5%	7.0%	\$0.0375	\$0.0380	\$418.25	\$423.82
RBC Managed Payout Solution – Enhanced	6%	8.5%	\$0.0425	\$0.0435	\$471.38	\$482.48
RBC Managed Payout Solution – Enhanced Plus	7%	10.7%	\$0.0375	\$0.0390	\$538.68	\$560.23
Series F						
RBC Managed Payout Solution	5%	8.0%	\$0.0400	\$0.0410	\$417.01	\$427.43
RBC Managed Payout Solution – Enhanced	6%	9.7%	\$0.0460	\$0.0475	\$501.42	\$517.77
RBC Managed Payout Solution – Enhanced Plus	7%	11.9%	\$0.0445	\$0.0465	\$585.97	\$612.30

An example of how distributions are managed using RBC Managed Payout Solution

**What happens in 2017?**

The net asset value (NAV) per unit of RBC Managed Payout Solution is higher at the end of the year than it was at the beginning, so the payout rate at year end is lower at 4.9% than the target payout rate of 5%.

As a result, the **2017 fixed monthly distribution amount will increase** to \$0.0380 to align the distribution to the target payout rate.

If the NAV per unit had decreased over the course of the year, as it did in 2015, the fixed monthly distribution amount would have been lower for the coming year to align the payout rate with the target payout rate of 5%.

D Overall economic benefit in 2016

It's important to include the value of monthly distributions paid when evaluating the total value received by investors who hold RBC Managed Payout Solutions. Adding this amount to the NAV per unit throughout the year, as represented by the darker line, shows the total economic benefit received in 2016.

RBC Managed Payout Solutions has a long history of delivering sustainable monthly cash flow while managing the impact of market fluctuations. The below table illustrates the value of the annual distributions over the past five years.

A history of delivering predictable income

	Total annual payout based on \$100,000 invested on December 31, 2012				
Series A - Annual distributions	2013	2014	2015	2016	2017 Estimate
RBC Managed Payout Solution	\$5,025	\$4,962	\$5,025	\$4,771	\$4,835
RBC Managed Payout Solution – Enhanced	\$5,989	\$5,989	\$5,989	\$5,594	\$5,726
RBC Managed Payout Solution – Enhanced Plus	\$7,028	\$7,110	\$7,110	\$6,129	\$6,375
Series F - Annual distributions					
RBC Managed Payout Solution	\$5,011	\$5,011	\$5,133	\$4,889	\$5,011
RBC Managed Payout Solution – Enhanced	\$5,967	\$6,030	\$6,093	\$5,779	\$5,967
RBC Managed Payout Solution – Enhanced Plus	\$7,021	\$7,164	\$7,307	\$6,376	\$6,663

Assumes year-end capital gains distributions were reinvested.

For distribution history over the past decade, please visit rbcgam.com/mps-bulletin under Additional Resources.

Thank you for putting your trust in RBC Funds®. For more information, visit your local **RBC Royal Bank®** branch or call **1-800-463-3863** to talk to an RBC advisor.

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