



RBC Bond Fund

Investment Objective

To provide above average, long-term total returns consisting of interest income and moderate capital growth by investing primarily in high-quality fixed-income securities issued by Canadian governments and corporations.

The portfolio is constructed to reflect long-term biases within fixed income markets, which can be expected to result in positive returns vs. benchmark. Top-down macro analysis is a key component of the approach, and provides the background and context in which the rest of the investment process takes place. The portfolio manager will employ multiple strategies to enhance returns, including credit analysis, tactical asset allocation, interest rate management and currency management.

Fund Details

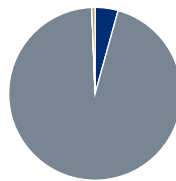
Series	Currency	Fund Code
0	CAD	RBF137
Inception Date		September 2006
Total Fund Assets \$Mil		20,980.0
Benchmark		FTSE Canada Universe Bond Index

Notes

This is a continuing fund resulting from a merger effective November 27, 2015.

Portfolio Analysis as of April 30, 2019

Asset Mix



	% Assets
Cash	4.3
Fixed Income	95.1
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.6

Fixed Income Breakdown

	% Fixed Income
Government Bonds	51.2
Corporate Bonds	45.2
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	3.6
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	3.6	Under 1 year	3.6
AAA	8.7	1 - 5 Yrs	36.4
AA	26.2	5 - 10 Yrs	27.9
A	41.6	Over 10 Yrs	32.1
BBB	16.4		
Below BBB	3.5	Avg. Term to maturity (Yrs)	10.4
Mortgages	0.0	Duration (Yrs)	7.7
NR/NA	0.1	Yield to Maturity	2.6

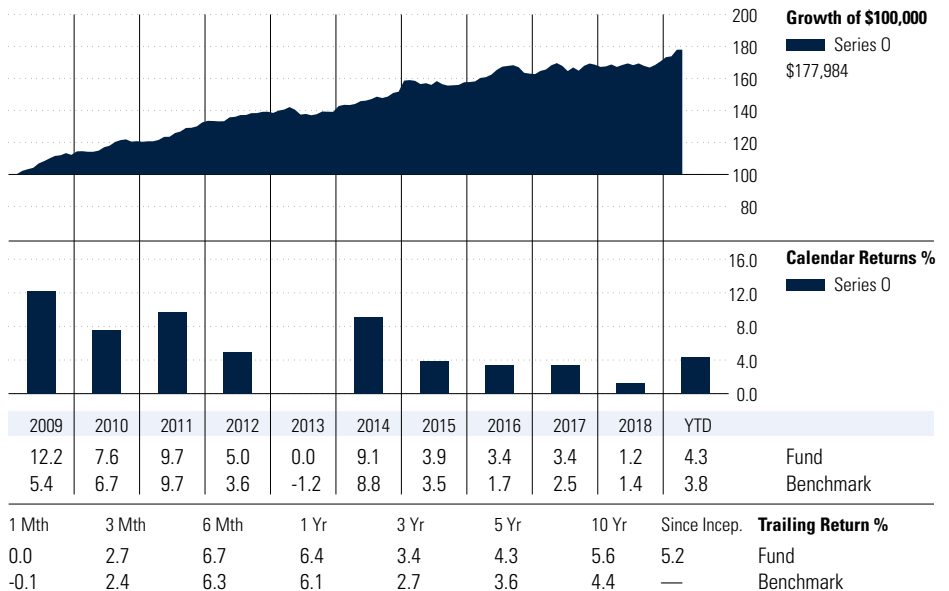
Geographic Allocations	% Assets
Canada	95.5
United States	1.6
International (ex-Emerging Markets)	0.1
Emerging Markets	2.9

Risk Measures	Fund	Benchmark
3 Year Std Dev	3.8	3.7
5 Year Std Dev	3.9	3.8

Top 10 Holdings

	% Assets
Ontario (Province Of) 3.45% 02-06-2045	2.7
Ontario (Province Of) 3.5% 02-06-2043	2.2
Ontario (Province Of) 2.9% 02-06-2049	2.1
Ontario (Province Of) 2.9% 02-12-2046	2.1
Ontario (Province Of) 2.6% 02-06-2027	2.1
Ontario (Province Of) 2.6% 02-06-2025	2.1
Ontario (Province Of) 4.6% 02-06-2039	1.8
Ontario (Province Of) 4.65% 02-06-2041	1.6
Ontario (Province Of) 2.4% 02-06-2026	1.6
Ontario (Province Of) 2.9% 02-06-2028	1.5
Total % of Top 10 Holdings	19.7
Total Number of Portfolio Holdings	690
Total Number of Stock Holdings	5
Total Number of Bond Holdings	1,233
Total Number of Other Holdings	47
Total Number of Underlying Holdings	1,285

Performance Analysis as of April 30, 2019





RBC Bond Fund

Management Overview

Manager Bios

Dagmara Fijalkowski

RBC Global Asset Management Inc.

As Head of Global Fixed Income and Currencies, Dagmara leads investment teams in Toronto, London and Minneapolis in charge of almost \$100 billion in fixed income assets. She heads management of several bond funds and manages foreign-exchange hedging and active currency overlay programs across a number of funds. Dagmara, who began her investment career in 1994, holds an MBA from the Richard Ivey School of Business, a Master's degree in economics from the University of Lodz in Poland and is a CFA charterholder.

RBC GAM Gbl Fix Inc & Currencies Cmttee

Chaired by Dagmara Fijalkowski, Senior Vice President and Senior Portfolio Manager, Head, Global Fixed Income and Currencies. Dagmara has been in the investment industry since 1994.

Performance Analysis Cont'd as of April 30, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	0.07	0.22	0.22	0.29	0.25	0.23	0.27	0.30	0.25	0.27	0.33
Interest	0.07	0.22	0.22	0.23	0.25	0.23	0.25	0.26	0.25	0.27	0.33
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	0.00	0.06	0.00	—	0.02	0.04	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	11-2009	16.8	10-2011	10.4	10-2013	7.7	9-2016	5.9
Worst	9-2017	-2.0	2-2018	1.8	4-2018	3.3	4-2018	5.2
Average		5.1		5.6		5.7		5.5
No. of Periods		140		116		92		32
Pct. Positive		90.0		100.0		100.0		100.0

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

Quarterly Commentary as at March 31, 2019

The Canadian bond market posted strong gains in Q1, joining a global rally, as concerns about slowing global economic growth and effects of tighter financial conditions prompted most central banks to stop tightening monetary policy. The Bank of Canada (BoC), citing trade tensions, weaker-than-expected consumer spending and business investments surprised the market in March by dropping the language about rates rising to neutral. The BoC instead said the outlook justifies rates remaining below neutral. The U.S. Federal Reserve also turned overwhelmingly dovish, signaling that rates are unlikely to rise in 2019 and balance-sheet reduction may end this year. The European Central Bank supported the bond rally in part by rolling back plans to raise its benchmark interest-rate.

Both provincial and corporate bonds outperformed Government of Canada bonds during the period. An above-benchmark allocation to non-government bonds contributed to performance, particularly the Fund's holdings of investment-grade-corporate,

higher-yield-corporate and emerging-market debt. The Fund benefited from the higher income provided by these bonds, and from capital appreciation as the gap between yields on non-government bonds and government bonds narrowed.

We expect major central banks to adopt a patient stance in reaction to slowing global economic developments. Lack of inflation pressures makes it an easier decision. During the quarter U.S. yield-curve inversion, where 10-year yields fell below 3-month yields, worried many investors, who are concerned it could signal a recession. While the inversion does not necessarily signify an imminent contraction, it does indicate fear of an economic slowdown. It also signals that the cycle of interest rate hikes is likely behind us. While the next move by either central bank could be a reduction in rates it is not likely in the short term, and the recent move lower in yields might be overdone.



RBC Bond Fund

Disclosure

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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.

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MER (%) for RBC Funds, RBC Private Pools, 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.

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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