



# RBC Global Bond Fund

## Investment Objective

To achieve above average long-term total returns comprised of interest income and some capital growth, by taking advantage of interest rate and currency fluctuations in world fixed-income markets.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF267
Adv	Front End	CAD	RBF765
Adv	Low Load	CAD	RBF117

Inception Date	October 1991
Total Fund Assets \$Mil	7,439.0
Series A NAV \$	10.56
Series A MER %	1.61
Benchmark	FTSE World Gov Bond (C\$ hedged)

Income Distribution	Quarterly
Capital Gains Distribution	Annually

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

Fund Category	Global Fixed Income
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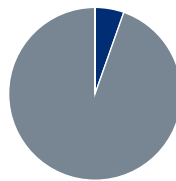
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Notes

This is a continuing fund resulting from a merger effective June 27, 2014.

## Portfolio Analysis as of June 30, 2018

### Asset Mix



	% Assets
Cash	5.4
Fixed Income	94.6
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

### Fixed Income Breakdown

	% Fixed Income
Government Bonds	88.1
Corporate Bonds	6.1
Other Bonds	0.0
Mortgage Backed Securities	0.1
ST Investments (Cash & Other)	5.7
Asset Backed Securities	0.0

### Bond Rating

	%	Term to Maturity	%
Cash / Cash Equiv.	5.7	Under 1 year	6.1
AAA	45.0	1 - 5 Yrs	38.1
AA	8.0	5 - 10 Yrs	29.6
A	23.0	Over 10 Yrs	26.3
BBB	13.0		
Below BBB	5.2	Avg. Term to maturity (Yrs)	9.2
Mortgages	0.1	Duration (Yrs)	7.5
NR/NA	0.0	Yield to Maturity	2.7

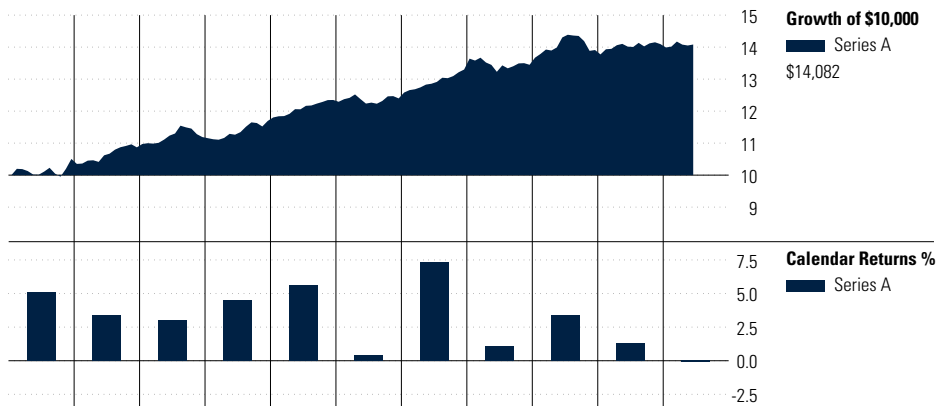
### Geographic Allocations

	% Assets
Canada	3.7
United States	30.2
International (ex-Emerging Markets)	61.1
Emerging Markets	5.0

### Top 25 Holdings

	% Assets
US Treasury Notes 1.62% 31-07-2020	3.6
US Treasury Notes 2.38% 15-05-2027	3.3
US Treasury Notes 1.5% 31-01-2022	3.3
United States 10-Year Nt Fut	2.8
US Treasury Bonds 2.5% 15-02-2045	2.8
US Treasury Notes 1.5% 30-11-2019	2.7
Spain (Kingdom of) 1.15% 30-07-2020	2.6
Canada (Government of) 0.75% 01-08-2019	2.3
UNIT KING OF GRT BRIT AND NORTH IREL 22-07-2027	2.2
Spain (Kingdom of) 2.75% 30-04-2019	2.2
France (Republic Of) 1.25% 25-05-2036	2.2
Japan (Government Of) 0.2% 20-06-2036	2.1
UNIT KING OF GRT BRIT AND NORTH IREL 22-01-2044	2.1
Germany (Federal Rep Of) 1.5% 04-09-2022	2.0
Australia(Cmnwth) 2.25% 21-05-2028	2.0
US Treasury Notes 1.75% 15-05-2023	1.9
France (Republic Of) 0.5% 25-05-2026	1.9
Japan (Government Of) 0.3% 20-06-2046	1.9
Italy (Republic Of) 2% 01-02-2028	1.9
Italy (Republic Of) 0.65% 01-11-2020	1.8
Japan (Government Of) 0.5% 20-09-2036	1.7
Spain (Kingdom of) 0.45% 31-10-2022	1.7
Denmark (Kingdom Of) 1.5% 15-11-2023	1.6
Belgium (Kingdom Of) 2.6% 22-06-2024	1.6
Italy (Republic Of) 1.45% 15-09-2022	1.6
Total % of Top 25 Holdings	55.5
Total Number of Stock Holdings	5
Total Number of Bond Holdings	1,384
Total Number of Other Holdings	13
<b>Total Number of Holdings</b>	<b>1,402</b>

## Performance Analysis as of June 30, 2018



Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD	
Calendar Returns %	5.1	3.4	3.0	4.5	5.6	0.4	7.3	1.1	3.4	1.3	-0.1	Fund Quartile
	4 <sup>th</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	1 <sup>st</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	0.2	-0.6	-0.1	0.5	2.1	2.9	3.5	4.8	Fund
	2 <sup>nd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	—	Quartile
	435	425	393	345	203	115	44	—	No. of Funds in Category



# RBC Global 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.

#### 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 June 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.01	0.32	0.45	0.09	0.37	0.13	0.47	0.17	0.17	0.23	0.34
Interest	0.01	0.05	0.05	0.09	0.10	0.13	0.12	0.17	0.17	0.23	0.34
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.27	0.40	—	0.27	—	0.35	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	12-1998	19.8	10-1998	10.2	12-1998	8.5	6-2003	4.8
Worst	1-2000	-12.5	12-2001	-2.9	10-2003	-0.3	10-2008	1.1
Average		3.7		3.7		3.6		3.5
No. of Periods		289		265		241		181
Pct. Positive		88.6		96.6		99.2		100.0

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

### Quarterly Commentary as at June 30, 2018

Global government bonds were mixed in this quarter, with U.S. Treasuries recording flat returns while German and Japanese bonds rose. The U.S. Treasury market underperformed other developed markets on central-bank monetary tightening attributable to higher relative economic growth and inflation. The U.S. Federal Reserve raised short-term interest rates again in Q2 and continued to reduce the size of its balance sheet, both of which tended to push up yields.

European bond markets were most in focus during the period, especially after May, as Italian political parties calling for additional government spending and a departure from the Eurozone led to renewed concern about the future of the single currency. As a result, Italian government bonds underperformed and safe-haven German bonds outperformed. In general, bond prices in Europe and Japan were supported by central-bank asset purchases.

The Fund's higher exposure to cash and long-dated bonds contributed to performance. Returns were

held back by the Fund's overweight position in Italian government bonds as well as higher-yielding corporate and emerging-market debt that performed poorly in an environment where investors were generally trying to limit risks.

The portfolio manager expects bond yields to rise marginally in the coming quarters, given tightening financial conditions, the potential for temporarily higher inflation and expectations that central banks will continue to gradually raise rates. The portfolio manager expects short-term yields to continue to rise faster than those on longer-term bonds. Trade tensions could also limit economic growth and cap increases in yields.

The Fund will continue to have a preference for the government bonds of Italy, Spain and other "peripheral" European countries, given their relatively high yields when currency risks are eliminated.



# RBC Global Bond Fund

## Disclosure

RBC Funds, BlueBay Funds, PH&N Funds and RBC Corporate Class Funds are offered by RBC Global Asset Management Inc. and distributed through authorized dealers.

Commissions, trailing commissions, 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. Mutual funds are not guaranteed or covered by the Canadian Deposit Insurance Corporation or by any other government deposit insurer. For money market funds, there can be no assurances that the fund will be able to maintain its net asset value per unit at a constant amount or that the full amount of your investment in the fund will be returned to you. The value of mutual funds change frequently and past performance may not be repeated.

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MER (%) for RBC Funds, PH&N Funds and BlueBay Funds is based on actual expenses for the full year period, January 1 to December 31, 2017, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the full year period, April 1, 2017 to March 31, 2018.

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.

The fund profile is provided for informational purposes only. Particular investments and/or trading strategies should be evaluated relative to each individual's investment objectives. The information contained in the fund profile is not, and should not be construed as, investment or tax advice. You should not act or rely on the information contained in the fund profile without seeking the advice of an appropriate professional advisor.

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). This is the Morningstar quartile ranking of Series A and F units of the Fund as of June 30, 2018.

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