



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	7,744.1
Series A NAV \$	10.73
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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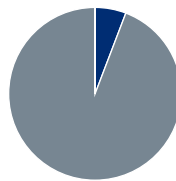
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

Notes

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

Portfolio Analysis as of January 31, 2019

Asset Mix



	% Assets
Cash	5.8
Fixed Income	94.2
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

Top 10 Holdings

	% Assets
United States 2-Year Note Fut 29-03-2019	4.8
Spain (Kingdom of) 1.15% 30-07-2020	4.5
US Treasury Notes 1.5% 31-01-2022	3.1
United States 10-Year Note Fut 20-03-2019	2.8
France (Republic Of) 3% 25-04-2022	2.5
Australia(Cmnwlth) 2.25% 21-05-2028	2.5
UNIT KING OF GRT BRIT AND NORTH IREL 22-01-2044	2.4

Fixed Income Breakdown

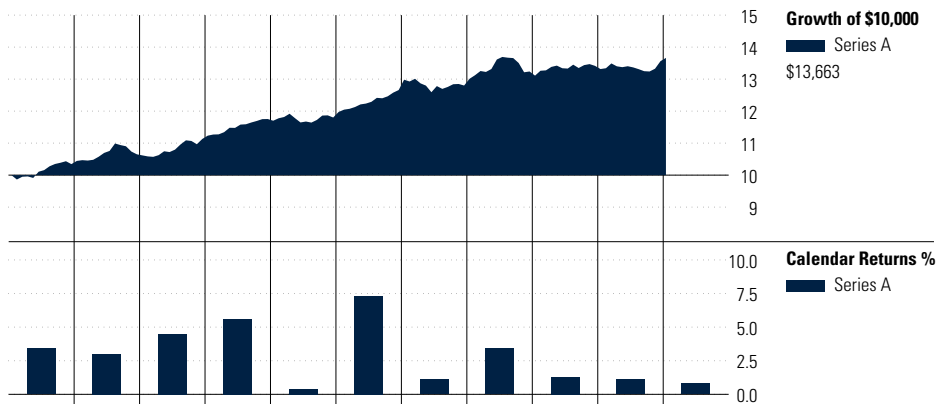
	% Fixed Income
Government Bonds	88.3
Corporate Bonds	6.1
Other Bonds	0.0
Mortgage Backed Securities	0.1
ST Investments (Cash & Other)	5.5
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	5.5	Under 1 year	11.2
AAA	41.9	1 - 5 Yrs	36.6
AA	5.8	5 - 10 Yrs	24.2
A	25.7	Over 10 Yrs	28.0
BBB	15.6		
Below BBB	5.5	Avg. Term to maturity (Yrs)	9.3
Mortgages	0.1	Duration (Yrs)	7.7
NR/NA	0.1	Yield to Maturity	2.6

Geographic Allocations

	% Assets
Canada	1.5
United States	29.9
International (ex-Emerging Markets)	63.2
Emerging Markets	5.4

Performance Analysis as of January 31, 2019



Year	Calendar Returns %	Fund Quartile
2009	3.4 2 nd	
2010	3.0 3 rd	
2011	4.5 3 rd	
2012	5.6 2 nd	
2013	0.4 2 nd	
2014	7.3 2 nd	
2015	1.1 3 rd	
2016	3.4 2 nd	
2017	1.3 3 rd	
2018	1.1 2 nd	
YTD	0.8 3 rd	

Period	Trailing Return %	No. of Funds in Category
1 Mth	0.8 3 rd	522
3 Mth	3.2 2 nd	500
6 Mth	2.2 1 st	480
1 Yr	2.6 2 nd	467
3 Yr	1.6 2 nd	253
5 Yr	2.7 2 nd	145
10 Yr	3.3 2 nd	52
Since Incep.	4.7	—



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 January 31, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	—	0.04	0.32	0.45	0.09	0.37	0.13	0.47	0.17	0.17	0.23
Interest	—	0.04	0.05	0.05	0.09	0.10	0.13	0.12	0.17	0.17	0.23
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	1-1999	7.8	9-2004	4.6
Worst	1-2000	-12.5	12-2001	-2.9	10-2003	-0.3	10-2008	1.1
Average		3.7		3.6		3.5		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 December 31, 2018

Major government-bond markets gained in the fourth quarter of 2018, with December accounting for most of the increases, as trade tensions and slowing global economic growth prompted investors to seek assets perceived as offering the most safety.

The U.S. Federal Reserve (Fed) raised short-term interest rates again during the quarter, bringing the benchmark fed funds rate to its highest level since 2008, and continued scaling back its bond holdings. The ECB wound up its bond-buying program at the end of 2018 and began preparing investors for the possibility that it might start gradually raising its benchmark rate later in 2019. Italian government bonds performed best, dampening worries of a possible rating downgrade and reducing friction with the EU over the country's budget deficit. Japanese yields remained near zero as the Bank of Japan (BOJ) judged that inflation would not be problematic.

The Fund's preference for longer-maturity bonds and its underweight position in intermediate-term securities added to performance. In Europe,

overweight positions in Italian and British government bonds contributed to performance. Returns were held back by the Fund's position in emerging-market debt and corporate fixed income. However, the Fund's exposure to foreign currencies was positive for returns.

We expect the Fed to slow its pace of rate increases in 2019 while the ECB may begin raising rates later this year. However, considering the rapid re-pricing in December as global rates fell while riskier assets sold off, much of our rates view is already priced-in. In fact, the portfolio manager expects bond yields to rise marginally over the coming quarter. We believe that the majority of the Fed's rate increases are now likely behind us, while trade tensions and slowing economic growth could keep bond yields within their recent ranges. The portfolio manager is likely to take advantage of recent volatility to accumulate corporate and emerging-market bonds as their valuations are more attractive now than at any time in the past two years.



RBC Global Bond Fund

Disclosure

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MER (%) for RBC Funds, 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.

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.

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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 January 31, 2019.

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