



# 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	6,328.6
Series A NAV \$	10.89
Series A MER %	1.69
Series A Adjusted MER %	1.61
Benchmark	Citigroup World Gov Bond (C\$ hedged)

Income Distribution	Quarterly
Capital Gains Distribution	Annually

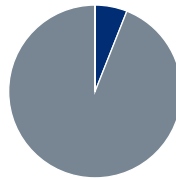
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

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

## Portfolio Analysis as of May 31, 2017

### Asset Mix



	% Assets
Cash	6.0
Fixed Income	94.0
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

### Top 10 Holdings

	% Assets
US Treasury Note 1.5% 30-11-2019	6.4
US Treasury Note 1.5% 31-01-2022	4.0
Italy(Rep Of) 1.5% 01-08-2019	3.4
United Kingdom (Govt Of) 1.5% 22-07-2026	3.2
Spain(Kingdom Of) 2.75% 30-04-2019	2.9
US Treasury Note 1.625% 31-07-2020	2.7
US Treasury Bond 2.5% 15-02-2045	2.5
Italy(Rep Of) 1.6% 01-06-2026	2.4
Italy(Rep Of) 0.65% 01-11-2020	2.4
Spain(Kingdom Of) 1.15% 30-07-2020	2.3
<b>Total % of Top 10 Holdings</b>	<b>32.1</b>
Total Number of Stock Holdings	1
Total Number of Bond Holdings	1,410
Total Number of Other Holdings	13
<b>Total Number of Holdings</b>	<b>1,424</b>

### Fixed Income Breakdown

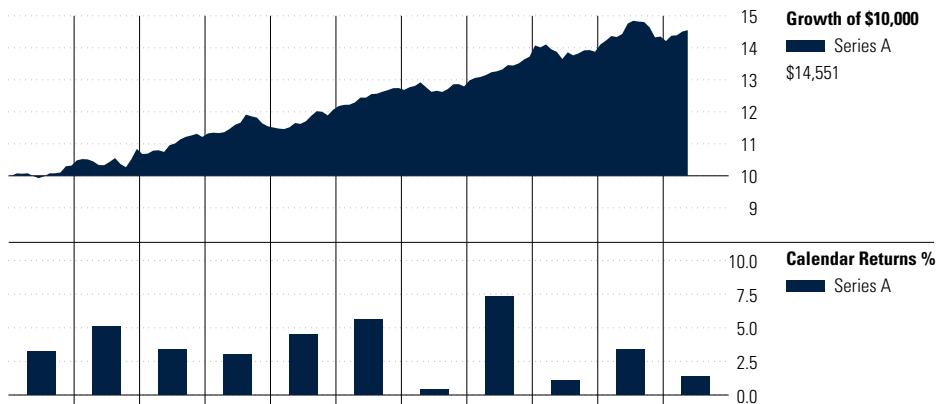
	% Fixed Income
Government Bonds	88.9
Corporate Bonds	7.3
Other Bonds	0.0
Mortgage Backed Securities	0.1
ST Investments (Cash & Other)	2.4
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	2.4	Under 1 year	2.9
AAA	42.6	1 - 5 Yrs	38.4
AA	9.1	5 - 10 Yrs	34.9
A	17.9	Over 10 Yrs	23.8
BBB	22.2		
Below BBB	5.7	Avg. Term to maturity (Yrs)	9.2
Mortgages	0.1	Duration (Yrs)	7.8
NR/NA	0.1	Yield to Maturity	1.9

### Geographic Allocations

	% Assets
Canada	3.0
United States	33.2
International (ex-Emerging Markets)	58.2
Emerging Markets	5.5

## Performance Analysis as of May 31, 2017



Year	Calendar Returns %	Fund Quartile
2007	3.2 1 <sup>st</sup>	
2008	5.1 3 <sup>rd</sup>	
2009	3.4 2 <sup>nd</sup>	
2010	3.0 3 <sup>rd</sup>	
2011	4.5 3 <sup>rd</sup>	
2012	5.6 2 <sup>nd</sup>	
2013	0.4 2 <sup>nd</sup>	
2014	7.3 3 <sup>rd</sup>	
2015	1.1 3 <sup>rd</sup>	
2016	3.4 2 <sup>nd</sup>	
YTD	1.4 4 <sup>th</sup>	

Period	Trailing Return %	Fund Quartile	No. of Funds in Category
1 Mth	0.3 2 <sup>nd</sup>		374
3 Mth	1.2 4 <sup>th</sup>		373
6 Mth	1.6 4 <sup>th</sup>		356
1 Yr	0.8 4 <sup>th</sup>		332
3 Yr	3.2 3 <sup>rd</sup>		187
5 Yr	3.2 4 <sup>th</sup>		96
10 Yr	3.8 4 <sup>th</sup>		43
Since Incep.	5.0		—



# RBC Global Bond Fund

## Management Overview

### Manager Bios

#### Dagmara Fijalkowski

##### RBC Global Asset Management Inc.

Dagmara is Sr. Vice President & Sr. Portfolio Manager, and Head, Global Fixed Income & Currencies at RBC Global Asset Management. She leads a team of over 20 professionals with more than \$50 billion in assets under management. Dagmara also co-manages several of the firms' bond funds and manages foreign exchange hedging and active currency management programs. She has an MBA from the Richard Ivey School of Business and a Master's in economics from the University of Lodz, 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 May 31, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.02	0.45	0.09	0.37	0.13	0.47	0.17	0.17	0.23	0.34	0.51
Interest	0.02	0.05	0.09	0.10	0.13	0.12	0.17	0.17	0.23	0.34	0.28
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.40	—	0.27	—	0.35	—	—	—	—	0.23
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	8-1993	22.6	5-1995	13.9	5-1997	9.7	5-2002	6.2
Worst	1-2000	-12.5	12-2001	-2.9	10-2003	-0.3	10-2008	1.1
Average		4.5		4.2		3.9		3.6
No. of Periods		289		265		241		181
Pct. Positive		90.7		96.6		99.2		100.0

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

### Quarterly Commentary as at March 31, 2017

Global government bond yields settled down after the move caused by Trump's election victory. U.S. 10-year Treasury yield finished at levels it started. Bond investors stayed calm after the Fed hiked its policy rates in March. U.S. Treasuries delivered a 0.5% total return in Q1.

The upcoming French Presidential election heightened political uncertainty in Europe and resurfaced EMU break-up fears resulting in the underperformance of French, Belgian and Italian government bonds. Economic growth and inflationary pressures continued to gain upward momentum, prompting speculation that the ECB may reduce its monetary accommodation sooner, which pushed bond yields higher across Europe. Longer-maturity bonds suffered bigger losses than their short-maturity peers. The Fund's underweight of longer-maturity and French and Belgian bonds contributed to performance.

The Fund's credit allocation also added to performance. Higher risk corporate and EM debt

continued to outperform government bonds by offering higher income and capital appreciation in Q1. Demand for these securities remained strong, supported by the better than expected economic data. In Q1, as credit bonds extended their gains, we reduced holdings cognizant of reduced potential for further gains.

We expect volatility of global bonds to pick up in coming quarters. The Fed expects to continue raising policy rates and could also start reducing its balance sheet later this year adding upward pressure to global bond yields. Bond yields could also face renewed upward pressure from the eventual arrival of U.S. fiscal stimulus, tax and regulatory reforms. The rising yield pressures should be moderated by the BoJ and ECB accommodative monetary policies. Any events that spark a surge in yields would provide opportunities to accumulate bonds that compound income at higher rates.



# 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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and estimates constitute RBC GAM's judgment as of the date of this document, are subject to change without notice and are provided in good faith but without legal responsibility. The Top Ten/25 Holdings may change due to ongoing portfolio transactions within the fund. The Prospectus and other information about the underlying investment funds are available at [www.sedar.com](http://www.sedar.com).

MER (%) for RBC Funds and PH&N Funds is based on actual expenses for the full-year period, January 1 to December 31, 2016, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the full-year period, April 1, 2016 to March 31, 2017, expressed on an annualized basis.

Adjusted MER is provided for funds with management fee changes effective June 30, 2016. The Adjusted MER represents what the reported MER would have been had management fee changes been in effect throughout 2016.

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.

PH&N Funds Series A formerly known as Series C.

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 April 30, 2017.

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