



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.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF270
Adv	Deferred Sales	CAD	RBF850
Adv	Front End	CAD	RBF750
Adv	Low Load	CAD	RBF114

Inception Date	July 1966
Total Fund Assets \$Mil	19,968.3
Series A NAV \$	6.54
Series A MER %	1.11
Benchmark	FTSE Canada Universe Bond Index

Income Distribution	Quarterly
Capital Gains Distribution	Annually

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

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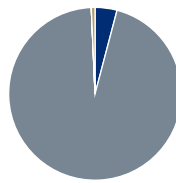
Notes

Please note the "Since Inception" rate of return includes data from October 1972 only.

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

Portfolio Analysis as of January 31, 2019

Asset Mix



	% Assets
Cash	4.1
Fixed Income	95.2
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.7

Fixed Income Breakdown

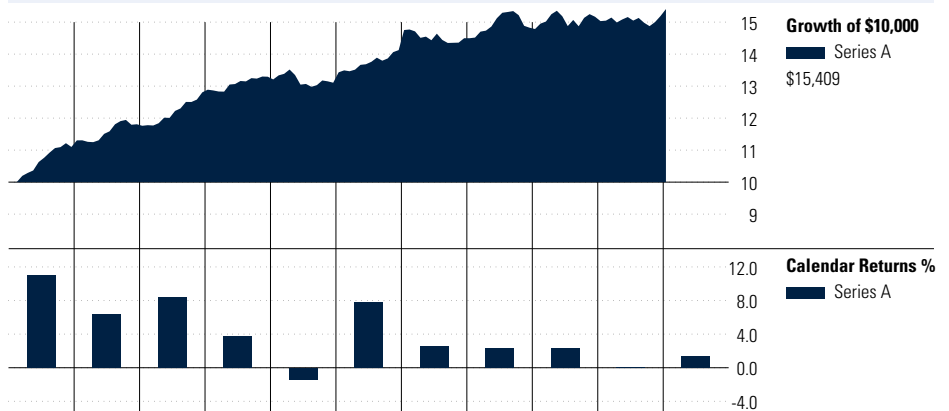
	% Fixed Income
Government Bonds	51.1
Corporate Bonds	45.1
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	3.7
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	3.7	Under 1 year	2.9
AAA	8.9	1 - 5 Yrs	36.9
AA	26.8	5 - 10 Yrs	28.3
A	40.1	Over 10 Yrs	31.8
BBB	16.7		
Below BBB	3.7	Avg. Term to maturity (Yrs)	10.5
Mortgages	0.0	Duration (Yrs)	7.6
NR/NA	0.0	Yield to Maturity	3.0

Geographic Allocations

	% Assets
Canada	95.0
United States	2.1
International (ex-Emerging Markets)	0.1
Emerging Markets	2.8

Performance Analysis as of January 31, 2019



Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD	
Calendar Returns %	11.0	6.4	8.4	3.8	-1.4	7.8	2.6	2.3	2.3	0.1	1.4	Fund Quartile
	1 st	2 nd	2 nd	2 nd	2 nd	2 nd	2 nd	1 st	2 nd	3 rd	1 st	

Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Return	1.4	3.6	2.4	2.5	2.1	2.8	4.5	7.3	Fund Quartile
	1 st	2 nd	2 nd	3 rd	2 nd	2 nd	1 st	—	Quartile
No. of Funds in Category	563	558	540	529	407	341	154	—	No. of Funds in Category



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 January 31, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	—	0.14	0.15	0.20	0.15	0.15	0.19	0.21	0.17	0.21	0.26
Interest	—	0.14	0.14	0.14	0.14	0.15	0.18	0.17	0.17	0.21	0.26
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	0.00	0.06	0.00	—	0.01	0.04	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	1-1996	20.7	1-1998	14.2	6-1999	9.8	1-2005	7.3
Worst	1-1995	-8.8	2-2018	0.6	4-2018	2.1	10-2008	3.2
Average		5.2		5.2		5.0		4.9
No. of Periods		289		265		241		181
Pct. Positive		86.5		100.0		100.0		100.0

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

Quarterly Commentary as at December 31, 2018

Canadian bond prices gained in Q4, outperforming U.S. Treasuries, as yields were pressured lower by a weakening economic expansion and falling oil prices. These negatives, as well as rising global trade tensions, prompted the Bank of Canada (the "BOC"), in December, to express its reluctance to push forward with additional interest rate increases after hiking three times earlier in the year. The U.S. Federal Reserve (the "Fed") boosted the Fed funds rate again in the quarter, bringing its benchmark short-term rate to its highest level since 2008, and continued scaling back the bond purchases. The European Central Bank (the "ECB") began preparing investors for the possibility that it, too, might start to gradually raise rates.

The extra yield offered by bonds issued by provinces and corporations increased relative to Government of Canada bonds, mostly in the fourth quarter. The Fund's returns were hurt by exposure to non-federal bonds. However, the portfolio manager's decision to reduce exposure to corporate bonds earlier in the quarter helped mitigate losses. Foreign-currency trading was the major positive contributor to the Fund's

performance.

Reduced economic growth suggests that the Fed will slow its pace of rate increases in 2019, relative to earlier expectations. The ECB has now ended its bond-buying program and may begin raising rates later this year. As a result, the portfolio manager expects bond yields to rise marginally over the next 12 months. Short-term yields might continue rising faster than those of longer-term bonds as long as central banks seem committed to higher benchmark rates. However, the bulk of central-bank rate increases are likely behind us, while trade tensions and slowing economic growth could keep bond yields within their recent range.

The portfolio manager is likely to accumulate corporate and provincial bonds as their valuations are more attractive now than at any time in the past two years. The portfolio manager expects higher-than-normal financial-market volatility in the first half of 2019.



RBC 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 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.

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 January 31, 2019.

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