



# 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	17,372.4
Series A NAV \$	6.76
Series A MER %	1.16
Series A Adjusted MER %	1.11
Benchmark	FTSE TMX 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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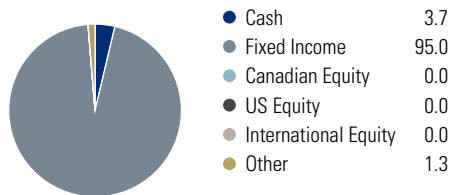
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Notes

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

## Portfolio Analysis as of May 31, 2017

### Asset Mix



### Fixed Income Breakdown

Fixed Income Category	% Fixed Income
Government Bonds	47.9
Corporate Bonds	46.4
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	4.9
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	4.9	Under 1 year	2.7
AAA	11.0	1 - 5 Yrs	38.2
AA	38.8	5 - 10 Yrs	24.2
A	25.3	Over 10 Yrs	34.9
BBB	15.7		
Below BBB	4.2	Avg. Term to maturity (Yrs)	10.4
Mortgages	0.0	Duration (Yrs)	7.7
NR/NA	0.2	Yield to Maturity	2.3

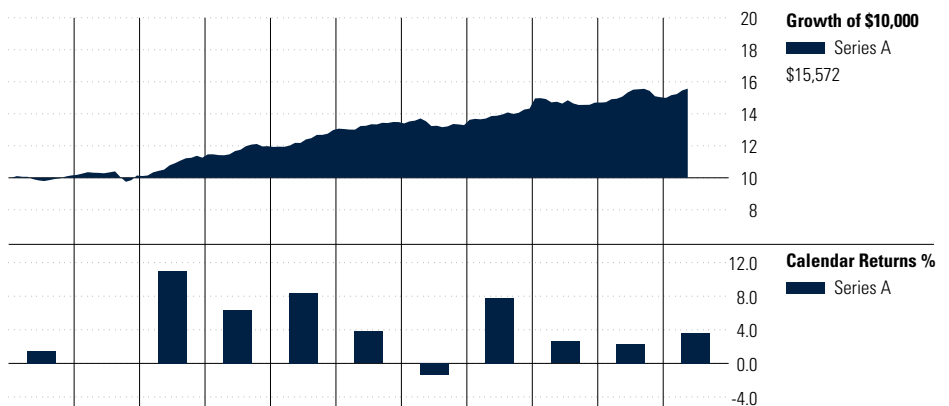
### Geographic Allocations

Geographic Allocation	% Assets
Canada	96.3
United States	1.3
International (ex-Emerging Markets)	0.0
Emerging Markets	2.4

### Top 10 Holdings

Top 10 Holdings	% Assets
Ontario Prov Cda 3.45% 02-06-2045	3.4
Ontario Prov Cda 2.9% 02-12-2046	3.0
Ontario Prov Cda 3.5% 02-06-2043	2.6
Canada Govt 1.5% 01-06-2026	2.3
United States 10-Year Nt Fut	-2.3
Ontario Prov Cda 4.6% 02-06-2039	2.2
Ontario Prov Cda 4.65% 02-06-2041	1.9
Ontario Prov Cda 4% 02-06-2021	1.9
Ontario Prov Cda 2.85% 02-06-2023	1.8
Ontario Prov Cda 3.5% 02-06-2024	1.7
<b>Total % of Top 10 Holdings</b>	<b>18.6</b>
<b>Total Number of Stock Holdings</b>	<b>3</b>
<b>Total Number of Bond Holdings</b>	<b>1,906</b>
<b>Total Number of Other Holdings</b>	<b>29</b>
<b>Total Number of Holdings</b>	<b>1,938</b>

## Performance Analysis as of May 31, 2017



Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	YTD	Fund Quartile
Calendar Returns %	1.5 4 <sup>th</sup>	0.0 4 <sup>th</sup>	11.0 1 <sup>st</sup>	6.4 2 <sup>nd</sup>	8.4 1 <sup>st</sup>	3.8 2 <sup>nd</sup>	-1.4 2 <sup>nd</sup>	7.8 2 <sup>nd</sup>	2.6 2 <sup>nd</sup>	2.3 2 <sup>nd</sup>	3.6 1 <sup>st</sup>	

Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Return	0.7	2.7	3.2	3.3	4.0	3.3	4.6	7.5	Fund
Rank	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	—	Quartile
No. of Funds	646	645	634	597	474	350	129	—	No. of Funds in Category



# RBC 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.

#### 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 May 31, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.04	0.20	0.15	0.15	0.19	0.21	0.17	0.21	0.26	0.26	0.26
Interest	0.04	0.14	0.14	0.15	0.18	0.17	0.17	0.21	0.26	0.26	0.24
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.06	0.00	—	0.01	0.04	—	—	—	—	0.03
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	11-1997	10.3	1-2005	7.3
Worst	1-1995	-8.8	10-2008	0.7	2-2009	2.7	10-2008	3.2
Average		5.6		5.6		5.5		5.2
No. of Periods		289		265		241		181
Pct. Positive		87.2		100.0		100.0		100.0

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

### Quarterly Commentary as at March 31, 2017

The Fund's credit allocation continued to contribute strongly to performance. Investors' appetite for non-government bonds grew due to the surge in optimism about global economic growth. EM debts delivered 3.9% return in Q1, and higher-risk corporate sector returned 2.3%. The Fund benefited from the higher income provided by these bonds, and from capital appreciation as the yield gap between non-government bonds and government bonds narrowed. The Fund's overweight position in shorter-maturity Canadian corporates contributed to performance too. In Q1, as credit has been extending gains, we reduced holdings as price targets have been reached and potential for further gains has been diminishing.

In the government bond sector, yields settled down after the post-election volatility of the previous quarter. The 10-year bond yields in Canada and the U.S. finished at levels they started. Bond investors stayed calm after the Fed

delivered the much anticipated hike in policy rates in March. Government of Canada bonds delivered 0.6% gains in Q1.

Going forward, the portfolio manager expects the volatility of bonds to pick up in the coming quarters. We expect the BoC to keep its benchmark interest rate unchanged this year. Canada's red hot housing and high household debts pose the biggest risks to the country's economy. The Fed expects to continue raising policy rates and could reduce its balance sheet later this year adding upward pressure to global bond yields. Global bond yields could also face renewed upward pressures from the eventual arrival of U.S. fiscal stimulus, tax and regulatory reforms. We will continue to evaluate opportunities according to their future return potential and continued strength of credit may lead to further reduction of overall portfolio risk over the next quarter.



# 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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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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