



# RBC Monthly Income Fund

## Investment Objective

To provide relatively tax efficient monthly distributions consisting of dividend income, interest income and capital gains, as well as the potential for modest capital growth. The fund aims to provide as high a regular monthly income as possible.

## Fund Details

| Series | Load Structure | Currency | Fund Code |
|--------|----------------|----------|-----------|
| A      | No Load        | CAD      | RBF448    |
| Adv    | Front End      | CAD      | RBF763    |
| Adv    | Low Load       | CAD      | RBF115    |

|                         |   |
|-------------------------|---|
| Inception Date          | August 1997   |
| Total Fund Assets \$Mil | 7,440.3   |
| Series A NAV \$         | 14.01   |
| Series A MER %          | 1.20  |
| Benchmark               | 55% FTSE Canada Universe Bond Index<br>43% S&P/TSX Capped Composite Total Return Index<br>2% FTSE Canada 30 Day Tbill Index |

|                               |          |
|-------------------------------|----------|
| Income Distribution           | Monthly  |
| Capital Gains Distribution    | Annually |
| Monthly Distribution (¢/unit) | 4.25     |
| Current Payout Rate (%)*      | 3.64     |

\*Assuming 12 consecutive months at the monthly distribution set out above. The estimate does not include any year-end capital gains distributions paid in addition to the regular monthly distribution nor should it be confused with performance or rates of return.

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

|               |                           |
|---------------|---------------------------|
| Fund Category | Canadian Neutral Balanced |
|---------------|---------------------------|

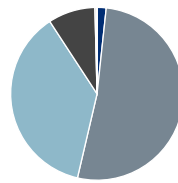
|                    |                                  |
|--------------------|----------------------------------|
| Management Company | RBC Global Asset Management Inc. |
| Web Site           | www.rbcgam.com                   |

## Notes

Units of this fund are no longer available for purchase in registered plans or TFSA's except through a pre-authorized investment plan established prior to December 9, 2005.

## Portfolio Analysis as of January 31, 2019

### Asset Mix

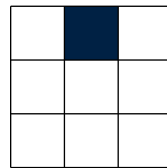


|                      | % Assets |
|----------------------|----------|
| Cash                 | 1.7      |
| Fixed Income         | 51.9     |
| Canadian Equity      | 37.1     |
| US Equity            | 8.8      |
| International Equity | 0.3      |
| Other                | 0.1      |

### Top 10 Holdings

|   | % Assets   |
|---|------------|
| Royal Bank of Canada                    | 3.2        |
| The Toronto-Dominion Bank               | 2.9        |
| Bank of Nova Scotia                     | 2.3        |
| Enbridge Inc                            | 2.0        |
| Canadian National Railway Co            | 1.6        |
| Canada (Government of) 2.75% 01-12-2048 | 1.5        |
| Brookfield Asset Mgmt Inc Cl A          | 1.4        |
| Ontario (Province Of) 4.6% 02-06-2039   | 1.3        |
| Ontario (Province Of) 4.65% 02-06-2041  | 1.3        |
| Bank of Montreal                        | 1.3        |
| Total % of Top 10 Holdings              | 18.7       |
| Total Number of Stock Holdings          | 295        |
| Total Number of Bond Holdings           | 362        |
| Total Number of Other Holdings          | 9          |
| <b>Total Number of Holdings</b>         | <b>666</b> |

### Equity Style



Value Blend Growth

### Statistics

|                   |      |
|-------------------|------|
| P/B Ratio         | 1.7  |
| P/E Ratio         | 13.8 |
| Avg. Mkt Cap. \$B | 45.1 |

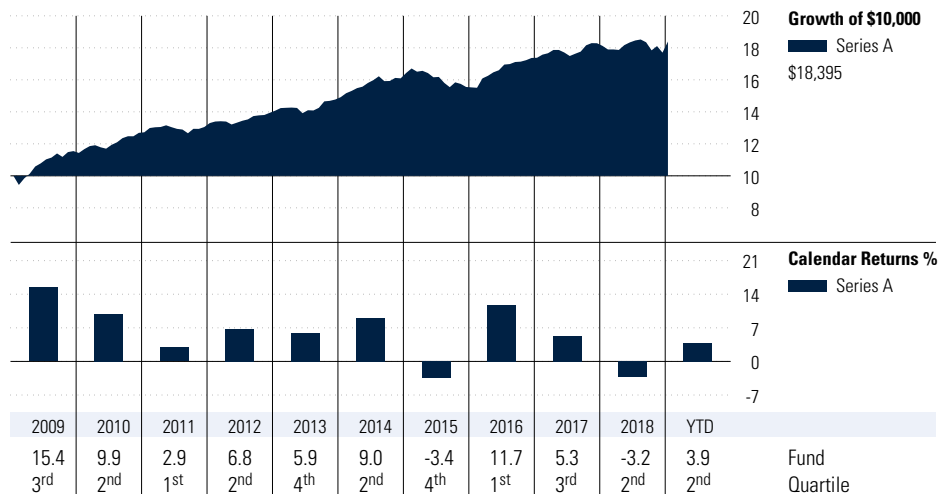
### Top 5 Sectors

|                        | % Equity |
|------------------------|----------|
| Financials             | 35.2     |
| Energy                 | 15.4     |
| Industrials            | 11.8     |
| Communication Services | 6.0      |
| Consumer Staples       | 5.5      |

### Income-Generating Asset-Class

|                                  | % Assets |
|----------------------------------|----------|
| Common Shares                    | 46.3     |
| Government Bonds                 | 29.8     |
| Investment-Grade Corporate Bonds | 19.6     |
| Other                            | 2.7      |
| High Yield Bonds                 | 1.6      |
| Preferred Shares                 | 0.0      |

## Performance Analysis as of January 31, 2019



| 1 Mth           | 3 Mth           | 6 Mth           | 1 Yr            | 3 Yr            | 5 Yr            | 10 Yr           | Since Incep. | Trailing Return %        |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|--------------------------|
| 3.9             | 3.1             | -0.4            | 1.5             | 5.8             | 4.3             | 6.6             | 6.5          | Fund                     |
| 2 <sup>nd</sup> | 1 <sup>st</sup> | 1 <sup>st</sup> | 1 <sup>st</sup> | 2 <sup>nd</sup> | 2 <sup>nd</sup> | 3 <sup>rd</sup> | —            | Quartile                 |
| 701             | 699             | 685             | 671             | 565             | 446             | 161             | —            | No. of Funds in Category |



# RBC Monthly Income Fund

## Management Overview

### Manager Bios

#### Suzanne Gaynor

##### RBC Global Asset Management Inc.

Suzanne Gaynor is Vice President and Senior Portfolio Manager, Global Fixed Income and Currencies. She has been in the investment industry since 1988.

#### Irene Matsyalko

##### RBC Global Asset Management Inc.

Irene Matsyalko is Portfolio Manager and Senior North American Equities Research Analyst. She earned a Commerce degree from University of Toronto and is a CFA charterholder.

#### Sarah Neilson

##### RBC Global Asset Management Inc.

Sarah Neilson is Portfolio Manager and Senior North American Equities Research Analyst. Sarah earned a Bachelor of Science in Mechanical Engineering at Queens University, and an MBA from McGill University. Sarah 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 | 0.51 | 0.51 | 0.51 | 0.51 | 0.51 | 0.56 | 0.51 | 0.57 | 0.57 | 0.57 |
| Interest                | 0.04 | 0.14 | 0.14 | 0.15 | 0.14 | 0.15 | 0.14 | 0.15 | —    | 0.30 | 0.43 |
| Dividends               | —    | 0.17 | 0.17 | 0.20 | 0.22 | 0.19 | 0.20 | 0.17 | 0.17 | 0.15 | 0.14 |
| Capital Gains           | —    | 0.03 | 0.13 | 0.13 | 0.12 | —    | 0.22 | 0.19 | 0.18 | —    | —    |
| Return Of Capital       | —    | 0.17 | 0.07 | 0.03 | 0.04 | 0.17 | —    | —    | 0.22 | 0.11 | —    |

| Best/Worst Periods % | Ended  | 1 Yr  | Ended  | 3 Yr | Ended  | 5 Yr  | Ended  | 10 Yr |
|----------------------|--------|-------|--------|------|--------|-------|--------|-------|
| Best                 | 2-2001 | 25.7  | 3-2006 | 16.1 | 2-2005 | 13.3  | 2-2010 | 9.3   |
| Worst                | 2-2009 | -16.0 | 2-2009 | -2.9 | 5-2012 | 3.1   | 2-2016 | 4.2   |
| Average              |        | 6.7   |        | 7.1  |        | 7.2   |        | 6.8   |
| No. of Periods       |        | 246   |        | 222  |        | 198   |        | 138   |
| Pct. Positive        |        | 84.6  |        | 97.7 |        | 100.0 |        | 100.0 |

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

### Quarterly Commentary as at December 31, 2018

The S&P/TSX Composite Index lagged many global markets through the fourth quarter as a result of Canadian-specific headwinds such as falling energy prices, competitiveness concerns, a cooler housing market and trade uncertainty.

Canadian bond prices posted modest gains 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 reluctance at pushing forward with additional rate increases after hiking three times earlier in the year. In this environment of slowing growth, long-term Canadian federal bonds outperformed their short- and mid-term counterparts, and corporate and provincial bonds of all maturities.

In the equity portion of the portfolio, the Fund benefited from its overweight position in Loblaw within the Consumer Staples sector. Shares in the food retailer reported strong results, particularly within its retail drug division, Shoppers Drug Mart.

In addition, the Fund benefited from its overweight position in Agnico Eagle Mines as gold miners rallied with the metal reasserting itself as a safe haven asset through the volatile quarter.

The largest detractor related to an overweight position in ARC Resources as the Canadian Energy sector continues to face a number of headwinds including pipeline bottlenecks.

While the Canadian economy continues to expand, we expect a deceleration in 2019. Our GDP growth forecast for 2019 is below consensus, but nevertheless represents a slight increase from prior estimates thanks to the tentative resolution of NAFTA renegotiations. Economic competitiveness remains a cause for concerns because Canada's tax rates, along with its regulatory and environmental framework are seen as less business-friendly than the U.S. The federal government's recent decision to allow accelerated depreciation may help level the playing field.



# RBC Monthly Income 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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