



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 | 7,718.2 |
| Series A NAV \$ | 14.15 |
| Series A MER % | 1.20 |
| Benchmark | 57% FTSE Canada Universe Bond Index 43% S&P/TSX Capped Composite Total Return Index |

| | |
|-------------------------------|----------|
| Income Distribution | Monthly |
| Capital Gains Distribution | Annually |
| Monthly Distribution (¢/unit) | 4.25 |
| Current Payout Rate (%)* | 3.61 |

*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 |
|---------------|------------------------------|

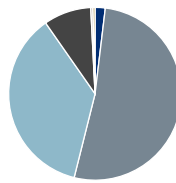
| | |
|--------------------|-------------------------------------|
| Management Company | RBC Global Asset Management Inc. |
| Web Site | www.rbcgam.com |

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.

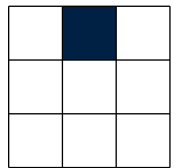
Portfolio Analysis as of September 30, 2018

Asset Mix



| | % Assets |
|----------------------|----------|
| Cash | 1.9 |
| Fixed Income | 52.0 |
| Canadian Equity | 36.4 |
| US Equity | 8.9 |
| International Equity | 0.4 |
| Other | 0.4 |

Equity Style



Value Blend Growth

Statistics

| | |
|-------------------|------|
| P/B Ratio | 1.9 |
| P/E Ratio | 14.7 |
| Avg. Mkt Cap. \$B | 47.2 |

Top 5 Sectors

| | % Equity |
|------------------------|----------|
| Financials | 37.2 |
| Energy | 16.2 |
| Industrials | 10.9 |
| Communication Services | 5.5 |
| Utilities | 4.8 |

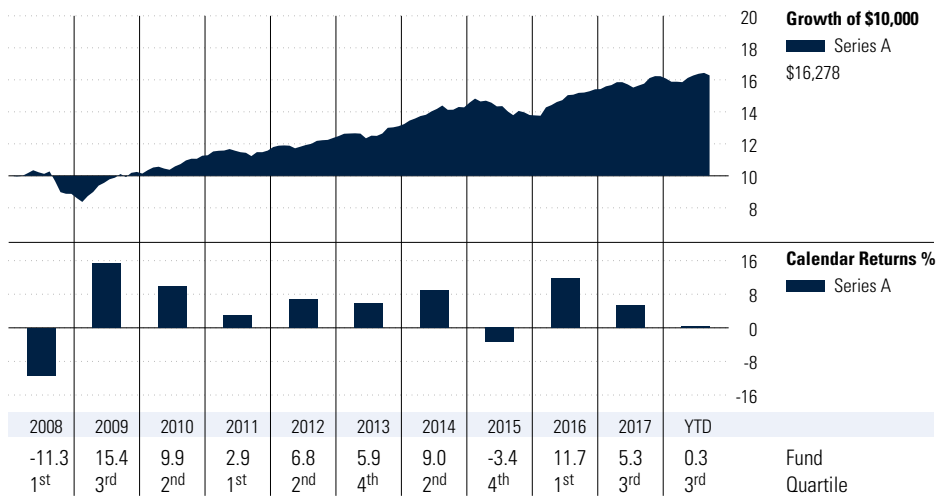
Income-Generating Asset-Class

| | % Assets |
|----------------------------------|----------|
| Common Shares | 45.7 |
| Government Bonds | 29.8 |
| Investment-Grade Corporate Bonds | 19.0 |
| Other | 3.1 |
| High Yield Bonds | 2.4 |
| Preferred Shares | 0.0 |

Top 25 Holdings

| | % Assets |
|---|-------------|
| Royal Bank of Canada | 3.2 |
| The Toronto-Dominion Bank | 2.9 |
| Bank of Nova Scotia | 2.2 |
| Canadian National Railway Co | 1.7 |
| Enbridge Inc | 1.4 |
| Bank of Montreal | 1.4 |
| Brookfield Asset Mgmt Inc Cl A | 1.3 |
| Canada (Government of) 0.75% 01-09-2021 | 1.3 |
| Ontario (Province Of) 4.6% 02-06-2039 | 1.3 |
| Ontario (Province Of) 4.65% 02-06-2041 | 1.2 |
| Canada (Government of) 2.75% 01-12-2048 | 1.2 |
| Suncor Energy Inc | 1.1 |
| Ontario (Province Of) 3.45% 02-06-2045 | 1.1 |
| Manulife Financial Corp | 1.1 |
| Ontario (Province Of) 6.5% 08-03-2029 | 1.1 |
| Quebec (Province Of) 3% 01-09-2023 | 1.0 |
| CIBC | 1.0 |
| TransCanada Corp | 1.0 |
| Canadian Pacific Railway Ltd | 0.9 |
| Quebec (Province Of) 5% 01-12-2041 | 0.9 |
| Canadian Natural Resources Ltd | 0.8 |
| Hydro Quebec 6.5% 15-02-2035 | 0.8 |
| Ontario (Province Of) 3.5% 02-06-2043 | 0.8 |
| United States 10-Year Nt Fut 19-12-2018 | 0.8 |
| Ontario (Province Of) 3.5% 02-06-2024 | 0.8 |
| Total % of Top 25 Holdings | 32.5 |
| Total Number of Stock Holdings | 359 |
| Total Number of Bond Holdings | 366 |
| Total Number of Other Holdings | 12 |
| Total Number of Holdings | 737 |

Performance Analysis as of September 30, 2018



| 1 Mth | 3 Mth | 6 Mth | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Since Incep. | Trailing Return % |
|-------|-------|-------|------|------|------|-------|--------------|--------------------------|
| -0.9 | 0.0 | 2.5 | 3.3 | 5.7 | 5.2 | 5.3 | 6.6 | Fund |
| 3rd | 3rd | 3rd | 3rd | 2nd | 3rd | 3rd | — | Quartile |
| 703 | 679 | 676 | 661 | 538 | 436 | 155 | — | 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 September 30, 2018

| Distributions (\$)/Unit | YTD* | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|
| Total Distributions | 0.38 | 0.51 | 0.51 | 0.51 | 0.51 | 0.56 | 0.51 | 0.57 | 0.57 | 0.57 | 0.57 |
| Interest | 0.38 | 0.14 | 0.15 | 0.14 | 0.15 | 0.14 | 0.15 | — | 0.30 | 0.43 | 0.41 |
| Dividends | — | 0.17 | 0.20 | 0.22 | 0.19 | 0.20 | 0.17 | 0.17 | 0.15 | 0.14 | 0.16 |
| Capital Gains | — | 0.13 | 0.13 | 0.12 | — | 0.22 | 0.19 | 0.18 | — | — | — |
| Return Of Capital | — | 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 | | 6.8 | | 7.2 | | 7.3 | | 6.9 |
| No. of Periods | | 242 | | 218 | | 194 | | 134 |
| Pct. Positive | | 85.5 | | 97.7 | | 100.0 | | 100.0 |

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

Quarterly Commentary as at September 30, 2018

The S&P/TSX Composite Index hit an all-time high in mid-July, but retreated during the remainder of the quarter on uncertainty about the impact of the Trump administration's focus on global trade, in general, and NAFTA, in particular. However, at the end of September, Canada agreed to join an updated trade deal to be called the United States-Mexico-Canada Agreement, or USMCA. The deal, if approved by legislators in the three countries, would avoid abandonment of one of the world's most successful trading arrangements.

The equity portion of the Fund benefited from both asset weighting and security selection over the quarter. In particular, the Fund's overweight in Canadian Pacific Railway drove performance as the company is well positioned for profitable growth due to their excess rail capacity.

The Canadian bond market joined the global bond sell-off, posting negative returns in the quarter. The strong economy and abating housing and household debt concerns supported the Bank of Canada's decision to hike the policy rate by 0.25% to 1.5% in July.

The Fund benefited from investments in non-government bonds, especially U.S. high-yield corporate and emerging market debt which outperformed government bonds. Their outperformance cushioned losses from foreign currency positions, particularly emerging-market currencies.

The Canadian economy continues to show signs of strength, with the unemployment rate at its lowest level in four decades. A string of positive policy developments, coinciding with the possibility of business-tax cuts in the next federal budget, have stoked optimism that the Canadian economy can continue to expand comfortably. That said, some investors are worried about the sustainability of Canada's domestic housing market and the country's diminishing competitiveness relative to the U.S. Canadian equities remain attractively valued in the view of the portfolio manager, suggesting there is the potential for gains in the months ahead.



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 half-year period, January 1 to June 30, 2018, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the full year period, April 1, 2017 to March 31, 2018.

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 September 30, 2018.

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