



# RBC Strategic Income Bond Fund

## Investment Objective

To provide regular monthly income with a potential for modest capital appreciation. The fund invests primarily in units of other mutual funds managed by RBC GAM or an affiliate of RBC GAM (called the underlying funds), emphasizing mutual funds that invest in higher yielding fixed-income securities.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF482
Adv	Deferred Sales	CAD	RBF882
Adv	Front End	CAD	RBF722
Adv	Low Load	CAD	RBF082

Inception Date	August 2013
Total Fund Assets \$Mil	444.7
Series A NAV \$	10.74
Series A MER %	1.78
Benchmark	FTSE TMX Canada Universe Bond Index

Income Distribution	Monthly
Capital Gains Distribution	Annually
Monthly Distribution (¢/unit)	3.00
Current Payout Rate (%)*	3.35

\*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	High Yield Fixed Income
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Management Company	RBC Global Asset Management Inc.
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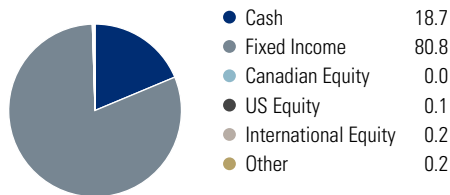
Web Site	www.rbcgam.com
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## Notes

Fund name changed effective January 25, 2016. Fund was previously known as RBC Monthly Income High Yield Bond Fund.

## Portfolio Analysis as of May 31, 2017

### Asset Mix



### Fixed Income Breakdown

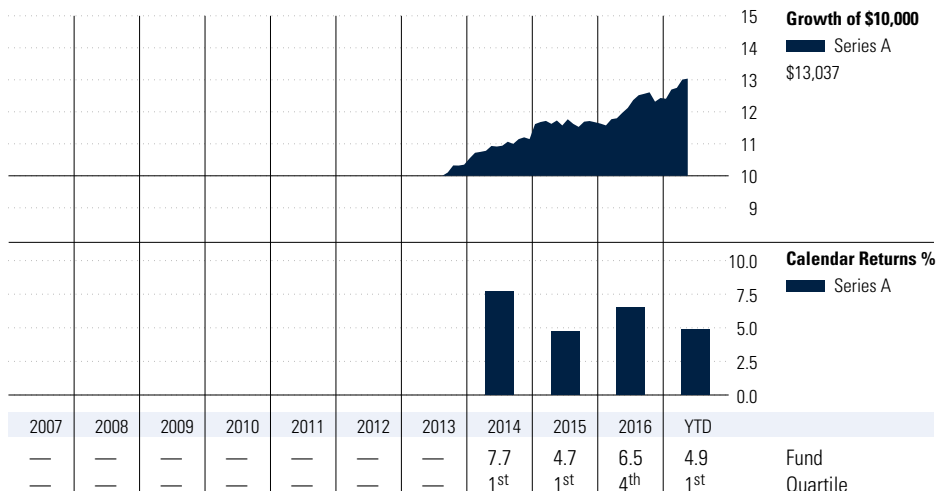
Fixed Income Category	% Fixed Income
Government Bonds	19.8
Corporate Bonds	62.7
Other Bonds	12.5
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	5.0
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	5.0	Under 1 year	21.1
AAA	0.7	1 - 5 Yrs	28.1
AA	2.2	5 - 10 Yrs	36.7
A	11.0	Over 10 Yrs	14.1
BBB	25.2		
Below BBB	42.6	Avg. Term to maturity (Yrs)	6.8
Mortgages	0.0	Duration (Yrs)	4.6
NR/NA	0.8	Yield to Maturity	3.3

### Geographic Allocations

Geographic Allocation	% Assets
Canada	5.7
United States	30.7
International (ex-Emerging Markets)	10.2
Emerging Markets	53.4

## Performance Analysis as of May 31, 2017



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
0.2	2.7	5.9	8.9	6.0	—	—	7.0	Fund
3 <sup>rd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	1 <sup>st</sup>	—	—	—	Quartile
509	507	497	464	341	188	46	—	No. of Funds in Category



# RBC Strategic Income Bond Fund

## Management Overview

### Manager Bios

#### Sarah Riopelle

##### RBC Global Asset Management Inc.

Sarah Riopelle is Vice President and Senior Portfolio Manager, Investment Solutions. Sarah began her investment career in 1996. She is a member of the RBC Investment Strategy Committee and is responsible for the firm's Portfolio Solutions. Sarah has a Bachelor of Commerce in Finance and International Management from the University of Ottawa and is a CFA charterholder.

#### 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.

### Performance Analysis Cont'd as of May 31, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.15	0.55	0.53	0.47	0.22	—	—	—	—	—	—
Interest	0.15	0.38	0.37	0.34	0.20	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.17	0.16	0.13	0.02	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	8-2014	10.6	8-2016	7.8	—	—	—	—
Worst	2-2016	-0.9	1-2017	5.6	—	—	—	—
Average		6.4		6.4				
No. of Periods		34		10				
Pct. Positive		97.1		100.0				

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

### Quarterly Commentary as at March 31, 2017

Global bonds posted gains in the first quarter of 2017, reversing the trend in place since the election of Donald Trump as U.S. president in late 2016.

The shift in part reflected investor skepticism that the new administration would be able to deliver on the president's election promises to cut taxes, boost infrastructure spending and scale back business regulation. The U.S. Federal Reserve (Fed) pressed ahead with another rate cut late in the period, while central banks in Europe and Japan continued to keep monetary policy extraordinarily loose.

The Fund's returns were aided by investments in the RBC Emerging Markets Foreign Exchange Fund, the RBC Global High Yield Bond Fund, the RBC Emerging Markets Bond Fund and the BlueBay Global Convertible Bond Fund.

Major central banks are likely to continue to pursue different monetary policies, with the Fed continuing to raise policy rates and perhaps even starting to reduce the size of its balance sheet later this year. Bond yields could also rise if it becomes clear that President Trump is on the way to implementing his economic policies, although potential yield increases would be moderated by continued easy monetary policies at the European Central Bank and the Bank of Japan. The biggest immediate geopolitical risk is the French presidential election. A pro-European candidate is likely to prevail, but the possibility of a populist victory cannot be ignored. A populist win would likely send yields on German government bonds and fixed income outside of Europe significantly lower, and increase the odds of a Eurozone break-up.



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## 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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