



# 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	1,026.9
Series A NAV \$	9.88
Series A MER %	1.80
Benchmark	FTSE Canada Universe Bond Index

Income Distribution	Monthly
Capital Gains Distribution	Annually
Monthly Distribution (¢/unit)	3.20
Current Payout Rate (%)*	3.89

\*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

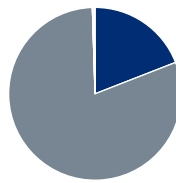
Fund Category	High Yield Fixed Income
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Management Company	RBC Global Asset Management Inc.
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Web Site	www.rbcgam.com
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## Portfolio Analysis as of September 30, 2018

### Asset Mix



	% Assets
Cash	19.1
Fixed Income	80.5
Canadian Equity	0.0
US Equity	0.0
International Equity	0.3
Other	0.2

### Top 25 Holdings

	% Assets
RBC Global Corporate Bond Fund	22.1
RBC Global High Yield Bond Fund	20.1
RBC Emerging Markets Bond Fund	17.0
RBC Emerging Markets Foreign Exchange Fd	14.9
BlueBay Emerging Markets Corp Bd Fund	11.0
BlueBay Global Convert Bd (CAN) Fund	9.1
RBC High Yield Bond Fund	5.1
<b>Total % of Top 25 Holdings</b>	<b>99.3</b>
Total Number of Portfolio Holdings	8
Total Number of Stock Holdings	26
Total Number of Bond Holdings	6,557
Total Number of Other Holdings	233
<b>Total Number of Underlying Holdings</b>	<b>6,816</b>

### Fixed Income Breakdown

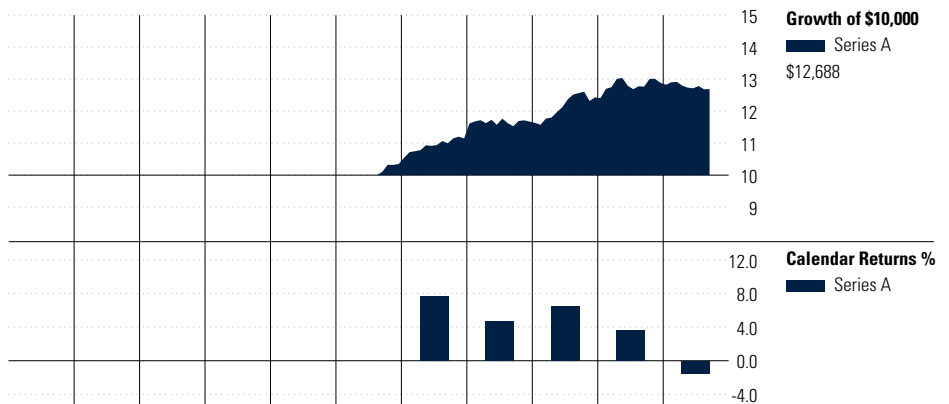
	% Fixed Income
Government Bonds	23.6
Corporate Bonds	63.2
Other Bonds	9.3
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	3.8
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	3.8	Under 1 year	19.4
AAA	1.4	1 - 5 Yrs	28.6
AA	3.7	5 - 10 Yrs	34.3
A	15.5	Over 10 Yrs	17.7
BBB	28.0		
Below BBB	46.4	Avg. Term to maturity (Yrs)	6.8
Mortgages	0.0	Duration (Yrs)	4.7
NR/NA	1.3	Yield to Maturity	4.4

### Geographic Allocations

	% Assets
Canada	5.3
United States	27.0
International (ex-Emerging Markets)	8.6
Emerging Markets	59.1

## Performance Analysis as of September 30, 2018



Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD	
	—	—	—	—	—	—	7.7	4.7	6.5	3.6	-1.5	Fund
	—	—	—	—	—	—	1 <sup>st</sup>	1 <sup>st</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	Quartile

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	0.0	-0.2	-1.7	-0.6	3.2	4.7	—	4.6	Fund
	3 <sup>rd</sup>	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	2 <sup>nd</sup>	—	—	Quartile
	448	445	441	431	301	204	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 charter holder.

#### Dagmara Fijalkowski

##### RBC Global Asset Management Inc.

As Head of Global Fixed Income and Currencies at RBC Global Asset Management, Dagmara leads investment teams in Toronto, London. In her duties as a portfolio manager, Dagmara heads management of several bond funds, manages foreign-exchange hedging and active currency overlay programs across a number of funds. Dagmara chairs the Fixed Income Strategy Committee. She is also a member of the Investment Policy Committee, which determines asset mix for balanced and multi-strategy products, and the RBC Investment Strategy Committee.

### Performance Analysis Cont'd as of September 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.29	0.45	0.55	0.53	0.47	0.22	—	—	—	—	—
Interest	0.29	0.39	0.38	0.37	0.34	0.20	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.06	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	8-2018	4.9	—	—
Worst	5-2018	-2.3	5-2018	2.8	9-2018	4.7	—	—
Average		4.9		5.0		4.8		—
No. of Periods		50		26		2		—
Pct. Positive		88.0		100.0		100.0		—

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

### Quarterly Commentary as at September 30, 2018

The accelerating U.S. economy and trade were the big stories in the third quarter of 2018. Concern that Canada would be omitted from a renegotiated trade pact between the U.S. and Mexico were alleviated at the end of the period, with the announcement of an accord. The U.S. raised pressure on China to open up its economy, but by quarter-end there was scant evidence that the conflict had done much to hinder U.S. growth.

Major bond markets posted losses as interest rates trended higher. Commonly cited reasons behind the yield surge were strong U.S. growth and central-bank efforts to tighten monetary policy. The U.S. Federal Reserve (Fed) raised interest rates once in the period, the third hike in 2018. The increases, combined with the continued scaling-back of bond purchases, helped push U.S. 10-year yields to seven-year highs. Meanwhile, the European Central Bank signaled plans to end bond purchases but keep short-term interest rates steady until at least next year. The outlook was

influenced by soaring Italian yields given efforts to boost fiscal spending to levels exceeding EU limits. The extra yield that investors required to invest in Italian bonds over German bonds widened to the most since 2012.

The RBC Emerging Markets Foreign Exchange Fund and the BlueBay Emerging Markets Corporate Bond Fund had a negative impact on the Fund's returns, offset by exposure to the RBC Global High Yield Bond Fund and the RBC Global Corporate Bond Fund.

Recent declines in government bonds have made valuations more attractive. The gap between yields on longer-term bonds and shorter-term bonds will continue to narrow, in our view, albeit at a slower pace because the Fed is likely nearing the end of the current round of interest-rate increases.



# RBC Strategic Income 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 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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