



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	1,024.8
Series A NAV \$	10.04
Series A MER %	1.79
Benchmark	FTSE TMX Canada Universe Bond Index

Income Distribution	Monthly
Capital Gains Distribution	Annually
Monthly Distribution (¢/unit)	3.20
Current Payout Rate (%)*	3.82

*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

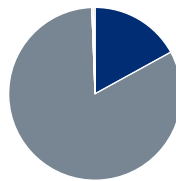
Fund Category	High Yield Fixed Income
---------------	-------------------------

Management Company	RBC Global Asset Management Inc.
--------------------	----------------------------------

Web Site	www.rbcgam.com
----------	----------------

Portfolio Analysis as of May 31, 2018

Asset Mix



	% Assets
Cash	17.0
Fixed Income	82.4
Canadian Equity	0.0
US Equity	0.0
International Equity	0.3
Other	0.3

Top 10 Holdings

	% Assets
RBC Global Corporate Bond Fund	23.0
RBC Global High Yield Bond Fund	19.9
RBC Emerging Markets Bond Fund	17.0
RBC Emerging Markets Foreign Exchange Fd	12.9
BlueBay Emerging Markets Corp Bd Fund	11.0
BlueBay Global Convert Bd (CAN) Fund	9.0
RBC High Yield Bond Fund	6.1
Total % of Top 10 Holdings	99.0
Total Number of Portfolio Holdings	8
Total Number of Stock Holdings	27
Total Number of Bond Holdings	5,831
Total Number of Other Holdings	214
Total Number of Underlying Holdings	6,072

Fixed Income Breakdown

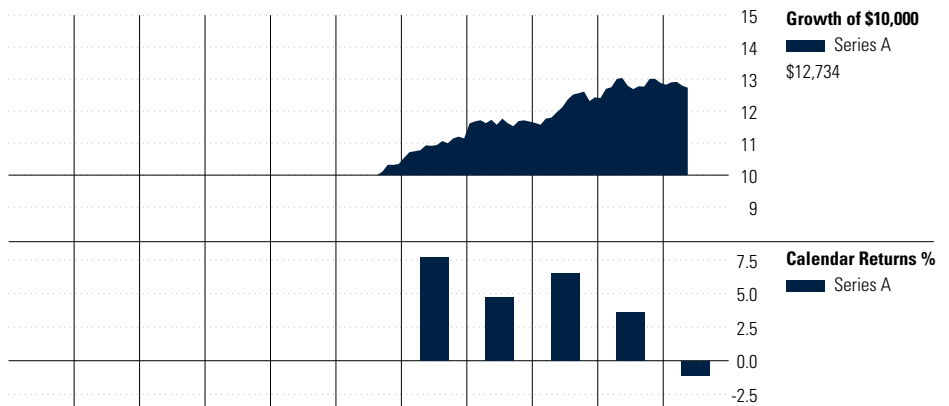
	% Fixed Income
Government Bonds	22.2
Corporate Bonds	64.0
Other Bonds	9.2
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	4.7
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	4.7	Under 1 year	17.7
AAA	1.6	1 - 5 Yrs	29.5
AA	2.8	5 - 10 Yrs	36.2
A	13.4	Over 10 Yrs	16.6
BBB	27.1		
Below BBB	49.3	Avg. Term to maturity (Yrs)	7.1
Mortgages	0.0	Duration (Yrs)	4.8
NR/NA	1.1	Yield to Maturity	4.2

Geographic Allocations

	% Assets
Canada	5.6
United States	30.1
International (ex-Emerging Markets)	8.7
Emerging Markets	55.6

Performance Analysis as of May 31, 2018



Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD	
Calendar Returns %	—	—	—	—	—	—	7.7	4.7	6.5	3.6	-1.1	Fund
	—	—	—	—	—	—	1 st	1 st	4 th	3 rd	4 th	Quartile

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Calendar Returns %	-0.5	-1.3	-2.1	-2.3	2.8	—	—	5.0	Fund
	4 th	4 th	4 th	4 th	3 rd	—	—	—	Quartile
No. of Funds in Category	444	443	436	428	292	183	46	—	



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, Dagmara leads investment teams in Toronto, London and Minneapolis in charge of almost \$100 billion in fixed income assets. She heads management of several bond funds and manages foreign-exchange hedging and active currency overlay programs across a number of funds. Dagmara, who began her investment career in 1994, holds an MBA from the Richard Ivey School of Business, a Master's degree in economics from the University of Lodz in Poland and is a CFA charterholder.

Performance Analysis Cont'd as of May 31, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.16	0.45	0.55	0.53	0.47	0.22	—	—	—	—	—
Interest	0.16	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	—	—	—	—
Worst	5-2018	-2.3	5-2018	2.8	—	—	—	—
Average		5.3		5.3		—		—
No. of Periods		46		22		—		—
Pct. Positive		93.5		100.0		—		—

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

Quarterly Commentary as at March 31, 2018

Worldwide trade suffered a setback in the first quarter of 2018 as U.S. President Trump threatened to impose trade tariffs on China and, to a lesser degree, allies in Europe and North America. However, economic growth remained robust in most areas of the world.

Corporate bonds underperformed government fixed-income securities during the period in response to increased market volatility and rising U.S. interest rates. Bonds with longer maturities underperformed, given their higher sensitivity to changes in interest rates.

Four of the Fund's seven holdings contributed positively to returns, including RBC Emerging Markets Foreign Exchange Fund, BlueBay Emerging Markets Corporate Bond Fund and RBC Emerging Markets Bond Fund. However, returns were limited by exposure to RBC High Yield Bond Fund and RBC Global Corporate Bond Fund.

The global macroeconomic environment remains positive for corporate bonds. However, an aging business cycle, rising U.S. interest rates and trade protectionism are key risks. In our view, improving corporate fundamentals, low default rates and receptive capital markets will support valuations, and U.S. fiscal stimulus should provide a tailwind to an already solid economic outlook.

The portfolio manager expects global bond yields to rise slowly with short-term yields continuing to rise faster than those on longer-term bonds. The portfolio manager also expects the U.S. Federal Reserve to continue tightening while the European Central Bank and Bank of Japan should roll back their easing, given the upbeat growth outlook, which is likely to push bond yields higher. However, trade issues may increase uncertainty, which would hold down yields in the near term.



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.

This document has been compiled by RBC Global Asset Management Inc. (RBC GAM) from sources believed to be reliable, but no representations or warranty, express or

implied, are made by RBC GAM, its affiliates or any other person as to its accuracy, completeness or correctness. All opinions 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.

MER (%) for RBC Funds, PH&N Funds and BlueBay Funds is based on actual expenses for the full year period, January 1 to December 31, 2017, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the half-year period, April 1, to September 30, 2017, expressed on an annualized basis.

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 May 31, 2018.

® / ™ Trademark(s) of Royal Bank of Canada. Used under licence. © RBC Global Asset Management Inc. 2018