



# RBC Monthly Income Bond Fund

## Investment Objective

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

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF495
Adv	Deferred Sales	CAD	RBF895
Adv	Front End	CAD	RBF795
Adv	Low Load	CAD	RBF095

Inception Date	October 2010
Total Fund Assets \$Mil	1,023.8
Series A NAV \$	9.67
Series A MER %	1.09
Benchmark	40% FTSE TMX Canada Short Term Overall Bond Index 60% FTSE TMX Canada Universe Bond Index

Income Distribution	Monthly
Capital Gains Distribution	Annually
Monthly Distribution (¢/unit)	2.25
Current Payout Rate (%)*	2.79

\*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.

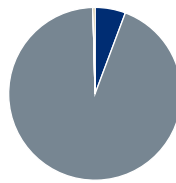
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Fund Category	Canadian Fixed Income
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Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Portfolio Analysis as of June 30, 2018

### Asset Mix



	% Assets
Cash	5.7
Fixed Income	93.9
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.4

### Fixed Income Breakdown

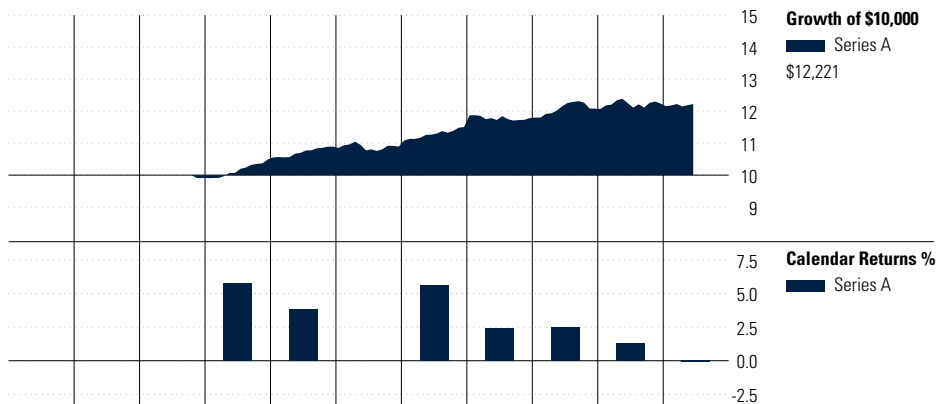
	% Fixed Income
Government Bonds	47.8
Corporate Bonds	43.8
Other Bonds	0.0
Mortgage Backed Securities	3.3
ST Investments (Cash & Other)	5.1
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	5.1	Under 1 year	10.1
AAA	28.6	1 - 5 Yrs	51.9
AA	22.8	5 - 10 Yrs	19.8
A	16.2	Over 10 Yrs	18.2
BBB	17.1		
Below BBB	6.7	Avg. Term to maturity (Yrs)	7.1
Mortgages	3.3	Duration (Yrs)	5.3
NR/NA	0.2	Yield to Maturity	2.9

### Geographic Allocations

	% Assets
Canada	82.9
United States	7.9
International (ex-Emerging Markets)	2.6
Emerging Markets	6.6

## Performance Analysis as of June 30, 2018



2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD	
—	—	—	5.8	3.8	0.0	5.6	2.4	2.5	1.3	-0.1	Fund
—	—	—	4 <sup>th</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	4 <sup>th</sup>	2 <sup>nd</sup>	1 <sup>st</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 %
0.3	0.0	-0.1	-0.2	1.4	2.6	—	2.6	Fund
4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	—	—	Quartile
512	507	502	491	397	320	148	—	No. of Funds in Category



# RBC Monthly 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 June 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.14	0.27	0.30	0.27	0.27	0.30	0.33	0.31	0.16	—	—
Interest	0.14	0.20	0.22	0.23	0.21	0.23	0.30	0.31	0.10	—	—
Dividends	—	0.00	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.01	0.08	0.02	—	—	0.03	—	0.06	—	—
Return Of Capital	—	0.06	—	0.02	0.06	0.07	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	1-2015	7.1	8-2016	4.5	6-2016	3.8	—	—
Worst	9-2017	-1.6	1-2018	0.8	4-2018	1.9	—	—
Average		3.0		3.0		3.0		—
No. of Periods		81		57		33		—
Pct. Positive		86.4		100.0		100.0		—

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

### Quarterly Commentary as at June 30, 2018

The second quarter of 2018 was marked by escalating trade tensions between the U.S. and much of the world, as President Trump made good on his promise to institute billions of dollars in tariffs. Against this backdrop, U.S. economic growth accelerated, while the expansion appeared to slow in Europe and emerging markets.

Canadian bonds posted modest gains during the period, with the trade tensions and slower global growth capping government-bond yields in a period when global central-bank tightening might have been expected to lead to higher rates. The U.S. Federal Reserve raised short-term interest rates once during the period and reduced the size of its balance sheet, while the Bank of Canada left rates unchanged as trade tensions intensified.

The Phillips, Hager & North Short Term Bond & Mortgage Fund, the Phillips, Hager & North Total Return Bond Fund and the RBC Bond Fund all had a

positive impact on returns. Performance was held back by exposure to the RBC Global Corporate Bond Fund and the RBC Emerging Markets Bond Fund.

Looking ahead, the portfolio manager expects bond yields to rise marginally in the coming quarters, given tightening financial conditions, the potential for temporarily higher inflation and expectations that central banks will continue to gradually raise rates. Short-term yields should continue to rise faster than those on longer-term bonds. While the portfolio manager expects corporate bonds to outperform government bonds over the longer term, the near-term outlook is not as positive as it has been. The extra yield that corporate bonds offer relative to government bonds is the lowest since the financial crisis a decade ago.



# RBC Monthly 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 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 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 June 30, 2018.

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