



# 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	947.0
Series A NAV \$	9.55
Series A MER %	1.09
Benchmark	40% FTSE Canada Short Term Overall Bond Index 60% FTSE Canada Universe Bond Index

Income Distribution	Monthly
Capital Gains Distribution	Annually
Monthly Distribution (¢/unit)	2.25
Current Payout Rate (%)*	2.83

\*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

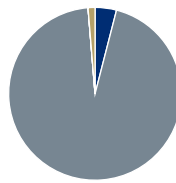
Fund Category: Canadian Fixed Income

Management Company: RBC Global Asset Management Inc.

Web Site: www.rbcgam.com

## Portfolio Analysis as of September 30, 2018

### Asset Mix



	% Assets
Cash	4.0
Fixed Income	94.7
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	1.3

### Fixed Income Breakdown

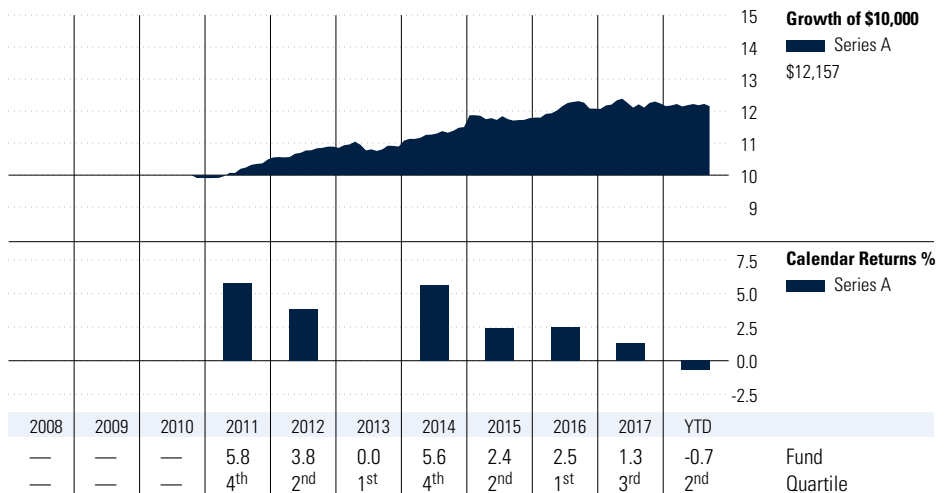
	% Fixed Income
Government Bonds	49.8
Corporate Bonds	44.6
Other Bonds	0.0
Mortgage Backed Securities	3.1
ST Investments (Cash & Other)	2.5
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	2.5	Under 1 year	7.6
AAA	29.1	1 - 5 Yrs	55.3
AA	26.2	5 - 10 Yrs	19.0
A	15.2	Over 10 Yrs	18.2
BBB	17.5		
Below BBB	6.2	Avg. Term to maturity (Yrs)	7.1
Mortgages	3.1	Duration (Yrs)	5.4
NR/NA	0.2	Yield to Maturity	3.1

### Geographic Allocations

	% Assets
Canada	84.0
United States	7.0
International (ex-Emerging Markets)	2.2
Emerging Markets	6.7

## 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 %
-0.6	-0.5	-0.5	0.4	1.3	2.4	—	2.5	Fund
1 <sup>st</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	4 <sup>th</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	—	—	Quartile
526	518	509	495	402	331	150	—	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 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	0.20	0.27	0.30	0.27	0.27	0.30	0.33	0.31	0.16	—	—
Interest	0.20	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		2.9		2.9		2.9		—
No. of Periods		84		60		36		—
Pct. Positive		86.9		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 agreement. 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 the U.S. economic expansion.

The Canadian bond market joined the global bond sell-off, recording losses in the third quarter of 2018. The strong domestic economy and fading concerns about housing and household debt supported the Bank of Canada's (BOC) decision to hike its benchmark interest rate in July by ¼ percentage point. While the BOC reiterated that it plans to gradually raise short-term interest rates, the bank said it was concerned about trade tensions and sluggish wage growth. Trade tensions appeared to ease at the end of September, when Canada reached a new trade

deal with the U.S.

The RBC Bond Fund and the Phillips, Hager & North Total Return Bond Fund had a negative impact on returns, partially offset by the positive impact of the RBC Global Corporate Bond Fund and the RBC High Yield Bond Fund.

We expect bond yields to rise 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. Non-government bonds may provide extra yield over governments, but their near-term outlook is not as positive given that valuations already reflect good economic news. Furthermore, the extra yield that they offer relative to government bonds is at the lowest levels since the financial crisis.



# 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 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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