



# RBC U.S. Monthly Income Fund

## Investment Objective

To provide a combination of regular U.S. dollar monthly income and modest capital growth by investing primarily in U.S. fixed-income and equity securities.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF503
Adv	Front End	CAD	RBF6503
Adv	Low Load	CAD	RBF4503

Inception Date	August 2014
Total Fund Assets \$Mil	1,184.1
Series A NAV \$	13.99
Series A MER %	1.71
Series A Adjusted MER %	1.65
Benchmark	60% Barclays Capital U.S. Aggregate Bond Index 40% S&P 500 Total Return Index (US\$)

Income Distribution	Monthly
Capital Gains Distribution	Annually
Monthly Distribution (¢/unit)	3.65
Current Payout Rate (%)*	3.13

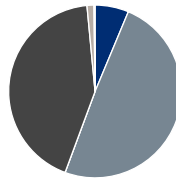
\*Assuming 12 consecutive months at the monthly distribution set out above. The estimate does not include any year-end capital gains distributions paid in addition to the regular monthly distribution nor should it be confused with performance or rates of return.

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

Fund Category	Global Neutral Balanced
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Portfolio Analysis as of May 31, 2017

### Asset Mix

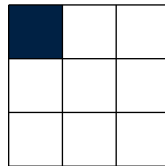


	% Assets
Cash	6.3
Fixed Income	49.4
Canadian Equity	0.0
US Equity	42.9
International Equity	1.3
Other	0.2

### Top 10 Holdings

	% Assets
US Treasury Note 1.75% 15-05-2023	4.0
US Treasury Note 2.25% 15-11-2024	2.0
Apple Inc	1.8
Microsoft Corp	1.5
Philip Morris International Inc	1.5
Johnson & Johnson	1.4
US Treasury Note 1.125% 30-04-2020	1.3
JPMorgan Chase & Co	1.2
PepsiCo Inc	1.2
Chevron Corp	1.1
Total % of Top 10 Holdings	17.0
Total Number of Stock Holdings	213
Total Number of Bond Holdings	2,239
Total Number of Other Holdings	37
<b>Total Number of Holdings</b>	<b>2,489</b>

### Equity Style



Value Blend Growth

### Statistics

P/B Ratio	2.5
P/E Ratio	18.2
Avg. Mkt Cap. \$B	100.2

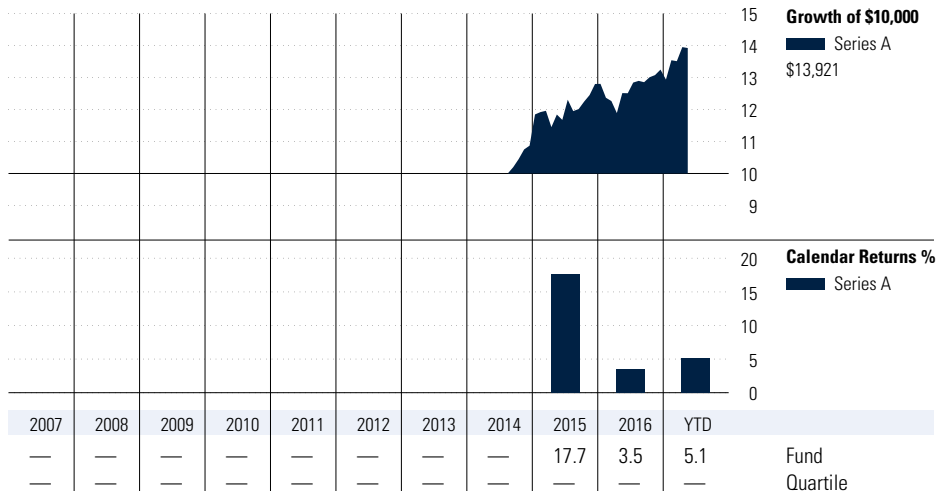
### Top 5 Sectors

	% Equity
Information Technology	17.6
Financials	14.8
Health Care	14.3
Industrials	12.3
Consumer Staples	12.0

### Income-Generating Asset-Class

	% Assets
Common Shares	44.2
Other	21.2
Investment-Grade Corporate Bonds	15.9
Government Bonds	13.3
High Yield Bonds	5.3
Preferred Shares	0.2

## 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 %
Fund	-0.2	2.8	6.5	11.3	—	—	—	13.1	Fund
Quartile	—	—	—	—	—	—	—	—	Quartile
No. of Funds in Category	1379	1369	1338	1271	917	598	172	—	No. of Funds in Category



# RBC U.S. Monthly Income Fund

## Management Overview

### Manager Bios

#### Frank Gambino

##### RBC Global Asset Management Inc.

Frank Gambino is Vice President and Senior Portfolio Manager, Global Fixed Income and Currencies. He has been in the investment industry since 1990.

#### Brad Willock

##### RBC Global Asset Management Inc.

Brad Willock joined RBC in May 1996 and RBC Global Asset Management in July 2002. In his current role, he is responsible for core and income-oriented U.S. equity mandates. Brad has a Bachelor of Commerce and a Bachelor of Science, and is a CFA charterholder.

#### Soo Boo Cheah

##### RBC Global Asset Management (UK) Limited

Soo Boo is Senior Portfolio Manager, Global Fixed Income & Currencies, at RBC Global Asset Management (UK) Ltd. He joined the firm in 2000 as a Fixed Income Analyst and has been active in all aspects of global fixed income management. Soo Boo is a member of the Global Fixed Income & Currencies Committee and the RBC Investment Strategy Committee's Fixed Income & Currencies Advisory Committee. He earned an MBA from the University of New Brunswick and is a CFA charterholder.

#### Jane Lesslie

##### RBC Global Asset Management (UK) Limited

Jane Lesslie is Senior Portfolio Manager, Global Fixed Income and Currencies. She has been in the investment industry since 1988.

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

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.18	0.43	1.21	0.72	—	—	—	—	—	—	—
Interest	0.18	0.23	0.22	0.07	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.18	0.99	0.65	—	—	—	—	—	—	—
Return Of Capital	—	0.03	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	8-2015	19.5	—	—	—	—	—	—
Worst	1-2017	1.0	—	—	—	—	—	—
Average		9.2		—		—		—
No. of Periods		22		—		—		—
Pct. Positive		100.0		—		—		—

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

### Quarterly Commentary as at March 31, 2017

In the previous quarter, cyclical sectors outperformed the market as investors focused on the potential pro-growth policies of the new administration. Furthermore, stocks with strong value characteristics outperformed stocks with superior growth traits, as investors were less inclined to pay for growth in the cyclical rally that commenced after the Brexit. In Q1, the return relationship between sectors was not as pronounced; however, we did see sectors like Health Care, Consumer Staples, and Utilities more than keep up with their cyclical counterparts.

Market performance going forward will depend on tangible evidence in the form of increased economic activity and better-than-expected corporate earnings. While some of the market's advance must be attributed to the anticipation of pro-growth policy action, the fundamentals are also doing their part to drive the market higher. Surveys of U.S. economic activity are at a six-year high and the new-orders and inventory

components indicate that production should keep improving.

U.S. fixed income securities performed well in the quarter resulting in positive returns. U.S. investment grade, high yield and emerging market bonds performed the best outperforming higher quality government and conventional mortgage backed securities. Corporate and emerging market bonds performed well on the back of strong investor demand and stable to potentially improving economic growth.

The Fund is currently over weight U.S. investment grade and mortgaged backed securities relative to normal. Given the recent strength, we lowered our holdings of high yield and emerging market debt to a more normal weight. The Fund continues to favour credit assets relative to U.S. Government bonds to enhance the yield of the portfolio.



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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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