



RBC Canadian Government Bond Index Fund

Investment Objective

To provide a total return consisting of income and moderate capital growth by tracking the performance of the FTSE Canada Federal Bond Index, either directly or indirectly through investment in units of other mutual funds managed by RBC GAM.

Fund Details

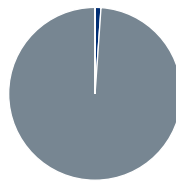
Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF563
Inception Date		June 2000	
Total Fund Assets \$Mil		154.5	
Series A NAV \$		11.71	
Series A MER %		0.61	
Benchmark		FTSE Canada Federal Bond Index	
Income Distribution		Quarterly	
Capital Gains Distribution		Annually	
Sales Status		Open	
Min. Investment \$		500	
Subsequent Investment \$		25	
Fund Category		Canadian Fixed Income	
Management Company		RBC Global Asset Management Inc.	
Web Site		www.rbcgam.com	

Notes

Fund's investment objective changed June 30, 2017.

Portfolio Analysis as of January 31, 2019

Asset Mix



	% Assets
Cash	1.1
Fixed Income	98.9
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

Top 10 Holdings

	% Assets
Canada Housing Tr No.1 1.25% 15-06-2021	11.5
Canada Hsg Tr No 1 3.35% 15-12-2020	9.8
Canada Hsg Tr No 1 2.35% 15-09-2023	6.9
Canada (Government of) 4% 01-06-2041	6.5
Canada Hsg Tr No 1 1.75% 15-06-2022	5.5
Canada (Government of) 3.5% 01-12-2045	5.1
Canada Hsg Tr No 1 2.65% 15-03-2022	4.6
Canada Housing Tr No.1 1.25% 15-12-2020	4.5
Canada (Government of) 1.5% 01-06-2026	4.4
Canada (Government of) 0.75% 01-09-2020	4.2
Total % of Top 10 Holdings	62.9
Total Number of Stock Holdings	0
Total Number of Bond Holdings	25
Total Number of Other Holdings	1
Total Number of Holdings	26

Fixed Income Breakdown

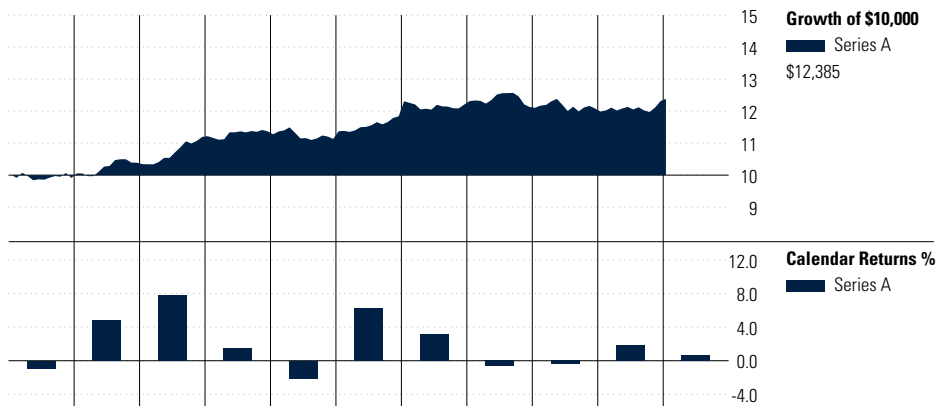
	% Fixed Income
Government Bonds	98.9
Corporate Bonds	0.0
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	1.1
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	1.1	Under 1 year	0.0
AAA	98.9	1 - 5 Yrs	63.0
AA	0.0	5 - 10 Yrs	15.7
A	0.0	Over 10 Yrs	21.3
BBB	0.0		
Below BBB	0.0	Avg. Term to maturity (Yrs)	7.2
Mortgages	0.0	Duration (Yrs)	5.8
NR/NA	0.0	Yield to Maturity	2.0

Geographic Allocations

	% Assets
Canada	100.0
United States	0.0
International (ex-Emerging Markets)	0.0
Emerging Markets	0.0

Performance Analysis as of January 31, 2019



Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD	Fund Quartile
Calendar Returns %	-0.9 4 th	4.8 4 th	7.8 3 rd	1.5 4 th	-2.1 3 rd	6.3 4 th	3.1 1 st	-0.6 4 th	-0.4 4 th	1.9 1 st	0.6 4 th	

Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Return	0.6 4 th	3.4 2 nd	2.8 1 st	3.3 1 st	0.2 4 th	1.7 4 th	2.3 4 th	4.0	Fund Quartile
No. of Funds in Category	563	558	540	529	407	341	154	—	No. of Funds in Category



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Management Overview

Manager Bios

Suzanne Gaynor

RBC Global Asset Management Inc.

Suzanne Gaynor is Vice President and Senior Portfolio Manager, Global Fixed Income and Currencies. She has been in the investment industry since 1988.

Joanne Lee

RBC Global Asset Management Inc.

Joanne co-manages two Canadian bond mutual funds and is actively involved in the management of global fixed income portfolios and fixed income derivatives. Since joining the fixed income team at RBC Global Asset Management in 2006 as an analyst, Joanne has been responsible for research on new investment strategies and opportunities using various investment instruments in developed bond markets. Joanne holds a Master of Finance Degree, and is a CFA charterholder.

Performance Analysis Cont'd as of January 31, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	—	0.21	0.20	0.22	0.21	0.22	0.31	0.26	0.31	0.36	0.38
Interest	—	0.21	0.20	0.21	0.21	0.22	0.25	0.26	0.31	0.36	0.37
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	0.01	—	—	0.06	—	—	—	0.01
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	10-2001	11.8	6-2003	7.5	6-2005	6.9	9-2010	5.6
Worst	9-2017	-4.6	1-2018	-0.9	4-2018	0.9	12-2018	2.1
Average		3.9		4.0		4.1		4.2
No. of Periods		212		188		164		104
Pct. Positive		84.0		95.7		100.0		100.0

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

Quarterly Commentary as at December 31, 2018

Canadian bonds gained in the fourth quarter of 2018, as yields were pressured lower by weakening economic expansion and falling oil prices in the latter part of 2018. These negatives, in addition to rising global trade tensions, prompted the Bank of Canada ("BoC"), in December, to express its reluctance to push forward with additional rate interest-rate increases after hiking three times earlier in the year. Canadian federal bonds outperformed both corporate and provincial bonds of all maturities. Mortgage bonds, which are backed by the federal government, underperformed Government of Canada bonds but still managed to achieve gains. In our view, the recent declines in financial markets have made the valuations of these bonds more attractive.

Reduced economic growth suggests that the U.S Federal Reserve will slow its pace of rate

increases in 2019, relative to earlier expectations. The European Central Bank has ended its bond-buying program and may begin raising rates this year. Against this backdrop, the portfolio manager expects bond yields to rise marginally over the next 12 months. Short-term yields might continue rising faster than those on longer-term bonds so long as central banks seem committed to higher benchmark rates. However, the bulk of central-bank rate increases are likely behind us, and trade tensions and slowing economic growth could keep bond yields within the recent range.

Further significant financial-market volatility could lead to declines in government-bond yields. The Fund will continue to hold an overweight position in Canadian government-backed mortgage bonds, as the higher income that they offer would help offset capital losses if yields rise further.



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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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MER (%) for RBC Funds, PH&N Funds and BlueBay Funds is based on actual expenses for the preceding calendar year or most recent half-year period ended June 30 expressed on an annualized basis, depending on availability of data at the time of publication.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the preceding full year period ended March 31 or half-year period ended September 30 expressed on an annualized basis, depending on availability of data at the time of publication.

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 January 31, 2019.

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