



# 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 TMX Canada Federal Bond Index, either directly or indirectly through investment in units of other mutual funds managed by RBC GAM.

## Fund Details

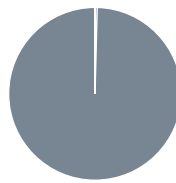
Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF563
Inception Date		June 2000	
Total Fund Assets \$Mil		162.3	
Series A NAV \$		11.51	
Series A MER %		0.64	
Benchmark		FTSE TMX Canada Federal Bond Index	
Income Distribution		Quarterly	
Capital Gains Distribution		Annually	
Sales Status		Open	
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 April 30, 2018

### Asset Mix



	% Assets
Cash	0.4
Fixed Income	99.6
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

### Fixed Income Breakdown

	% Fixed Income
Government Bonds	99.6
Corporate Bonds	0.0
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	0.4
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	0.4	Under 1 year	0.0
AAA	99.6	1 - 5 Yrs	58.3
AA	0.0	5 - 10 Yrs	21.0
A	0.0	Over 10 Yrs	20.7
BBB	0.0		
Below BBB	0.0	Avg. Term to maturity (Yrs)	7.2
Mortgages	0.0	Duration (Yrs)	5.7
NR/NA	0.0	Yield to Maturity	2.2

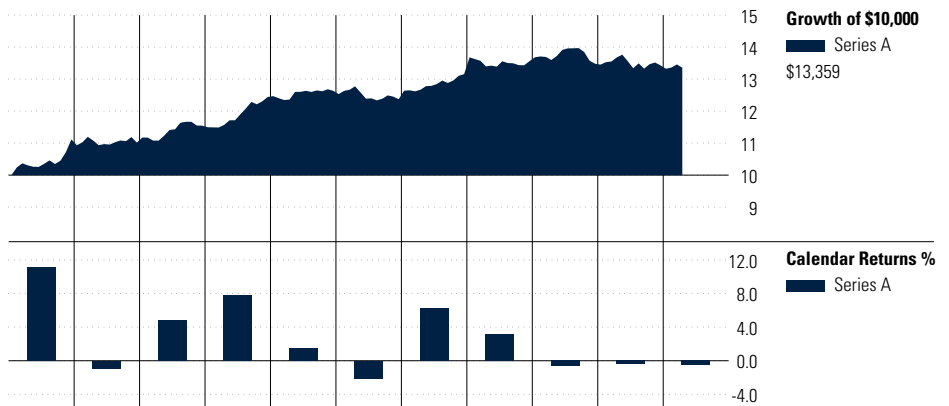
### Geographic Allocations

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

### Top 10 Holdings

	% Assets
Canada Hsg Tr No 1 1.95% 15-06-2019	11.1
Canada Housing Tr No.1 1.25% 15-06-2021	10.9
Canada Hsg Tr No 1 3.35% 15-12-2020	9.4
Canada (Government of) 4% 01-06-2041	6.0
Canada (Government of) 3.5% 01-06-2020	4.9
Canada (Government of) 3.5% 01-12-2045	4.8
Canada Hsg Tr No 1 2.35% 15-09-2023	4.7
Canada (Government of) 1.5% 01-06-2026	4.4
Canada Hsg Tr No 1 2.65% 15-03-2022	4.3
Canada Housing Tr No.1 1.25% 15-12-2020	4.3
Total % of Top 10 Holdings	64.7
Total Number of Stock Holdings	0
Total Number of Bond Holdings	26
Total Number of Other Holdings	1
<b>Total Number of Holdings</b>	<b>27</b>

## Performance Analysis as of April 30, 2018



Year	Return %	Rank
2008	11.1	1 <sup>st</sup>
2009	-0.9	4 <sup>th</sup>
2010	4.8	4 <sup>th</sup>
2011	7.8	2 <sup>nd</sup>
2012	1.5	4 <sup>th</sup>
2013	-2.1	3 <sup>rd</sup>
2014	6.3	4 <sup>th</sup>
2015	3.1	1 <sup>st</sup>
2016	-0.6	4 <sup>th</sup>
2017	-0.4	4 <sup>th</sup>
YTD	-0.5	1 <sup>st</sup>

Period	Return %	Rank	Trailing Return %
1 Mth	-0.7	1 <sup>st</sup>	Fund
3 Mth	0.3	1 <sup>st</sup>	Quartile
6 Mth	-0.8	3 <sup>rd</sup>	
1 Yr	-2.3	4 <sup>th</sup>	
3 Yr	-0.1	4 <sup>th</sup>	
5 Yr	0.9	4 <sup>th</sup>	
10 Yr	2.6	4 <sup>th</sup>	
Since Incep.	4.0	—	
			No. of Funds in Category



# RBC Canadian Government Bond Index Fund

## 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 April 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.06	0.20	0.22	0.21	0.22	0.31	0.26	0.31	0.36	0.38	0.37
Interest	0.06	0.20	0.21	0.21	0.22	0.25	0.26	0.31	0.36	0.37	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	4-2018	2.6
Average		4.1		4.2		4.2		4.3
No. of Periods		203		179		155		95
Pct. Positive		85.7		97.8		100.0		100.0

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

### Quarterly Commentary as at March 31, 2018

The FTSE TMX Canada (formerly DEX) Federal Bond Index returned 0.33% for the quarter. The FTSE TMX Canada Universe Bond Index returned 0.1%, the FTSE TMX Canada Corporate Bond Index returned 0.3% and the FTSE TMX Canada Provincial Bond Index returned -0.3%.

The Bank of Canada (BoC) raised its short-term interest rate as expected in January. The BoC remained cautious on further hikes, citing relatively high household debt levels, tighter mortgage regulations and uncertainty surrounding NAFTA's survival. Yield curves continued to flatten with short-dated bond yields rising more than their long-maturity peers. As a result, the benchmark's positive performance was mostly from long-maturity bonds. Fear of trade wars and volatility in equity markets were the main focus in the second half of the quarter and government bonds

benefited from safe-haven concerns.

Fund performance benefited from an overweight allocation to longer-maturity Canadian bonds and Canada Mortgage bonds, which provided higher income.

Looking ahead, the portfolio manager expects the BoC's reluctance to hike rates to continue and its decisions to be data-dependent. The global economy continues to expand at a healthy pace and policy tightening by major central banks is expected to gain speed later this year, which is likely to push bond yields higher. The Fund will continue to overweight Canada Mortgage bonds as the higher income they offer will 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 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 April 30, 2018.

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