



# RBC Managed Payout Solution

## Investment Objective

To provide a high regular monthly income with a potential for modest capital appreciation. To provide relatively tax efficient distributions consisting primarily of interest income and, to a lesser degree, dividend income, realized capital gains and a return of capital. The portfolio invests primarily in units of other funds managed by RBC GAM or an affiliate of RBC GAM (called the underlying funds), emphasizing mutual funds whose investment objective is to generate income.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF581
Adv	Deferred Sales	CAD	RBF854
Adv	Front End	CAD	RBF754
Adv	Low Load	CAD	RBF121

Inception Date	August 2004
Total Fund Assets \$Mil	3,322.3
Series A NAV \$	8.57
Series A MER %	1.62
Benchmark	2% FTSE Canadian 30 Day T-Bill Index 18% FTSE Canada Short Term Overall Bond Index 50% FTSE Canada Universe Bond Index 2.5% ICE BofA Merrill Lynch U.S. High Yield BB-B Index (Hedged to C\$) 2.5% JP Morgan EMBI Global Diversified Index (Hedged to C\$) 20% S&P/TSX Capped Composite Total Return Index 5% S&P 500 Total Return Index (C\$)
Income Distribution	Monthly
Capital Gains Distribution	Annually
Monthly Distribution (¢/unit)	3.50
Current Payout Rate (%)*	4.90

\*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

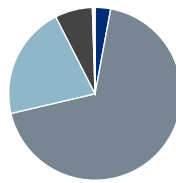
Fund Category Canadian Fixed Income Balanced

Management Company RBC Global Asset Management Inc.

Web Site [www.rbcgam.com](http://www.rbcgam.com)

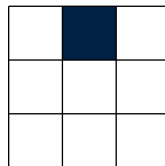
## Portfolio Analysis as of January 31, 2019

### Asset Mix



	% Assets
Cash	2.9
Fixed Income	68.3
Canadian Equity	21.1
US Equity	7.0
International Equity	0.3
Other	0.2

### Equity Style



Value Blend Growth

### Statistics

P/B Ratio	1.8
P/E Ratio	14.2
Avg. Mkt Cap. \$B	44.6

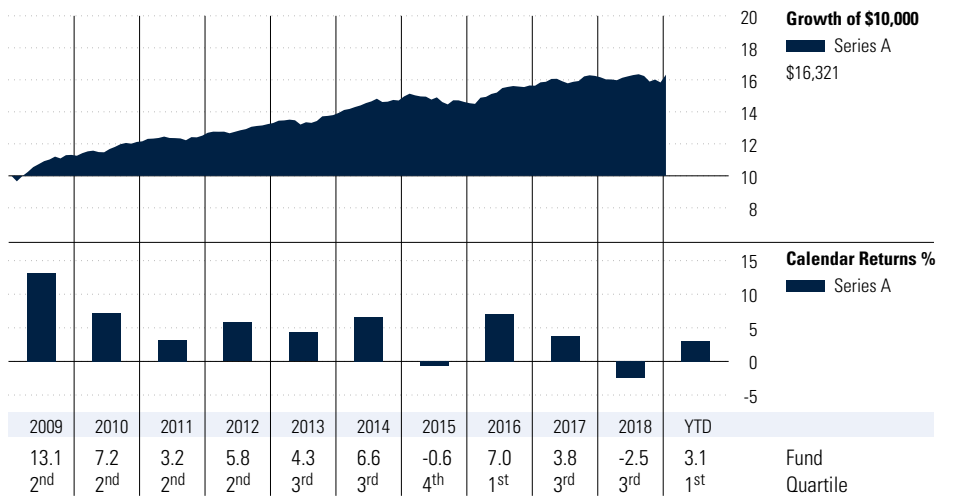
### Top 5 Sectors

	% Equity
Financials	34.1
Energy	15.3
Industrials	11.5
Communication Services	7.0
Information Technology	6.2

### Income-Generating Asset-Class

	% Assets
Common Shares	28.5
Investment-Grade Corporate Bonds	27.5
Government Bonds	26.8
High Yield Bonds	12.7
Other	4.3
Preferred Shares	0.2

## Performance Analysis as of January 31, 2019



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Fund	3.1	2.7	0.2	1.0	3.9	3.2	5.2	4.1	Fund
Quartile	1 <sup>st</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	—	Quartile
No. of Funds in Category	588	570	550	532	439	359	147	—	No. of Funds in Category



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## 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.

### Performance Analysis Cont'd as of January 31, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	0.04	0.45	0.46	0.45	0.47	0.47	0.47	0.47	0.47	0.46	0.45
Interest	0.04	0.07	0.06	0.06	0.09	0.07	0.09	0.09	0.07	0.15	0.14
Dividends	—	0.06	0.05	0.06	0.06	0.07	0.07	0.07	0.06	0.07	0.06
Capital Gains	—	0.13	0.07	0.02	0.21	0.19	0.05	0.03	0.02	—	—
Return Of Capital	—	0.20	0.28	0.30	0.11	0.13	0.26	0.28	0.32	0.24	0.25

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	18.2	2-2012	9.7	2-2014	7.9	1-2019	5.2
Worst	2-2009	-10.4	2-2009	-1.5	12-2018	2.8	2-2016	3.7
Average		4.1		4.1		4.4		4.3
No. of Periods		162		138		114		54
Pct. Positive		86.4		96.4		100.0		100.0

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

### Quarterly Commentary as at December 31, 2018

Economic growth decelerated as 2018 came to a close, leading to declines in stocks and corporate bonds in the fourth quarter. Other issues clouding the outlook for investors included the U.S.-China trade conflict, the terms of the U.K.'s exit from the European Union and tightening financial conditions.

The Fund's overweight position in equities and underweight position in fixed income had a negative impact on performance. The U.S. Federal Reserve (Fed) raised its benchmark interest rate in December, the fourth increase in 2018. However, government-bond yields declined on concern about the outlook for growth. Japanese and European bonds performed best, followed by Canadian and U.S. fixed income. Returns in the fixed-income segment of the portfolio were boosted by the RBC Bond Fund and the RBC Canadian Short-Term Income Fund.

Equities in developed markets in Europe and Asia, as well as in emerging markets, continued to

decline in the fourth quarter. U.S. stocks, resilient for most of 2018, experienced fourth-quarter declines that were among the steepest in global markets and wiped out gains achieved during the first three quarters of the year. Returns were held back by the Phillips, Hager & North Canadian Income Fund and the RBC Canadian Dividend Fund.

We expect the trend of slowing global growth to continue into 2019. That said, further gradual tightening of monetary policy is expected, and rising rates could limit bond returns. The portfolio manager remains underweight fixed income, but used last year's rise in yields to increase the bond allocation as bonds can provide a cushion in an economic downturn. While we expect equity-market volatility to continue, stocks still offer superior return potential versus bonds, as long as earnings continue to grow as analysts expect. The Fund remains overweight equities, but exposure remains well below the peak earlier in the cycle.



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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.

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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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