



# RBC Managed Payout Solution

## Investment Objective

To provide a high regular monthly income with a potential for modest capital appreciation and 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.

## 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	3,605.5
Series A NAV \$	8.78
Series A MER %	1.63
Benchmark	2% FTSE TMX Canadian 30 Day T-Bill Index 18% FTSE TMX Canada Short Term Overall Bond Index 50% FTSE TMX 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)	3.75
Current Payout Rate (%)*	5.13

\*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.

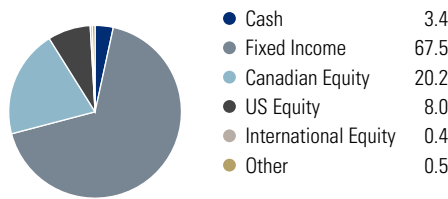
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Fund Category	Canadian Fixed Income Balanced
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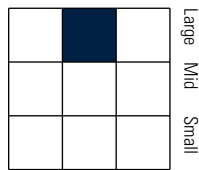
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Portfolio Analysis as of June 30, 2018

### Asset Mix



### Equity Style



Value Blend Growth

### Statistics

P/B Ratio	2.0
P/E Ratio	15.0
Avg. Mkt Cap. \$B	45.6

### Top 5 Sectors

Sector	% Equity
Financials	34.8
Energy	15.2
Industrials	11.4
Information Technology	8.6
Consumer Discretionary	7.0

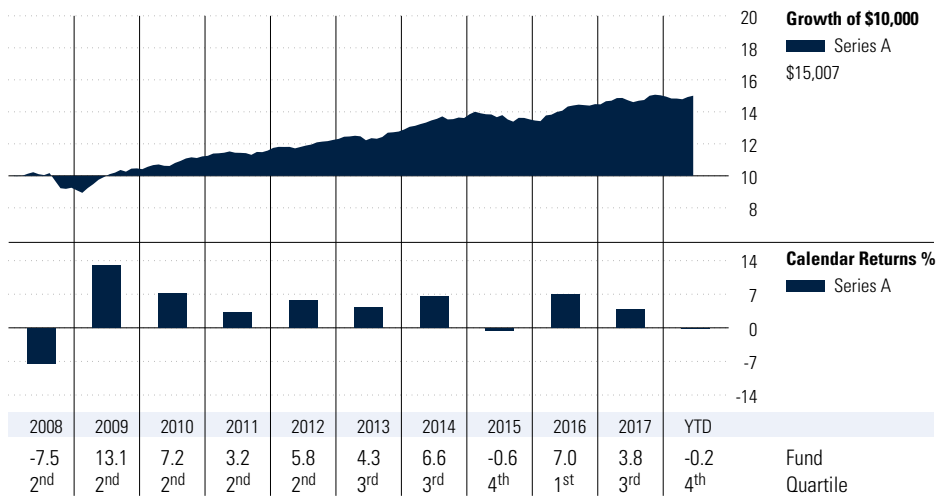
### Income-Generating Asset-Class

Asset-Class	% Assets
Common Shares	28.6
Government Bonds	27.9
Investment-Grade Corporate Bonds	26.7
High Yield Bonds	11.6
Other	4.9
Preferred Shares	0.4

### Top 25 Holdings

Top 25 Holdings	% Assets
RBC Bond Fund	20.7
RBC Global Corporate Bond Fund	19.3
RBC Canadian Short -Term Income Fund	17.3
RBC Monthly Income Fund	15.2
PH&N Canadian Income Fund	8.0
RBC Canadian Dividend Fund	7.5
RBC Global High Yield Bond Fund	4.8
RBC QUBE US Equity Fund	3.3
PH&N US Multi-Style All-Cap Equity Fund	3.3
Total % of Top 25 Holdings	99.5
Total Number of Portfolio Holdings	10
Total Number of Stock Holdings	838
Total Number of Bond Holdings	5,986
Total Number of Other Holdings	106
<b>Total Number of Underlying Holdings</b>	<b>6,930</b>

## Performance Analysis as of June 30, 2018



Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Return	0.5	1.2	-0.2	1.9	3.2	4.2	4.0	4.2	Fund
Rank	3 <sup>rd</sup>	2 <sup>nd</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	—	Quartile
No. of Funds	560	558	558	533	428	320	132	—	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 June 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.23	0.46	0.45	0.47	0.47	0.47	0.47	0.47	0.46	0.45	0.51
Interest	0.23	0.06	0.06	0.09	0.07	0.09	0.09	0.07	0.15	0.14	0.16
Dividends	—	0.05	0.06	0.06	0.07	0.07	0.07	0.06	0.07	0.06	0.06
Capital Gains	—	0.07	0.02	0.21	0.19	0.05	0.03	0.02	—	—	—
Return Of Capital	—	0.28	0.30	0.11	0.13	0.26	0.28	0.32	0.24	0.25	0.30

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	8-2014	4.9
Worst	2-2009	-10.4	2-2009	-1.5	6-2010	3.3	2-2016	3.7
Average		4.3		4.2		4.5		4.2
No. of Periods		155		131		107		47
Pct. Positive		87.7		96.2		100.0		100.0

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

### Quarterly Commentary as at June 30, 2018

The second quarter of 2018 was marked by escalating trade tensions between the U.S. and much of the world, as President Trump made good on his promise to institute billions of dollars in tariffs. Against this backdrop, U.S. economic growth accelerated, while the expansion appeared to slow in Europe and emerging markets.

The Fund's overweight position in equities and underweight position in fixed income had a positive impact on performance. Global government bonds were mixed, with U.S. Treasuries finishing the period essentially flat while German and Japanese bonds rose. Canadian bonds posted modest gains during the period, as the trade conflict and slowing global growth capped yields on Government of Canada debt. Returns in the fixed-income segment of the portfolio were held back by the RBC Global Corporate Bond Fund and the RBC Global High Yield Bond Fund.

Global equity markets continued to fluctuate in the

quarter as the trade conflict moved beyond the U.S. and China to engulf Europe and Canada. Chinese equity prices slumped while Canadian stocks rebounded, supported by rising oil prices. Returns were bolstered by the Phillips, Hager & North Canadian Income Fund and the RBC Canadian Dividend Fund.

Economic growth slowed in the first half of 2018, but remains at its most solid since the financial crisis amid U.S. fiscal stimulus and business and consumer optimism. The portfolio manager expects continued expansion, encouraging central banks to nudge rates higher and acting as a headwind for bond returns. As a result, the Fund remains underweight fixed income, but less so than at previous points in the cycle. Stocks offer more attractive prospects. The portfolio manager has been moderating risk-taking but the potential upside in earnings still justifies a mild overweight in stocks.



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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 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 June 30, 2018.

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