



# RBC U.S. Monthly Income Fund (US\$)

## Investment Objective

To provide a combination of regular U.S. dollar monthly income and modest capital growth. The fund invests primarily in U.S. fixed-income securities such as government and corporate bonds, notes, asset-backed securities and preferred shares. The fund also invests in high-quality equity securities of U.S. companies. It may also invest in high-yield debt securities and emerging market sovereign and corporate bonds.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	USD	RBF587
Adv	Front End	USD	RBF764
Adv	Low Load	USD	RBF116

Inception Date	May 2005
Total Fund Assets \$Mil	1,272.2
Series A NAV \$	10.24
Series A MER %	1.65
Benchmark	54% Bloomberg Barclays U.S. Aggregate Bond Index (USD) 40% S&P 500 Total Return Index (USD) 3% ICE BofAML U.S. HY BB-B Index (USD) 3% JPM EM Bond Index Gbl Diversified (USD)

Income Distribution	Monthly
Capital Gains Distribution	Annually
Monthly Distribution (¢/unit)	2.90
Current Payout Rate (%)*	3.40

\*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
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Management Company	RBC Global Asset Management Inc.
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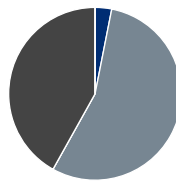
Web Site	www.rbcgam.com
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## Notes

Not available for purchase in registered plans or TFSA's administered by RBC Royal Bank.

## Portfolio Analysis as of January 31, 2019

### Asset Mix

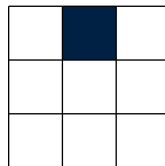


	% Assets
Cash	3.1
Fixed Income	55.0
Canadian Equity	0.0
US Equity	41.9
International Equity	0.0
Other	0.0

### Top 10 Holdings

	% Assets
US Treasury Notes 1.75% 15-05-2023	6.4
US Treasury Notes 1.5% 31-01-2022	3.2
US Treasury Notes 2% 15-02-2025	3.1
US Treasury Notes 1.62% 15-02-2026	3.0
US Treasury Bonds 3.5% 15-02-2039	2.7
Microsoft Corp	2.3
US Treasury Notes 1.12% 30-04-2020	1.9
Cisco Systems Inc	1.5
Apple Inc	1.4
FNMA 4% 01-09-2047	1.3
Total % of Top 10 Holdings	26.7
Total Number of Stock Holdings	211
Total Number of Bond Holdings	2,285
Total Number of Other Holdings	35
<b>Total Number of Holdings</b>	<b>2,531</b>

### Equity Style



Value Blend Growth

### Statistics

P/B Ratio	2.8
P/E Ratio	14.8
Avg. Mkt Cap. \$B	121.6

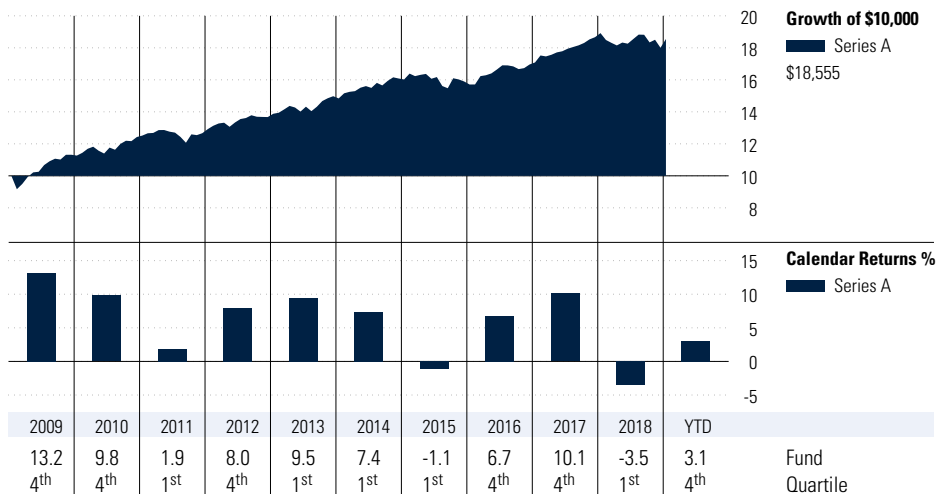
### Top 5 Sectors

	% Equity
Information Technology	23.3
Health Care	17.2
Financials	13.3
Industrials	9.5
Consumer Staples	8.5

### Income-Generating Asset-Class

	% Assets
Common Shares	41.9
Government Bonds	24.2
Other	15.7
Investment-Grade Corporate Bonds	11.5
High Yield Bonds	6.7
Preferred Shares	0.0

## 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 %
	3.1	1.2	0.1	-1.9	5.7	4.6	6.8	4.6	Fund
	4 <sup>th</sup>	4 <sup>th</sup>	1 <sup>st</sup>	1 <sup>st</sup>	4 <sup>th</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	—	Quartile
	1563	1553	1507	1481	1051	773	336	—	No. of Funds in Category



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## 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.

#### David Nava

David joined the Emerging Markets (EM) Bond team in 2004 and has been directly involved in the management of the firm's EM bond assets since 2010. He manages EM bond allocations for several of the firm's fixed income funds and is a member of the Fixed Income Strategy Committee.

David is a graduate (BSc Economics) of the prestigious Instituto Tecnológico Autónomo de México (ITAM). After moving to Canada in 2001, David completed his MBA at the Rotman School of Management in Toronto.

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

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	0.03	0.39	0.32	0.32	0.89	0.80	0.79	0.30	0.36	0.36	0.36
Interest	0.03	0.14	0.14	0.17	0.17	0.14	0.22	0.17	0.18	0.16	0.20
Dividends	—	—	0.00	—	—	—	—	—	—	—	—
Capital Gains	—	0.25	0.13	0.14	0.72	0.66	0.57	0.10	—	—	—
Return Of Capital	—	—	0.06	0.02	—	—	—	0.03	0.18	0.20	0.15

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	24.8	2-2012	12.7	2-2014	10.6	1-2019	6.8
Worst	2-2009	-17.7	2-2009	-3.4	6-2010	2.5	9-2015	4.4
Average		5.1		5.0		5.6		5.1
No. of Periods		153		129		105		45
Pct. Positive		85.0		94.6		100.0		100.0

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

### Quarterly Commentary as at December 31, 2018

The S&P 500 Index was not exempt from the sell-off as tighter financial conditions, rising protectionism and slowing global growth were top of mind for investors. These fears led investors to favour the safety of U.S. treasuries. The U.S. 10 Year treasury yield peaked around 3.20% in early November and ended the year at 2.70%. U.S. corporate bonds and emerging market debt underperformed in this risk off period.

In the equity portion, both security selection and sector allocation were a boost in Q4 amidst volatile markets. Defensive positioning contributed to the downside protection, as well as utilization of the Fund's potential fixed income allotment. Conversely, some of our energy overweights detracted in Q4, namely Phillips 66 and Marathon Petroleum.

The fixed income portion also outperformed. Favouring long dated treasuries benefited as long term interest yields fell. Our selective exposure to higher quality companies helped offset the poor

performance of the broader U.S. investment grade market. Returns in emerging markets were a drag, but the Fund's limited exposure to Argentina and Turkey helped. Finally our high-yield holdings in industries such as auto parts and homebuilders hurt given concerns of a slowing economy.

The Fund is currently overweight investment grade and treasuries, while underweight mortgage backed securities. The Fund still favours high quality credit assets to enhance the yield of the portfolio while keeping bond maturities close to neutral.

While our base case is for stocks to rise very modestly over the next year, there are several scenarios that could lead to different outcomes. A policy mistake by the U.S. Federal Reserve or an escalation of protectionist moves by the Trump administration are the most likely causes of a downturn given the potential for both to stamp out the expansion.



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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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