



# 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	1,348.0
Series A NAV \$	10.54
Series A MER %	1.65
Benchmark	60% Bloomberg Barclays U.S. Aggregate Bond Index 40% S&P 500 Total Return Index (US\$)

Income Distribution	Monthly
Capital Gains Distribution	Annually
Monthly Distribution (¢/unit)	2.90
Current Payout Rate (%)*	3.30

\*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

Management Company: RBC Global Asset Management Inc.

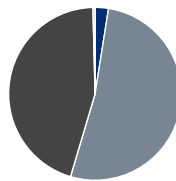
Web Site: www.rbcgam.com

## Notes

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

## Portfolio Analysis as of September 30, 2018

### Asset Mix

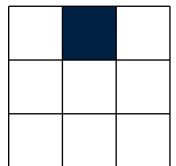


	% Assets
Cash	2.5
Fixed Income	52.1
Canadian Equity	0.0
US Equity	45.0
International Equity	0.4
Other	0.0

### Top 25 Holdings

	% Assets
US Treasury Notes 1.75% 15-05-2023	5.9
US Treasury Notes 1.5% 31-01-2022	3.4
US Treasury Notes 2% 15-02-2025	2.8
Microsoft Corp	2.4
US Treasury Notes 2.25% 15-11-2024	2.2
Apple Inc	2.0
US Treasury Bonds 3.5% 15-02-2039	1.7
Cisco Systems Inc	1.5
US Treasury Notes 1.62% 15-02-2026	1.4
FNMA 4% 01-09-2047	1.3
JPMorgan Chase & Co	1.2
US Treasury Notes 1.12% 30-04-2020	1.1
UnitedHealth Group Inc	1.1
Chevron Corp	1.0
Union Pacific Corp	1.0
Texas Instruments Inc	1.0
Broadcom Inc	1.0
Altria Group Inc	1.0
Bank of America Corporation	1.0
FNMA 3.5% 01-11-2045	0.9
US Treasury Bonds 2.5% 15-02-2045	0.9
Philip Morris International Inc	0.9
Anthem Inc	0.8
The Home Depot Inc	0.8
Boeing Co	0.7
<b>Total % of Top 25 Holdings</b>	<b>39.0</b>
<b>Total Number of Stock Holdings</b>	<b>277</b>
<b>Total Number of Bond Holdings</b>	<b>1,145</b>
<b>Total Number of Other Holdings</b>	<b>28</b>
<b>Total Number of Holdings</b>	<b>1,450</b>

### Equity Style



Value Blend Growth

### Statistics

P/B Ratio	3.0
P/E Ratio	16.8
Avg. Mkt Cap. \$B	124.2

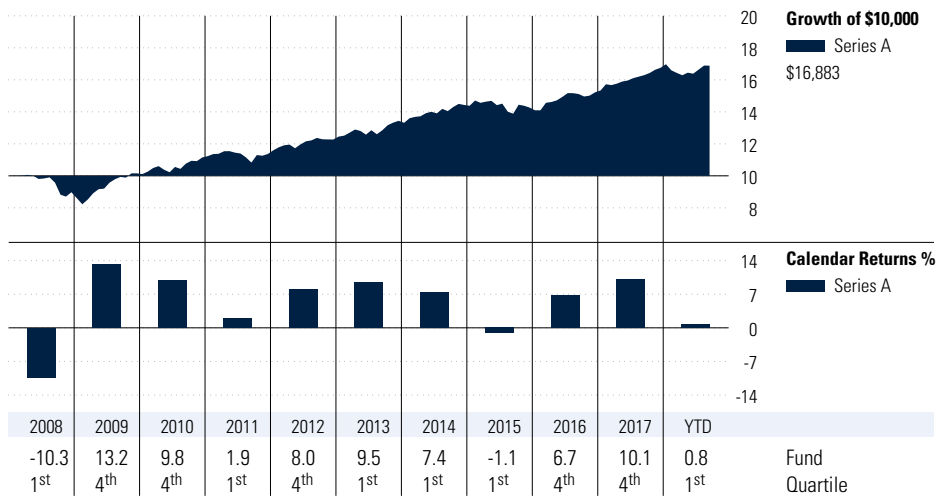
### Top 5 Sectors

	% Equity
Information Technology	22.3
Health Care	17.3
Financials	12.0
Industrials	10.5
Energy	8.6

### Income-Generating Asset-Class

	% Assets
Common Shares	45.4
Government Bonds	22.3
Other	14.7
Investment-Grade Corporate Bonds	11.4
High Yield Bonds	6.2
Preferred Shares	0.0

## Performance Analysis as of September 30, 2018



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
-0.1 3 <sup>rd</sup>	3.0 1 <sup>st</sup>	2.8 1 <sup>st</sup>	3.6 1 <sup>st</sup>	6.7 2 <sup>nd</sup>	5.6 1 <sup>st</sup>	5.8 1 <sup>st</sup>	4.8	Fund Quartile
1439	1405	1400	1298	978	717	295	—	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.

#### Jane Lesslie

##### RBC Global Asset Management Inc.

Jane Lesslie is Senior Portfolio Manager, Global Fixed Income and Currencies. She has been in the investment industry since 1988.

### Performance Analysis Cont'd as of September 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.26	0.32	0.32	0.89	0.80	0.79	0.30	0.36	0.36	0.36	0.42
Interest	0.26	0.14	0.17	0.17	0.14	0.22	0.17	0.18	0.16	0.20	0.28
Dividends	—	0.00	—	—	—	—	—	—	—	—	—
Capital Gains	—	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	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	9-2018	5.8
Worst	2-2009	-17.7	2-2009	-3.4	6-2010	2.5	9-2015	4.4
Average		5.2		5.0		5.6		5.0
No. of Periods		149		125		101		41
Pct. Positive		86.6		94.4		100.0		100.0

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

### Quarterly Commentary as at September 30, 2018

U.S. equity markets generally outperformed the rest of the world again in Q3. The U.S. recorded impressive gains with soaring business and consumer confidence and corporate profit growth fueling the ascent.

U.S. Treasuries experienced negative returns for Q3. The U.S. Federal Reserve this year has hiked interest rates three times leaving the target level at 2.25%. More interest rate hikes are expected on signs of full employment and a relatively strong economic backdrop.

In the equity portion of the Fund, security selection was strong in Q3, driven by the Information Technology sector. Overweights in Apple and Microsoft boosted performance, as Apple continues to drive solid earnings from device sales and Microsoft sees growth in their cloud computing service, Azure. Conversely, Materials was a detractor this quarter, particularly due to the Fund's position in multi-national chemical company LyondellBasell.

The Fund's overweight position in U.S. investment-grade bonds had a positive impact on relative returns, while exposure to U.S. Treasuries and mortgages had a negative impact on performance. U.S. high yield bonds contributed positively to returns.

Our analysis of a variety of scenarios suggests that stocks can deliver decent upside with reasonable assumptions, as long as earnings continue to come through as analysts expect. We recognize, however, that given the late stage in the business cycle and the fact that valuations are above equilibrium, earnings growth is now critical to sustaining the bull market in stocks.

In the U.S., rates are rising and the increasing escalation in trade tariffs between the U.S. and China could hamper global growth. The Fund has been increasing exposure to U.S Treasury bonds, while also keeping the portfolio's duration shorter than average as a way to preserve capital in a rising-rate environment.



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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 half-year period, January 1 to June 30, 2018, 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 September 30, 2018.

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