



# RBC Canadian Bond Index Fund

## Investment Objective

To provide a total return consisting of income and moderate capital growth by tracking the performance of its benchmark through investment in units of the RBC Canadian Bond Index ETF.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF700

Inception Date	November 1999
Total Fund Assets \$Mil	31.9
Series A NAV \$	11.25
Series A MER %	0.66
Benchmark	FTSE Canada Universe + Maple Bond Index

Income Distribution	Quarterly
Capital Gains Distribution	Annually

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

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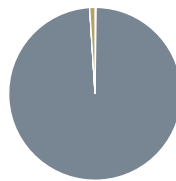
Web Site	www.rbcgam.com
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## Notes

Fund's investment objective and name changed effective June 30, 2017.

## Portfolio Analysis as of September 30, 2018

### Asset Mix



	% Assets
Cash	0.2
Fixed Income	98.8
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	1.0

### Fixed Income Breakdown

	% Fixed Income
Government Bonds	65.7
Corporate Bonds	33.9
Other Bonds	0.1
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	0.3
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	0.3	Under 1 year	1.2
AAA	33.4	1 - 5 Yrs	46.3
AA	40.5	5 - 10 Yrs	21.3
A	14.0	Over 10 Yrs	31.2
BBB	11.7		
Below BBB	0.1	Avg. Term to maturity (Yrs)	10.1
Mortgages	0.0	Duration (Yrs)	7.3
NR/NA	0.0	Yield to Maturity	2.9

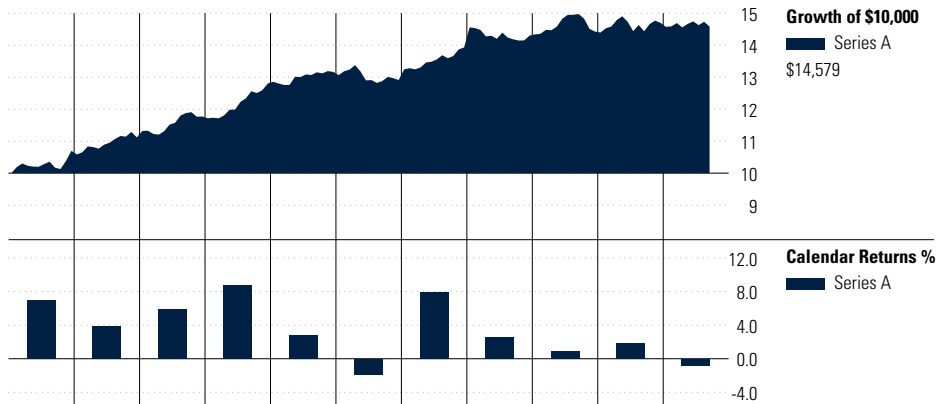
### Geographic Allocations

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

### Top 25 Holdings

	% Assets
Canada Hsg Tr No 1 3.35% 15-12-2020	2.7
Canada Housing Tr No.1 1.25% 15-06-2021	2.6
Quebec (Province Of) 9.5% 30-03-2023	2.3
Canada (Government of) 3.5% 01-12-2045	2.3
Canada Hsg Tr No 1 2.35% 15-09-2023	1.9
Canada (Government of) 1.5% 01-06-2026	1.8
Ontario (Province Of) 2.6% 02-06-2025	1.5
TCHC Issuer Trust 11-05-2037	1.4
Canada (Government of) 2.75% 01-12-2048	1.3
Canada (Government of) 1% 01-06-2027	1.1
Canada (Government of) 0.75% 01-03-2021	1.1
Canada (Government of) 0.75% 01-09-2020	1.1
GT Airports Ath 3.04% 21-09-2022	1.0
Royal Bank of Canada 2.03% 15-03-2021	1.0
Quebec (Province Of) 5% 01-12-2041	0.9
Loblaws Cos 6.05% 09-06-2034	0.9
Quebec (Province Of) 3.5% 01-12-2045	0.9
Canada (Government of) 1.5% 01-06-2023	0.9
Ontario (Province Of) 3.15% 02-06-2022	0.9
Ontario (Province Of) 2.9% 02-12-2046	0.8
Canada (Government of) 1.5% 01-03-2020	0.8
Ontario (Province Of) 2.8% 02-06-2048	0.8
Ontario (Province Of) 4.2% 02-06-2020	0.8
Royal Bank of Canada 1.92% 17-07-2020	0.8
Ontario (Province Of) 3.5% 02-06-2024	0.8
<b>Total % of Top 25 Holdings</b>	<b>32.3</b>
Total Number of Stock Holdings	0
Total Number of Bond Holdings	440
Total Number of Other Holdings	5
<b>Total Number of Holdings</b>	<b>445</b>

## Performance Analysis as of September 30, 2018



Year	Calendar Returns %	Fund Quartile
2008	7.0	1st
2009	3.9	4th
2010	5.9	3rd
2011	8.7	1st
2012	2.8	3rd
2013	-1.9	3rd
2014	7.9	2nd
2015	2.6	2nd
2016	0.9	3rd
2017	1.9	2nd
YTD	-0.8	3rd

Period	Trailing Return %	Quartile	No. of Funds in Category
1 Mth	-1.0	4th	526
3 Mth	-1.1	3rd	518
6 Mth	-0.8	3rd	509
1 Yr	1.0	2nd	495
3 Yr	0.9	3rd	402
5 Yr	2.5	2nd	331
10 Yr	3.7	2nd	150
Since Incep.	4.5	Fund	—



# RBC Canadian Bond Index Fund

## Management Overview

### Manager Bios

#### State Street Global Advisors (Montreal)

SSgA's focus has been on providing highly disciplined risk controlled investment strategies to the global marketplace. SSgA has offices in 28 location around the world, with on-site portfolio management services in Boston, London, Montreal, Munich, Paris, Hong Kong, Sydney and Tokyo.

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

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.24	0.48	0.34	0.30	0.33	0.35	0.34	0.38	0.41	0.42	0.44
Interest	0.24	0.32	0.30	0.30	0.33	0.35	0.34	0.38	0.41	0.42	0.44
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.16	0.04	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	10-2001	11.7	5-2003	8.3	1-2005	7.5	1-2010	6.1
Worst	9-2017	-3.6	1-2018	0.0	4-2018	1.7	8-2018	3.6
Average		4.7		4.8		4.8		4.8
No. of Periods		215		191		167		107
Pct. Positive		91.6		100.0		100.0		100.0

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

### Quarterly Commentary as at September 30, 2018

The Canadian bond market joined the global bond sell-off, recording losses in the third quarter of 2018. The strong domestic economy and fading concerns about housing and household debt supported the Bank of Canada's (BOC) decision to hike its benchmark interest rate in July by ¼ percentage point. While the BOC reiterated that it plans to gradually raise short-term interest rates, the bank said it was concerned about trade tensions and sluggish wage growth. Trade tensions appeared to ease at the end of September, when Canada reached a new trade deal with the U.S.

Bond yields were higher across all maturities, with short-term bonds performing the worst.

Government of Canada 10-year yields finished the quarter above 30-year bonds for the first time since 2007. We do not think this inversion (short-term yields exceeding longer-term ones) portends any imminent recession. In our opinion, it's more likely that a shortage of longer-term Government of Canada bonds led to this yield-curve inversion.

Looking ahead, the portfolio manager expects bond yields to rise in the coming quarters, given tightening financial conditions, the potential for temporarily higher inflation and expectations that central banks will continue to gradually raise rates. Short-term yields should continue to rise faster than those on longer-term bonds.



# RBC Canadian Bond Index Fund

## 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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