



# RBC Vision Bond Fund

## Investment Objective

To provide relatively high yields and stability of capital by investing primarily in a well-diversified portfolio of fixed income securities issued by Canadian governments and corporations that conduct themselves in a socially responsible manner.

The Fund is part of a family of four funds that invest primarily in companies that conduct themselves in a socially responsible manner. This Fund is modelled after PH&N Bond Fund. RBC GAM partnered with Sustainalytics, a global leader in socially responsible investment (SRI) screening, to deliver its SRI offerings.

## Fund Details

Series	Currency	Fund Code
O	CAD	RBF8615
Inception Date		September 2002
Total Fund Assets \$Mil		251.7
Benchmark		FTSE Canada Universe Bond Index

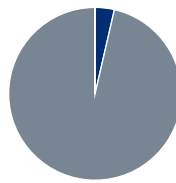
## Notes

Securities have been classified as 'NR/NA' if the security has not been rated by a rating agency such as DBRS, S&P or Moody's. Typically, unrated securities are bond issues for which the issuer has not sought a credit rating.

Fund name changed effective June 30, 2017.

## Portfolio Analysis as of April 30, 2019

### Asset Mix



	% Assets
Cash	3.6
Fixed Income	96.4
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

### Fixed Income Breakdown

	% Fixed Income
Government Bonds	59.5
Corporate Bonds	36.4
Other Bonds	0.8
Mortgage Backed Securities	0.1
ST Investments (Cash & Other)	3.2
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	3.2	Under 1 year	6.3
AAA	25.9	1 - 5 Yrs	37.6
AA	39.6	5 - 10 Yrs	19.9
A	19.3	Over 10 Yrs	36.2
BBB	11.5		
Below BBB	0.4	Avg. Term to maturity (Yrs)	10.5
Mortgages	0.1	Duration (Yrs)	7.6
NR/NA	0.0	Yield to Maturity	2.4

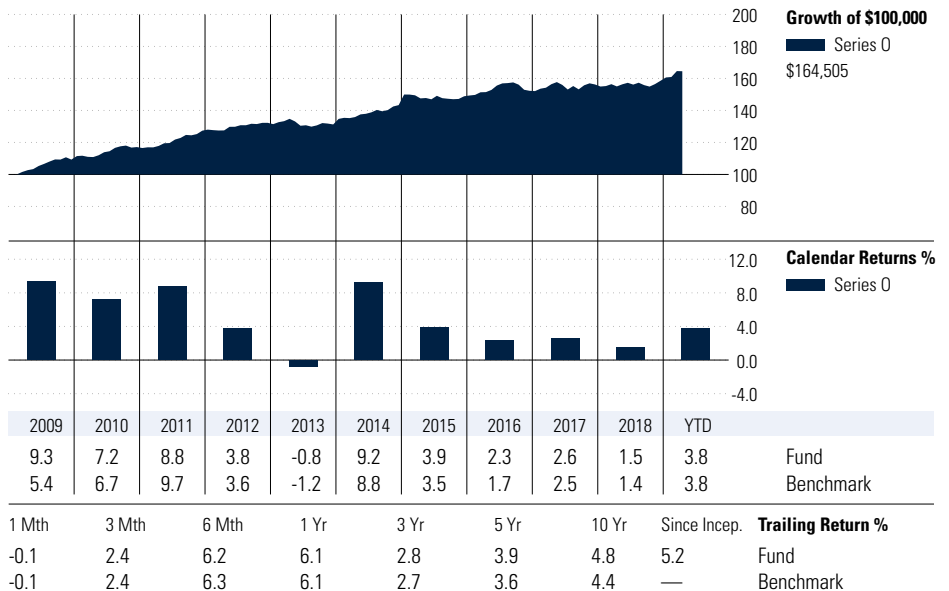
Geographic Allocations	% Assets
Canada	99.2
United States	0.8
International (ex-Emerging Markets)	0.0
Emerging Markets	0.0

Risk Measures	Fund	Benchmark
3 Year Std Dev	3.7	3.7
5 Year Std Dev	3.8	3.8

### Top 10 Holdings

	% Assets
Canada Hsg Tr No 1 2.4% 15-12-2022	4.2
Ontario (Province Of) 2.9% 02-06-2049	3.3
Canada (Government of) 2.25% 01-03-2024	3.3
Canada (Government of) 2.25% 01-06-2029	2.8
Canada Hsg Tr No 1 1.75% 15-06-2022	2.7
Canada Hsg Tr No 1 2.35% 15-06-2023	2.6
Ontario (Province Of) 5.6% 02-06-2035	2.6
Canada (Government of) 2.75% 01-12-2048	2.4
Ontario (Province Of) 6.2% 02-06-2031	2.3
Ontario (Province Of) 3.5% 02-06-2043	2.2
Total % of Top 10 Holdings	28.5
Total Number of Stock Holdings	0
Total Number of Bond Holdings	238
Total Number of Other Holdings	2
<b>Total Number of Holdings</b>	<b>240</b>

## Performance Analysis as of April 30, 2019





# RBC Vision Bond Fund

## Management Overview

### Manager Bios

#### PH&N Fixed Income Team

With one of the largest bond desks in Canada consisting of over 30 investment professionals, Phillips, Hager & North Investment Management (PH&N IM) has been managing bonds since 1970 and currently manages fixed income portfolios according to strict quality and diversification guidelines. PH&N IM's strengths as a bond manager are directly related to its depth of resources – both people and technology – dedicated to the management of fixed income portfolios.

### Performance Analysis Cont'd as of April 30, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	0.09	0.30	0.30	0.46	0.61	0.40	0.45	0.63	0.49	0.60	0.48
Interest	0.09	0.30	0.30	0.32	0.36	0.37	0.38	0.39	0.40	0.45	0.47
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	0.14	0.25	0.03	0.07	0.23	0.08	0.15	0.02
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	10-2009	14.0	10-2011	9.1	7-2012	7.2	10-2012	6.3
Worst	9-2017	-2.8	1-2018	1.1	4-2018	2.8	4-2018	4.6
Average		5.1		5.2		5.3		5.4
No. of Periods		188		164		140		80
Pct. Positive		92.0		100.0		100.0		100.0

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

### Quarterly Commentary as at March 31, 2019

Domestic bond yields moved sharply lower throughout the first quarter, providing broader support for the fixed income market. The decline in bond yields was largely driven by the Bank of Canada (BoC) pausing on its rate hike trajectory, expressing caution about increasing rates further given the economic impact of lower oil prices and high levels of Canadian consumer debt. This accommodative shift in monetary policy from the BoC boosted investor confidence, resulting in higher-yielding provincial and corporate bonds outperforming safer Government of Canada bonds.

Strong positive performance was largely driven by the decline in bond yields across the maturity spectrum. The fund's allocation to corporate and provincial bonds also contributed to performance as investors flocked to these higher-yielding sectors over the quarter in light of generally lower

rates. The fund continues to be defensively positioned with a focus on higher-quality and less cyclical issuers given our view that we are nearing the end of the credit cycle. We continue to actively monitor corporate and provincial bond fundamentals and tactically adjust our positioning as reward-for-risk characteristics evolve.

Looking ahead, we expect global bond yields to remain low. This is supported by an aging credit cycle, flattening global yield curves and central banks shifting to more accommodative monetary policies. As such, we believe fixed income assets are poised to perform well this market environment; but, perhaps more importantly, fixed income offers stability and diversification, particularly in the current market environment where volatility has returned.



# RBC Vision Bond Fund

## Disclosure

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Series O units are available to individuals, institutional clients or dealers who have entered into an agreement directly with RBC GAM. No management fees are payable by the fund in respect of Series O units. Unitholders of Series O units pay a negotiated fee directly or indirectly to RBC GAM.

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 fund securities are not guaranteed or covered by the Canada 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

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MER (%) for RBC Funds, RBC Private Pools, 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.

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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