



RBC Global Bond Fund

Investment Objective

To achieve above average long-term total returns comprised of interest income and some capital growth, by taking advantage of interest rate and currency fluctuations in world fixed-income markets.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF267
Adv	Front End	CAD	RBF765
Adv	Low Load	CAD	RBF117

Inception Date	October 1991
Total Fund Assets \$Mil	6,819.1
Series A NAV \$	10.58
Series A MER %	1.61
Benchmark	Citigroup World Gov Bond (C\$ hedged)

Income Distribution	Quarterly
Capital Gains Distribution	Annually

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

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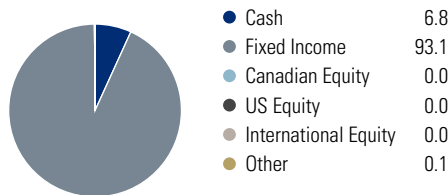
Web Site	www.rbcgam.com
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Notes

This is a continuing fund resulting from a merger effective June 27, 2014.

Portfolio Analysis as of December 31, 2017

Asset Mix



Fixed Income Breakdown

Fixed Income Category	% Fixed Income
Government Bonds	86.6
Corporate Bonds	6.6
Other Bonds	0.0
Mortgage Backed Securities	0.1
ST Investments (Cash & Other)	6.8
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	6.8	Under 1 year	1.0
AAA	42.0	1 - 5 Yrs	41.2
AA	9.1	5 - 10 Yrs	33.6
A	14.6	Over 10 Yrs	24.2
BBB	22.6		
Below BBB	4.7	Avg. Term to maturity (Yrs)	9.0
Mortgages	0.1	Duration (Yrs)	7.5
NR/NA	0.1	Yield to Maturity	2.3

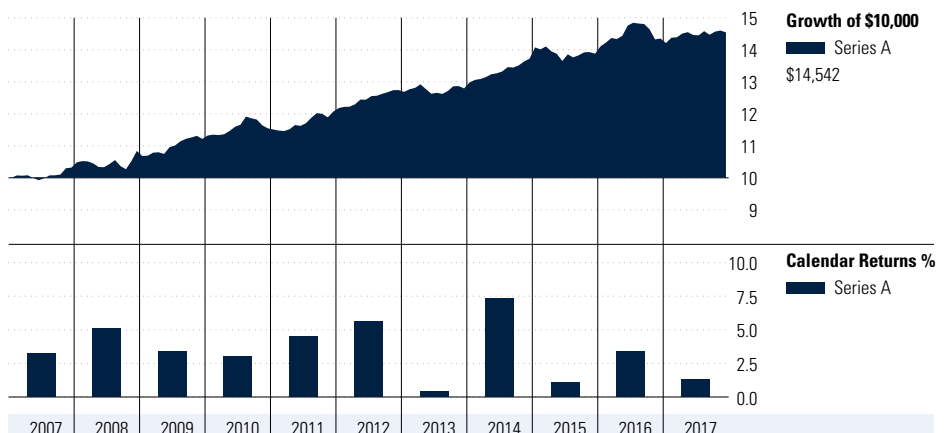
Geographic Allocations

Geographic Allocation	% Assets
Canada	6.9
United States	32.1
International (ex-Emerging Markets)	55.4
Emerging Markets	5.6

Top 25 Holdings

Top 25 Holdings	% Assets
US Treasury Note 1.5% 30-11-2019	6.5
US Treasury Note 2.375% 15-05-2027	3.7
US Treasury Note 1.5% 31-01-2022	3.4
Spain(Kingdom Of) 2.75% 30-04-2019	3.3
Italy(Rep Of) 1.6% 01-06-2026	2.9
Spain(Kingdom Of) 1.15% 30-07-2020	2.8
United States 10 Year Nte Fut 20-03-2018	2.5
United Kingdom (Govt Of) 1.25% 22-07-2027	2.3
US Treasury Bond 2.5% 15-02-2045	2.3
Italy(Rep Of) 0.65% 01-11-2020	2.2
United Kingdom (Govt Of) 3.25% 22-01-2044	2.2
Japan(Govt Of) 0.2% 20-06-2036	2.1
Canada Govt 1.5% 01-06-2026	2.1
France(Govt Of) 0.5% 25-05-2026	2.1
Japan(Govt Of) 0.3% 20-06-2046	1.9
Belgium(Kingdom) 2.6% 22-06-2024	1.9
Italy(Rep Of) 1.5% 01-08-2019	1.8
US Treasury Note 1.75% 15-05-2023	1.7
Japan(Govt Of) 0.5% 20-09-2036	1.7
France(Govt Of) 1.25% 25-05-2036	1.6
Japan(Govt Of) 0.6% 20-12-2036	1.4
Italy(Rep Of) 1.45% 15-09-2022	1.4
Germany (Federal Rep Of) 2.5% 15-08-2046	1.3
Canada Govt 1.5% 01-06-2023	1.2
US Treasury Bond 3.5% 15-02-2039	1.2
Total % of Top 25 Holdings	57.5
Total Number of Stock Holdings	4
Total Number of Bond Holdings	1,407
Total Number of Other Holdings	17
Total Number of Holdings	1,428

Performance Analysis as of December 31, 2017



2007	3.2 1 st	2008	5.1 3 rd	2009	3.4 2 nd	2010	3.0 3 rd	2011	4.5 3 rd	2012	5.6 2 nd	2013	0.4 2 nd	2014	7.3 3 rd	2015	1.1 3 rd	2016	3.4 2 nd	2017	1.3 3 rd		Fund Quartile
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1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
-0.4	0.5	0.6	1.3	2.0	2.7	3.5	4.8	Fund
3 rd	3 rd	2 nd	3 rd	3 rd	3 rd	3 rd	—	Quartile
426	404	394	368	227	136	50	—	No. of Funds in Category



RBC Global Bond Fund

Management Overview

Manager Bios

Dagmara Fijalkowski

RBC Global Asset Management Inc.

As Head of Global Fixed Income and Currencies, Dagmara leads investment teams in Toronto, London and Minneapolis in charge of almost \$100 billion in fixed income assets. She heads management of several bond funds and manages foreign-exchange hedging and active currency overlay programs across a number of funds.

Dagmara, who began her investment career in 1994, holds an MBA from the Richard Ivey School of Business, a Master's degree in economics from the University of Lodz in Poland 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.

Performance Analysis Cont'd as of December 31, 2017

Distributions (\$)/Unit	2017*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.32	0.45	0.09	0.37	0.13	0.47	0.17	0.17	0.23	0.34	0.51
Interest	0.05	0.05	0.09	0.10	0.13	0.12	0.17	0.17	0.23	0.34	0.28
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	0.27	0.40	—	0.27	—	0.35	—	—	—	—	0.23
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	12-1998	19.8	12-1995	11.4	12-1998	8.5	12-2002	5.4
Worst	1-2000	-12.5	12-2001	-2.9	10-2003	-0.3	10-2008	1.1
Average		4.0		3.9		3.8		3.6
No. of Periods		289		265		241		181
Pct. Positive		88.9		96.6		99.2		100.0

* Final distribution attribution (interest, dividends, capital gains and return of capital) for 2017 will be reflected with January month-end profiles.

Quarterly Commentary as at December 31, 2017

Bonds issued by national governments posted modest returns in Q4 as inflation remained subdued and major central banks continued their bond-buying activities. The yield curves continued to flatten with short dated bond yields rising more than their long maturity peers. As a result, the positive performance of the benchmark was mostly from long maturity bonds. For Q4, U.S. treasuries underperformed other developed markets, yields rose sharply in December after the U.S. Federal Reserve boosted the short-term interest rate for the third time during 2017 and tax reform was approved.

Given the positive economic momentum, the European Central Bank announced the reduction of bond purchases but extended the programme until September 2018, and that supported European bond markets. Italian, Spanish and French government bonds performed best while German ones lagged. The Fund's higher exposure to bonds of Italy and Portugal contributed to outperformance, as did exposure to non-government debt. The Fund benefited from the higher income provided by riskier corporate and emerging market (EM) debt, and from capital

appreciation on such debt. The Fund continued reducing exposure to these securities as the potential for further gains diminished. The Fund also benefited from trading foreign currencies.

Global bond yields are expected to rise slowly, with short-term yields rising faster than those on longer-term bonds. The global economy continues to expand and the odds of recession are remote. Major central banks have either begun or are expected to begin tightening monetary policy, which is likely to push bond yields higher. In addition to rate hikes, central-bank reductions in asset purchases should result in higher bond yields. By the second half 2018 net purchases by global central banks will not be adding liquidity to the global financial system.

The portfolio manager sees opportunities in EM currencies, especially relative to the Canadian dollar, and holds a small currency allocation in the Fund. EM growth is improving and securities denominated in EM currencies offer more attractive yields than developed-market government bonds.



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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, 2017, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the half-year period, April 1, to September 30, 2017, expressed on an annualized basis.

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 December 31, 2017.

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