



RBC Bond Fund

Investment Objective

To provide above average, long-term total returns consisting of interest income and moderate capital growth by investing primarily in high-quality fixed-income securities issued by Canadian governments and corporations.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF270
Adv	Deferred Sales	CAD	RBF850
Adv	Front End	CAD	RBF750
Adv	Low Load	CAD	RBF114

Inception Date	July 1966
Total Fund Assets \$Mil	19,852.5
Series A NAV \$	6.50
Series A MER %	1.11
Benchmark	FTSE TMX Canada Universe 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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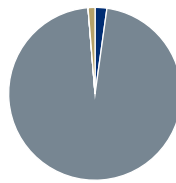
Notes

Please note the "Since Inception" rate of return includes data from October 1972 only.

This is a continuing fund resulting from a merger effective November 27, 2015.

Portfolio Analysis as of June 30, 2018

Asset Mix



	% Assets
Cash	2.2
Fixed Income	96.5
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	1.3

Fixed Income Breakdown

	% Fixed Income
Government Bonds	54.2
Corporate Bonds	43.6
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	2.2
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	2.2	Under 1 year	3.0
AAA	13.7	1 - 5 Yrs	35.5
AA	50.3	5 - 10 Yrs	29.0
A	13.6	Over 10 Yrs	32.5
BBB	16.4		
Below BBB	3.8	Avg. Term to maturity (Yrs)	10.6
Mortgages	0.0	Duration (Yrs)	8.0
NR/NA	0.0	Yield to Maturity	3.0

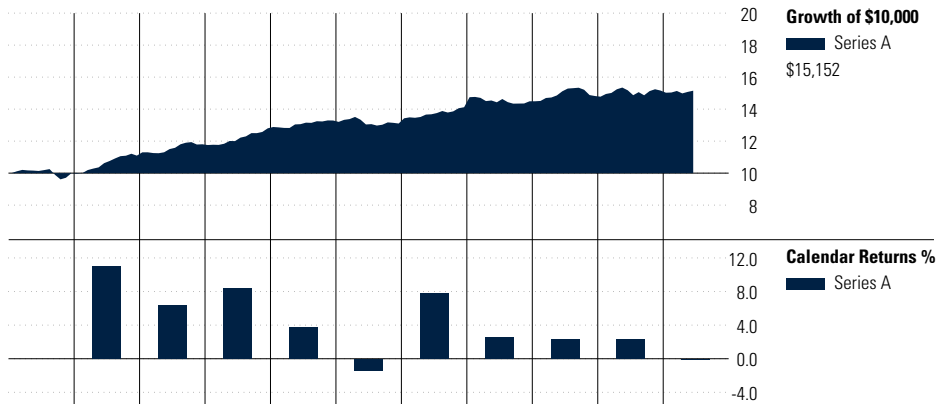
Geographic Allocations

	% Assets
Canada	95.4
United States	2.3
International (ex-Emerging Markets)	0.1
Emerging Markets	2.3

Top 25 Holdings

	% Assets
Ontario (Province Of) 3.45% 02-06-2045	2.9
Ontario (Province Of) 2.6% 02-06-2027	2.3
Ontario (Province Of) 3.5% 02-06-2043	2.2
Ontario (Province Of) 2.9% 02-12-2046	2.2
Ontario (Province Of) 2.6% 02-06-2025	2.1
Ontario (Province Of) 4.6% 02-06-2039	1.8
Canada (Government of) 2.75% 01-12-2048	1.7
Canada (Government of) 1.5% 01-06-2026	1.6
Ontario (Province Of) 2.4% 02-06-2026	1.6
Ontario (Province Of) 4.65% 02-06-2041	1.6
Ontario (Province Of) 4% 02-06-2021	1.5
Canada (Government of) 1% 01-06-2027	1.5
Ontario (Province Of) 2.85% 02-06-2023	1.5
Canada (Government of) 2% 01-06-2028	1.4
Ontario (Province Of) 3.5% 02-06-2024	1.3
Quebec (Province Of) 3% 01-09-2023	1.2
Quebec (Province Of) 2.75% 01-09-2027	1.0
Quebec (Province Of) 3.75% 01-09-2024	1.0
Quebec (Province Of) 5% 01-12-2041	1.0
Ontario (Province Of) 4.7% 02-06-2037	0.9
Quebec (Province Of) 4.5% 01-12-2020	0.9
Quebec (Province Of) 2.75% 01-09-2025	0.9
Ontario (Province Of) 5.6% 02-06-2035	0.8
Ontario (Province Of) 6.5% 08-03-2029	0.8
Canada Hsg Tr No 1 2.35% 15-09-2023	0.8
Total % of Top 25 Holdings	36.6
Total Number of Stock Holdings	6
Total Number of Bond Holdings	1,935
Total Number of Other Holdings	54
Total Number of Holdings	1,995

Performance Analysis as of June 30, 2018



Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD	
Calendar Returns %	0.0	11.0	6.4	8.4	3.8	-1.4	7.8	2.6	2.3	2.3	-0.1	Fund Quartile
	4 th	1 st	2 nd	2 nd	2 nd	2 nd	2 nd	2 nd	1 st	2 nd	4 th	

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	0.5	0.1	-0.1	-0.2	1.6	3.0	4.1	7.3	Fund
	2 nd	3 rd	4 th	3 rd	2 nd	1 st	1 st	—	Quartile
	512	507	502	491	397	320	148	—	No. of Funds in Category



RBC 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.

RBC GAM Gbl Fix Inc & Currencies Cmttee

Chaired by Dagmara Fijalkowski, Senior Vice President and Senior Portfolio Manager, Head, Global Fixed Income and Currencies. Dagmara has been in the investment industry since 1994.

Performance Analysis Cont'd as of June 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.07	0.15	0.20	0.15	0.15	0.19	0.21	0.17	0.21	0.26	0.26
Interest	0.07	0.14	0.14	0.14	0.15	0.18	0.17	0.17	0.21	0.26	0.26
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.00	0.06	0.00	—	0.01	0.04	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	1-1996	20.7	1-1998	14.2	6-1999	9.8	1-2005	7.3
Worst	1-1995	-8.8	2-2018	0.6	4-2018	2.1	10-2008	3.2
Average		5.1		5.3		5.1		5.0
No. of Periods		289		265		241		181
Pct. Positive		84.8		100.0		100.0		100.0

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

Quarterly Commentary as at June 30, 2018

Canadian bonds posted modest gains this quarter as trade tensions and a hint of slowing global economic growth capped interest rates. The U.S. Federal Reserve raised short-term interest rates again in Q2 and continued to reduce the size of its balance sheet, both of which tended to push up yields. Canada government bonds outperformed U.S. Treasuries on fears that the escalating trade conflict could derail Canadian economic growth.

Investors were concerned during the period about a development known as "yield-curve flattening," in which yields on short-term bonds rise more than yields on long-term bonds. In fact, the yield on Canada's 30-year government bond did briefly dip below the yield on the 10-year security in what is called a "yield inversion." While the inversion does not necessarily portend a recession in the immediate future, it is an important indicator that fears of slowing economic growth are a bigger risk than worries about excessive inflation. The Fund's

higher exposure to provincial and emerging-market (EM) debt detracted from performance.

Looking ahead, the portfolio manager expects bond yields to rise marginally 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. While the portfolio manager expects corporate bonds to outperform government bonds over the longer term, the near-term outlook is not as positive as it has been. The extra yield that corporate bonds offer relative to government bonds is the lowest since the financial crisis a decade ago. The portfolio manager sees opportunities in EM currencies relative to the Canadian dollar and holds a small currency allocation in the Fund.



RBC Bond 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 full year period, January 1 to December 31, 2017, 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 June 30, 2018.

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