



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	18,553.3
Series A NAV \$	6.58
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.
Web Site	www.rbcgam.com

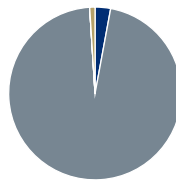
Notes

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 December 31, 2017

Asset Mix



	% Assets
Cash	2.9
Fixed Income	96.1
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	1.0

Top 25 Holdings

	% Assets
Ontario Prov Cda 3.45% 02-06-2045	3.1
Ontario Prov Cda 3.5% 02-06-2043	2.4
Ontario Prov Cda 2.9% 02-12-2046	2.4
Ontario Prov Cda 2.6% 02-06-2025	2.1
Canada Govt 1% 01-06-2027	2.1
Ontario Prov Cda 4.6% 02-06-2039	2.0
Canada Govt 1.5% 01-06-2026	1.9
Canada Govt 2.75% 01-12-2048	1.9
Ontario Prov Cda 4.65% 02-06-2041	1.8
Ontario Prov Cda 4% 02-06-2021	1.7
Ontario Prov Cda 2.85% 02-06-2023	1.6
Ontario Prov Cda 2.6% 02-06-2027	1.5
Ontario Prov Cda 2.4% 02-06-2026	1.5
Ontario Prov Cda 3.5% 02-06-2024	1.5
Prov Of Quebec 3% 01-09-2023	1.3
Canada Govt 2% 01-06-2028	1.1
Prov Of Quebec 3.75% 01-09-2024	1.0
Quebec Prov Medium Term Nt 5% 01-12-2041	1.0
Quebec Prov Medium Trm Nt 4.5% 01-12-2020	1.0
Prov Of Quebec 2.75% 01-09-2025	1.0
Ontario Prov Cda 5.6% 02-06-2035	0.9
Ontario Prov Cda 4.7% 02-06-2037	0.9
Ontario Prov Cda 6.5% 08-03-2029	0.9
Canadian 10-Year Bond Fut 20-03-2018	0.9
Canada Hsg Tr No 1 2.35% 15-09-2023	0.9
Total % of Top 25 Holdings	38.4
Total Number of Stock Holdings	6
Total Number of Bond Holdings	1,941
Total Number of Other Holdings	44
Total Number of Holdings	1,991

Fixed Income Breakdown

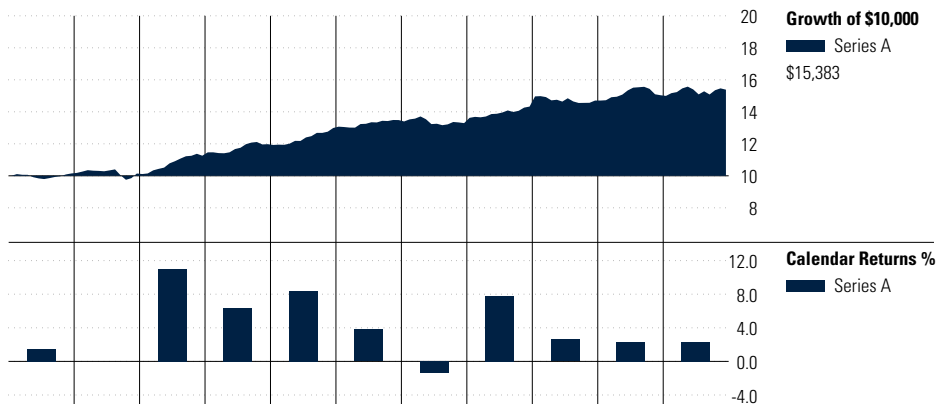
	% Fixed Income
Government Bonds	53.9
Corporate Bonds	42.7
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	3.4
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	3.4	Under 1 year	2.1
AAA	14.9	1 - 5 Yrs	35.4
AA	48.5	5 - 10 Yrs	28.4
A	13.8	Over 10 Yrs	34.1
BBB	15.2		
Below BBB	4.3	Avg. Term to maturity (Yrs)	10.7
Mortgages	0.0	Duration (Yrs)	8.0
NR/NA	0.0	Yield to Maturity	2.8

Geographic Allocations

	% Assets
Canada	95.4
United States	2.3
International (ex-Emerging Markets)	0.1
Emerging Markets	2.2

Performance Analysis as of December 31, 2017



Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
Return %	1.5	0.0	11.0	6.4	8.4	3.8	-1.4	7.8	2.6	2.3	2.3	Fund Quartile
	4 th	4 th	1 st	2 nd	1 st	2 nd	2 nd	2 nd	2 nd	2 nd	2 nd	

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Return %	-0.5	2.0	-0.1	2.3	2.4	2.7	4.2	7.4	Fund
	3 rd	1 st	3 rd	2 nd	1 st	2 nd	2 nd	—	Quartile
No. of Funds in Category	608	604	598	584	465	373	151	—	



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 Cmtee

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 December 31, 2017

Distributions (\$)/Unit	2017*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.15	0.20	0.15	0.15	0.19	0.21	0.17	0.21	0.26	0.26	0.26
Interest	0.14	0.14	0.14	0.15	0.18	0.17	0.17	0.21	0.26	0.26	0.24
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	0.00	0.06	0.00	—	0.01	0.04	—	—	—	—	0.03
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	1-1998	10.1	1-2005	7.3
Worst	1-1995	-8.8	10-2008	0.7	9-2017	2.3	10-2008	3.2
Average		5.3		5.5		5.3		5.1
No. of Periods		289		265		241		181
Pct. Positive		85.8		100.0		100.0		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

Canadian bonds posted modest gains in Q4 2017, as the Bank of Canada (BoC) became more cautious given uncertainty surrounding the survival of the North American Free Trade Agreement (NAFTA) and concern about the impact of new mortgage rules on the national housing market. Securities maturing in 10 or more years outperformed shorter-term fixed income because of heightened demand from investors for the income provided by longer-term debt.

In the U.S., short-maturity bond yields rose sharply throughout this quarter as the U.S. Federal Reserve continued to tighten monetary policy, raised the short-term interest rate for the third time this year, coupled with upbeat economic outlooks upon approval of the tax reform bill in December.

Both provincial and corporate bonds outperformed Government of Canada bonds. An above-benchmark allocation to non-government bonds contributed to performance, particularly holdings in investment-grade corporate, higher-yield corporate and emerging-market debt. The Fund benefited from the higher income provided by these bonds, and from capital appreciation as the

gap between yields on non-government bonds and government bonds narrowed, reflecting an improving economic outlook. The Fund continued reducing exposure to non-government securities as the potential for further gains diminished.

Looking ahead, the global economy continues to expand and the direction of monetary policy is gradually changing. Concerted policy tightening by major central banks is expected to gather pace over the next year and to push bond yields higher. Moreover, a decrease in asset purchases by central banks should start exerting upward pressure on yields. The BoC should be cautious on further rate hikes due to the uncertainty on NAFTA negotiations, the impact of the new mortgage rules and higher rates on highly indebted households. Economic growth is expected to continue to support corporate earnings and corporate bonds are expected to continue to outperform government bonds but the risk associated with these positions is increasing. A continued strength in non-government bonds may lead to further reductions in this area and further overall reduction in portfolio risk over the next quarter.



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 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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