



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	17,221.5
Series A NAV \$	6.65
Series A MER %	1.16
Series A Adjusted 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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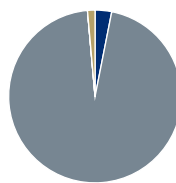
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

Notes

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

Portfolio Analysis as of June 30, 2017

Asset Mix



	% Assets
Cash	3.1
Fixed Income	95.5
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	1.4

Fixed Income Breakdown

	% Fixed Income
Government Bonds	48.8
Corporate Bonds	46.5
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	4.7
Asset Backed Securities	0.0

Bond Rating

	%	Term to Maturity	%
Cash / Cash Equiv.	4.7	Under 1 year	3.0
AAA	11.6	1 - 5 Yrs	38.4
AA	48.8	5 - 10 Yrs	24.0
A	14.9	Over 10 Yrs	34.6
BBB	15.6		
Below BBB	4.3	Avg. Term to maturity (Yrs)	10.5
Mortgages	0.0	Duration (Yrs)	7.9
NR/NA	0.0	Yield to Maturity	2.5

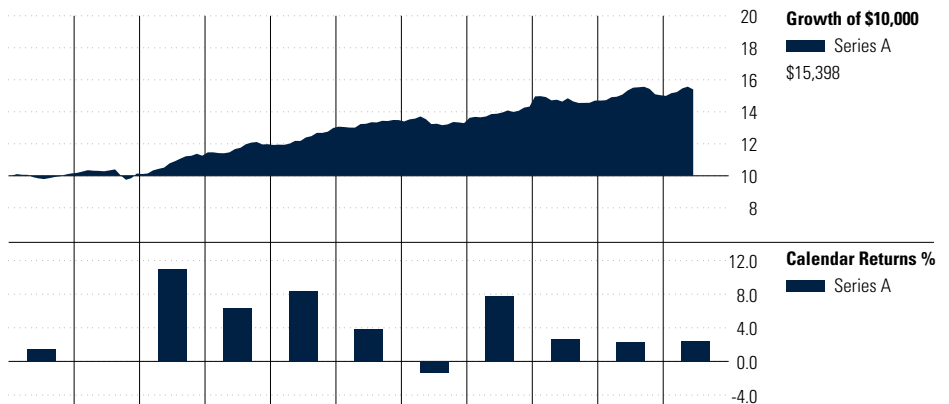
Geographic Allocations

	% Assets
Canada	95.8
United States	1.8
International (ex-Emerging Markets)	0.0
Emerging Markets	2.3

Top 25 Holdings

	% Assets
Ontario Prov Cda 3.45% 02-06-2045	3.4
Ontario Prov Cda 2.9% 02-12-2046	3.0
Ontario Prov Cda 3.5% 02-06-2043	2.6
Canada Govt 1.5% 01-06-2026	2.2
Ontario Prov Cda 4.6% 02-06-2039	2.2
Ontario Prov Cda 4.65% 02-06-2041	1.9
Ontario Prov Cda 4% 02-06-2021	1.9
Ontario Prov Cda 2.85% 02-06-2023	1.8
United States 10-Year Nt Fut	-1.7
Ontario Prov Cda 3.5% 02-06-2024	1.6
Prov Of Quebec 3% 01-09-2023	1.5
Ontario Prov Cda 2.6% 02-06-2025	1.4
Prov Of Quebec 3.75% 01-09-2024	1.2
Quebec Prov Medium Term Nt 5% 01-12-2041	1.1
Quebec Prov Cda 4.5% 01-12-2020	1.1
Ontario Prov Cda 5.6% 02-06-2035	1.0
Canadian 10-Year Bond Fut 20-09-2017	1.0
Canada Govt 2.75% 01-12-2048	1.0
Ontario Prov Cda 6.5% 08-03-2029	1.0
Ontario Prov Cda 3.15% 02-06-2022	1.0
Ontario Prov Cda 4.7% 02-06-2037	1.0
Canada Hsg Tr No 1 2.35% 15-09-2023	1.0
Ontario Prov Cda 2.4% 02-06-2026	1.0
Royal Bank Of Canada 2.03% 15-03-2021	0.9
Province Of Quebec 4.25% 01-12-2043	0.9
Total % of Top 25 Holdings	35.0
Total Number of Stock Holdings	4
Total Number of Bond Holdings	1,907
Total Number of Other Holdings	32
Total Number of Holdings	1,943

Performance Analysis as of June 30, 2017



Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	YTD	Fund Quartile
Calendar Returns %	1.5 4th	0.0 4th	11.0 1st	6.4 2nd	8.4 1st	3.8 2nd	-1.4 2nd	7.8 2nd	2.6 2nd	2.3 2nd	2.4 1st	

Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Calendar Returns %	-1.1 2nd	1.1 1st	2.4 1st	0.4 2nd	3.5 1st	3.1 1st	4.6 2nd	7.5	Fund Quartile
No. of Funds in Category	647	641	634	602	476	373	136	—	



RBC Bond Fund

Management Overview

Manager Bios

Dagmara Fijalkowski

RBC Global Asset Management Inc.

Dagmara is Sr. Vice President & Sr. Portfolio Manager, and Head, Global Fixed Income & Currencies at RBC Global Asset Management. She leads a team of over 20 professionals with more than \$50 billion in assets under management. Dagmara also co-manages several of the firms' bond funds and manages foreign exchange hedging and active currency management programs. She has an MBA from the Richard Ivey School of Business and a Master's in economics from the University of Lodz, 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, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.08	0.20	0.15	0.15	0.19	0.21	0.17	0.21	0.26	0.26	0.26
Interest	0.08	0.14	0.14	0.15	0.18	0.17	0.17	0.21	0.26	0.26	0.24
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	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	11-1997	10.3	1-2005	7.3
Worst	1-1995	-8.8	10-2008	0.7	2-2009	2.7	10-2008	3.2
Average		5.6		5.6		5.5		5.2
No. of Periods		289		265		241		181
Pct. Positive		87.2		100.0		100.0		100.0

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

Quarterly Commentary as at June 30, 2017

The Canadian economy continued to strengthen in Q2, all but eliminating the need for the Bank of Canada (BoC) to reduce short-term interest rates. Yields trended lower in April and May, and bonds recovered most of the losses recorded following Trump's election in late 2016, as it appeared that the administration would struggle to get policies enacted. However, Canadian bond yields spiked up in June after the BoC hinted at hiking rates. In response, Canadian bonds underperformed their U.S. peers.

The Fund's performance benefited from an overweight allocation to investment-grade corporate bonds and provincial fixed-income securities, as investors sought higher-yielding assets that are perceived to have a degree of safety. Investments in higher-risk corporate debt also contributed to performance. The Fund benefited from higher income provided by these bonds, and from appreciation linked to optimism about global economic expansion. The Fund

continued reducing exposure to these securities as the potential for further gains diminished.

It is expected that bond yields rise slowly as the global economic expansion and fading threat of disinflation have led major central banks to consider tighter monetary policies. In addition to hiking rates, it is expected that the U.S. Federal Reserve begins gradually reducing the amount of bonds on its balance sheet. Provided the strategy is executed carefully and with enough transparency, with other central banks continuing quantitative easing purchases it is not believed that the process should disrupt fixed-income markets. Long-maturity yields are likely to remain range-bound in the near term and move higher as growth and inflation firms. Any continued strength in non-government bonds may lead to further reductions and further overall reduction in portfolio risk over the second half of the year.



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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completeness or correctness. All opinions and estimates constitute RBC GAM's judgment as of the date of this document, are subject to change without notice and are provided in good faith but without legal responsibility. The Top Ten/25 Holdings may change due to ongoing portfolio transactions within the fund. The Prospectus and other information about the underlying investment funds are available at www.sedar.com.

MER (%) for RBC Funds and PH&N Funds is based on actual expenses for the full-year period, January 1 to December 31, 2016, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the full-year period, April 1, 2016 to March 31, 2017, expressed on an annualized basis.

Adjusted MER is provided for funds with management fee changes effective June 30, 2016. The Adjusted MER represents what the reported MER would have been had management fee changes been in effect throughout 2016.

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 April 30, 2017.

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