



# 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	19,484.5
Series A NAV \$	6.53
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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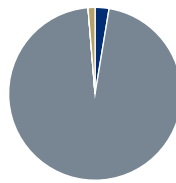
## Notes

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 March 31, 2018

### Asset Mix



	% Assets
Cash	2.6
Fixed Income	96.1
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	1.3

### Fixed Income Breakdown

	% Fixed Income
Government Bonds	52.4
Corporate Bonds	43.4
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	4.2
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	4.2	Under 1 year	3.2
AAA	14.2	1 - 5 Yrs	34.7
AA	48.3	5 - 10 Yrs	28.3
A	13.7	Over 10 Yrs	33.8
BBB	15.8		
Below BBB	3.8	Avg. Term to maturity (Yrs)	10.3
Mortgages	0.0	Duration (Yrs)	7.8
NR/NA	0.1	Yield to Maturity	2.9

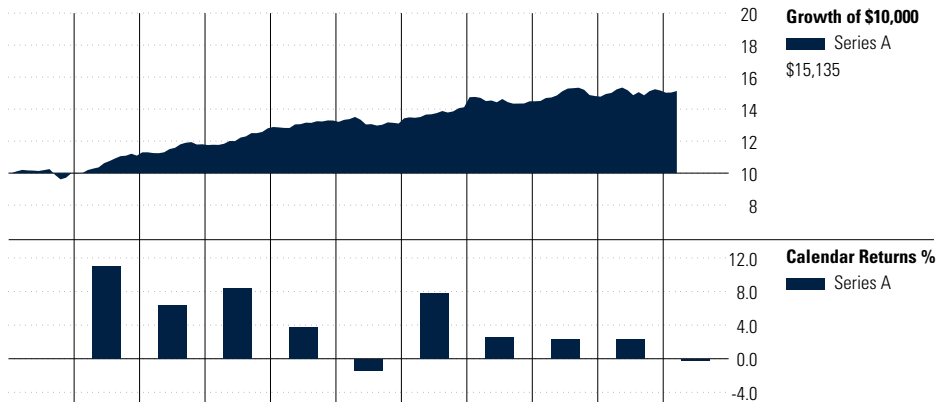
### Geographic Allocations

	% Assets
Canada	97.0
United States	0.6
International (ex-Emerging Markets)	0.1
Emerging Markets	2.3

### Top 25 Holdings

	% Assets
Ontario Prov Cda 3.45% 02-06-2045	3.0
Ontario Prov Cda 2.6% 02-06-2027	2.3
Ontario (Province Of) 3.5% 02-06-2043	2.3
Ontario Prov Cda 2.9% 02-12-2046	2.2
Ontario Prov Cda 2.6% 02-06-2025	2.2
United States 10-Year Note Fut 20-06-2018	-2.0
Ontario Prov Cda 4.6% 02-06-2039	1.9
Canada Govt 2.75% 01-12-2048	1.7
Canada Govt 1.5% 01-06-2026	1.7
Ontario Prov Cda 2.4% 02-06-2026	1.7
Ontario (Province Of) 4.65% 02-06-2041	1.7
Ontario Prov Cda 4% 02-06-2021	1.6
Canada Govt 1% 01-06-2027	1.6
Ontario Prov Cda 2.85% 02-06-2023	1.5
Canada Govt 2% 01-06-2028	1.5
Ontario Prov Cda 3.5% 02-06-2024	1.4
Quebec Prov Med Term Nt 3% 01-09-2023	1.3
Quebec Prov Med Term Nt 2.75% 01-09-2027	1.0
Quebec Prv Med Term Cds 3.75% 01-09-2024	1.0
Quebec (Prov) 5% SNR MTN CAD 01-12-2041	1.0
Ontario Prov Cda 4.7% 02-06-2037	1.0
Quebec Prov Cda Med Term 4.5% 01-12-2020	1.0
Quebec Prv Med Term Nt 2.75% 01-09-2025	0.9
Ontario Prov Cda 5.6% 02-06-2035	0.9
Ontario Prov Cda 6.5% 08-03-2029	0.9
<b>Total % of Top 25 Holdings</b>	<b>35.3</b>
<b>Total Number of Stock Holdings</b>	<b>8</b>
<b>Total Number of Bond Holdings</b>	<b>1,932</b>
<b>Total Number of Other Holdings</b>	<b>49</b>
<b>Total Number of Holdings</b>	<b>1,989</b>

## Performance Analysis as of March 31, 2018



Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD	
Growth of \$10,000	0.0	11.0	6.4	8.4	3.8	-1.4	7.8	2.6	2.3	2.3	-0.2	Fund
Calendar Returns %	4 <sup>th</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	Quartile

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	0.6	-0.2	1.8	0.8	1.0	2.5	4.0	7.4	Fund
	2 <sup>nd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	—	Quartile
	536	532	524	512	406	329	141	—	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 March 31, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.04	0.15	0.20	0.15	0.15	0.19	0.21	0.17	0.21	0.26	0.26
Interest	0.04	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	9-2017	2.3	10-2008	3.2
Average		5.2		5.4		5.2		5.0
No. of Periods		289		265		241		181
Pct. Positive		85.8		100.0		100.0		100.0

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

### Quarterly Commentary as at March 31, 2018

The main driver of bond returns this quarter was the U.S. Federal Reserve (Fed) decision to continue tightening monetary policy in line with a strengthening economy. U.S. Treasuries led a global bond sell-off in the first half of Q1, only to subsequently pare back losses as the fear of trade wars derailing global growth and rising volatility in equity markets sent investors seeking safety in government bonds. Other major government bond markets posted solid results while the U.S. ended with a loss.

Government of Canada bonds posted marginal gain for Q1. The Bank of Canada (BoC) raised short-term interest rates as expected in January; however, it remained cautious on further hikes, citing relatively high household debt levels, tighter mortgage regulations and uncertainty surrounding NAFTA negotiations. The yield curves continued to flatten with short-dated bond yields rising more

than their long-maturity peers. As a result, the benchmark's positive performance was mostly from long-maturity bonds

Looking ahead, the global economy continues to expand at a healthy pace and policy tightening by major central banks is expected to pick up speed later this year, which is likely to push bond yields higher. The portfolio manager expects that the BoC's reluctance to hike rates will continue and that its decisions will be data-dependent. The Fed is expected to deliver at least two more rate hikes in 2018 and continues to scale back reinvesting in its portfolio of Treasuries and mortgage-backed securities. The portfolio manager expects economic growth to continue to support corporate earnings and therefore expects corporate bonds to outperform government bonds amid increasing risks associated with these positions.



# 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 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 March 31, 2018.

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