



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	17,413.7
Series A NAV \$	6.49
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

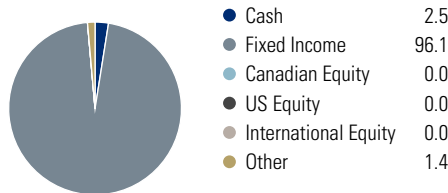
Notes

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 September 30, 2017

Asset Mix



Fixed Income Breakdown

Fixed Income Category	% Fixed Income
Government Bonds	51.8
Corporate Bonds	44.5
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	3.6
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	3.6	Under 1 year	3.4
AAA	13.9	1 - 5 Yrs	37.1
AA	48.1	5 - 10 Yrs	27.3
A	14.3	Over 10 Yrs	32.2
BBB	15.6		
Below BBB	4.5	Avg. Term to maturity (Yrs)	10.2
Mortgages	0.0	Duration (Yrs)	7.6
NR/NA	0.0	Yield to Maturity	2.9

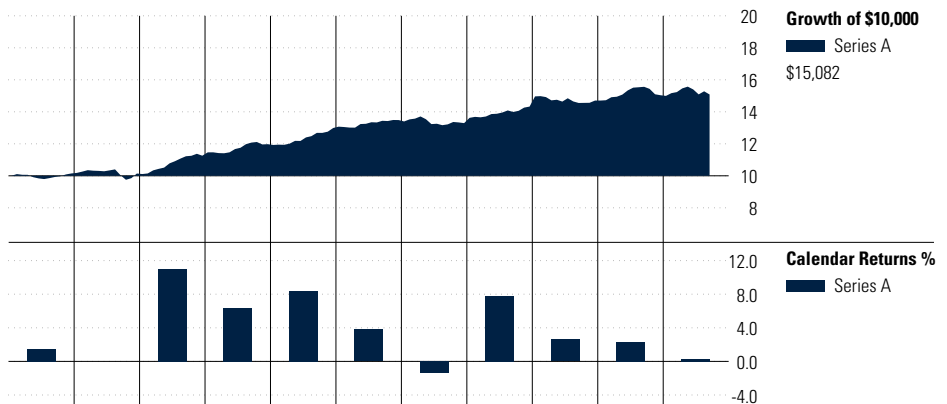
Geographic Allocations

Geographic Allocation	% Assets
Canada	95.4
United States	2.2
International (ex-Emerging Markets)	0.0
Emerging Markets	2.3

Top 25 Holdings

Top 25 Holdings	% Assets
Ontario Prov Cda 3.45% 02-06-2045	3.2
Ontario Prov Cda 3.5% 02-06-2043	2.5
Canada Govt 1% 01-06-2027	2.4
Ontario Prov Cda 2.9% 02-12-2046	2.4
Ontario Prov Cda 4.6% 02-06-2039	2.0
Canada Govt 1.5% 01-06-2026	2.0
Ontario Prov Cda 2.6% 02-06-2025	1.8
Ontario Prov Cda 4% 02-06-2021	1.8
Ontario Prov Cda 4.65% 02-06-2041	1.8
Ontario Prov Cda 2.85% 02-06-2023	1.7
Ontario Prov Cda 3.5% 02-06-2024	1.6
Ontario Prov Cda 2.4% 02-06-2026	1.5
Prov Of Quebec 3% 01-09-2023	1.4
United States 10-Year Note Fut 31-12-2017	-1.2
Prov Of Quebec 3.75% 01-09-2024	1.1
Quebec Prov Medium Trm Nt 4.5% 01-12-2020	1.1
Quebec Prov Medium Term Nt 5% 01-12-2041	1.1
Ontario Prov Cda 3.15% 02-06-2022	1.0
Ontario Prov Cda 5.6% 02-06-2035	1.0
Ontario Prov Cda 6.5% 08-03-2029	1.0
Canadian 10-Year Bond Fut 18-12-2017	1.0
Canada Hsg Tr No 1 2.35% 15-09-2023	0.9
Ontario Prov Cda 4.7% 02-06-2037	0.9
Canada Govt 2.75% 01-12-2048	0.9
Province Of Quebec 4.25% 01-12-2043	0.8
Total % of Top 25 Holdings	35.6
Total Number of Stock Holdings	5
Total Number of Bond Holdings	1,936
Total Number of Other Holdings	34
Total Number of Holdings	1,975

Performance Analysis as of September 30, 2017



Year	Calendar Returns %	Fund Quartile
2007	1.5 4th	
2008	0.0 4th	
2009	11.0 1st	
2010	6.4 2nd	
2011	8.4 1st	
2012	3.8 2nd	
2013	-1.4 2nd	
2014	7.8 2nd	
2015	2.6 2nd	
2016	2.3 2nd	
YTD	0.3 2nd	

Period	Trailing Return %	Fund Quartile	No. of Funds in Category
1 Mth	-1.3 3rd		613
3 Mth	-2.1 4th		610
6 Mth	-1.0 3rd		603
1 Yr	-3.1 3rd		586
3 Yr	2.5 1st		456
5 Yr	2.3 2nd		371
10 Yr	4.3 1st		149
Since Incep.	7.4		—



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 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 September 30, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.11	0.20	0.15	0.15	0.19	0.21	0.17	0.21	0.26	0.26	0.26
Interest	0.11	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	9-2017	2.3	10-2008	3.2
Average		5.4		5.6		5.4		5.1
No. of Periods		289		265		241		181
Pct. Positive		86.2		100.0		100.0		100.0

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

Quarterly Commentary as at September 30, 2017

Q3 performance of the Canadian bond market was quite weak. The Bank of Canada (BoC) raised rates in July and in September. The market was concerned that this marked the beginning of policy normalization with steady increases pushed yields higher, approximately 0.8% in the 2 and 5 year maturities. Near the end of Q3 Governor Poloz indicated that further moves would be data dependant and that there was no predetermined path for interest rates.

In the U.S. yields were also higher for Q3, reversing the rally in August and early September. The initial rally had been driven by a mix of concerns about domestic politics, a potential government shut-down, North Korea and the economic impact from hurricanes. Towards the end of Q3, a new tax reform proposal added to growth expectations pushing yields higher.

The Fund's performance benefited from an overweight allocation to investment grade corporate bonds as investors sought higher-

yielding assets perceived to come with a degree of safety. Investments in higher-risk corporate debt also contributed to performance. The Fund benefited from the higher income provided and from appreciation linked to optimism about the global economic expansion. The Fund's exposure to foreign currencies detracted value from performance as the Canadian dollar was the best performing currency for the quarter after the BoC hiked rates twice.

Looking ahead, bond yields are expected to rise, the market has penciled in rate hikes late in the fourth quarter. In addition, the U.S. Federal Reserve has begun the lengthy process of shrinking its portfolio of Treasury and mortgage notes on the balance sheet; their measured and gradual plan is intended to not disrupt fixed-income markets. Looking forward, a continued strength in non-government bonds may lead to further reductions in this area and further overall reduction in portfolio risk over Q4.



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, 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 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 September 30, 2017.

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