



# RBC Monthly Income Fund

## Investment Objective

To provide relatively tax efficient monthly distributions consisting of dividend income, interest income and capital gains, as well as the potential for modest capital growth. The fund aims to provide as high a regular monthly income as possible.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF448
Adv	Front End	CAD	RBF763
Adv	Low Load	CAD	RBF115

Inception Date	August 1997
Total Fund Assets \$Mil	7,910.8
Series A NAV \$	14.05
Series A MER %	1.20
Benchmark	57% FTSE TMX Canada Universe Bond Index 43% S&P/TSX Capped Composite Total Return Index

Income Distribution	Monthly
Capital Gains Distribution	Annually
Monthly Distribution (¢/unit)	4.25
Current Payout Rate (%)*	3.63

\*Assuming 12 consecutive months at the monthly distribution set out above. The estimate does not include any year-end capital gains distributions paid in addition to the regular monthly distribution nor should it be confused with performance or rates of return.

Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Fund Category	Canadian Neutral Balanced
---------------	---------------------------

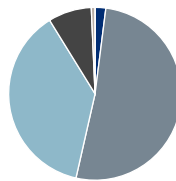
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

## Notes

Units of this fund are no longer available for purchase in registered plans or TFSA's except through a pre-authorized investment plan established prior to December 9, 2005.

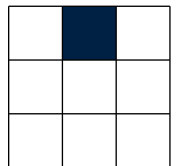
## Portfolio Analysis as of March 31, 2018

### Asset Mix



	% Assets
Cash	2.0
Fixed Income	51.5
Canadian Equity	37.6
US Equity	8.1
International Equity	0.7
Other	0.0

### Equity Style



Value Blend Growth

### Statistics

P/B Ratio	1.8
P/E Ratio	14.7
Avg. Mkt Cap. \$B	43.5

### Top 5 Sectors

	% Equity
Financials	38.9
Energy	15.3
Industrials	11.0
Consumer Discretionary	5.9
Materials	5.4

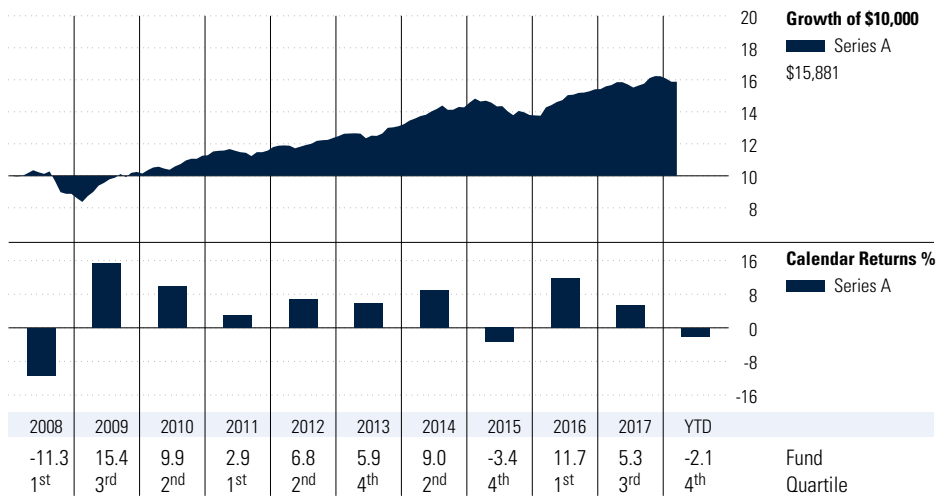
### Income-Generating Asset-Class

	% Assets
Common Shares	46.4
Government Bonds	30.3
Investment-Grade Corporate Bonds	18.2
Other	2.9
High Yield Bonds	2.1
Preferred Shares	0.0

### Top 25 Holdings

	% Assets
Royal Bank of Canada	3.2
The Toronto-Dominion Bank	3.0
Bank of Nova Scotia	2.3
Bank of Montreal	1.5
Canadian National Railway Co	1.5
Canada Govt 0.75% 01-09-2021	1.5
Brookfield Asset Management Inc Class A	1.4
Enbridge Inc	1.4
Ontario Prov Cda 4.6% 02-06-2039	1.3
Ontario (Province Of) 4.65% 02-06-2041	1.2
Manulife Financial Corp	1.2
Ontario Prov Cda 3.45% 02-06-2045	1.1
Suncor Energy Inc	1.1
Canada Govt 2.75% 01-12-2048	1.1
Ontario Prov Cda 6.5% 08-03-2029	1.1
Ontario Hydro 8.25% 22-06-2026	1.1
TransCanada Corp	1.1
Quebec Prov Med Term Nt 3% 01-09-2023	1.0
CIBC	1.0
Canadian Pacific Railway Ltd	1.0
Quebec (Prov) 5% SNR MTN CAD 01-12-2041	0.9
Hydro Quebec 6.5% 15-02-2035	0.8
Ontario (Province Of) 3.5% 02-06-2043	0.8
Sun Life Financial Inc	0.8
Ontario Prov Cda 2.8% 02-06-2048	0.8
<b>Total % of Top 25 Holdings</b>	<b>33.1</b>
<b>Total Number of Stock Holdings</b>	<b>197</b>
<b>Total Number of Bond Holdings</b>	<b>361</b>
<b>Total Number of Other Holdings</b>	<b>7</b>
<b>Total Number of Holdings</b>	<b>565</b>

## Performance Analysis as of March 31, 2018



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
0.0	-2.1	0.8	1.4	2.7	4.7	4.7	6.6	Fund
1st	4th	3rd	3rd	3rd	3rd	3rd	—	Quartile
623	623	617	606	470	376	154	—	No. of Funds in Category



# RBC Monthly Income Fund

## Management Overview

### Manager Bios

#### Suzanne Gaynor

##### RBC Global Asset Management Inc.

Suzanne Gaynor is Vice President and Senior Portfolio Manager, Global Fixed Income and Currencies. She has been in the investment industry since 1988.

#### Irene Matsyalko

##### RBC Global Asset Management Inc.

Irene Matsyalko is a Portfolio Manager and senior North American equities research analyst. She earned a Commerce degree from University of Toronto and is a CFA charterholder.

#### Sarah Neilson

##### RBC Global Asset Management Inc.

Sarah Neilson is a Portfolio Manager and senior North American equities research analyst. Sarah earned a Bachelor of Science in Mechanical Engineering at Queens University, and an MBA from McGill University. Sarah is a CFA charterholder.

### Performance Analysis Cont'd as of March 31, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.13	0.51	0.51	0.51	0.51	0.56	0.51	0.57	0.57	0.57	0.57
Interest	0.13	0.14	0.15	0.14	0.15	0.14	0.15	—	0.30	0.43	0.41
Dividends	—	0.17	0.20	0.22	0.19	0.20	0.17	0.17	0.15	0.14	0.16
Capital Gains	—	0.13	0.13	0.12	—	0.22	0.19	0.18	—	—	—
Return Of Capital	—	0.07	0.03	0.04	0.17	—	—	0.22	0.11	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2001	25.7	3-2006	16.1	2-2005	13.3	2-2010	9.3
Worst	2-2009	-16.0	2-2009	-2.9	5-2012	3.1	2-2016	4.2
Average		6.9		7.3		7.4		6.9
No. of Periods		236		212		188		128
Pct. Positive		85.2		97.6		100.0		100.0

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

### Quarterly Commentary as at March 31, 2018

Uncertainty returned to financial markets in early 2018 following a long period of strong returns and minimal volatility that lasted for most of the fiscal year. The valuation of the S&P/TSX Composite Index is currently around two multiple points lower than the S&P 500 Index, a gap that seems justified, given the fact that the Financials and Energy sectors account for over half of the Canadian market's earnings.

The main driver for bond markets rested with the U.S. as the U.S. Federal Reserve continued to tighten monetary policy. U.S. Treasuries led the global bond sell-off in the first half of the quarter, only to pare back losses as the fear of trade wars and rising equity market volatility sent investors seeking safety in government bonds.

In the equity portion of the Fund, security selection in Canada's largest sectors, Energy and Financials, added to performance. In Energy, Enbridge Inc. has been a core holding, but there has been pressure on the stock as a result of concerns about its balance sheet, pipeline construction challenges and the potential for rising interest rates.

In fixed income, gains from foreign-currency trading were the main contributor to performance, offsetting losses from higher exposure to provincial, corporate and higher-yielding corporate and emerging-market (EM) debt. U.S. government bonds underperformed Canadian government bonds this quarter; therefore, the Fund's positions in higher-yielding corporate and EM debt that priced off U.S. Treasuries further detracted.

Looking ahead, the portfolio managers expect economic growth to continue to support corporate earnings. As a result, they expect corporate bonds to outperform government bonds, but acknowledge the increasing risks associated with these positions.

While key risks of an aging business cycle, rising interest rates and protectionism persist, upside potential remains. On balance, the portfolio managers expect the positives to outweigh the negatives, further driving stock market potential.



# RBC Monthly Income 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.

This document has been compiled by RBC Global Asset Management Inc. (RBC GAM) from sources believed to be reliable, but no representations or warranty, express or

implied, are made by RBC GAM, its affiliates or any other person as to its accuracy, 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](http://www.sedar.com).

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.

® / ™ Trademark(s) of Royal Bank of Canada. Used under licence. © RBC Global Asset Management Inc. 2018