



RBC Strategic Income Bond Fund

Investment Objective

To provide regular monthly income with a potential for modest capital appreciation. The fund invests primarily in units of other mutual funds managed by RBC GAM or an affiliate of RBC GAM (called the underlying funds), emphasizing mutual funds that invest in higher yielding fixed-income securities.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF482
Adv	Deferred Sales	CAD	RBF882
Adv	Front End	CAD	RBF722
Adv	Low Load	CAD	RBF082

Inception Date	August 2013
Total Fund Assets \$Mil	1,009.2
Series A NAV \$	9.99
Series A MER %	1.79
Benchmark	FTSE TMX Canada Universe Bond Index

Income Distribution	Monthly
Capital Gains Distribution	Annually
Monthly Distribution (¢/unit)	3.20
Current Payout Rate (%)*	3.84

*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

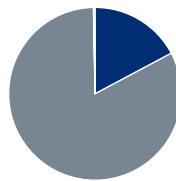
Fund Category	High Yield Fixed Income
---------------	-------------------------

Management Company	RBC Global Asset Management Inc.
--------------------	----------------------------------

Web Site	www.rbcgam.com
----------	----------------

Portfolio Analysis as of June 30, 2018

Asset Mix



	% Assets
Cash	17.2
Fixed Income	82.5
Canadian Equity	0.0
US Equity	0.0
International Equity	-0.1
Other	0.3

Top 25 Holdings

	% Assets
RBC Global Corporate Bond Fund	22.1
RBC Global High Yield Bond Fund	20.0
RBC Emerging Markets Bond Fund	16.9
RBC Emerging Markets Foreign Exchange Fd	13.8
BlueBay Emerging Markets Corp Bd Fund	11.0
BlueBay Global Convert Bd (CAN) Fund	9.1
RBC High Yield Bond Fund	6.1
Total % of Top 25 Holdings	98.9
Total Number of Portfolio Holdings	8
Total Number of Stock Holdings	23
Total Number of Bond Holdings	5,805
Total Number of Other Holdings	221
Total Number of Underlying Holdings	6,049

Fixed Income Breakdown

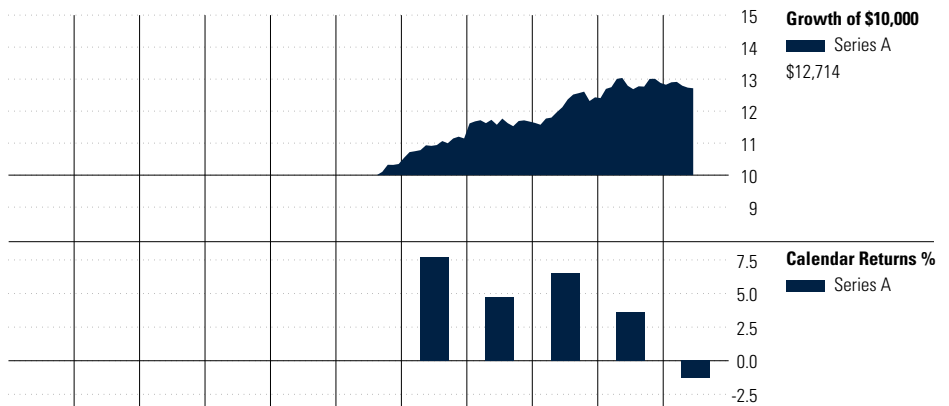
	% Fixed Income
Government Bonds	23.9
Corporate Bonds	62.8
Other Bonds	9.2
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	4.1
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	4.1	Under 1 year	18.7
AAA	2.5	1 - 5 Yrs	30.1
AA	3.2	5 - 10 Yrs	34.8
A	14.2	Over 10 Yrs	16.3
BBB	26.9		
Below BBB	47.9	Avg. Term to maturity (Yrs)	7.0
Mortgages	0.0	Duration (Yrs)	4.7
NR/NA	1.1	Yield to Maturity	4.6

Geographic Allocations

	% Assets
Canada	5.4
United States	28.3
International (ex-Emerging Markets)	8.4
Emerging Markets	57.9

Performance Analysis as of June 30, 2018



Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD	
	—	—	—	—	—	—	7.7	4.7	6.5	3.6	-1.3	Fund
	—	—	—	—	—	—	1 st	1 st	4 th	3 rd	4 th	Quartile

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	-0.2	-1.5	-1.3	-0.6	3.2	—	—	4.8	Fund
	4 th	4 th	4 th	4 th	3 rd	—	—	—	Quartile
	447	443	437	428	297	183	47	—	No. of Funds in Category



RBC Strategic Income Bond Fund

Management Overview

Manager Bios

Sarah Riopelle

RBC Global Asset Management Inc.

Sarah Riopelle is Vice President and Senior Portfolio Manager, Investment Solutions. Sarah began her investment career in 1996. She is a member of the RBC Investment Strategy Committee and is responsible for the firm's Portfolio Solutions. Sarah has a Bachelor of Commerce in Finance and International Management from the University of Ottawa and is a CFA charter holder.

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.

Performance Analysis Cont'd as of June 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.19	0.45	0.55	0.53	0.47	0.22	—	—	—	—	—
Interest	0.19	0.39	0.38	0.37	0.34	0.20	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.06	0.17	0.16	0.13	0.02	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	8-2014	10.6	8-2016	7.8	—	—	—	—
Worst	5-2018	-2.3	5-2018	2.8	—	—	—	—
Average		5.2		5.2		—		—
No. of Periods		47		23		—		—
Pct. Positive		91.5		100.0		—		—

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

Quarterly Commentary as at June 30, 2018

The second quarter of 2018 was marked by escalating trade tensions between the U.S. and much of the world, as President Trump made good on his promise to institute billions of dollars in tariffs. Against this backdrop, U.S. economic growth accelerated, while the expansion appeared to slow in Europe and emerging markets.

Global government bonds were mixed during the period, with U.S. Treasuries finishing the period essentially flat while German bonds and Japanese bonds rose. The U.S. Treasury market underperformed other developed markets on central-bank monetary tightening attributable to higher relative economic growth and inflation. The U.S. Federal Reserve raised short-term interest rates again in the second quarter and continued to reduce the size of its balance sheet, both of which

tended to push up yields.

Returns were held back by exposure to the RBC Emerging Markets Foreign Exchange Fund, the RBC Global High Yield Bond Fund and the BlueBay Emerging Markets Corporate Bond Fund. The BlueBay Global Convertible Bond Fund (Canada) had a positive impact on returns.

Looking ahead, the portfolio manager expects bond yields to rise marginally in the coming quarters, given tightening financial conditions, the potential for temporarily higher inflation and expectations that central banks will continue to gradually raise rates. Short-term yields should continue to rise faster than those on longer-term bonds.



RBC Strategic Income 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.

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.

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 full year period, April 1, 2017 to March 31, 2018.

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 June 30, 2018.

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