



# RBC Monthly Income Bond Fund

## Investment Objective

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

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF495
Adv	Deferred Sales	CAD	RBF895
Adv	Front End	CAD	RBF795
Adv	Low Load	CAD	RBF095

Inception Date	October 2010
Total Fund Assets \$Mil	1,246.2
Series A NAV \$	9.99
Series A MER %	1.14
Series A Adjusted MER %	1.09
Benchmark	40% FTSE TMX Canada Short Term Overall Bond Index 60% FTSE TMX Canada Universe Bond Index

Income Distribution	Monthly
Capital Gains Distribution	Annually
Monthly Distribution (¢/unit)	2.25
Current Payout Rate (%)*	2.70

\*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.

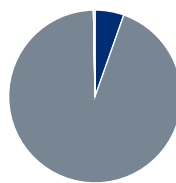
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Fund Category: Canadian Fixed Income

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

## Portfolio Analysis as of March 31, 2017

### Asset Mix



	% Assets
Cash	5.4
Fixed Income	94.3
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.3

### Top 25 Holdings

	% Assets
PH&N Short Term Bond & Mortgage Fund	38.9
PH&N Total Return Bond Fund	20.9
RBC Bond Fund	20.9
RBC Global Corporate Bond Fund	10.9
RBC Emerging Markets Bond Fund	5.0
RBC High Yield Bond Fund	2.2
Total % of Top 25 Holdings	98.9
Total Number of Portfolio Holdings	7
Total Number of Stock Holdings	2
Total Number of Bond Holdings	5,116
Total Number of Other Holdings	56
<b>Total Number of Underlying Holdings</b>	<b>5,174</b>

### Fixed Income Breakdown

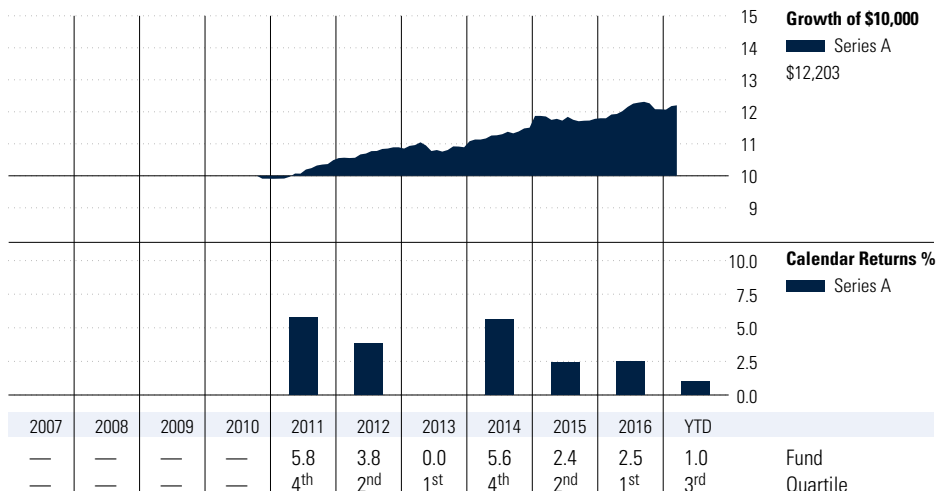
	% Fixed Income
Government Bonds	46.2
Corporate Bonds	44.6
Other Bonds	0.0
Mortgage Backed Securities	4.2
ST Investments (Cash & Other)	5.0
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	5.0	Under 1 year	8.9
AAA	26.5	1 - 5 Yrs	52.8
AA	24.0	5 - 10 Yrs	20.7
A	14.3	Over 10 Yrs	17.6
BBB	18.8		
Below BBB	6.9	Avg. Term to maturity (Yrs)	7.0
Mortgages	4.2	Duration (Yrs)	5.2
NR/NA	0.3	Yield to Maturity	2.2

### Geographic Allocations

	% Assets
Canada	82.5
United States	8.2
International (ex-Emerging Markets)	2.6
Emerging Markets	6.8

## Performance Analysis as of March 31, 2017



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	0.2	1.0	-0.9	2.4	3.1	2.9	—	3.1	Fund
	3 <sup>rd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	—	—	Quartile
	658	652	643	599	481	339	131	—	No. of Funds in Category



# RBC Monthly 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 charterholder.

### Performance Analysis Cont'd as of March 31, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.07	0.30	0.27	0.27	0.30	0.33	0.31	0.16	—	—	—
Interest	0.07	0.22	0.23	0.21	0.23	0.30	0.31	0.10	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.08	0.02	—	—	0.03	—	0.06	—	—	—
Return Of Capital	—	—	0.02	0.06	0.07	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	1-2015	7.1	8-2016	4.5	6-2016	3.8	—	—
Worst	2-2016	-0.6	11-2015	2.5	1-2017	2.7	—	—
Average		3.6		3.4		3.4		—
No. of Periods		66		42		18		—
Pct. Positive		93.9		100.0		100.0		—

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

### Quarterly Commentary as at March 31, 2017

Canadian bonds posted gains in the first quarter of 2017, reversing the trend in place since the election of Donald Trump as U.S. president in late 2016.

The shift in part reflected investor skepticism that the new administration would be able to deliver on Trump's promises to cut taxes, boost infrastructure spending and scale back business regulation. The Bank of Canada (BOC) left its benchmark interest rate unchanged, contrary to the U.S. Federal Reserve (Fed), which continued to press ahead with another rate cut late in the period.

The Fund's returns were aided by investments in the RBC Bond Fund, the PH&N Short Term Bond & Mortgage Fund, the PH&N Total Return Bond Fund

and the RBC Global Corporate Bond Fund.

While the portfolio manager expects the BOC to keep its benchmark interest rate unchanged over the next 12 months, Governor Poloz is likely to emphasize downside risks and disappointment regarding exports. The Fed is expected to continue raising rates and could begin trimming the size of its balance sheet later this year. Canadian government yields will likely outperform their U.S. counterparts given that the BOC is likely to keep rates unchanged. The portfolio manager is maintaining overweight positions in corporate and provincial bonds, as the additional yields offered by these securities would help offset capital losses as yields rise.



# RBC Monthly 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](http://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 half-year period, April 1, 2016 to September 30, 2016, 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.

PH&N Funds Series A formerly known as Series C.

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, 2017.

® / ™ Trademark(s) of Royal Bank of Canada. Used under licence. © RBC Global Asset Management Inc. 2017