



# RBC U.S. Monthly Income Fund

## Investment Objective

To provide a combination of regular U.S. dollar monthly income and modest capital growth by investing primarily in U.S. fixed-income and equity securities.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF503
Adv	Front End	CAD	RBF6503
Adv	Low Load	CAD	RBF4503

Inception Date	August 2014
Total Fund Assets \$Mil	1,203.8
Series A NAV \$	13.45
Series A MER %	1.71
Series A Adjusted MER %	1.65
Benchmark	60% Barclays Capital U.S. Aggregate Bond Index 40% S&P 500 Total Return Index (US\$)

Income Distribution	Monthly
Capital Gains Distribution	Annually
Monthly Distribution (¢/unit)	3.50
Current Payout Rate (%)*	3.12

\*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

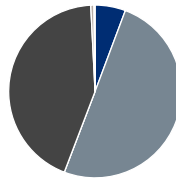
Fund Category Global Neutral Balanced

Management Company RBC Global Asset Management Inc.

Web Site [www.rbcgam.com](http://www.rbcgam.com)

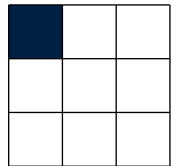
## Portfolio Analysis as of June 30, 2017

### Asset Mix



	% Assets
Cash	5.7
Fixed Income	50.1
Canadian Equity	0.0
US Equity	43.4
International Equity	0.6
Other	0.2

### Equity Style



Value Blend Growth

### Statistics

P/B Ratio	2.4
P/E Ratio	18.1
Avg. Mkt Cap. \$B	103.5

### Top 5 Sectors

	% Equity
Information Technology	17.1
Financials	16.6
Health Care	14.7
Industrials	11.5
Consumer Staples	11.5

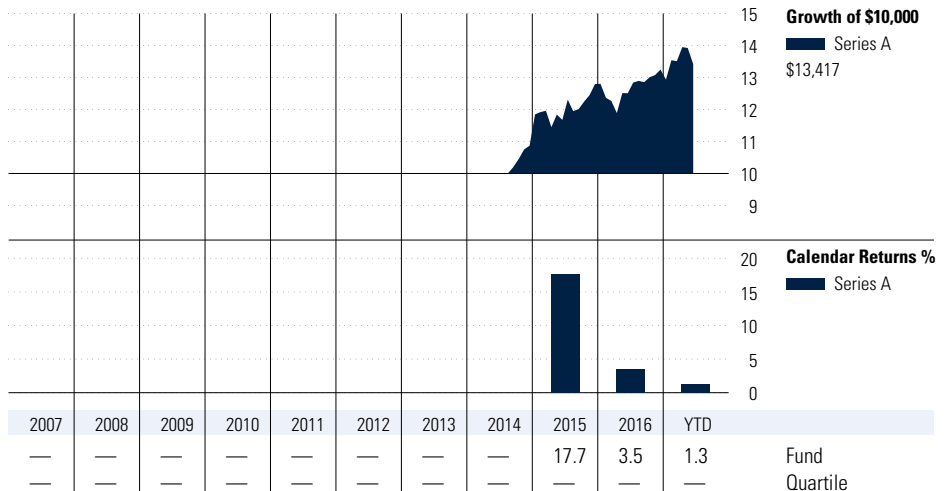
### Income-Generating Asset-Class

	% Assets
Common Shares	44.0
Other	21.0
Investment-Grade Corporate Bonds	15.5
Government Bonds	14.3
High Yield Bonds	4.9
Preferred Shares	0.2

### Top 25 Holdings

	% Assets
US Treasury Note 1.75% 15-05-2023	3.9
US Treasury Note 2.25% 15-11-2024	2.0
Apple Inc	1.8
US Treasury Note 1.5% 31-01-2022	1.8
Microsoft Corp	1.5
Philip Morris International Inc	1.4
Johnson & Johnson	1.4
JPMorgan Chase & Co	1.3
US Treasury Note 1.125% 30-04-2020	1.3
PepsiCo Inc	1.2
Chevron Corp	1.1
US Treasury Note 2% 15-02-2025	1.1
Bank of America Corporation	1.0
FHLMC 4% 01-06-2044	1.0
Citigroup Inc	0.9
FHLMC 3% 01-11-2046	0.9
CVS Health Corp	0.9
Altria Group Inc	0.9
Cisco Systems Inc	0.9
Merck & Co Inc	0.9
FHLMC 3% 01-05-2045	0.8
UnitedHealth Group Inc	0.8
US Treasury Note 1.625% 15-02-2026	0.8
US Treasury Bond 2.5% 15-02-2045	0.8
McDonald's Corp	0.8
<b>Total % of Top 25 Holdings</b>	<b>31.0</b>
<b>Total Number of Stock Holdings</b>	<b>214</b>
<b>Total Number of Bond Holdings</b>	<b>2,223</b>
<b>Total Number of Other Holdings</b>	<b>23</b>
<b>Total Number of Holdings</b>	<b>2,460</b>

## Performance Analysis as of June 30, 2017



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	-3.6	-0.7	1.3	7.3	—	—	—	11.2	Fund
	—	—	—	—	—	—	—	—	Quartile
	1392	1365	1332	1276	919	614	177	—	No. of Funds in Category



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## Management Overview

### Manager Bios

#### Frank Gambino

##### RBC Global Asset Management Inc.

Frank Gambino is Vice President and Senior Portfolio Manager, Global Fixed Income and Currencies. He has been in the investment industry since 1990.

#### Brad Willock

##### RBC Global Asset Management Inc.

Brad Willock joined RBC in May 1996 and RBC Global Asset Management in July 2002. In his current role, he is responsible for core and income-oriented U.S. equity mandates. Brad has a Bachelor of Commerce and a Bachelor of Science, and is a CFA charterholder.

#### Soo Boo Cheah

##### RBC Global Asset Management (UK) Limited

Soo Boo is Senior Portfolio Manager, Global Fixed Income & Currencies, at RBC Global Asset Management (UK) Ltd. He joined the firm in 2000 as a Fixed Income Analyst and has been active in all aspects of global fixed income management. Soo Boo is a member of the Global Fixed Income & Currencies Committee and the RBC Investment Strategy Committee's Fixed Income & Currencies Advisory Committee. He earned an MBA from the University of New Brunswick and is a CFA charterholder.

#### Jane Lesslie

##### RBC Global Asset Management (UK) Limited

Jane Lesslie is Senior Portfolio Manager, Global Fixed Income and Currencies. She has been in the investment industry since 1988.

### Performance Analysis Cont'd as of June 30, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.22	0.43	1.21	0.72	—	—	—	—	—	—	—
Interest	0.22	0.23	0.22	0.07	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	0.18	0.99	0.65	—	—	—	—	—	—	—
Return Of Capital	—	0.03	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	8-2015	19.5	—	—	—	—	—	—
Worst	1-2017	1.0	—	—	—	—	—	—
Average		9.1	—	—	—	—	—	—
No. of Periods		23	—	—	—	—	—	—
Pct. Positive		100.0	—	—	—	—	—	—

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

### Quarterly Commentary as at June 30, 2017

U.S. fixed income securities performed well in Q2 resulting in positive returns as the global economy continues to modestly grow, balance sheets remain healthy, and global monetary policy remains accommodative. U.S. investment grade, U.S. high yield and emerging market bonds outperformed U.S. treasuries and conventional mortgage backed securities as credit spreads declined. Corporate and emerging market bonds also benefitted from strong investor demand.

Telecommunication Services was the worst performing sector during the period as competitive pressures weighed on the results of all the carriers. Energy was the second worst sector due to continued weakness in the oil price. Investor sentiment toward the group is brutal as OPEC's production cut appears to be ineffective and the productivity improvements of U.S. shale producers continue to surprise on the upside.

Recent shifts in the policies of some central banks have created uncertainty and could, over time,

result in higher global interest rates. With global interest rates near historical lows, the potential for higher rates may limit fixed-income returns in 2017. In addition, the recent decline in oil prices after a period of stabilization is a risk for corporate bonds. A further deterioration in oil prices could negatively impact credit assets such as the high-yield bond market.

Over the course of the quarter we lowered our exposure to credit assets such as U.S. investment grade and mortgaged backed securities as well as our holdings of U.S. high yield and emerging market debt securities as these outperformed expectations. We also increased our exposure to U.S treasury bonds and cash. Overall, the maturity profile of the Fund remains shorter relative to the benchmark as a way to preserve value in a rising rate environment. In our view, recent economic data suggests the global economy is still expanding, slowly and from a low level.



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## 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](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 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 April 30, 2017.

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