



# RBC U.S. Monthly Income Fund (US\$)

## 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        | USD      | RBF587    |
| Adv    | Front End      | USD      | RBF764    |
| Adv    | Low Load       | USD      | RBF116    |

|                         |   |
|-------------------------|---|
| Inception Date          | May 2005  |
| Total Fund Assets \$Mil | 1,357.6   |
| Series A NAV \$         | 10.43   |
| Series A MER %          | 1.66  |
| Benchmark               | 60% Bloomberg Barclays U.S. Aggregate Bond Index<br>40% S&P 500 Total Return Index (US\$) |

|                               |          |
|-------------------------------|----------|
| Income Distribution           | Monthly  |
| Capital Gains Distribution    | Annually |
| Monthly Distribution (¢/unit) | 2.90     |
| Current Payout Rate (%)*      | 3.34     |

\*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.

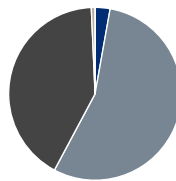
Web Site [www.rbcgam.com](http://www.rbcgam.com)

## Notes

Not available for purchase in registered plans or TFSA's administered by RBC Royal Bank.

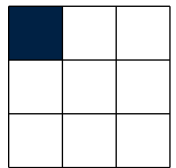
## Portfolio Analysis as of March 31, 2018

### Asset Mix



|                      | % Assets |
|----------------------|----------|
| Cash                 | 2.8      |
| Fixed Income         | 55.0     |
| Canadian Equity      | 0.0      |
| US Equity            | 41.5     |
| International Equity | 0.7      |
| Other                | 0.0      |

### Equity Style



Value Blend Growth

### Statistics

|                   |       |
|-------------------|-------|
| P/B Ratio         | 2.5   |
| P/E Ratio         | 15.1  |
| Avg. Mkt Cap. \$B | 122.8 |

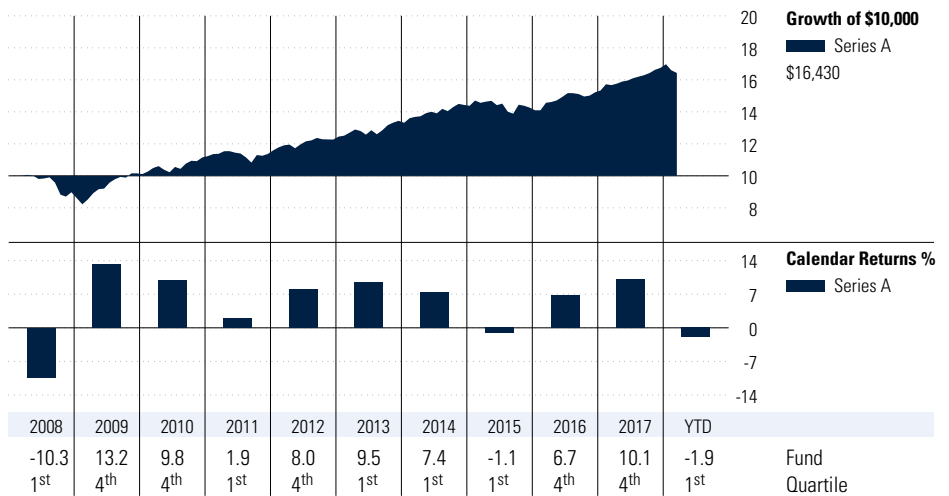
### Top 5 Sectors

|                        | % Equity |
|------------------------|----------|
| Information Technology | 22.7     |
| Financials             | 16.7     |
| Health Care            | 15.2     |
| Consumer Discretionary | 10.1     |
| Industrials            | 10.1     |

### Income-Generating Asset-Class

|                                  | % Assets |
|----------------------------------|----------|
| Common Shares                    | 42.2     |
| Government Bonds                 | 22.4     |
| Other                            | 16.0     |
| Investment-Grade Corporate Bonds | 13.3     |
| High Yield Bonds                 | 6.0      |
| Preferred Shares                 | 0.0      |

## 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 %        |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|--------------------------|
| -1.0            | -1.9            | 0.9             | 4.9             | 4.1             | 5.3             | 5.1             | 4.8          | Fund                     |
| 3 <sup>rd</sup> | 1 <sup>st</sup> | 1 <sup>st</sup> | 4 <sup>th</sup> | 1 <sup>st</sup> | 1 <sup>st</sup> | 1 <sup>st</sup> | —            | Quartile                 |
| 1420            | 1378            | 1326            | 1265            | 960             | 640             | 275             | —            | No. of Funds in Category |



# RBC U.S. Monthly Income Fund (US\$)

## 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 Inc.

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 March 31, 2018

| Distributions (\$)/Unit | YTD* | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|
| Total Distributions     | 0.09 | 0.32 | 0.32 | 0.89 | 0.80 | 0.79 | 0.30 | 0.36 | 0.36 | 0.36 | 0.42 |
| Interest                | 0.09 | 0.14 | 0.17 | 0.17 | 0.14 | 0.22 | 0.17 | 0.18 | 0.16 | 0.20 | 0.28 |
| Dividends               | —    | 0.00 | —    | —    | —    | —    | —    | —    | —    | —    | —    |
| Capital Gains           | —    | 0.13 | 0.14 | 0.72 | 0.66 | 0.57 | 0.10 | —    | —    | —    | —    |
| Return Of Capital       | —    | 0.06 | 0.02 | —    | —    | —    | 0.03 | 0.18 | 0.20 | 0.15 | 0.15 |

### Best/Worst Periods %

|                | Ended  | 1 Yr  | Ended  | 3 Yr | Ended  | 5 Yr  | Ended  | 10 Yr |
|----------------|--------|-------|--------|------|--------|-------|--------|-------|
| Best           | 2-2010 | 24.8  | 2-2012 | 12.7 | 2-2014 | 10.6  | 1-2018 | 5.4   |
| Worst          | 2-2009 | -17.7 | 2-2009 | -3.4 | 6-2010 | 2.5   | 9-2015 | 4.4   |
| Average        |        | 5.3   |        | 5.0  |        | 5.6   |        | 4.9   |
| No. of Periods |        | 143   |        | 119  |        | 95    |        | 35    |
| Pct. Positive  |        | 86.0  |        | 94.1 |        | 100.0 |        | 100.0 |

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

### Quarterly Commentary as at March 31, 2018

The U.S. stock market rose slightly over the quarter (in CAD terms). Strong performances from the Technology and Consumer Discretionary sectors powered the advance while the interest-rate-sensitive Utilities, Real Estate, Telecommunications and Consumer Staples sectors, along with the economically sensitive Materials and Energy sectors, were detractors.

During the quarter, security selection in the Industrials and Utilities sectors aided returns. In Industrials, a large position in the Boeing Co. generated strong returns following exceptional financial results. In Utilities, an overweight position in NextEra Energy Inc. lifted performance as the company continues to lead the rollout of renewable energy solutions.

Conversely, our underweight allocation to the Consumer Discretionary and Technology sectors hurt performance. Many names in these sectors do not pay dividends; therefore, during periods when these names outperform, it is difficult for our holdings to keep pace.

In fixed income, higher U.S. interest rates and

wider corporate bond spreads in the quarter pressured performance. Credit assets such as U.S. investment-grade and emerging-market bonds detracted relative to government bonds. Overall, the Fund's fixed-income assets underperformed the benchmark in the quarter, primarily due to our government bond investments and U.S investment-grade overweight.

Global monetary policies are still quite easy by historical standards, but the era of extreme monetary stimulus is nearing its end. With inflation transitioning to more normal levels and U.S. fiscal stimulus providing a tailwind to an already solid economic outlook, expectations of rising real rates could cause depressed fixed-income returns.

Stocks continue to be supported by strong corporate-profit growth, but rising interest rates and ongoing trade conflicts have introduced increased risk and volatility into markets. Given the strong performance over the past nine years, investors should temper their expectations going forward.



## RBC U.S. Monthly Income Fund (US\$)

### 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