



RBC Vision Bond Fund

Investment Objective

To provide relatively high yields and stability of capital by investing primarily in a well-diversified portfolio of fixed income securities issued by Canadian governments and corporations that conduct themselves in a socially responsible manner.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF7610
Adv	Front End	CAD	RBF6610
Adv	Low Load	CAD	RBF4610

Inception Date	November 2008
Total Fund Assets \$Mil	237.2
Series A NAV \$	10.67
Series A MER %	1.05
Benchmark	FTSE Canada Universe Bond Index

Income Distribution	Quarterly
Capital Gains Distribution	Annually

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

Fund Category	Canadian Fixed Income
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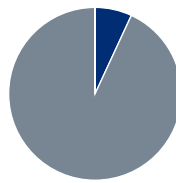
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

Notes

Fund name changed effective June 30, 2017.

Portfolio Analysis as of December 31, 2018

Asset Mix



	% Assets
Cash	6.9
Fixed Income	93.1
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

Top 25 Holdings

	% Assets
Canada (Government of) 2.75% 01-12-2048	5.1
Canada Hsg Tr No 1 2.4% 15-12-2022	3.0
Bank of Montreal 3.4% 23-04-2021	2.9
Canada Hsg Tr No 1 2.35% 15-06-2023	2.8
Ontario (Province Of) 5.6% 02-06-2035	2.5
Ontario (Province Of) 6.2% 02-06-2031	2.4
Canada Hsg Tr No 1 1.15% 15-12-2021	2.3
Ontario (Province Of) 3.5% 02-06-2043	2.2
Canada Hsg Tr No 1 1.75% 15-06-2022	2.1
Ontario (Province Of) 2.9% 02-06-2049	2.0
Union Gas Limited 4.85% 25-04-2022	1.7
Royal Bank of Canada 2.03% 15-03-2021	1.6
Ontario (Province Of) 2.9% 02-06-2028	1.6
Ontario (Province Of) 3.5% 02-06-2024	1.6
Toronto Dominion Bk 2.04% 08-03-2021	1.6
Royal Bank of Canada 1.65% 15-07-2021	1.4
Toronto Dominion Bk 1.69% 02-04-2020	1.3
Ontario (Province Of) 4.6% 02-06-2039	1.3
Ontario (Province Of) 2.6% 02-06-2027	1.2
Telus Corporation 5.05% 23-07-2020	1.1
Brookfield Infracst Fin 3.54% 30-10-2020	1.1
Province of Alberta 2.2% 01-06-2026	1.1
Quebec (Province Of) 2.75% 01-09-2028	1.1
Hydro One Inc. 4.4% 01-06-2020	1.0
Hydro One Inc. 1.62% 30-04-2020	0.9
Total % of Top 25 Holdings	46.8
Total Number of Stock Holdings	0
Total Number of Bond Holdings	228
Total Number of Other Holdings	2
Total Number of Holdings	230

Fixed Income Breakdown

	% Fixed Income
Government Bonds	53.7
Corporate Bonds	39.3
Other Bonds	0.3
Mortgage Backed Securities	0.1
ST Investments (Cash & Other)	6.6
Asset Backed Securities	0.0

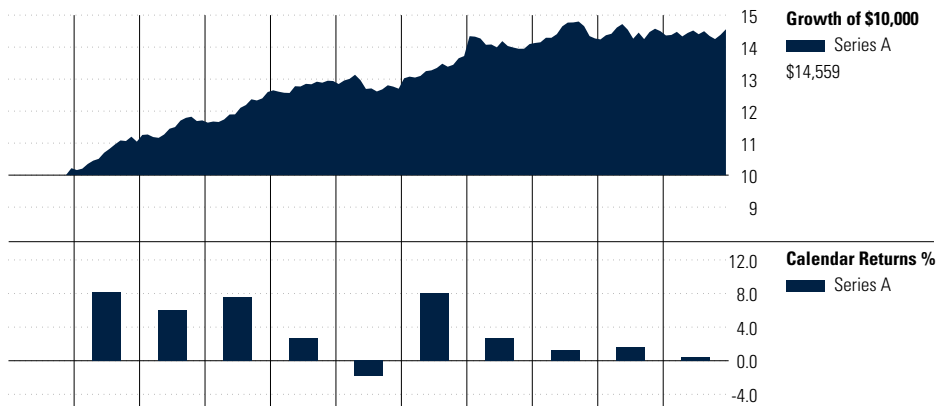
Bond Rating

	%	Term to Maturity	%
Cash / Cash Equiv.	6.6	Under 1 year	8.6
AAA	21.4	1 - 5 Yrs	36.8
AA	40.6	5 - 10 Yrs	22.0
A	19.1	Over 10 Yrs	32.6
BBB	11.7		
Below BBB	0.5	Avg. Term to maturity (Yrs)	10.2
Mortgages	0.1	Duration (Yrs)	7.4
NR/NA	0.0	Yield to Maturity	2.8

Geographic Allocations

	% Assets
Canada	99.7
United States	0.3
International (ex-Emerging Markets)	0.0
Emerging Markets	0.0

Performance Analysis as of December 31, 2018



Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	
Calendar Returns %	—	8.1	6.0	7.6	2.7	-1.8	8.0	2.7	1.2	1.6	0.4	Fund Quartile
	—	2 nd	3 rd	3 rd	4 th	3 rd	1 st	2 nd	3 rd	3 rd	3 rd	

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	1.2	1.5	0.3	0.4	1.1	2.8	3.6	3.8	Fund
	3 rd	2 nd	3 rd	3 rd	3 rd	2 nd	2 nd	—	Quartile
	547	536	527	512	418	346	155	—	No. of Funds in Category



RBC Vision Bond Fund

Management Overview

Manager Bios

PH&N Fixed Income Team

With one of the largest bond desks in Canada consisting of over 30 investment professionals, Phillips, Hager & North Investment Management (PH&N IM) has been managing bonds since 1970 and currently manages fixed income portfolios according to strict quality and diversification guidelines. PH&N IM's strengths as a bond manager are directly related to its depth of resources – both people and technology – dedicated to the management of fixed income portfolios.

Performance Analysis Cont'd as of December 31, 2018

Distributions (\$)/Unit	2018*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.20	0.20	0.35	0.49	0.28	0.33	0.51	0.38	0.51	0.39	0.05
Interest	0.20	0.20	0.21	0.24	0.25	0.26	0.27	0.30	0.36	0.37	0.04
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	0.14	0.25	0.03	0.07	0.23	0.08	0.15	0.01	0.01
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	11-2009	12.0	1-2012	7.6	1-2014	5.1	11-2018	3.7
Worst	9-2017	-3.7	1-2018	0.1	4-2018	1.8	12-2018	3.6
Average		3.5		3.6		3.5		3.7
No. of Periods		110		86		62		2
Pct. Positive		81.8		100.0		100.0		100.0

* Final distribution attribution (interest, dividends, capital gains and return of capital) for 2018 will be reflected with January month-end profiles.

Quarterly Commentary as at December 31, 2018

Domestic bond yields declined sharply during the quarter, resulting in positive absolute returns for the fund. The fund was originally positioned to benefit from an expectation of higher bond yields. This view was supported by reasonably strong corporate earnings, low unemployment, higher inflation, and rhetoric from the Bank of Canada (BoC) indicating that future rate hikes were on the horizon. However, bond yields decreased throughout the fourth quarter in response to global market stress and a sharp decline in oil prices. As such, our interest-rate positioning was a drag on performance over the quarter.

Our corporate bond strategy was the primary driver of returns during the quarter. The fund was defensively positioned with a bias towards higher-quality, less-cyclical corporate issuers. This proved beneficial when weakness in the market caused corporate spreads to widen meaningfully, resulting

in negative returns for the broader corporate bond market. We increased the fund's exposure to provincial bonds as compensation for risk in that sector improved somewhat over the quarter. The fund also continued to invest in certain types of securities not in the benchmark, including small positions in inflation-linked bonds, U.S. Treasuries, and Maple bonds (the bonds of non-Canadian companies issued in Canada in Canadian dollars). These securities help diversify the fund in sectors where we see opportunities to outperform traditional Canadian bonds.

Over the past quarter and the full year of 2018, the fund provided modest positive returns and, importantly, a stable component for portfolios in which riskier components saw a meaningful uptick in volatility.



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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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MER (%) for RBC Funds, PH&N Funds and BlueBay Funds is based on actual expenses for the preceding calendar year or most recent half-year period ended June 30 expressed on an annualized basis, depending on availability of data at the time of publication.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the preceding full year period ended March 31 or half-year period ended September 30 expressed on an annualized basis, depending on availability of data at the time of publication.

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 December 31, 2018.

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