



RBC 1–5 Year Laddered Canadian Bond ETF

RBC 1-5 Year Laddered Canadian Bond ETF (RLB) is a high-quality fixed income solution. It offers exposure to a diversified portfolio of Canadian investment-grade corporate and government bonds, with maturity dates staggered (“laddered”) from one to five years.

Why invest in RLB?

- One-ticket access to a buy-and-hold bond ladder with a transparent, consistent maturity profile
- Staggered maturities reduce interest rate risk
- Attractive monthly income

How does RLB work?

Mix of high-quality bonds

To enhance yield-to-maturity, RLB holds 70% of its portfolio in Canadian investment-grade corporate bonds through RBC Target Maturity Bond ETFs, and 30% directly in Canadian government bonds. Corporate bond exposure is well diversified, with no more than 10% allocated to a single issuer. The overall weighted-average credit rating of the portfolio’s corporate debt is ‘A’.

Equally weighted by maturity year

The portfolio is divided into five equally weighted (20%) segments, one for each of the five maturity years. This provides consistent liquidity and reduces the risk of rising interest rates.

Monthly income distributions

RLB pays out all its net income on a monthly basis. The amount of the payout depends on the income stream received from the underlying bonds, and may vary from month to month. Distributions are expected to be mostly interest income.

Rolling maturity dates and rebalancing

RLB is designed to maintain a laddered 1-5 year maturity profile. At the end of each year, the portfolio managers sell those bonds that mature within one year and replace them with new bonds that mature in five years. For example, in December 2018, they will sell RQG and the government bonds maturing in 2019. They will then purchase new bonds with a targeted maturity date of 2024. Each quarter, the portfolio managers rebalance the portfolio to ensure a 20% allocation to each maturity year.

ETF DETAILS

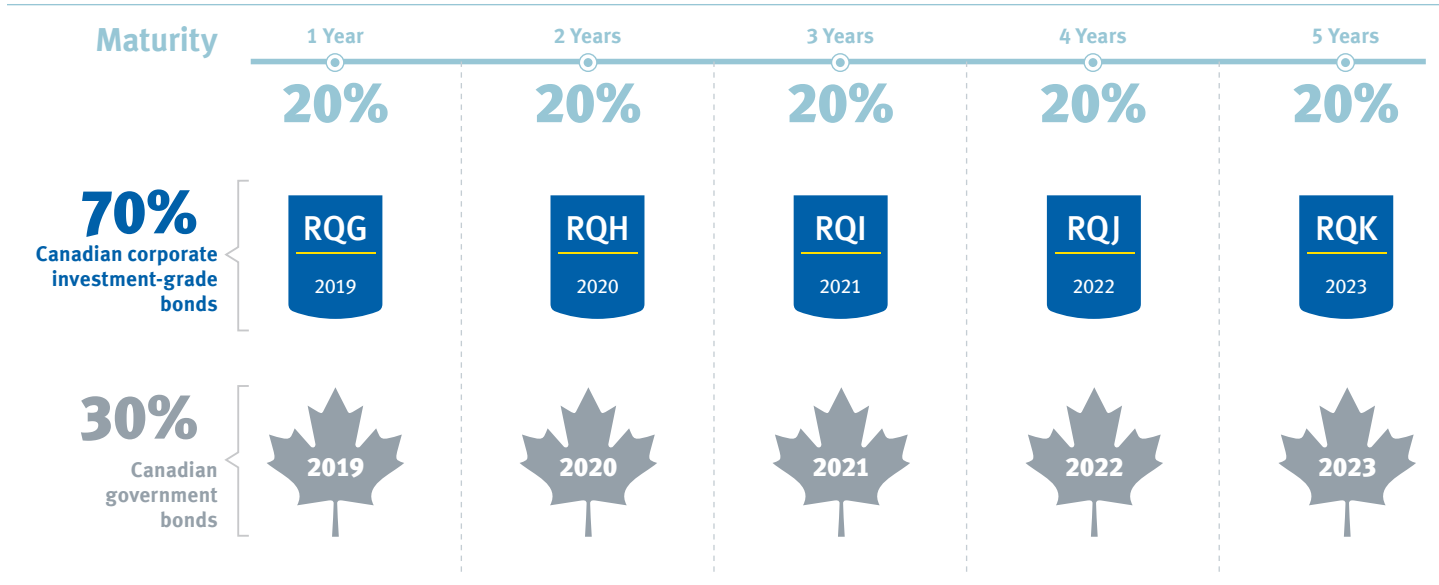
- Ticker: RLB
- Exchange: Toronto Stock Exchange
- Inception date: January 25, 2016
- Distribution frequency: Monthly
- Eligibility: All registered plans



ETF CHARACTERISTICS

- Management fee: 0.22%
- Average number of underlying holdings: Approx. 150–180
- No more than 70% Canadian investment-grade corporate bonds, and no less than 30% Canadian government bonds
- Five equally weighted segments (20% each) for bonds with maturities from 1 to 5 years
- Rebalanced quarterly

RLB holdings – five segments equally weighted by maturity year



Why RBC ETFs?

- Innovative, high-quality and professionally managed
- Designed to provide attractive risk-adjusted performance
- Invest with Canada's leading provider of income solutions*
- Backed by the strength and experience of RBC Global Asset Management

To find out more about
RBC ETFs:

Visit www.rbcgam.com/etfs

Call **1-855-RBC-ETFS**
(1-855-722-3837)

RBC Global Asset Management offers a comprehensive lineup of ETFs and mutual funds designed to deliver effective investment solutions to help investors build better portfolios. Our investment solutions are backed by the strength of an experienced investment team at RBC Global Asset Management Inc.

With offices in several financial centres around the world, RBC Global Asset Management Inc. is one of Canada's largest money managers.

* Source: RBC GAM, IFIC. Based on assets under management in money market, fixed income, income-oriented balanced and equity mutual fund solutions, and income-oriented ETF solutions as of September 30, 2017.

Commissions, management fees and expenses all may be associated with investments in exchange-traded funds (ETFs). Please read the prospectus or Fund Facts document before investing. ETFs are not guaranteed, their values change frequently and past performance may not be repeated. ETF units are bought and sold at market price on a stock exchange and brokerage commissions will reduce returns. RBC ETFs are managed by RBC Global Asset Management Inc., an indirect wholly-owned subsidiary of Royal Bank of Canada.

RBC ETFs are available across Canada. The information contained in this article does not constitute an offer or solicitation to buy or sell any investment fund, security or other product, service or information to any resident of the U.S. or the U.K. or to anyone in any jurisdiction in which an offer or solicitation is not authorized or cannot legally be made or to any person to whom it is unlawful to make an offer or solicitation. The information is not intended to provide specific financial, investment, tax, legal or accounting advice for you, and should not be relied upon in that regard. You should not act or rely on the information without seeking the advice of a professional.

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