



RBC 6-10 Year Laddered Canadian Corporate Bond ETF

RBC 6-10 Year Laddered Canadian Corporate Bond ETF (RMBO) is a rules-based, actively managed ETF that seeks to provide unitholders with exposure to the performance of a diversified portfolio of Canadian investment grade corporate bonds, divided (“laddered”) into five groupings with staggered maturities from six to ten years that will provide regular income while preserving capital.

Why invest in RMBO?

- Convenient one-ticket access to a mid-term buy-and-hold corporate bond ladder with a transparent, consistent maturity profile
- Provides regular monthly income while preserving capital
- Staggered maturities aim to reduce interest rate risk
- When combined with RBO (RBC 1–5 Year Laddered Corporate Bond ETF), creates a 1–10 bond ladder

How does RMBO work?

Mix of high-quality 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 segments, one for each of the five maturity years. This provides consistent liquidity and reduces the risk of rising interest rates.

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

Rolling maturity dates – RMBO is designed to maintain a laddered 6-10 year maturity profile. At the end of each year, the portfolio managers sell those bonds that mature within six years and replace them with new bonds that mature in 10 years.

Why a bond ladder?

A bond ladder is a diversified portfolio of bonds with significantly different maturities. Laddering the bond portfolio can:

- **Reduce interest rate risk** – bonds are constantly maturing and being reinvested in the current interest rate environment
- **Increase liquidity** – regularly maturing bonds provide a predictable cash flow
- **Diversify credit risk** – exposure to a portfolio of different bonds means the credit risk is spread across the whole portfolio

ETF DETAILS

- Ticker: RMBO
- Exchange: TSX
- Inception date: October 19, 2017
- Distribution frequency: Monthly
- Eligibility: All registered plans



ETF CHARACTERISTICS

- Number of underlying holdings: 60-75
- Management fee: 0.25%

Why RBC ETFs?

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*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 June 30, 2017.

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