



# RBC Managed Payout Solution - Enhanced

## Investment Objective

To provide a high regular monthly income with a potential for modest capital appreciation. To provide relatively tax efficient distributions consisting of dividend income, interest income, realized capital gains, and a return of capital, without continuing significant erosion of the net asset value of the fund. The portfolio invests primarily in units of other funds managed by RBC GAM or an affiliate of RBC GAM (called the underlying funds), emphasizing mutual funds whose investment objective is to generate income.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF582
Adv	Deferred Sales	CAD	RBF855
Adv	Front End	CAD	RBF755
Adv	Low Load	CAD	RBF122

Inception Date	August 2004
Total Fund Assets \$Mil	2,513.6
Series A NAV \$	8.22
Series A MER %	1.83
Benchmark	2% FTSE Canadian 30 Day T-Bill Index 13% FTSE Canada Short Term Overall Bond Index 35% FTSE Canada Universe Bond Index 7.5% ICE BofA Merrill Lynch U.S. High Yield BB-B Index (Hedged to C\$) 7.5% JP Morgan EMBI Global Diversified Index (Hedged to C\$) 25% S&P/TSX Capped Composite Total Return Index 10% S&P 500 Total Return Index (C\$)

Income Distribution	Monthly
Capital Gains Distribution	Annually
Monthly Distribution (¢/unit)	3.90
Current Payout Rate (%)*	5.69

\*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.

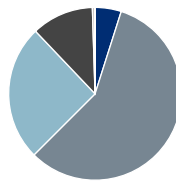
Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

Fund Category	Canadian Fixed Income Balanced
---------------	-----------------------------------

Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

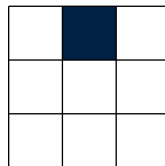
## Portfolio Analysis as of June 30, 2019

### Asset Mix



	% Assets
Cash	4.9
Fixed Income	57.6
Canadian Equity	25.4
US Equity	11.6
International Equity	0.4
Other	0.1

### Equity Style



Value Blend Growth

### Statistics

P/B Ratio	1.9
P/E Ratio	14.8
Avg. Mkt Cap. \$B	47.1

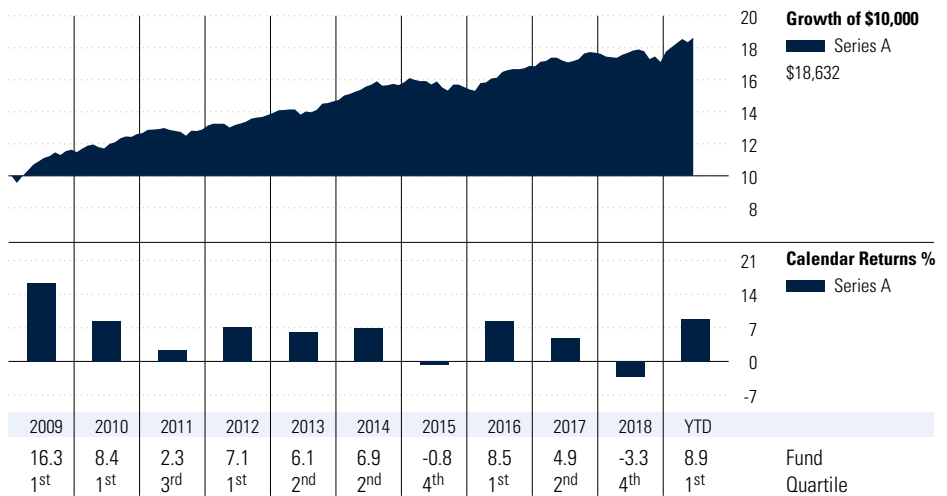
### Top 5 Sectors

	% Equity
Financials	32.1
Energy	14.4
Industrials	11.2
Information Technology	6.7
Communication Services	6.5

### Income-Generating Asset-Class

	% Assets
Common Shares	37.3
Government Bonds	25.3
Investment-Grade Corporate Bonds	18.6
High Yield Bonds	13.2
Other	5.5
Preferred Shares	0.1

## Performance Analysis as of June 30, 2019



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	1.6	1.9	8.9	5.3	4.9	3.6	5.5	4.9	Fund
	1st	2nd	1st	2nd	1st	2nd	1st	—	Quartile
	619	613	593	546	477	372	156	—	No. of Funds in Category



# RBC Managed Payout Solution - Enhanced

## Management Overview

### Manager Bios

#### Sarah Riopelle

#### RBC Global Asset Management Inc.

Sarah Riopelle is Vice President and Senior Portfolio Manager, Investment Solutions. Sarah began her investment career in 1996. She is a member of the RBC Investment Strategy Committee and is responsible for the firm's Portfolio Solutions. Sarah has a Bachelor of Commerce in Finance and International Management from the University of Ottawa and is a CFA charterholder.

### Performance Analysis Cont'd as of June 30, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	0.23	0.51	0.52	0.51	0.55	0.66	0.55	0.54	0.56	0.55	0.51
Interest	0.23	0.07	0.05	0.05	0.07	0.04	0.09	0.05	0.03	0.08	0.05
Dividends	—	0.06	0.06	0.07	0.07	0.08	0.09	0.08	0.07	0.09	0.06
Capital Gains	—	0.10	0.09	0.02	0.25	0.53	0.06	0.03	—	—	—
Return Of Capital	—	0.27	0.32	0.37	0.16	—	0.31	0.37	0.46	0.38	0.39

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	2-2010	22.4	2-2012	11.5	2-2014	9.5	2-2019	6.6
Worst	2-2009	-15.7	2-2009	-3.4	5-2012	2.6	2-2016	3.8
Average		4.7		4.5		4.8		4.7
No. of Periods		167		143		119		59
Pct. Positive		85.6		95.1		100.0		100.0

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

### Commentary as at June 30, 2019

The economic backdrop continued to deteriorate during the first half of 2019 as weaker growth in Europe and emerging markets offset a solid expansion in North America. In Europe, Italy faced demands to get a handle on its debt and budget deficit, and President Trump ramped up pressure on Iran, pursued an aggressive stance on trade toward China and threatened to impose tariffs on Mexico. The U.S. Federal Reserve acknowledged these threats to the outlook with a willingness to lower short-term interest rates in support of growth.

Government-bond prices rose as investors sought safe-haven assets in reaction to the macroeconomic uncertainty. The yield on the U.S. 10-year government bond fell to the lowest level since 2017 and a full percentage point below its 2018 high. In Japan and Germany, 10-year government-bond yields fell further into negative territory and the 10-year German-bund yield reached a record low.

Equities rebounded in all regions after significant

declines toward the end of 2018 lowered valuations to attractive levels and the weaker global expansion prompted speculation that the major central banks would provide more monetary stimulus, lending further support to valuations. The gains restored the S&P 500 Index to levels near all-time highs.

In the view of the portfolio manager, the risk of fixed-income losses is elevated in all regions. While bonds may deliver low or even negative total returns, stocks can generate single-digit to low-double-digit gains in an environment of moderate growth, low interest rates and low inflation. The near-term challenge for stocks is the fact that earnings growth has stalled as declining profit margins have offset stronger revenue growth. The portfolio manager continues to overweight stocks but recently shifted half a percentage point from the equity allocation into cash, moving further along the path of de-risking portfolios as the business cycle matures.



# RBC Managed Payout Solution - Enhanced

## 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 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).

® / ™ Trademark(s) of Royal Bank of Canada. Used under licence. © RBC Global Asset Management Inc. 2019