



RBC Private Short-Term Income Pool

Investment Objective

To provide a competitive level of monthly income by investing in short-term fixed income assets. The Fund invests primarily in short-term, high-quality fixed-income securities issued or guaranteed by Canadian governments and corporations, asset-backed securities and corporate bonds. The Fund also invests in high-quality first mortgages on Canadian residential property insured by the Canada Mortgage and Housing Corporation (CMHC) under the National Housing Act (Canada).

The majority of the Fund's assets are held in federal, provincial and investment-grade corporate bonds, with smaller off-benchmark positions in mortgages (legacy positions), floating rate notes and cash. Asset mix is determined by the anticipated changes in monetary policy and spreads, as well as liquidity conditions. Fund duration does not typically deviate too far from benchmark, as short-term mandates generally benefit more from asset and security selection.

Fund Details

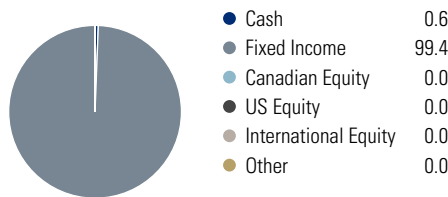
Series	Currency	Fund Code
O	CAD	RBF10122
Inception Date August 2003		
Total Fund Assets \$Mil 1,256.3		
Benchmark FTSE Canada Short Term Government Bond Index		

Notes

Securities have been classified as 'NR/NA' if the security has not been rated by a rating agency such as DBRS, S&P or Moody's. Typically, unrated securities are bond issues for which the issuer has not sought a credit rating.

Portfolio Analysis as of April 30, 2019

Asset Mix



Fixed Income Breakdown

Category	% Fixed Income
Government Bonds	48.7
Corporate Bonds	50.9
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	0.4
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	0.4	Under 1 year	5.9
AAA	26.1	1 - 5 Yrs	90.5
AA	29.9	5 - 10 Yrs	3.6
A	30.6	Over 10 Yrs	0.0
BBB	12.7		
Below BBB	0.0	Avg. Term to maturity (Yrs)	2.8
Mortgages	0.0	Duration (Yrs)	2.7
NR/NA	0.2	Yield to Maturity	2.0

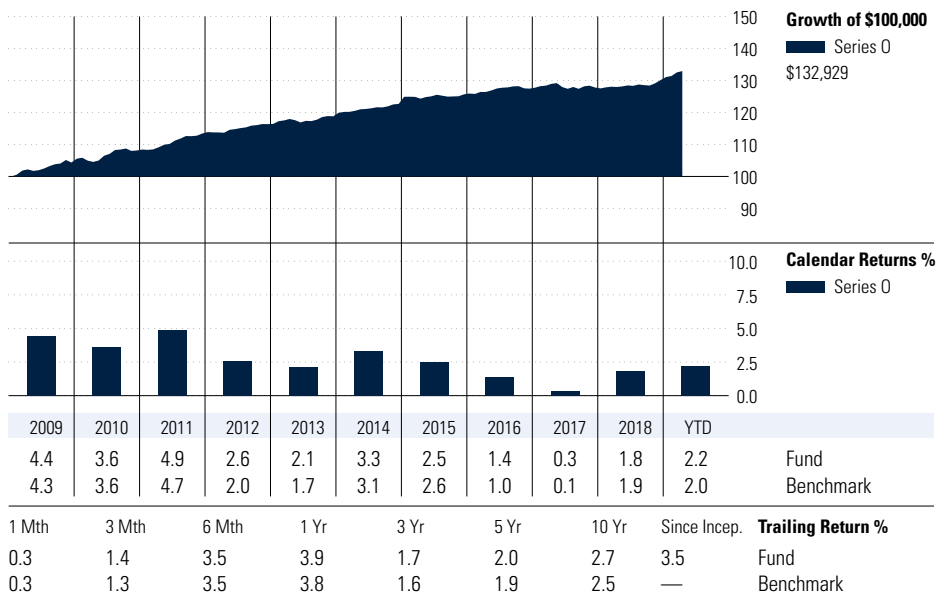
Geographic Allocations	% Assets
Canada	100.0
United States	0.0
International (ex-Emerging Markets)	0.0
Emerging Markets	0.0

Risk Measures	Fund	Benchmark
3 Year Std Dev	1.4	1.4
5 Year Std Dev	1.4	1.4

Top 10 Holdings

Holder	% Assets
Canada Hsg Tr No 1 2.65% 15-03-2022	4.1
Ontario (Province Of) 1.35% 08-03-2022	3.5
Canada Hsg Tr No 1 1.75% 15-06-2022	3.2
Quebec (Province Of) 3.5% 01-12-2022	3.1
Canada Housing Tr No.1 1.25% 15-06-2021	2.8
Ontario (Province Of) 4% 02-06-2021	2.6
Ontario (Province Of) 2.85% 02-06-2023	2.2
Canada Housing Tr No.1 1.25% 15-12-2020	2.1
Manitoba (Province of) 1.55% 05-09-2021	2.0
Canada (Government of) 0.5% 01-03-2022	1.9
Total % of Top 10 Holdings	27.5
Total Number of Stock Holdings	0
Total Number of Bond Holdings	164
Total Number of Other Holdings	7
Total Number of Holdings	171

Performance Analysis as of April 30, 2019





RBC Private Short-Term Income Pool

Management Overview

Manager Bios

Walter Posiewko

RBC Global Asset Management Inc.

Walter Posiewko is Vice President and Senior Portfolio Manager, Global Fixed Income and Money Markets. He has been in the investment industry since 1985.

Performance Analysis Cont'd as of April 30, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	0.90	2.36	2.39	2.60	2.72	2.86	3.18	3.63	3.84	4.09	4.36
Interest	0.90	2.36	2.39	2.60	2.72	2.86	3.18	3.63	3.84	4.09	4.36
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	9-2009	8.4	8-2010	6.1	5-2012	5.0	10-2013	4.2
Worst	5-2018	-0.8	1-2018	0.7	10-2018	1.6	4-2019	2.7
Average		3.3		3.5		3.7		3.6
No. of Periods		177		153		129		69
Pct. Positive		95.5		100.0		100.0		100.0

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

Quarterly Commentary as at March 31, 2019

Canadian short bond yields fell throughout the quarter, as the Bank of Canada (BoC) abandoned its tightening campaign in the midst of an economic deceleration. The Canadian economy showed signs of slowing immediately as many economic releases signaled a softening in overall activity. The U.S. economy also decelerated, amid signs of trouble from a number of corners, such as trade irritants between the U.S. and China, anxiety in Europe over the Brexit drama, and the cumulative effect of all the tightening in the U.S. on financial markets. Accordingly, market sentiment was to buy bonds, driving down yields once it became obvious both central banks would approach removing policy stimulus with caution and patience. Stable inflation readings also underscored the BoC's decision to hold off any further rate hikes.

During the quarter, bond yields fell approximately 30-35 bps across all maturities, reflecting the view that administered rates would remain unchanged for quite some time, and inflation posed little threat.

Canada's disappointing economic performance compelled the manager to revisit the Fund's defensive posture originally put in place as a result of the BoC's earlier drive to tighten. Accordingly, the pool's duration increased to match its benchmark. Corporate exposure was increased while federal government and cash positions were trimmed.

Weaker domestic and global economic prospects have sidelined the BoC, which is expected to keep policy unchanged for a while. Under current economic circumstances, Canadian fixed income markets are expected to settle into a tight trading pattern characterized by a flatter yield curve, provided inflation remains under control and there is no resolution to the geopolitical events dominating market sentiment. Accordingly, the portfolio manager expects to tactically trade the pools' assets based on relative valuations, the shape of the yield curve, and any signs of change to the BoC's stance on monetary policy.



RBC Private Short-Term Income Pool

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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.

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MER (%) for RBC Funds, RBC Private Pools, 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.

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.

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