



# RBC Canadian Short-Term Income Fund

## Investment Objective

To provide a competitive level of monthly income by investing primarily in short-term, high-quality fixed-income securities issued or guaranteed by Canadian federal, provincial or municipal governments and corporations.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF264
Adv	Deferred Sales	CAD	RBF851
Adv	Front End	CAD	RBF751
Adv	Low Load	CAD	RBF113

Inception Date	January 1992
Total Fund Assets \$Mil	5,585.4
Series A NAV \$	10.42
Series A MER %	1.05
Benchmark	FTSE TMX Canada Short Term Overall Bond Index

Income Distribution	Monthly
Capital Gains Distribution	Annually

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

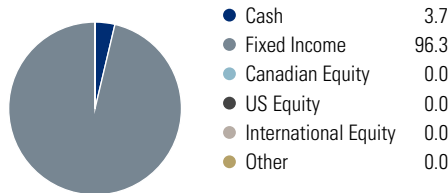
Fund Category	Canadian Short Term Fixed Income
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Management Company	RBC Global Asset Management Inc.
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Web Site	www.rbcgam.com
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## Portfolio Analysis as of January 31, 2018

### Asset Mix



### Fixed Income Breakdown

Fixed Income Category	% Fixed Income
Government Bonds	52.7
Corporate Bonds	45.0
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	2.3
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	2.3	Under 1 year	11.0
AAA	27.7	1 - 5 Yrs	81.3
AA	42.7	5 - 10 Yrs	7.7
A	16.0	Over 10 Yrs	0.0
BBB	11.3		
Below BBB	0.0	Avg. Term to maturity (Yrs)	2.8
Mortgages	0.0	Duration (Yrs)	2.7
NR/NA	0.0	Yield to Maturity	2.2

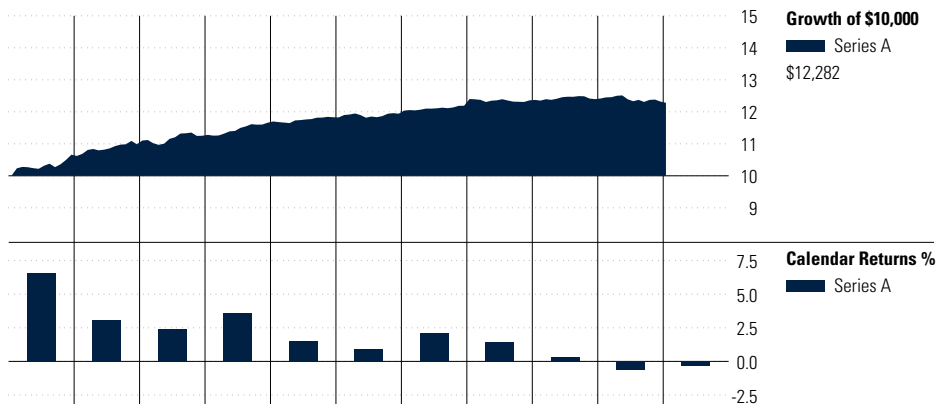
### Geographic Allocations

Geographic Allocation	% Assets
Canada	99.8
United States	0.2
International (ex-Emerging Markets)	0.0
Emerging Markets	0.0

### Top 10 Holdings

Top 10 Holdings	% Assets
Canada Govt 0.5% 01-03-2022	3.2
Canada Govt 0.5% 01-11-2018	3.1
Ontario Prov Cda 2.1% 08-09-2018	3.0
Canada Hsg Tr No 1 3.35% 15-12-2020	2.9
Ontario Prov Cda 2.1% 08-09-2019	2.9
Ontario Prov Cda 4% 02-06-2021	2.7
Canada Govt 1.5% 01-06-2023	2.6
Ontario Prov Cda 2.85% 02-06-2023	2.5
Prov Of Quebec 3.5% 01-12-2022	2.3
Canada Hsg Tr No 1 1.25% 15-06-2021	2.1
<b>Total % of Top 10 Holdings</b>	<b>27.4</b>
Total Number of Stock Holdings	0
Total Number of Bond Holdings	188
Total Number of Other Holdings	6
<b>Total Number of Holdings</b>	<b>194</b>

## Performance Analysis as of January 31, 2018



Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD	Fund Quartile
Calendar Returns %	6.6	3.1	2.4	3.6	1.5	0.9	2.1	1.4	0.3	-0.6	-0.3	
	2 <sup>nd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	

Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Calendar Returns %	-0.3	-0.7	-0.4	-1.1	-0.3	0.8	1.9	3.9	Fund
	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	—	Quartile
No. of Funds in Category	245	244	241	223	193	138	52	—	



# RBC Canadian Short-Term Income Fund

## 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 January 31, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.02	0.14	0.16	0.18	0.19	0.20	0.25	0.28	0.30	0.33	0.38
Interest	0.02	0.14	0.16	0.18	0.19	0.20	0.25	0.28	0.30	0.33	0.38
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	1-1994	13.9	6-1997	8.8	1-1998	7.4	1-2003	5.9
Worst	9-2017	-1.4	1-2018	-0.3	1-2018	0.8	1-2018	1.9
Average		3.7		3.7		3.7		3.6
No. of Periods		289		265		241		181
Pct. Positive		95.8		99.6		100.0		100.0

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

### Quarterly Commentary as at December 31, 2017

Canadian short term bond yields remained range bound early in the quarter as inflation pressures were subdued, and the Bank of Canada (BoC) signaled no further tightening action in order to gauge the effects of its last two rate hikes. By quarter end however, in sympathy with rising U.S. treasury yields, prospects of solid economic growth in North America leading to higher inflation pressures had Canadian short bond yields jumping higher.

Bond yields increased approximately 0.10-0.15% across short maturities, while longer maturities fell in accordance with weak inflation pressures, resulting in a flattening of the yield curve.

The Fund maintained its defensive posture as strengthening global economies increased the prospects of inflation pressures building, and central banks accelerating their tightening program. The BoC is likely to tighten further while the U.S. Federal Reserve already announced its intent to tighten three more times over the next

year. This bearish outlook for policy informed the Fund's defensive stance; lower exposure to government bonds, lower duration relative to benchmark, and a slightly higher position in corporate paper, which served as a damper against the negative effect of higher government yields on the Fund.

The direction for monetary policy in Canada is tighter, and short bond yields are likely to gradually climb. While the Bank of Canada is widely expected to tighten further, timing is expected to be a source of uncertainty. Being data dependent, the BoC is awaiting inflation pressures to stir, or evidence of excessive activity eventually leading to higher inflation pressures, before tightening again. This may take some time, and there could be a prolonged period of no further action. Nonetheless, the outlook is for bond yields to climb, which will keep the Fund in a defensive stance over the medium term.



# RBC Canadian Short-Term Income Fund

## 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 half-year period, January 1 to June 30, 2017, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the half-year period, April 1, to September 30, 2017, expressed on an annualized basis.

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 January 31, 2018.

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