



# 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	5,725.5
Series A NAV \$	10.47
Series A MER %	1.05
Benchmark	FTSE Canada Short Term Overall Bond Index

Income Distribution	Monthly
Capital Gains Distribution	Annually

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

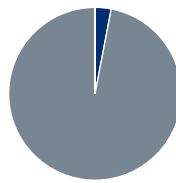
Fund Category	Canadian Short Term Fixed Income
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Management Company	RBC Global Asset Management Inc.
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Web Site	www.rbcgam.com
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## Portfolio Analysis as of January 31, 2019

### Asset Mix



	% Assets
Cash	3.0
Fixed Income	97.0
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

### Fixed Income Breakdown

	% Fixed Income
Government Bonds	48.8
Corporate Bonds	48.8
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	2.4
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	2.4	Under 1 year	6.4
AAA	25.8	1 - 5 Yrs	89.9
AA	31.9	5 - 10 Yrs	3.7
A	28.4	Over 10 Yrs	0.0
BBB	11.5		
Below BBB	0.0	Avg. Term to maturity (Yrs)	2.8
Mortgages	0.0	Duration (Yrs)	2.6
NR/NA	0.0	Yield to Maturity	2.4

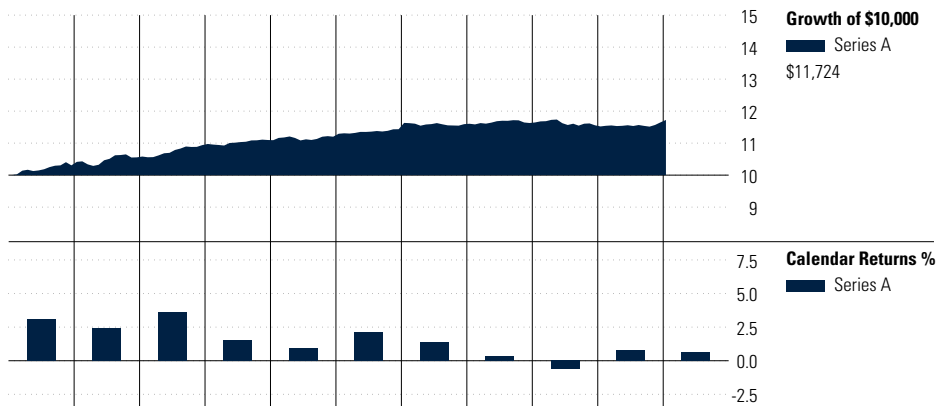
### Geographic Allocations

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

### Top 10 Holdings

	% Assets
Canada (Government of) 0.5% 01-03-2022	3.1
Canada Hsg Tr No 1 3.35% 15-12-2020	2.8
Ontario (Province Of) 2.85% 02-06-2023	2.8
Ontario (Province Of) 2.1% 08-09-2019	2.8
Quebec (Province Of) 4.5% 01-12-2020	2.4
Ontario (Province Of) 1.35% 08-03-2022	2.3
Quebec (Province Of) 3.5% 01-12-2022	2.2
Canada Housing Tr No.1 1.25% 15-06-2021	2.0
Canada (Government of) 0.75% 01-09-2020	1.9
Ontario (Province Of) 4% 02-06-2021	1.9
<b>Total % of Top 10 Holdings</b>	<b>24.3</b>
Total Number of Stock Holdings	0
Total Number of Bond Holdings	185
Total Number of Other Holdings	5
<b>Total Number of Holdings</b>	<b>190</b>

## Performance Analysis as of January 31, 2019



Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD	
Calendar Returns %	3.1	2.4	3.6	1.5	0.9	2.1	1.4	0.3	-0.6	0.8	0.6	Fund Quartile
	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>	3 <sup>rd</sup>	3 <sup>rd</sup>	

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	0.6	1.8	1.6	1.8	0.3	0.8	1.6	3.8	Fund
	3 <sup>rd</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	4 <sup>th</sup>	3 <sup>rd</sup>	—	Quartile
	257	253	250	242	200	157	56	—	No. of Funds in Category



# 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, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	0.02	0.14	0.14	0.16	0.18	0.19	0.20	0.25	0.28	0.30	0.33
Interest	0.02	0.14	0.14	0.16	0.18	0.19	0.20	0.25	0.28	0.30	0.33
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	1-1996	13.6	6-1997	8.8	6-1999	6.6	6-2004	5.5
Worst	5-2018	-1.7	1-2018	-0.3	10-2018	0.6	12-2018	1.5
Average		3.4		3.4		3.4		3.4
No. of Periods		289		265		241		181
Pct. Positive		92.4		96.2		100.0		100.0

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

### Quarterly Commentary as at December 31, 2018

Canadian short-term bond yields traded within a narrow range for most of the quarter, waiting to see whether the Bank of Canada (BoC) would follow through on another rate hike, which took place early in the quarter by 25 basis points. The Canadian economy performed well enough to raise questions about whether another hike could happen in quick succession. As the fourth quarter progressed, however, inflation retreated somewhat, supporting the view that the BoC would stay its hand. Further dampening the market's positive outlook was slowing global growth, heightened trade tensions between the United States and China, a collapse in energy prices and the effects of frequent tightening of monetary policy by the U.S. Federal Reserve Board on the U.S. economy. Towards the end of the quarter, yields fell aggressively, as the BoC chose to leave monetary policy unchanged as financial conditions worsened around the world.

During the fourth quarter, bond yields fell approximately 40 basis points across short-term maturities, while longer-term bond yields fell

between 30 and 50 basis points, all in reaction to slowing inflation and dramatic declines in financial markets.

The deteriorating outlook for Canada's economy compelled the manager to adapt a less defensive posture as duration nudged up a bit. Overall asset allocation changed to reflect a less defensive stance; cash fell, provincial holdings declined in favor of more corporate exposure.

The short term economic outlook for Canada has worsened, resulting in the prospects of a sidelined Bank of Canada over the next few months. While the BoC is still on record as expecting higher rates in 2019, it is questionable as to how much higher and when. Should the economy slow down further, policy will remain unchanged for an extended time. Under this scenario, the portfolio manager expects to adapt a more neutral approach, and engage markets only as yields rise in anticipation of the BoC delivering on its promise to tighten again.



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## 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 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). This is the Morningstar quartile ranking of Series A and F units of the Fund as of January 31, 2019.

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