

# PH&N Canadian Money Market Fund

## Investment Objective

To provide a steady level of current income while preserving capital by investing in a well-diversified portfolio of short-term Canadian money market securities.

## Fund Details

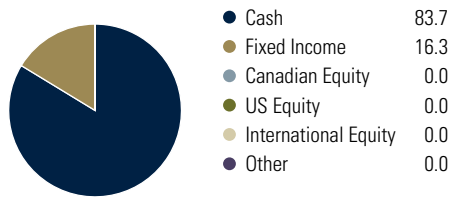
Series	Load Structure	Currency	Fund Code
F	No Load	CAD	RBF5120
Inception Date		June 2007	
Total Fund Assets \$Mil		1,411.4	
Series F Current Yield%		0.47	
Series F MER %		0.48	
Benchmark		FTSE TMX Canada 30 Day T-Bill Index	
Income Distribution		Monthly	
Capital Gains Distribution		N/A	
Sales Status		Open	
Min. Investment \$		500	
Subsequent Investment \$		25	
Fund Category		Canadian Money Market	
Management Company		RBC Global Asset Management Inc.	
Web Site		www.rbcgam.com	

## Notes

This is an annualized yield based on the seven-day period ended May 31, 2017 and does not represent an actual one-year return.

## Portfolio Analysis as of May 31, 2017

### Asset Mix



### Term to Maturity

Term	%
0 - 30 days	34
31 - 60 days	24
61 - 90 days	24
90 + days	18
Avg. Term to maturity (days)	60

### Cash Breakdown

Instrument	Cash (%)
Treasury Bills	0.0
Provincial Bills	0.0
Bankers Acceptance	18.9
Commercial Paper	48.2
Bank Deposits	32.9

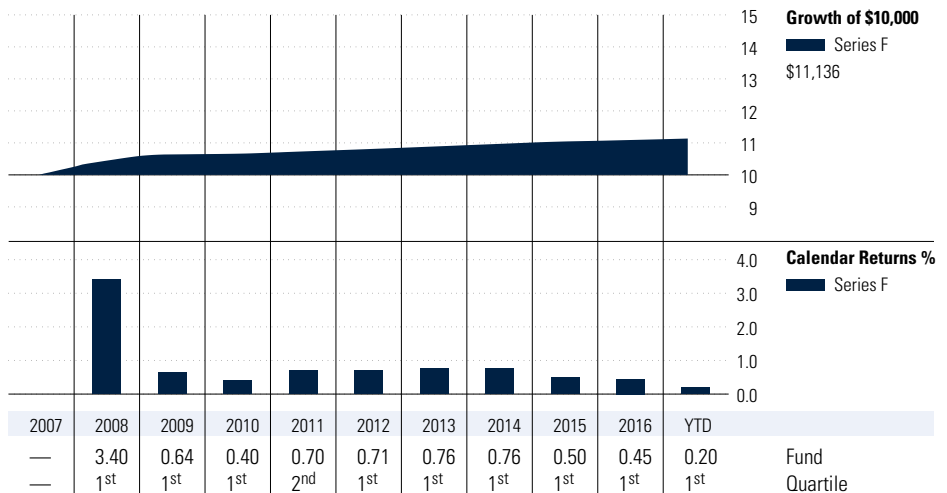
### Credit Quality

Rating	%
R1 High	69.1
R1 Medium	9.7
R1 Low	21.2
Avg. Rating	R1H

### Top 10 Holdings

Holder	% Assets
Toronto-Dominion Bank 0.811% 29-08-2017	3.4
Hsbc Bank Canada 0.808% 05-07-2017	2.6
Caisse Cent Desjardins 0.832% 30-06-2017	2.1
Husky Energy Inc. 0.931% 18-07-2017	2.1
Safe Trust 1.020% 22-11-2017	1.9
Sure Trust 1.060% 20-07-2017	1.8
Enbridge Gas Distr 0.920% 30-06-2017	1.8
Canadian Master Trust 1.060% 01-08-2017	1.8
Ridge Trust 1.050% 13-06-2017	1.6
Bay Street Funding Tr 0.962% 21-08-2017	1.6
<b>Total % of Top 10 Holdings</b>	<b>20.7</b>
<b>Total Number of Stock Holdings</b>	<b>0</b>
<b>Total Number of Bond Holdings</b>	<b>36</b>
<b>Total Number of Other Holdings</b>	<b>134</b>
<b>Total Number of Holdings</b>	<b>170</b>

## Performance Analysis as of May 31, 2017



Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Return	0.04	0.12	0.24	0.47	0.54	0.62	—	1.09	Fund
Ranking	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	—	—	Quartile
No. of Funds	222	221	220	217	192	172	111	—	No. of Funds in Category

# PH&N Canadian Money Market Fund

## Management Overview

### Manager Bios

#### PH&N Fixed Income Team

With one of the largest bond desks in Canada consisting of over 30 investment professionals, Phillips, Hager & North Investment Management (PH&N IM) has been managing bonds since 1970 and currently manages fixed income portfolios according to strict quality and diversification guidelines. PH&N IM's strengths as a bond manager are directly related to its depth of resources – both people and technology – dedicated to the management of fixed income portfolios.

### Performance Analysis Cont'd as of May 31, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.02	0.05	0.05	0.08	0.08	0.07	0.07	0.04	0.06	0.33	0.23
Interest	0.02	0.05	0.05	0.08	0.08	0.07	0.07	0.04	0.06	0.33	0.23
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	6-2008	4.33	6-2010	2.15	6-2012	1.56	—	—
Worst	5-2010	0.19	4-2012	0.50	4-2014	0.60	—	—
Average		0.95		0.79		0.77		
No. of Periods		108		84		60		
Pct. Positive		100.00		100.00		100.00		

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

### Quarterly Commentary as at March 31, 2017

As expected, the Bank of Canada (BoC) left its target rate unchanged at 0.5% in the first quarter, meaning money market instruments based on that rate were also largely unchanged. The BoC acknowledges modest progress in the domestic economy, but is cautious of the growing challenges facing Canadian exports, so the BoC remains in wait-and-see mode. The market is not expecting any rate changes from the BoC for at least another year, so the low-rate regime in which the Fund operates may continue to be around for some time.

The Fund's strategy over the quarter and going forward continues to be maximizing yield within this low-rate regime by focusing on high-quality

securities that pay a higher interest rate than the BoC's target rate. This is accomplished by investing primarily in corporate notes, asset-backed commercial paper, bankers' acceptances, floating-rate notes and commercial paper of high-quality corporate borrowers, and also by minimizing exposure to government T-bills. The Fund kept its average term near its permitted maximum of 60 days in order to collect the wider credit spreads of the aforementioned assets that exist in longer-dated securities. And as always, we do not compromise the Fund's primary objective of safety of capital in its pursuit of earning a decent level of interest.

# PH&N Canadian Money Market 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 fund securities are not guaranteed or covered by the Canada 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.

Phillips, Hager & North Investment Management (PH&N IM) is a division of RBC Global Asset Management Inc. (RBC GAM). RBC GAM is the fund manager and the principal portfolio adviser of PH&N Funds. The principal distributor of PH&N Funds is Phillips, Hager & North Investment Funds Ltd. (PH&NIF), which uses the trade name PH&N Investment Services. RBC GAM is an indirect, wholly-owned subsidiary of Royal Bank of Canada.

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MER (%) for RBC Funds and PH&N Funds is based on actual expenses for the full-year period, January 1 to December 31, 2016, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the full-year period, April 1, 2017 to March 31, 2017, expressed on an annualized basis.

Adjusted MER is provided for funds with management fee changes effective June 30, 2016. The Adjusted MER represents what the reported MER would have been had management fee changes been in effect throughout 2016.

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.

PH&N Funds Series A formerly known as Series C.

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 May 31, 2017.

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