

# 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

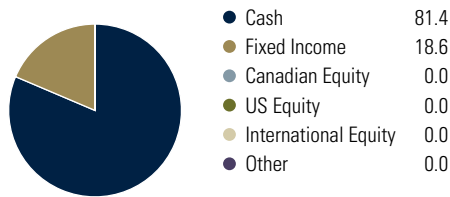
Series	Load Structure	Currency	Fund Code
F	No Load	CAD	RBF5120
Inception Date		June 2007	
Total Fund Assets \$Mil		1,672.3	
Series F Current Yield%		1.04	
Series F MER %		0.48	
Benchmark		FTSE TMX Canada 30 Day T-Bill Index	
Income Distribution		Monthly	
Capital Gains Distribution		N/A	
Sales Status		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

The current yield is an annualized yield based on the seven day period ended on January 31, 2018 and does not represent an actual one year return.

## Portfolio Analysis as of January 31, 2018

### Asset Mix



### Top 10 Holdings

Holder	% Assets
Bank Of Nova Scotia 1.322% 27-02-2018	2.2
Banner Trust 1.461% 28-03-2018	2.1
Safe Trust - Ser 1996- 1.484% 12-02-2018	1.8
Husky Energy Inc. 1.631% 11-04-2018	1.8
Nissan Cda Finl Svcs 1.568% 05-03-2018	1.7
Prime Trust 1.691% 25-05-2018	1.5
Ridge Trust 1.421% 16-02-2018	1.4
Tmx Group Ltd. 1.560% 14-03-2018	1.4
Safe Trust - Ser 1996-1.505% 21-02-2018	1.3
Altalink Lp 1.521% 01-03-2018	1.3
<b>Total % of Top 10 Holdings</b>	<b>16.4</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>129</b>
<b>Total Number of Holdings</b>	<b>165</b>

### Term to Maturity

Term	% Assets
0 - 30 days	38
31 - 60 days	17
61 - 90 days	24
90 + days	21
<b>Avg. Term to maturity (days)</b>	<b>58</b>

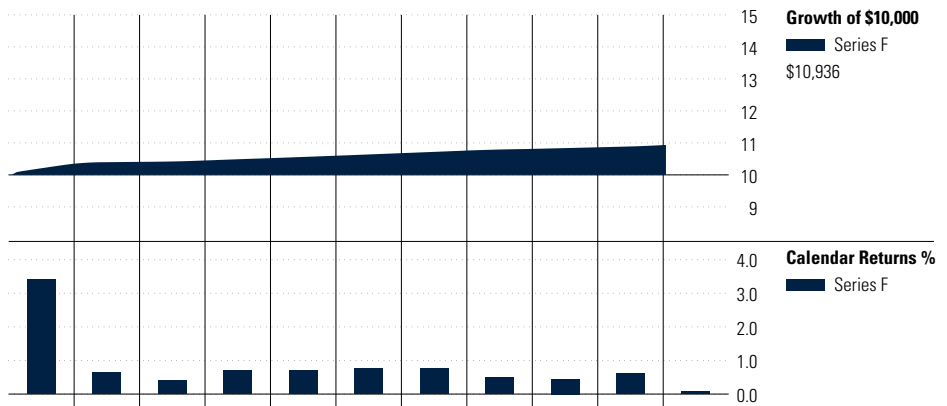
### Cash Breakdown

Instrument	Cash (%)
Treasury Bills	0.0
Provincial Bills	0.0
Bankers Acceptance	16.2
Commercial Paper	49.5
Bank Deposits	34.3

### Credit Quality

Rating	% Assets
R1 High	64.9
R1 Medium	7.0
R1 Low	28.1
<b>Avg. Rating</b>	<b>R1H</b>

## Performance Analysis as of January 31, 2018



Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD	Fund Quartile
Calendar Returns %	3.40	0.64	0.40	0.70	0.71	0.76	0.76	0.50	0.45	0.62	0.08	Fund Quartile
Rank	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	
Trailing Return %	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.				
Value	0.08	0.23	0.42	0.66	0.53	0.62	0.86	1.07				
Rank	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	1 <sup>st</sup>	—				
Trailing Return %									Fund Quartile			
No. of Funds in Category	226	225	223	218	188	172	120	—				

# 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 January 31, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.01	0.06	0.05	0.05	0.08	0.08	0.07	0.07	0.04	0.06	0.33
Interest	0.01	0.06	0.05	0.05	0.08	0.08	0.07	0.07	0.04	0.06	0.33
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	6-2017	1.09
Worst	5-2010	0.19	4-2012	0.50	4-2014	0.60	1-2018	0.86
Average		0.92		0.76		0.76		0.97
No. of Periods		116		92		68		8
Pct. Positive		100.00		100.00		100.00		100.00

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

### Quarterly Commentary as at December 31, 2017

The Bank of Canada (BoC) held the overnight rate steady at 1.0% through the fourth quarter of 2017, after having raised its policy rate twice during the third quarter. Improving economic data in the latter half of the quarter prompted a more optimistic tone from the BoC, with an acknowledgement that the Canadian economy will need less monetary policy stimulus over time. This led to a rise in market expectations for policy rate hikes by the BoC in 2018, which pushed the short end of the Canadian yield curve higher to end the year. Overall, we anticipate short-term interest rates in Canada to move higher in line with market expectations of further rate hikes by the BoC as it heads toward a more normal monetary policy rate. For investors looking for healthier returns on their savings, this should come as a much welcomed development.

As we head into 2018, PH&N Canadian Money Market Fund's strategy remains focused on preserving capital while maximizing yield by investing in high-quality securities that pay an incremental yield over and above what is available from Government of Canada T-bills. With this in mind, the Fund is fully invested in corporate securities, such as asset-backed commercial paper, banker's acceptances and commercial paper of high-quality corporate borrowers, which continue to provide an attractive incremental yield relative to their incremental risk. The Fund has maintained a slightly longer-than-benchmark average term to maturity to capture the attractive additional yield that exists further out in the yield curve. 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

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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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