

# 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

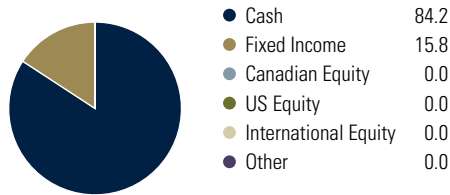
Series F	Load Structure No Load	Currency CAD	Fund Code RBF5120
Inception Date	June 2007		
Total Fund Assets \$Mil	1,535.7		
Series F Current Yield%	0.83		
Series F MER %	0.48		
Benchmark	FTSE TMX Canada 30 Day T-Bill Index		
Income Distribution	Monthly		
Capital Gains Distribution	N/A		
Sales Status	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 October 31, 2017 and does not represent an actual one year return.

## Portfolio Analysis as of October 31, 2017

### Asset Mix



### Term to Maturity

Term	%
0 - 30 days	46
31 - 60 days	27
61 - 90 days	6
90 + days	21
Avg. Term to maturity (days)	51

### Cash Breakdown

Instrument	Cash (%)
Treasury Bills	0.0
Provincial Bills	0.0
Bankers Acceptance	15.8
Commercial Paper	49.9
Bank Deposits	34.3

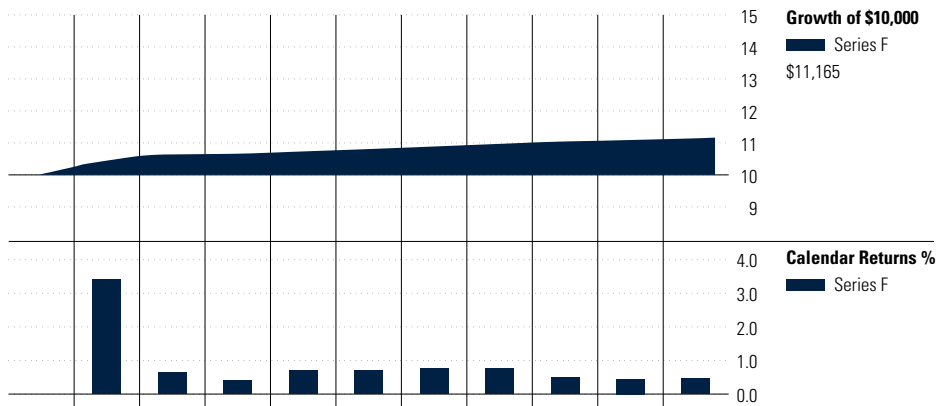
### Credit Quality

Rating	%
R1 High	63.9
R1 Medium	12.6
R1 Low	23.5
Avg. Rating	R1H

### Top 10 Holdings

Holder	% Assets
Westcoast Energy Inc. 1.333% 16-11-2017	2.6
Central 1 Credit Union 1.282% 10-11-2017	2.0
Husky Energy Inc. 1.360% 12-12-2017	1.9
Safe Trust 1.145% 22-11-2017	1.7
Sure Trust 1.261% 03-11-2017	1.7
Altalink Lp 1.307% 29-11-2017	1.7
Canadian Master Tr 1.461% 30-01-2018	1.6
Hsbc Bank Canada 1.197% 14-11-2017	1.6
Ridge Trust 1.421% 16-02-2018	1.5
Central 1 Credit Union 1.271% 14-12-2017	1.5
<b>Total % of Top 10 Holdings</b>	<b>17.9</b>
<b>Total Number of Stock Holdings</b>	<b>0</b>
<b>Total Number of Bond Holdings</b>	<b>28</b>
<b>Total Number of Other Holdings</b>	<b>126</b>
<b>Total Number of Holdings</b>	<b>154</b>

## Performance Analysis as of October 31, 2017



Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	YTD	Fund Quartile
—	—	3.40	0.64	0.40	0.70	0.71	0.76	0.76	0.50	0.45	0.47	Fund Quartile
—	—	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>	Fund Quartile
<b>1 Mth</b>	<b>3 Mth</b>	<b>6 Mth</b>	<b>1 Yr</b>	<b>3 Yr</b>	<b>5 Yr</b>	<b>10 Yr</b>	<b>Since Incep.</b>	<b>Trailing Return %</b>				
0.07	0.18	0.31	0.55	0.52	0.61	0.95	1.07	Fund				
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>	—	Quartile				
224	223	221	217	189	170	116	—	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 October 31, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.05	0.05	0.05	0.08	0.08	0.07	0.07	0.04	0.06	0.33	0.23
Interest	0.05	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	6-2017	1.09
Worst	5-2010	0.19	4-2012	0.50	4-2014	0.60	10-2017	0.95
Average		0.93		0.77		0.76		1.02
No. of Periods		113		89		65		5
Pct. Positive		100.00		100.00		100.00		100.00

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

### Quarterly Commentary as at September 30, 2017

The Bank of Canada (BoC) increased its overnight rate this quarter, marking the first time in about seven years. In fact, at both meetings that took place during the quarter, the BoC increased its policy rate to have the overnight rate sit at 1.0%, fully reversing the 2015 rate cuts made in response to the oil price shock. While July's increase was well signalled by the BoC, the September rate increase surprised markets, which expected an increase in October or December instead. The BoC also highlighted its data-dependent nature for future policy rate decisions. As a result, Canadian short-term interest rates moved markedly higher. Looking forward, we anticipate short-term interest rates in Canada will move higher in line with market expectations of further rate hikes by the BoC as it heads toward a more normal monetary policy rate. Investors looking for healthier returns on their savings

should welcome this development.

PH&N Canadian Money Market Fund's strategy going forward continues to focus 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 Treasury Bills. To this end, the Fund is fully invested in corporate securities such as asset-backed commercial paper, bankers' acceptances and commercial paper of high-quality corporate borrowers. Additionally, the Fund has maintained a slightly longer-than-neutral average term to maturity to capture the attractive additional yield that exists further out the yield curve. 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.

This document has been compiled by RBC Global Asset Management Inc. (RBC GAM) from sources believed to be reliable, but no representations or warranty, express or implied, are made by RBC GAM, its affiliates or any other person as to its accuracy, completeness or correctness. All opinions and estimates constitute RBC GAM's judgment as of the date of this document, are subject to change without notice and are provided in good faith but without legal responsibility. The Top Ten/25 Holdings may change due to ongoing portfolio transactions within the fund. The Prospectus and other information about the underlying investment funds are available at [www.sedar.com](http://www.sedar.com).

MER (%) for RBC Funds and PH&N 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 full-year period, April 1, 2016 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.

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 October 31, 2017.

® / ™ Trademark(s) of Royal Bank of Canada. Used under licence. © RBC Global Asset Management Inc. 2017