

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

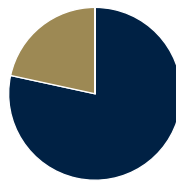
Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF7120
Adv	Front End	CAD	RBF6120
Adv	Low Load	CAD	RBF4120
Inception Date		November 2008	
Total Fund Assets \$Mil		1,884.0	
Series A Current Yield%		1.52	
Series A MER %		0.54	
Benchmark		FTSE Canada 30 Day T-Bill Index	
Income Distribution		Monthly	
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 as of the date of the Performance Analysis.

Portfolio Analysis as of November 30, 2018

Asset Mix



	% Assets
Cash	78.4
Fixed Income	21.6
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

Term to Maturity

	%
0 - 30 days	34
31 - 60 days	29
61 - 90 days	14
90 + days	23
Avg. Term to maturity (days)	58

Cash Breakdown

	Cash (%)
Treasury Bills	0.0
Provincial Bills	0.0
Bankers Acceptance	11.1
Commercial Paper	39.1
Bank Deposits	49.8

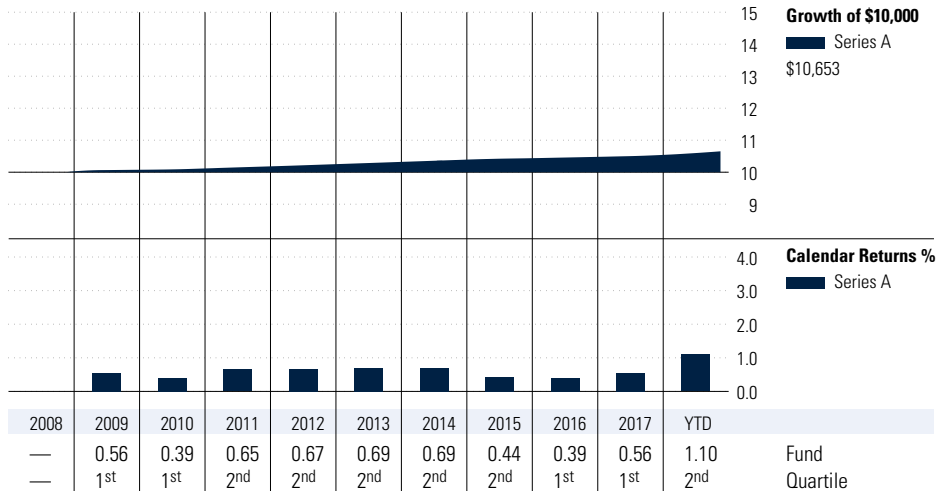
Credit Quality

	%
R1 High	65.1
R1 Medium	8.1
R1 Low	26.8
Avg. Rating	R1H

Top 10 Holdings

	% Assets
CIBC 1.979% 31-12-2018	2.6
Bank Of Nova Scotia 2.008% 04-12-2018	2.3
CIBC 2.280% 23-05-2019	2.1
Canadian Master Tr 2.321% 30-05-2019	1.8
Altalink Lp 2.165% 29-01-2019	1.8
Hsbc Bank Canada 1.821% 03-12-2018	1.7
Clarity Trust 2.280% 17-05-2019	1.6
Sound Trust 1.967% 07-01-2019	1.4
Tmx Group Ltd. 2.161% 12-02-2019	1.3
CIBC 2.040% 27-12-2018	1.2
Total % of Top 10 Holdings	17.7
Total Number of Stock Holdings	0
Total Number of Bond Holdings	36
Total Number of Other Holdings	157
Total Number of Holdings	193

Performance Analysis as of November 30, 2018



	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	0.12	0.35	0.66	1.18	0.70	0.65	0.63	0.63	Fund
	2nd	2nd	2nd	2nd	1st	1st	1st	—	Quartile
	211	210	205	203	175	165	119	—	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 November 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.11	0.06	0.04	0.04	0.07	0.07	0.07	0.06	0.04	0.06	0.03
Interest	0.11	0.06	0.04	0.04	0.07	0.07	0.07	0.06	0.04	0.06	0.03
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	11-2018	1.18	11-2018	0.70	7-2015	0.65	11-2018	0.63
Worst	5-2010	0.19	9-2017	0.46	9-2017	0.55	11-2018	0.63
Average		0.58		0.58		0.60		0.63
No. of Periods		109		85		61		1
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, 2018

The Bank of Canada (BoC) increased the overnight rate once this quarter to 1.5%. Despite a tempered statement accompanying the September meeting and measured comments from BoC officials throughout the quarter that continued to reference a "gradual approach", market expectations remain anchored that there will be another hike following the BoC's next meeting on October 24. This view was further supported by continued strong economic data through the end of the quarter. However, this is likely to be the last increase for 2018. With this in mind, we expect the short end of the Canadian yield curve to move higher, in line with expectations of the BoC's gradual approach to normalizing monetary policy.

As central banks continue to increase their policy rates, short-term interest rates have moved off their all-time lows. Ultimately these higher short-term interest rates will work in favour of the Fund as maturities are reinvested at higher rates. That said, the ability to generate high-quality

incremental yield while avoiding defaults remains a key factor for producing more attractive portfolio returns.

To this end, yield-enhancement strategies continue to play a central role in the Fund. In fact, the Fund remains fully invested in high-quality corporate issuance. The additional yield generated by high-grade commercial paper and bankers' acceptances continues to be a large portion of the total yield. This remains attractive on a reward-for-risk basis compared to government T-bills.

The Fund has also maintained a slightly longer-than-benchmark average term to maturity to capture the attractive additional yield that exists further out along the yield curve. As always, we do not compromise the Fund's main goal of safety of capital to pursue earning a more attractive 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.

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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.

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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 November 30, 2018.

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