



RBC Private Short-Term Income Pool

Investment Objective

To provide a competitive level of monthly income by investing in short-term fixed income assets. The Fund invests primarily in short-term, high-quality fixed-income securities issued or guaranteed by Canadian governments and corporations, asset-backed securities and corporate bonds. The Fund also invests in high-quality first mortgages on Canadian residential property insured by the Canada Mortgage and Housing Corporation (CMHC) under the National Housing Act (Canada).

The majority of the Fund's assets are held in federal, provincial and investment-grade corporate bonds, with smaller off-benchmark positions in mortgages (legacy positions), floating rate notes and cash. Asset mix is determined by the anticipated changes in monetary policy and spreads, as well as liquidity conditions. Fund duration does not typically deviate too far from benchmark, as short-term mandates generally benefit more from asset and security selection.

Fund Details

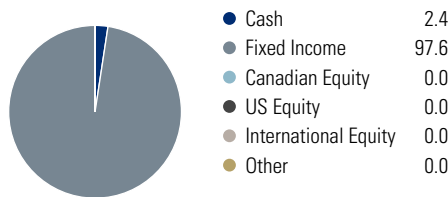
Series	Currency	Fund Code
O	CAD	RBF10122
Inception Date August 2003		
Total Fund Assets \$Mil 1,236.0		
Benchmark FTSE Canada Short Term Government Bond Index		

Notes

Securities have been classified as 'NR/NA' if the security has not been rated by a rating agency such as DBRS, S&P or Moody's. Typically, unrated securities are bond issues for which the issuer has not sought a credit rating.

Portfolio Analysis as of June 30, 2019

Asset Mix



Fixed Income Breakdown

Category	% Fixed Income
Government Bonds	45.3
Corporate Bonds	52.2
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	2.5
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	2.5	Under 1 year	5.4
AAA	25.8	1 - 5 Yrs	90.1
AA	29.1	5 - 10 Yrs	4.2
A	29.9	Over 10 Yrs	0.3
BBB	12.4		
Below BBB	0.0	Avg. Term to maturity (Yrs)	2.9
Mortgages	0.0	Duration (Yrs)	2.7
NR/NA	0.3	Yield to Maturity	1.9

Geographic Allocations

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

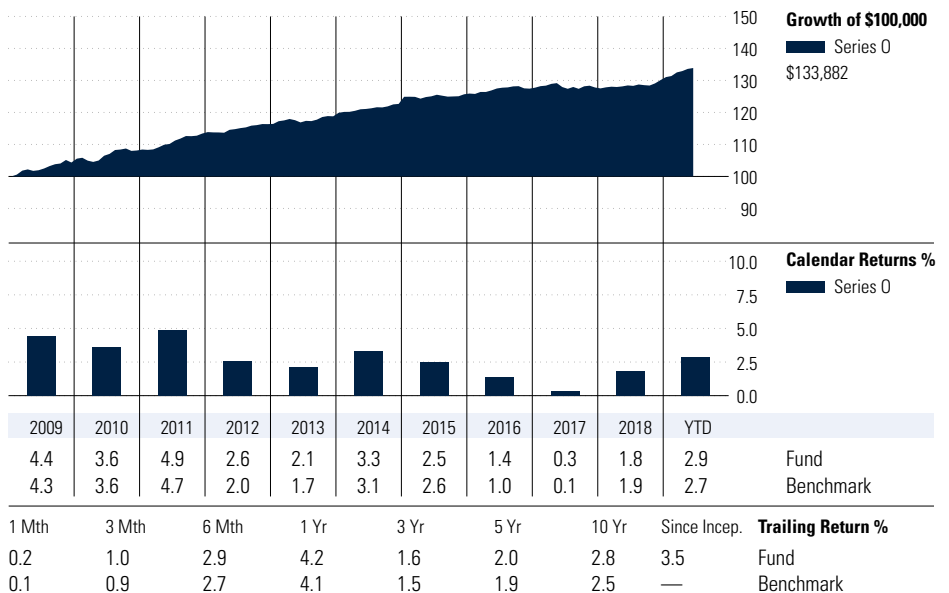
Risk Measures

Metric	Fund	Benchmark
3 Year Std Dev	1.3	1.4
5 Year Std Dev	1.4	1.4

Top 25 Holdings

Security	% Assets
Canada Hsg Tr No 1 2.65% 15-03-2022	4.2
Ontario (Province Of) 1.35% 08-03-2022	3.6
Canada Hsg Tr No 1 1.75% 15-06-2022	3.3
Quebec (Province Of) 3.5% 01-12-2022	3.1
Canada Housing Tr No.1 1.25% 15-06-2021	2.8
Ontario (Province Of) 2.85% 02-06-2023	2.3
Canada Hsg Tr No 1 3.35% 15-06-2024	2.1
Manitoba (Province of) 1.55% 05-09-2021	2.0
Canada (Government of) 0.5% 01-03-2022	2.0
Canada (Government of) 2.25% 01-03-2024	1.9
Ontario (Province Of) 2.6% 08-09-2023	1.7
Province of Alberta 1.35% 01-09-2021	1.6
National Bank of Canada 1.74% 03-03-2020	1.5
The Toronto-Dominion Bank 3% 30-05-2023	1.4
Ontario (Province Of) 3.5% 02-06-2024	1.3
Bank of Nova Scotia 2.98% 17-04-2023	1.3
Canada (Government of) 1.5% 01-06-2023	1.3
Ontario (Province Of) 2.3% 08-09-2024	1.2
Bank of Montreal 2.12% 16-03-2022	1.2
Ontario (Province Of) 4% 02-06-2021	1.2
Toronto Dominion Bk 1.99% 23-03-2022	1.1
Canada (Government of) 1.75% 01-03-2023	1.0
Canada (Government of) 2% 01-09-2023	1.0
ROYAL BANK CAN MONT QUE 1.92% 17-07-2020	1.0
HSBC Bank Canada 3.24% 15-09-2023	1.0
Total % of Top 25 Holdings	46.1
Total Number of Stock Holdings	0
Total Number of Bond Holdings	161
Total Number of Other Holdings	6
Total Number of Holdings	167

Performance Analysis as of June 30, 2019





RBC Private Short-Term Income Pool

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 June 30, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	1.29	2.36	2.39	2.60	2.72	2.86	3.18	3.63	3.84	4.09	4.36
Interest	1.29	2.36	2.39	2.60	2.72	2.86	3.18	3.63	3.84	4.09	4.36
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	9-2009	8.4	8-2010	6.1	5-2012	5.0	10-2013	4.2
Worst	5-2018	-0.8	1-2018	0.7	10-2018	1.6	4-2019	2.7
Average		3.4		3.5		3.6		3.6
No. of Periods		179		155		131		71
Pct. Positive		95.5		100.0		100.0		100.0

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

Commentary as at June 30, 2019

Canadian fixed-income markets rallied during the first half of 2019, as expectations of slowing global economic growth and the intensifying U.S.-China trade dispute spurred bond buying by domestic and international investors alike. Against this backdrop, the IMF twice lowered its projections for global growth. The U.S. Federal Reserve's (the "Fed") commitment to tighter monetary policy came under sustained attack from both investors and President Trump, as a lack of resolution to the trade dispute led to intensified concerns about the sustainability of the U.S. expansion. Lower inflation and expectations that it would slow even more fueled calls for the Fed to reconsider its planned path to higher interest rates, and the Fed did appear headed for an interest-rate cut if warranted.

In Canada, the economy showed signs of recovery after a slow start to the year, with strong labour markets and pick-ups in consumer optimism and housing. However, bond yields declined in Canada as inflation pressures retreated and global concerns predominated.

In this environment of sharply falling government yields, the portfolio manager bumped up exposure to non-government assets as relative valuations improved, and as government yields fell further below the cost of overnight funding. The portfolio manager positioned the Fund such that significant swings in interest rates would not have an excessively large impact on performance and on the assumption that overall interest rates would come down.

Many major central banks appear primed to lower interest rates and more generally stimulate borrowing in support of global economic growth, which shows signs of weakening. While the Canadian economy appears to be holding up relatively well, short-term Canadian yields are anticipating U.S. monetary easing. Whatever the case, it is fairly certain, in the view of the portfolio manager, that policymakers will not be raising short-term rates anytime soon. The portfolio manager therefore expects lower yields overall and smaller premiums on non-government securities in the short term.



RBC Private Short-Term Income Pool

Disclosure

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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.

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MER (%) for RBC Funds, RBC Private Pools, 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.

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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