



# RBC Canadian Short-Term Income Fund

## Investment Objective

To provide a competitive level of monthly income by investing primarily in short-term, high-quality fixed income securities issued or guaranteed by Canadian federal, provincial or municipal governments and corporations.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF264
Adv	Deferred Sales	CAD	RBF851
Adv	Front End	CAD	RBF751
Adv	Low Load	CAD	RBF113

Inception Date	January 1992
Total Fund Assets \$Mil	5,348.8
Series A NAV \$	10.50
Series A MER %	1.05
Benchmark	FTSE TMX Canada Short Term Overall Bond Index

Income Distribution	Monthly
Capital Gains Distribution	Annually

Sales Status	Open
Min. Investment \$	500
Subsequent Investment \$	25

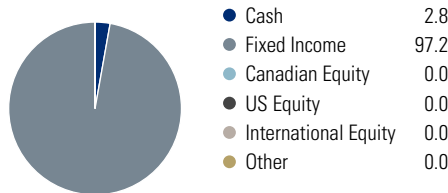
Fund Category	Canadian Short Term Fixed Income
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Management Company	RBC Global Asset Management Inc.
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Web Site	www.rbcgam.com
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## Portfolio Analysis as of September 30, 2017

### Asset Mix



### Fixed Income Breakdown

Category	% Fixed Income
Government Bonds	54.2
Corporate Bonds	43.9
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	1.9
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	1.9	Under 1 year	8.9
AAA	27.5	1 - 5 Yrs	82.2
AA	43.6	5 - 10 Yrs	8.9
A	15.9	Over 10 Yrs	0.0
BBB	11.1		
Below BBB	0.0	Avg. Term to maturity (Yrs)	2.8
Mortgages	0.0	Duration (Yrs)	2.7
NR/NA	0.0	Yield to Maturity	2.0

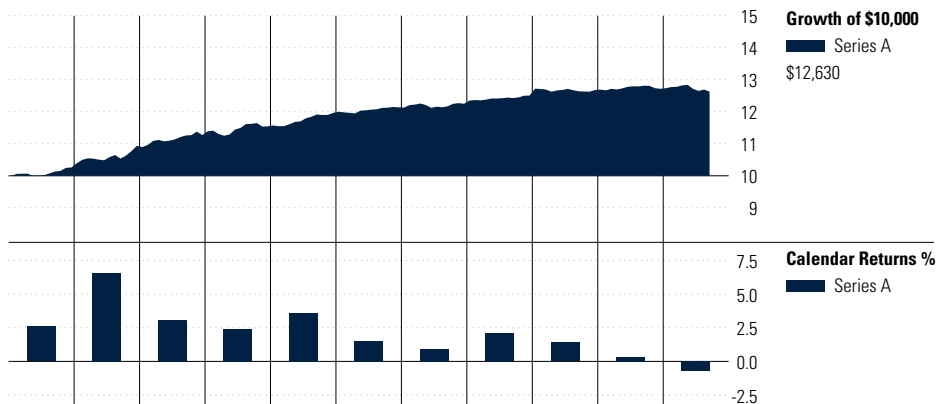
### Geographic Allocations

Region	% Assets
Canada	99.8
United States	0.2
International (ex-Emerging Markets)	0.0
Emerging Markets	0.0

### Top 25 Holdings

Security	% Assets
Canada Govt 0.5% 01-11-2018	4.8
Ontario Prov Cda 2.1% 08-09-2018	3.1
Canada Hsg Tr No 1 3.35% 15-12-2020	3.1
Ontario Prov Cda 2.1% 08-09-2019	3.0
Ontario Prov Cda 4% 02-06-2021	2.9
Canada Govt 0.5% 01-03-2022	2.7
Prov Of Quebec 3.5% 01-12-2022	2.4
Ontario Prov Cda 2.85% 02-06-2023	2.3
Canada Hsg Tr No 1 1.25% 15-06-2021	2.2
Canada Govt 0.75% 01-09-2020	2.0
Quebec Prov Medium Trm Nt 4.5% 01-12-2018	1.9
Ontario Prov Cda 1.35% 08-03-2022	1.8
Canada Hsg Tr No 1 2.65% 15-03-2022	1.7
New Brunswick Prov Cda 4.5% 02-06-2020	1.6
Manitoba Prov Cda 1.55% 05-09-2021	1.5
Quebec Prov Medium Trm Nt 4.5% 01-12-2020	1.4
Hsbc Bk Cda 2.491% 13-05-2019	1.3
Canada Govt 1.5% 01-06-2023	1.3
Alberta Prov Cda 1.35% 01-09-2021	1.2
Ontario Prov Cda 4.4% 02-06-2019	1.2
Canada Govt 0.75% 01-03-2021	1.1
Alberta Prov Cda 1.6% 15-06-2018	1.1
CIBC 1.85% 14-07-2020	1.1
Bank of Montreal 2.27% 11-07-2022	1.1
Rogers Comms 5.34% 22-03-2021	1.0
<b>Total % of Top 25 Holdings</b>	<b>48.8</b>
Total Number of Stock Holdings	0
Total Number of Bond Holdings	184
Total Number of Other Holdings	2
<b>Total Number of Holdings</b>	<b>186</b>

## Performance Analysis as of September 30, 2017



Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	YTD	Fund Quartile
2007	2.6	6.6	3.1	2.4	3.6	1.5	0.9	2.1	1.4	0.3	-0.7	3rd
2008		6.6	3.1	2.4	3.6	1.5	0.9	2.1	1.4	0.3	-0.7	2nd
2009			3.1	2.4	3.6	1.5	0.9	2.1	1.4	0.3	-0.7	3rd
2010				2.4	3.6	1.5	0.9	2.1	1.4	0.3	-0.7	3rd
2011					3.6	1.5	0.9	2.1	1.4	0.3	-0.7	2nd
2012						1.5	0.9	2.1	1.4	0.3	-0.7	3rd
2013							0.9	2.1	1.4	0.3	-0.7	3rd
2014								2.1	1.4	0.3	-0.7	3rd
2015									1.4	0.3	-0.7	3rd
2016										0.3	-0.7	4th
YTD											-0.7	4th

Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
1 Mth	-0.5	-0.7	-1.2	-1.4	0.5	0.8	2.2	4.0	Fund
3 Mth		-0.7	-1.2	-1.4	0.5	0.8	2.2	4.0	4th
6 Mth			-1.2	-1.4	0.5	0.8	2.2	4.0	4th
1 Yr				-1.4	0.5	0.8	2.2	4.0	4th
3 Yr					0.5	0.8	2.2	4.0	3rd
5 Yr						0.8	2.2	4.0	3rd
10 Yr							2.2	4.0	3rd
Since Incep.								4.0	—
No. of Funds in Category	245	244	234	226	193	138	48	—	—



# RBC Canadian Short-Term Income Fund

## 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 September 30, 2017

Distributions (\$)/Unit	YTD*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.11	0.16	0.18	0.19	0.20	0.25	0.28	0.30	0.33	0.38	0.34
Interest	0.11	0.16	0.18	0.19	0.20	0.25	0.28	0.30	0.33	0.38	0.34
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	1-1994	13.9	6-1997	8.8	11-1997	7.6	12-2002	6.0
Worst	9-2017	-1.4	9-2017	0.5	9-2017	0.8	9-2017	2.2
Average		3.8		3.8		3.8		3.7
No. of Periods		289		265		241		181
Pct. Positive		97.2		100.0		100.0		100.0

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

### Quarterly Commentary as at September 30, 2017

Following two quick rate hikes in succession, Canadian short term bond yields spiked during the quarter, responding to signals from the Bank of Canada (BoC) that rates are too low given Canada's improving economic performance. Canadian economic growth achieved a sustainable path of recovery, and the BoC considered monetary policy needed to be tightened so as not to accentuate imbalances that can be harmful. The two rate hikes, while quickly executed did not signal that more will be forthcoming as quickly. Rather, the BoC signaled it will be data dependent over time. With the U.S. economy also recovering and the Federal Reserve primed for further rate hikes, expectations are high that more tightening is in store for Canada.

Bond yields increased approximately 35-40 basis points across all maturities in the wake of the tightening action.

The Fund Manager had already earlier adopted a more defensive posture for the Fund in anticipation

of the BoC's action; lower exposure to government bonds, lower duration relative to benchmark, and a slightly higher position in corporate paper, which served to dampen the negative effect of higher government yields on the fund.

The direction for monetary policy in Canada is gradually tighter, and for bond yields to gradually climb. The BoC has already withdrawn the easing it executed two years ago following the collapse of energy prices. It has also signaled its expectation that more tightening will likely occur, and all that remains is the guess work as to when. Being data dependent, the BoC is awaiting inflation pressures to stir before tightening again. This may take some time, and there could be a prolonged period of no further action. Nonetheless, the outlook is for bond yields to gradually climb, and this will keep the short term income pool in a defensive stance over the medium term.



# RBC Canadian Short-Term Income 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 funds are not guaranteed or covered by the Canadian 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.

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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, 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 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 September 30, 2017.

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