



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	5,644.9
Series A NAV \$	10.43
Series A MER %	1.04
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

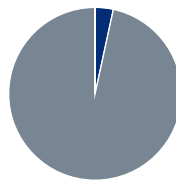
Fund Category	Canadian Short Term Fixed Income
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Management Company	RBC Global Asset Management Inc.
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Web Site	www.rbcgam.com
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Portfolio Analysis as of March 31, 2018

Asset Mix



	% Assets
Cash	3.4
Fixed Income	96.6
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

Fixed Income Breakdown

	% Fixed Income
Government Bonds	53.5
Corporate Bonds	45.5
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	1.1
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	1.1	Under 1 year	11.9
AAA	28.3	1 - 5 Yrs	80.9
AA	42.3	5 - 10 Yrs	7.2
A	17.0	Over 10 Yrs	0.0
BBB	11.3		
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	2.2

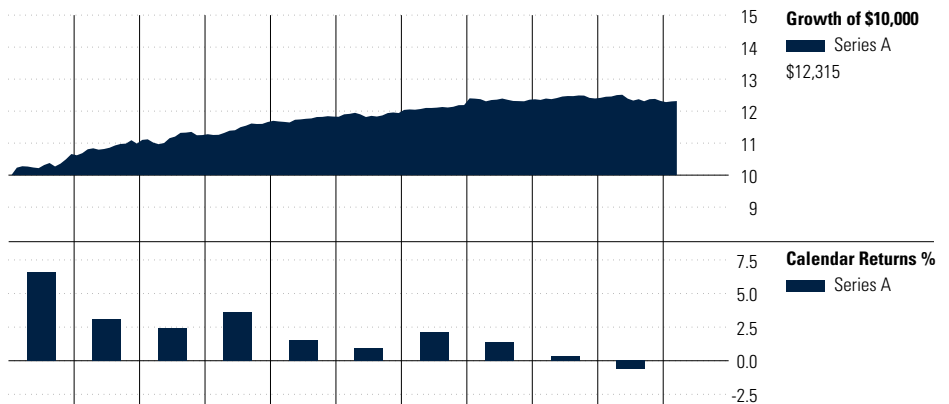
Geographic Allocations

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

Top 25 Holdings

	% Assets
Canada Govt 0.5% 01-03-2022	3.2
Ontario Prov Cda 2.1% 08-09-2018	2.9
Canada Hsg Tr No 1 3.35% 15-12-2020	2.9
Ontario Prov Cda 2.1% 08-09-2019	2.9
Ontario Prov Cda 2.85% 02-06-2023	2.9
Ontario Prov Cda 4% 02-06-2021	2.7
Canada Govt 1.5% 01-06-2023	2.6
Quebec Prov Med Term Nt 3.5% 01-12-2022	2.3
Canada Housing Tr No.1 1.25% 15-06-2021	2.0
Canada Govt 0.75% 01-09-2020	1.9
Canada Govt 1.75% 01-03-2023	1.8
Ontario Prov Cda 1.35% 08-03-2022	1.7
Canada Hsg Tr No 1 2.65% 15-03-2022	1.6
Prov Of New Brunswick 4.5% SNR UNSEC DEB 02/06 02-06-2020	1.5
Manitoba Prov Cda 1.55% 05-09-2021	1.4
Quebec Prov Cda Med Term 4.5% 01-12-2020	1.3
Hsbc Bk Cda 2.491% 13-05-2019	1.3
Quebec Prov Cda Med Term 4.5% 01-12-2019	1.2
Alberta Prov Cda 1.35% 01-09-2021	1.2
Canada Govt 0.5% 01-02-2019	1.2
Canada Govt 0.5% 01-11-2018	1.1
Bank of Montreal 2.27% 11-07-2022	1.1
Canada Govt 0.75% 01-03-2021	1.1
CIBC 1.85% SNR PID1 14-07-2020	1.0
Royal Bank Of Canada 2.36% 05-12-2022	1.0
Total % of Top 25 Holdings	45.6
Total Number of Stock Holdings	0
Total Number of Bond Holdings	190
Total Number of Other Holdings	8
Total Number of Holdings	198

Performance Analysis as of March 31, 2018



Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	YTD	
Calendar Returns %	6.6	3.1	2.4	3.6	1.5	0.9	2.1	1.4	0.3	-0.6	0.0	Fund Quartile
	2 nd	3 rd	3 rd	2 nd	3 rd	3 rd	3 rd	3 rd	4 th	4 th	4 th	

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
	0.1	0.0	0.0	-1.1	-0.2	0.7	1.8	3.9	Fund
	3 rd	4 th	4 th	4 th	4 th	3 rd	3 rd	—	Quartile
	250	248	243	230	193	138	54	—	No. of Funds in Category



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 March 31, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.04	0.14	0.16	0.18	0.19	0.20	0.25	0.28	0.30	0.33	0.38
Interest	0.04	0.14	0.16	0.18	0.19	0.20	0.25	0.28	0.30	0.33	0.38
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	1-1996	13.6	6-1997	8.8	3-1998	7.0	5-2003	5.7
Worst	9-2017	-1.4	1-2018	-0.3	3-2018	0.7	3-2018	1.8
Average		3.6		3.7		3.6		3.6
No. of Periods		289		265		241		181
Pct. Positive		95.2		98.9		100.0		100.0

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

Quarterly Commentary as at March 31, 2018

Canadian bond yields edged up early in the quarter as the strengthening economy had participants wary of central banks tightening in both Canada and the United States, and quickly jumped higher following a Bank of Canada (BoC) rate hike. The 0.25% hike was attributed to evidence of a steadily recovering economy and confirmed that the BoC's tightening program was intact and ongoing. Canadian yields were under pressure early in the quarter in sympathy with U.S. Treasuries as selling pressure persisted on expectations of further U.S. tightening; however, the BoC affirmed that any further tightening would be gradual and data dependent, which eventually led to some recovery in Canadian prices as subsequent data showed some deceleration and waning momentum.

During the quarter, bond yields increased approximately 0.10% across short maturities while longer-bond yields fell in reaction to mild inflation pressures, resulting in a flattening of the yield curve.

The Fund increased its defensive posture by cutting back duration as strengthening global economies increased the prospects of further policy normalization. However, cash was also cut in half and redeployed into government bonds, given some tactical trading opportunities. Corporate exposure increased marginally, continuing to buffer the Fund against higher yields.

Policy bias in Canada continues to be in the direction of higher rates and short-bond yields are likely to climb gradually in response; however, the BoC is increasingly cautious about its next move as increased consumer debt, ongoing NAFTA negotiations, a softening housing market and the prospects of a trade war between the United States and China all create uncertainty. Moreover, inflation pressures are subdued, allowing the BoC to be patient with its next tightening move. The outlook is still for bond yields to climb, but in a controlled manner.



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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MER (%) for RBC Funds, PH&N Funds and BlueBay Funds is based on actual expenses for the full year period, January 1 to December 31, 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 March 31, 2018.

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