



# RBC Canadian Money Market Fund

## Investment Objective

To provide current income and liquidity consistent with short-term money market rates and to preserve the value of your investment. The fund invests primarily in high-quality, short-term (one year or less) debt securities, including treasury bills and promissory notes issued or guaranteed by Canadian governments or their agencies, bankers acceptances, asset-backed commercial paper and commercial paper issued by Canadian chartered banks, loan companies, trust companies and corporations.

## Fund Details

| Series | Load Structure | Currency | Fund Code |
|--------|----------------|----------|-----------|
| A      | No Load        | CAD      | RBF271    |
| Adv    | Deferred Sales | CAD      | RBF852    |
| Adv    | Front End      | CAD      | RBF752    |
| Adv    | Low Load       | CAD      | RBF112    |

|                         |                                     |
|-------------------------|-------------------------------------|
| Inception Date          | September 1986                      |
| Total Fund Assets \$Mil | 1,571.9                             |
| Series A Current Yield% | 0.77                                |
| Series A MER %          | 0.61                                |
| Benchmark               | FTSE TMX Canada 91 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 |
|---------------|-----------------------|

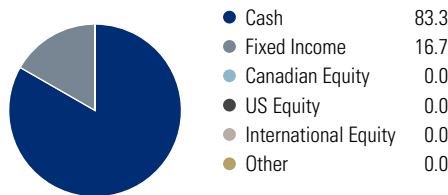
|                    |                                  |
|--------------------|----------------------------------|
| Management Company | RBC Global Asset Management Inc. |
| Web Site           | www.rbcgam.com                   |

## Notes

The current yield is an annualized yield based on the seven day period ended on December 31, 2017 and does not represent an actual one year return.

## Portfolio Analysis as of December 31, 2017

### Asset Mix



### Term to Maturity

| Term                         | %  |
|------------------------------|----|
| 0 - 30 days                  | 36 |
| 31 - 60 days                 | 23 |
| 61 - 90 days                 | 20 |
| 90 + days                    | 21 |
| Avg. Term to maturity (days) | 57 |

### Cash Breakdown

| Instrument         | Cash (%) |
|--------------------|----------|
| Treasury Bills     | 0.0      |
| Provincial Bills   | 6.0      |
| Bankers Acceptance | 34.0     |
| Commercial Paper   | 60.0     |
| Bank Deposits      | 0.0      |

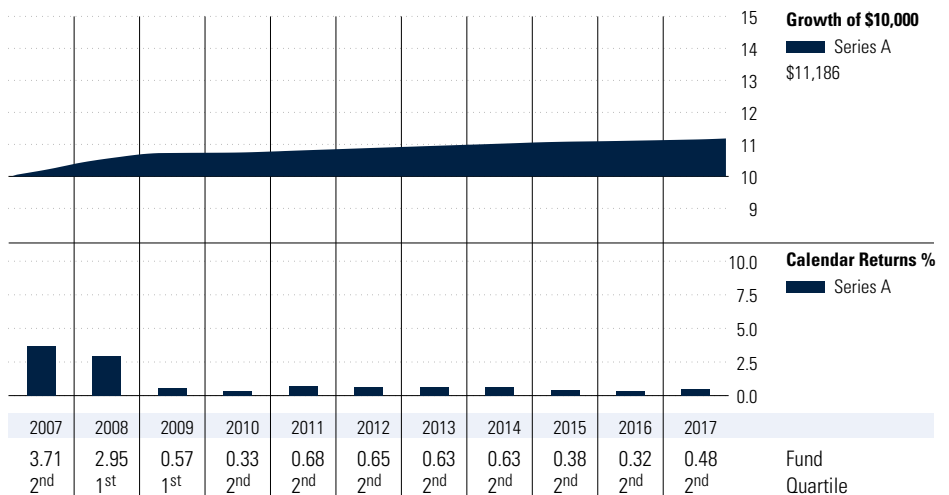
### Credit Quality

| Rating      | %    |
|-------------|------|
| R1 High     | 73.0 |
| R1 Medium   | 17.8 |
| R1 Low      | 9.2  |
| Avg. Rating | R1H  |

### Top 25 Holdings

| Security                                 | % Assets    |
|--|-------------|
| Zeus Receivables Tr 1.401% 17-01-2018    | 2.3         |
| Toronto-Dominion Bank 1.253% 02-01-2018  | 2.3         |
| Prov Of New Brunswick 1.058% 01-02-2018  | 2.1         |
| Hsbc Bank Canada 1.332% 26-02-2018       | 2.0         |
| Prime Trust 1.297% 19-01-2018            | 1.9         |
| Bank Of Nova Scotia 1.040% 29-01-2018    | 1.9         |
| CIBC 0.995% 09-02-2018                   | 1.9         |
| Clarity Trust 1.311% 26-01-2018          | 1.9         |
| Bank Of Nova Scotia 1.121% 22-03-2018    | 1.8         |
| Banner Trust 1.619% 26-04-2018           | 1.8         |
| National Bk Of Canada 1.308% 22-01-2018  | 1.8         |
| Toronto-Dominion Bank 1.100% 25-04-2018  | 1.6         |
| Bnp Paribas Cap Trust 1.339% 24-01-2018  | 1.6         |
| Bay Street Funding Tr 1.401% 01-02-2018  | 1.6         |
| CIBC 1.550% 08-06-2018                   | 1.6         |
| Fusion Trust 1.399% 29-01-2018           | 1.5         |
| King Street Funding Tr 1.451% 15-02-2018 | 1.4         |
| Toronto-Dominion Bank 1.100% 05-03-2018  | 1.4         |
| Fusion Trust 1.401% 05-02-2018           | 1.4         |
| Safe Trust 1.401% 10-01-2018             | 1.4         |
| Safe Trust 1.409% 09-03-2018             | 1.3         |
| Province Of Manitoba 1.044% 02-01-2018   | 1.3         |
| Hsbc Bank Canada 1.580% 03-04-2018       | 1.3         |
| Canadian Master Tr 1.209% 07-03-2018     | 1.3         |
| King Street Funding Tr 1.392% 25-01-2018 | 1.3         |
| <b>Total % of Top 25 Holdings</b>        | <b>41.5</b> |
| Total Number of Stock Holdings           | 0           |
| Total Number of Bond Holdings            | 21          |
| Total Number of Other Holdings           | 123         |
| <b>Total Number of Holdings</b>          | <b>144</b>  |

## Performance Analysis as of December 31, 2017



| 1 Mth           | 3 Mth           | 6 Mth           | 1 Yr            | 3 Yr            | 5 Yr            | 10 Yr           | Since Incep. | Trailing Return %        |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|--------------------------|
| 0.06            | 0.18            | 0.30            | 0.48            | 0.39            | 0.49            | 0.76            | 3.61         | Fund                     |
| 2 <sup>nd</sup> | 2 <sup>nd</sup> | 2 <sup>nd</sup> | 2 <sup>nd</sup> | 2 <sup>nd</sup> | 2 <sup>nd</sup> | 1 <sup>st</sup> | —            | Quartile                 |
| 225             | 224             | 222             | 217             | 188             | 172             | 117             | —            | No. of Funds in Category |



# RBC Canadian Money Market 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 December 31, 2017

| Distributions (\$)/Unit | 2017* | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|-------------------------|-------|------|------|------|------|------|------|------|------|------|------|
| Total Distributions     | 0.05  | 0.03 | 0.04 | 0.06 | 0.06 | 0.06 | 0.07 | 0.03 | 0.06 | 0.29 | 0.36 |
| Interest                | 0.05  | 0.03 | 0.04 | 0.06 | 0.06 | 0.06 | 0.07 | 0.03 | 0.06 | 0.29 | 0.36 |
| Dividends               | —     | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    |
| Capital Gains           | —     | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    |
| Return Of Capital       | —     | —    | —    | —    | —    | —    | —    | —    | —    | —    | —    |

| Best/Worst Periods % | Ended   | 1 Yr   | Ended   | 3 Yr   | Ended  | 5 Yr   | Ended   | 10 Yr  |
|----------------------|---------|--------|---------|--------|--------|--------|---------|--------|
| Best                 | 12-1995 | 5.89   | 12-1995 | 4.62   | 4-1999 | 4.05   | 12-2002 | 3.80   |
| Worst                | 4-2010  | 0.12   | 9-2017  | 0.39   | 9-2017 | 0.48   | 12-2017 | 0.76   |
| Average              |         | 2.30   |         | 2.33   |        | 2.32   |         | 2.35   |
| No. of Periods       |         | 289    |         | 265    |        | 241    |         | 181    |
| Pct. Positive        |         | 100.00 |         | 100.00 |        | 100.00 |         | 100.00 |

\* Final distribution attribution (interest, dividends, capital gains and return of capital) for 2017 will be reflected with January month-end profiles.

### Quarterly Commentary as at December 31, 2017

The Canadian economy improved steadily during the quarter, but with inflation pressures under control, the Bank of Canada (BoC) refrained from tightening policy further. While optimism about U. S. economic growth led monetary authorities there to tighten again, Canadian concerns over NAFTA negotiations, forthcoming new mortgage lending rules, and household leverage all generated enough uncertainty over the effect on the Canadian economy as to keep the BoC from raising rates again. Yields closed the quarter higher in sympathy with higher yields in the U.S., which had just passed a corporate tax bill that promised to add to the momentum there.

Canadian money market rates increased approximately 0.15-0.20% from their quarter lows, as the market repriced prospects of a quicker BoC hike following some stronger than expected economic releases. The Fund's overall exposure to corporate and securitized paper remained unchanged. Average term to maturity was

unchanged as uncertainty over the timing of the next hike compelled a balanced approach to portfolio maturities.

The BoC set out to take its time in tightening again, following the two quick rate hikes earlier in the previous quarter. Studying the effects of the last 2 rate hikes would take time, ostensibly keeping the BoC on the sidelines until spring. With evidence of stronger employment and recovery in business sentiment, however, the BoC's timetable may be accelerated somewhat, and a rate hike early in the New Year is more likely. Given that the Canadian economy is recovering, policy bias in Canada continues to be in the direction of higher rates, although the path of increases is expected to be uneven and unpredictable. Going forward, this uncertainty will necessitate a strategy combining liquidity with occasional forays out the yield curve to secure higher yields.



# RBC 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 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 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 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 December 31, 2017.

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