

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	1,833.3
Series A Current Yield%	1.35
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
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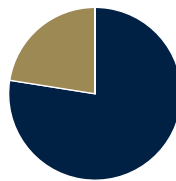
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

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 September 30, 2018

Asset Mix



	% Assets
Cash	77.5
Fixed Income	22.5
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

Term to Maturity

	%
0 - 30 days	32
31 - 60 days	27
61 - 90 days	16
90 + days	25
Avg. Term to maturity (days)	57

Cash Breakdown

	Cash (%)
Treasury Bills	0.0
Provincial Bills	0.0
Bankers Acceptance	9.4
Commercial Paper	40.7
Bank Deposits	49.9

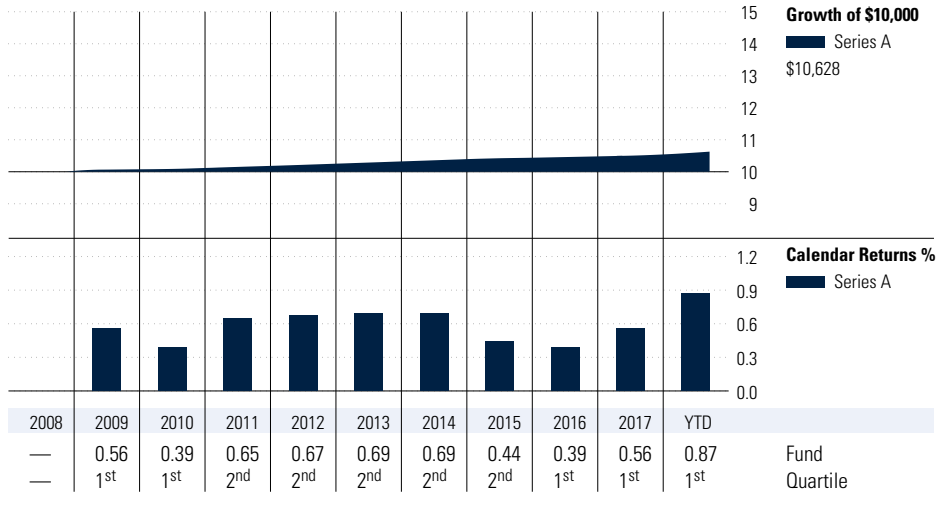
Credit Quality

	%
R1 High	63.4
R1 Medium	10.0
R1 Low	26.7
Avg. Rating	R1H

Top 25 Holdings

	% Assets
Enbridge Gas Distrib 1.773% 01-10-2018	3.0
Caisse Cent Desjardins 1.772% 30-10-2018	2.2
Bank Of Nova Scotia 1.870% 26-11-2018	2.0
Altalink Lp 1.970% 29-11-2018	1.6
Bank Of Nova Scotia 1.850% 06-11-2018	1.6
Sound Trust 1.961% 07-01-2019	1.4
Cdn Master Tr- Sr A 1.995% 15-01-2019	1.4
Hsbc Bank Canada 1.800% 02-10-2018	1.3
Enbridge Pipelines 1.729% 12-10-2018	1.3
Banner Trust 1.951% 21-01-2019	1.2
Ridge Trust 1.940% 17-12-2018	1.2
GTAA 1.760% 12-10-2018	1.2
Caterpillar Fin Serv 1.808% 10-10-2018	1.2
Husky Energy Inc. 1.942% 30-10-2018	1.2
Safe Trust - Ser 1996 1.920% 17-12-2018	1.2
Sure Trust 1.775% 12-10-2018	1.1
Lower Mattagami Energy Lp 1.755% (ST)	1.1
Husky Energy Inc. 1.787% 02-10-2018	1.1
King Street Funding Trust 1.892% (ST)	1.1
Sound Trust 1.882% 06-11-2018	1.1
Ridge Trust 1.951% 04-01-2019	1.1
Bank Of Nova Scotia 2.050% 06-03-2019	1.1
Bay Street Fdg Tr,CI A 2.101% 04-03-2019	1.1
Fusion Trust 2.020% 30-01-2019	1.1
Altalink Lp 1.776% 01-10-2018	1.0
Total % of Top 25 Holdings	33.7
Total Number of Stock Holdings	0
Total Number of Bond Holdings	42
Total Number of Other Holdings	144
Total Number of Holdings	186

Performance Analysis as of September 30, 2018



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
0.11	0.33	0.62	1.07	0.63	0.63	—	0.62	Fund
1 st	1 st	1 st	1 st	1 st	1 st	—	—	Quartile
209	205	203	201	173	161	116	—	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 September 30, 2018

Distributions (\$)/Unit	YTD*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Total Distributions	0.09	0.06	0.04	0.04	0.07	0.07	0.07	0.06	0.04	0.06	0.03
Interest	0.09	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	9-2018	1.07	1-2015	0.69	7-2015	0.65	—	—
Worst	5-2010	0.19	9-2017	0.46	9-2017	0.55	—	—
Average		0.57		0.58		0.59		—
No. of Periods		107		83		59		—
Pct. Positive		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.

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 fund securities are not guaranteed or covered by the Canada 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, 2018, expressed on an annualized basis.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the full year period, April 1, 2017 to March 31, 2018.

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, 2018.

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