

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	1,761.2
Series A Current Yield%	0.86
Series A MER %	0.54
Benchmark	FTSE TMX 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.
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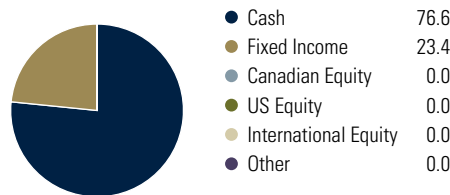
Web Site	www.rbcgam.com
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Notes

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	35
31 - 60 days	26
61 - 90 days	14
90 + days	25
Avg. Term to maturity (days)	58

Cash Breakdown

Instrument	Cash (%)
Treasury Bills	0.0
Provincial Bills	0.0
Bankers Acceptance	14.2
Commercial Paper	50.0
Bank Deposits	35.9

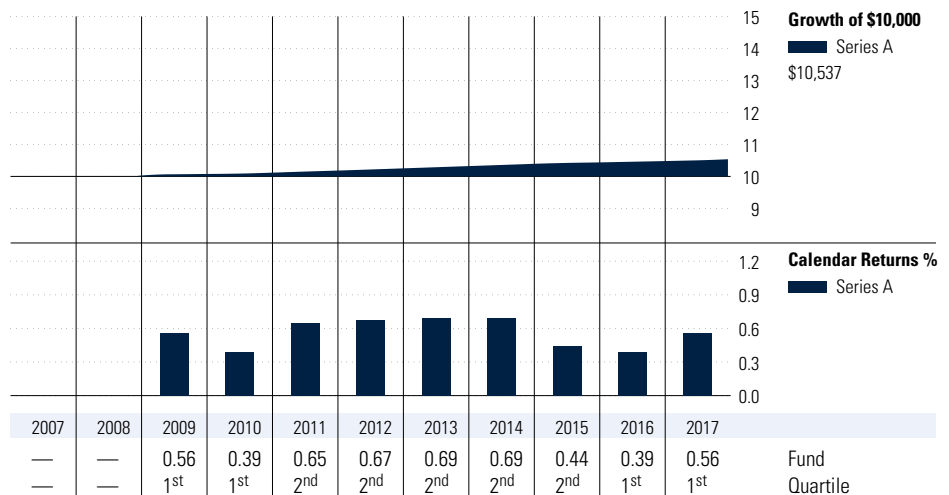
Credit Quality

Rating	%
R1 High	65.8
R1 Medium	7.9
R1 Low	26.4
Avg. Rating	R1H

Top 25 Holdings

Holder	% Assets
Enbridge Pipelines 1.332% 15-01-2018	2.3
Bank Of Nova Scotia 1.322% 27-02-2018	2.3
Banner Trust 1.461% 28-03-2018	2.0
Lower Mattagami Energy 1.267% 04-01-2018	1.7
Husky Energy Inc. 1.332% 12-01-2018	1.7
Caisse Cent Desjardins 1.302% 01-02-2018	1.6
Canadian Master Tr 1.461% 30-01-2018	1.5
Prime Trust 1.336% 18-01-2018	1.4
Nissan Cda Fin Servcs 1.344% 17-01-2018	1.3
Ridge Trust 1.421% 16-02-2018	1.3
Merit Trust 1.351% 23-01-2018	1.3
Zeus Receivables Tr 1.336% 18-01-2018	1.2
Fusion Trust 1.518% 06-04-2018	1.2
Gaz Metro Inc. 1.400% 06-03-2018	1.2
Sound Trust 1.401% 08-02-2018	1.2
King Street Funding Tr 1.421% 09-03-2018	1.2
Merit Trust 1.500% 12-03-2018	1.1
Toronto-Dominion Bank 1.520% 29-05-2018	1.1
Zeus Receivables Trust 1.611% 03-04-2018	1.1
Banner Trust 1.501% 14-03-2018	1.1
National Bk Of Canada 1.530% 09-08-2018	1.1
Hsbc Bank Canada 1.288% 02-02-2018	1.1
Tmx Group Ltd. 1.319% 12-01-2018	1.1
Hsbc Bank Canada 1.333% 01-02-2018	1.1
Caterpillar Finl Sevcs 1.285% 10-01-2018	1.0
Total % of Top 25 Holdings	34.3
Total Number of Stock Holdings	0
Total Number of Bond Holdings	52
Total Number of Other Holdings	115
Total Number of Holdings	167

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 %
0.07	0.20	0.35	0.56	0.47	0.56	—	0.58	Fund
1st	1st	1st	1st	1st	1st	—	—	Quartile
225	224	222	217	188	172	117	—	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 December 31, 2017

Distributions (\$)/Unit	2017*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.06	0.04	0.04	0.07	0.07	0.07	0.06	0.04	0.06	0.03	—
Interest	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	11-2009	0.74	1-2015	0.69	7-2015	0.65	—	—
Worst	5-2010	0.19	9-2017	0.46	9-2017	0.55	—	—
Average		0.54		0.58		0.60		—
No. of Periods		98		74		50		—
Pct. Positive		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 Bank of Canada (BoC) held the overnight rate steady at 1.0% through the fourth quarter of 2017, after having raised its policy rate twice during the third quarter. Improving economic data in the latter half of the quarter prompted a more optimistic tone from the BoC, with an acknowledgement that the Canadian economy will need less monetary policy stimulus over time. This led to a rise in market expectations for policy rate hikes by the BoC in 2018, which pushed the short end of the Canadian yield curve higher to end the year. Overall, we anticipate short-term interest rates in Canada to move higher in line with market expectations of further rate hikes by the BoC as it heads toward a more normal monetary policy rate. For investors looking for healthier returns on their savings, this should come as a much welcomed development.

As we head into 2018, PH&N Canadian Money Market Fund's strategy remains focused on preserving capital while maximizing yield by investing in high-quality securities that pay an incremental yield over and above what is available from Government of Canada T-bills. With this in mind, the Fund is fully invested in corporate securities, such as asset-backed commercial paper, banker's acceptances and commercial paper of high-quality corporate borrowers, which continue to provide an attractive incremental yield relative to their incremental risk. The Fund has maintained a slightly longer-than-benchmark average term to maturity to capture the attractive additional yield that exists further out in the yield curve. And, as always, we do not compromise the Fund's primary objective of safety of capital in its pursuit of earning a decent 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.

Phillips, Hager & North Investment Management (PH&N IM) is a division of RBC Global Asset Management Inc. (RBC GAM). RBC GAM is the fund manager and the principal portfolio adviser of PH&N Funds. The principal distributor of PH&N Funds is Phillips, Hager & North Investment Funds Ltd. (PH&NIF), which uses the trade name PH&N

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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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