

# PH&N \$U.S. Money Market Fund

## Investment Objective

To provide a steady level of current income while preserving capital by investing primarily in a well-diversified portfolio of short-term Canadian money market securities denominated in U.S. dollars.

## Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	USD	RBF7500
Adv	Front End	USD	RBF6500
Adv	Low Load	USD	RBF4500

Inception Date	November 2008
Total Fund Assets \$Mil	80.3
Series A Current Yield%	2.04
Series A MER %	0.27
Benchmark	FTSE 30-Day T-Bill Index

Income Distribution	Monthly
Capital Gains Distribution	Annually

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

Fund Category	US Money Market
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Management Company	RBC Global Asset Management Inc.
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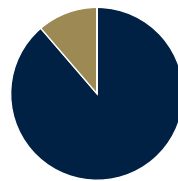
Web Site	www.rbcgam.com
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## Notes

The current yield is an annualized yield based on the seven day period ended as of the date of the Performance Analysis.

## Portfolio Analysis as of September 30, 2018

### Asset Mix



	% Assets
Cash	88.7
Fixed Income	11.3
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

### Term to Maturity

	%
0 - 30 days	42
31 - 60 days	35
61 - 90 days	12
90 + days	11
Avg. Term to maturity (days)	41

### Cash Breakdown

	Cash (%)
Treasury Bills	26.2
Provincial Bills	0.0
Bankers Acceptance	24.2
Commercial Paper	6.2
Bank Deposits	43.4

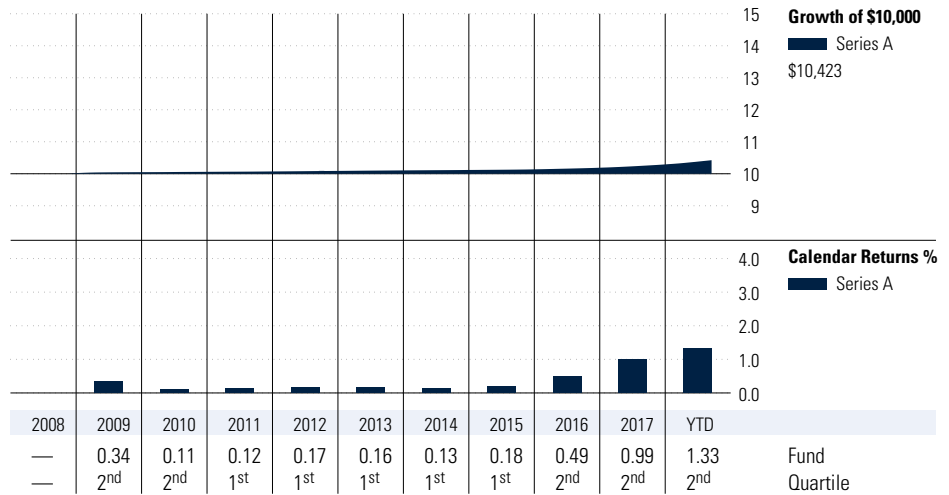
### Credit Quality

	%
R1 High	97.9
R1 Medium	0.0
R1 Low	2.0
Avg. Rating	R1H

### Top 25 Holdings

	% Assets
Govt Of Canada T-Bill 2.148% 07-12-2018	7.9
Bank Of Nova Scotia 2.228% 30-10-2018	6.4
Farm Credit Canada 2.097% 25-10-2018	6.3
Bank Of Montreal 2.133% 01-11-2018	4.6
Export Development Cda 2.27% 22-10-2018	4.3
Export Development Cda 2.211% 08-01-2019	4.0
Merit Trust 2.291% 09-10-2018	3.8
Safe Trust 2.505% 23-10-2018	3.8
Fusion Trust 2.460% 02-10-2018	3.7
Ridge Trust 2.601% 14-01-2019	3.7
Toronto-Dominion Bank 2.229% 30-10-2018	3.4
Prime Trust - Senior Notes 2.417% (ST)	2.8
Toronto-Dominion Bank 2.164% 31-10-2018	2.8
Omers Realty Corp. 2.260% 03-12-2018	2.8
Bank Of Montreal 2.230% 30-10-2018	2.6
Sure Trust 2.419% 01-11-2018	2.6
Stable Trust 2.505% 23-10-2018	2.5
Banner Trust 2.362% 15-10-2018	2.5
Clarity Trust 2.312% 11-10-2018	2.3
Export Development Cda 2.100% 04-02-2019	2.2
Sure Trust 2.402% 07-11-2018	1.9
Sound Trust 2.401% 01-11-2018	1.8
Canadian Master Tr 2.449% 26-11-2018	1.8
Zeus Receivables Tr 2.372% 19-10-2018	1.6
Export Development Cda 2.100% 05-02-2019	1.4
<b>Total % of Top 25 Holdings</b>	<b>83.7</b>
Total Number of Stock Holdings	0
Total Number of Bond Holdings	4
Total Number of Other Holdings	37
<b>Total Number of Holdings</b>	<b>41</b>

## 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 %
0.17	0.51	0.98	1.64	0.96	0.63	—	0.42	Fund
1 <sup>st</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	2 <sup>nd</sup>	—	—	Quartile
40	39	38	37	27	27	22	—	No. of Funds in Category

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## 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	0.13	0.10	0.05	0.02	0.01	0.02	0.02	0.01	0.01	0.03	0.02
Interest	0.13	0.10	0.05	0.02	0.01	0.02	0.02	0.01	0.01	0.03	0.02
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	9-2018	1.64	9-2018	0.96	9-2018	0.63	—	—
Worst	8-2011	0.10	6-2012	0.12	8-2014	0.13	—	—
Average		0.33		0.26		0.24		
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 U.S. Federal Reserve (Fed) continued to raise its policy rate this quarter. In September, the Fed hiked the rate by 0.25% to end the quarter at a range of 2.00% to 2.25%.

Looking forward, expectations remain that the Fed will continue the pace of quarter-point hikes until it reaches its longer-run target of approximately 3%. Notably, in its statement from the September meeting, the Fed dropped the reference to monetary policy being accommodative. This further suggests that it is nearing its longer-term neutral policy rate (the rate at which interest rates are seen as not helping or hurting the economy). Overall, we expect short-term U.S. interest rates to trend higher as the Fed continues along this path.

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. As such, the Fund is mostly invested in corporate securities, such as asset-backed commercial paper, bankers' acceptances, and commercial paper of high-quality corporate borrowers. To a lesser extent, it also invests in the U.S.-dollar-denominated debt of Canadian provinces. These securities continue to provide attractive risk-adjusted incremental yield. As always, safety of principal and return of capital is not compromised and remains the main goal of the Fund.

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### 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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(PH&NIF), which uses the trade name PH&N Investment Services. RBC GAM is an indirect, wholly-owned subsidiary of Royal Bank of Canada.

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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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