

# 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	71.2
Series A Current Yield%	1.35
Series A MER %	0.00
Benchmark	Citigroup 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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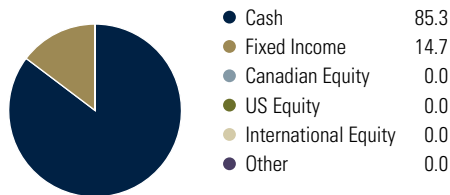
Web Site	www.rbcgam.com
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## Notes

The current yield is an annualized yield based on the seven day period ended 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	33
31 - 60 days	49
61 - 90 days	3
90 + days	15
Avg. Term to maturity (days)	48

### Cash Breakdown

Instrument	Cash (%)
Treasury Bills	18.7
Provincial Bills	0.0
Bankers Acceptance	21.8
Commercial Paper	47.1
Bank Deposits	12.4

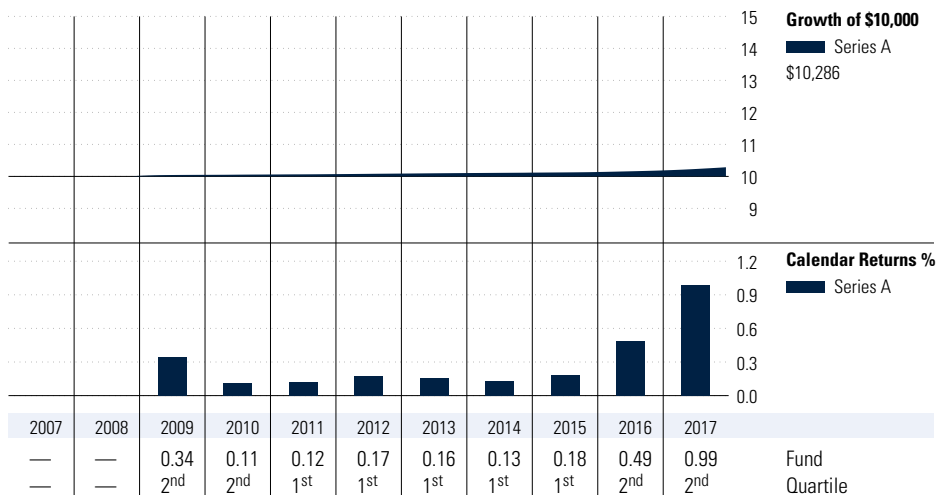
### Credit Quality

Rating	%
R1 High	93.0
R1 Medium	0.0
R1 Low	7.0
Avg. Rating	R1H

### Top 25 Holdings

Holder	% Assets
Province Of Alberta 1.425% 01-02-2018	10.3
CIBC 1.469% 06-02-2018	7.7
Merit Trust 1.641% 05-02-2018	4.4
Bank Of Montreal 1.469% 06-02-2018	4.2
Omers Realty Corp. 1.330% 08-01-2018	4.2
Safe Trust 1.728% 13-02-2018	4.2
Province Of Alberta 1.553% 22-01-2018	3.7
Canadian Master Tr 2.020% 14-05-2018	3.5
Toronto-Dominion Bank 1.450% 20-03-2018	3.5
Bay Street Funding Tr 2.103% 24-01-2018	3.5
King Street Funding Tr 2.103% 24-01-2018	3.5
Ridge Trust 1.679% 23-02-2018	3.3
Toronto-Dominion Bank 1.277% 03-01-2018	3.1
Fusion Trust 1.789% 05-04-2018	3.1
Banner Trust 1.995% 18-01-2018	2.8
Sure Trust 1.861% 07-05-2018	2.8
Clarity Trust 1.910% 14-05-2018	2.8
Province Of Alberta 1.419% 22-02-2018	2.6
Tmx Group Ltd. 1.475% 08-01-2018	2.5
Gaz Metro Inc. 1.310% 12-01-2018	2.2
Enbridge Pipelines 1.531% 01-02-2018	2.2
Province Of Alberta 1.638% 16-02-2018	2.1
Sound Trust 1.929% 29-05-2018	2.1
Bank Of Montreal 1.517% 15-02-2018	1.8
Prime Trust 1.641% 05-02-2018	1.8
Total % of Top 25 Holdings	88.0
Total Number of Stock Holdings	0
Total Number of Bond Holdings	6
Total Number of Other Holdings	30
<b>Total Number of Holdings</b>	<b>36</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 %
0.11	0.30	0.57	0.99	0.55	0.39	—	0.31	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>	—	—	Quartile
38	37	35	35	27	27	21	—	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 December 31, 2017

Distributions (\$)/Unit	2017*	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Distributions	0.10	0.05	0.02	0.01	0.02	0.02	0.01	0.01	0.03	0.02	—
Interest	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	12-2017	0.99	12-2017	0.55	12-2017	0.39	—	—
Worst	8-2011	0.10	6-2012	0.12	8-2014	0.13	—	—
Average		0.24		0.20		0.19		
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 U.S. Federal Reserve (Fed) continued its hiking cycle this quarter, raising the federal funds rate by 0.25% to end the year at a range of 1.25% to 1.50% as economic data continued to show labour market strength and healthy growth in economic activity. Along with this, the Fed also reiterated the data-dependent nature of its future monetary policy moves. As we head into 2018, market expectations are for the Fed to follow a similar pace as in 2017 with another two to three rate hikes through 2018. As the Fed continues to move toward a more normalized monetary policy, we expect short-term interest rates in the United States to follow suit, which should translate into higher reinvestment rates for investors going forward.

PH&N \$U.S. Money Market Fund's strategy going forward continues to be 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 U.S. Government T-bills. To this end, the Fund is predominantly invested in corporate securities, such as asset-backed commercial paper, banker's acceptances and commercial paper of high-quality corporate borrowers as well as, to a lesser extent, the USD-denominated debt of Canadian provinces as 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 primary objective of the Fund.

## PH&N \$U.S. 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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