

PH&N Short Term Bond & Mortgage Fund



Investment objective

To provide relatively high yields and stability of capital by investing primarily in a well-diversified portfolio of short-term fixed income securities issued by Canadian governments and corporations, and first mortgages on property located in Canada.

The investment team focuses on building a diversified portfolio, minimizing risk and delivering consistent positive returns. The Fund is actively managed to benefit from changing interest rate environments, and uses multiple strategies to enable it to invest in a number of shorter-duration instruments that can provide additional opportunities.

Fund details

Series	Currency	Fund code
O	CAD	RBF8255

Inception date October 2002

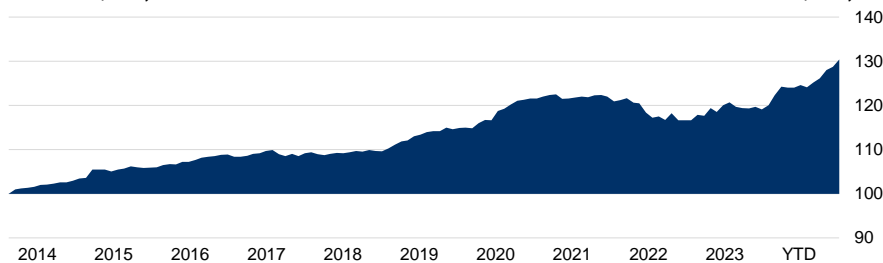
Total fund assets \$MM 8,945.3

Benchmark
100% FTSE Canada Short Term Overall Bond Index

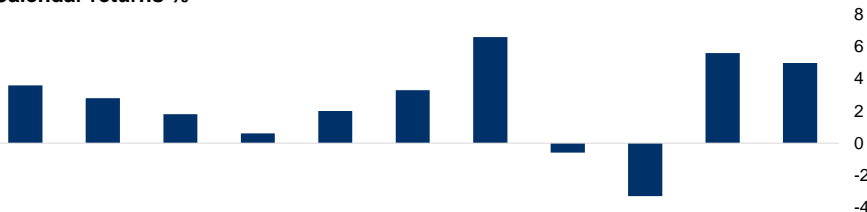
Performance analysis as of September 30, 2024

Growth of \$100,000

Series O \$130,428



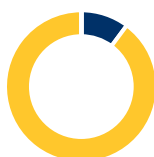
Calendar returns %



2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD	
3.6	2.8	1.8	0.6	2.0	3.3	6.6	-0.6	-3.3	5.6	5.0	Fund
3.1	2.6	1.0	0.1	1.9	3.1	5.3	-0.9	-4.0	5.0	5.0	Benchmark
1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since incep.		Trailing return %		
1.3	3.4	4.7	9.5	2.2	2.6	2.4	3.5		Fund		
1.3	3.4	4.7	9.3	1.7	2.0	2.0	—		Benchmark		

Portfolio analysis as of September 30, 2024

Asset mix



% Assets

● Cash	10.2
● Fixed income	89.8
● Canadian equities	0.0
● U.S. equities	0.0
● European equities	0.0
● Asia-Pacific equities	0.0
● Emerging markets equities	0.0

Fixed income characteristics

Yield to maturity (%)	3.3
Current yield (%)	3.1
Duration (years)	2.6
Average term to maturity (years)	2.8
Average credit rating	AA

Risk measures

	Fund	Benchmark
3-year standard deviation	3.1	3.1
5-year standard deviation	2.6	2.6

Fixed income breakdown

	%
Government Bonds	39.3
Corporate Bonds	42.6
Other Bonds	4.6
Securitized Debt	0.0
ST Investments (Cash & Other)	10.0
Direct Mortgages	3.5

Portfolio analysis continued as of September 30, 2024

Top 25 holdings	% Assets	Credit rating	%	Fixed income geographic allocation	%
Canadian Government Bond 3.250% Nov 01, 2026	17.9	Cash / Cash Equiv.	10.0	Canada	95.4
Canada Housing Trust No 1 1.250% Jun 15, 2026	4.6	AAA	42.9	United States	4.6
United States Treasury Note/Bond 4.250% Jun 30, 2029	4.6	AA	3.4	International (ex-Emerging Markets)	0.0
Canada Housing Trust No 1 1.100% Dec 15, 2026	4.4	A	20.3	Emerging Markets	0.0
Canada Housing Trust No 1 1.550% Dec 15, 2026	2.5	BBB	19.6		
Canada Housing Trust No 1 3.700% Jun 15, 2029	2.2	Below BBB	0.2		
Canada Housing Trust No 1 2.650% Mar 15, 2028	1.5	Mortgages	3.5		
Royal Bank of Canada 5.235% Nov 02, 2026	1.4	Other	0.0		
Bank of Montreal 4.537% Dec 18, 2028	1.3				
Canadian Government Bond 3.500% Sep 01, 2029	1.2				
Canada Housing Trust No 1 2.350% Mar 15, 2028	1.1				
New York Life Global Funding 5.250% Jun 30, 2026	1.1				
Royal Bank of Canada 2.328% Jan 28, 2027	0.8				
TransCanada PipeLines Ltd 5.277% Jul 15, 2030	0.7				
Province of Ontario 2.050% Jun 02, 2030	0.7				
National Grid Electricity Transmission PLC 2.301% Jun 22, 2029	0.7				
Verizon Communications Inc 2.375% Mar 22, 2028	0.7				
Heathrow Funding Ltd 2.694% Oct 13, 2027	0.7				
Coastal Gaslink Pipeline LP 4.691% Sep 30, 2029	0.7				
Province of Ontario 1.350% Dec 02, 2030	0.7				
Coastal Gaslink Pipeline LP 4.907% Jun 30, 2031	0.7				
Coastal Gaslink Pipeline LP 4.673% Jun 30, 2027	0.6				
Inter Pipeline Ltd/AB 5.760% Feb 17, 2028	0.6				
North West Redwater Partnership / NWR Financing Co Ltd 3.200% Apr 24, 2026	0.6				
North West Redwater Partnership / NWR Financing Co Ltd 4.250% Jun 01, 2029	0.6				
Total % of top 25 holdings	52.5				
Total number of holdings	267				

Distributions (\$)/unit*	YTD	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Interest	—	0.33	0.26	0.24	0.24	0.25	0.24	0.22	0.25	0.27	0.28
Canadian dividends	—	—	—	—	—	—	—	—	—	—	—
Foreign dividends	—	—	—	—	—	—	—	—	—	—	—
Foreign taxes paid	—	—	—	—	—	—	—	—	—	—	—
Capital gains	—	—	—	—	—	—	—	—	—	0.02	—
Return of capital	—	—	—	—	—	—	—	—	—	—	—
Total distributions	0.27	0.33	0.26	0.24	0.24	0.25	0.24	0.22	0.25	0.29	0.28

*Income type characterization and foreign taxes paid for the previous year, are reported at or around January month-end. Distributions reported are for the same series as the performance analysis. For distributions on other series please visit rbcgam.com/funds.

Manager bios

PH&N Fixed Income Team

With one of the largest bond desks in Canada consisting of over 30 investment professionals, PH&N IM has been managing bonds since 1970. PH&N IM manages fixed income portfolios according to strict quality and diversification guidelines, and the firm'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.

Disclosure

This information is not intended to be an offer or solicitation to buy or sell securities or to participate in or subscribe for any service. No securities are being offered, except pursuant and subject to the respective offering documents and subscription materials, which may be provided to qualified investors only. This document is for general information only and is not, nor does it purport to be, professional advice or a complete description of an investment in any fund managed by RBC Global Asset Management Inc. (RBC GAM Inc.). If there is an inconsistency between this document and the respective offering documents, the provisions of the respective offering documents shall prevail. Information obtained from third parties is believed to be reliable, but no representation or warranty, express or implied, is made by RBC GAM Inc., its affiliates or any other person as to its accuracy, completeness or correctness. RBC GAM Inc. and its affiliates assume no responsibility for any errors or omissions.

Investments in alternative funds are speculative and involve significant risk of loss of all or a substantial amount of your investment. Alternative funds may: (i) engage in leverage and other speculative investment practices that may increase the risk of investment loss; (ii) can be highly illiquid; (iii) are not required to provide periodic pricing or valuation information to investors; and (iv) are not subject to the same regulatory requirements as prospectus-offered mutual funds. In assessing the suitability of this investment, investors should carefully consider their personal circumstances including time horizon, liquidity needs, portfolio size, income, investment knowledge and attitude toward price fluctuations. Investors should consult their professional advisors and consultants regarding any tax, accounting, legal or financial considerations before making a decision as to whether the funds mentioned in this material are a suitable investment for them.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the fund's offering documents before investing. The performance data provided assumes reinvestment of distributions only and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. The rates of return for periods of less than one year are simple rates of return. Past performance may not be repeated.

Series O units are available to individuals, institutional clients or dealers who have entered into an agreement directly with RBC GAM Inc. No management fees are payable by the fund in respect of Series O units. Unitholders of Series O units pay a negotiated fee directly or indirectly to RBC GAM Inc. Series O performance is gross of management fees.

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.

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.

This document has been compiled by RBC GAM Inc. from sources believed to be reliable, but no representations or warranty, express or implied, are made by RBC GAM Inc., its affiliates or any other person as to its accuracy, completeness or correctness. All opinions and estimates constitute RBC GAM Inc.'s judgment as of the date of this document, are subject to change without notice and are provided in good faith but without legal responsibility.

If presented, 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. Growth of \$100K chart shown represents a hypothetical investment of the Fund over the last 10 years, or from the last day of the since inception month for funds with less than 10 years performance history. The chart assumes reinvestment of all distributions and is net of fees.

MER (%) for this fund is based on actual expenses for the preceding calendar year or most recent half-year period ended June 30 expressed on an annualized basis, depending on availability of data at the time of publication. Net asset figures include all series of a fund. Fund category is determined by the Canadian Investment Funds Standards Committee (CIFSC).

Quartile rankings and equity style box information are determined by Morningstar Research Inc., an independent research firm. Quartile rankings are comparisons of the performance of a fund to other funds in the applicable Fund 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). The Morningstar Equity Style Box™ is a nine-square grid that illustrates the investment style of a security. Morningstar information contained herein is proprietary to Morningstar and is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. © 2024 Morningstar Research Inc.

The information reported in Portfolio Analysis is subject to change and is based on data available to RBC GAM Inc. as of the date of this report. Portfolio characteristics are gross of fees.

RBC Global Asset Management is the asset management division of Royal Bank of Canada (RBC) which includes RBC GAM Inc., RBC Global Asset Management (U.S.) Inc., RBC Global Asset Management (UK) Limited, RBC Global Asset Management (Asia) Limited, and RBC Indigo Asset Management Inc., which are separate, but affiliated subsidiaries of RBC.