



MONEY MARKET FUND

RBC CANADIAN MONEY MARKET FUND

December 31, 2017

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 8, 2018.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide current income and liquidity consistent with short-term money-market interest rates while preserving the value of the investment.

The Fund is invested primarily in high-quality short-term government- and corporate-debt securities with a maximum term of 365 days. The Fund's corporate-debt holdings are deemed by major debt-rating agencies to be suitable for conservative investors. The Fund also includes short-term debt issued by Canadian chartered banks and promissory notes issued or guaranteed by Canadian governments or their agencies.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund's overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Effective June 30, 2017, RBC GAM adopted the risk classification methodology under National Instrument 81-102 – *Investment Funds* (the "new risk classification methodology"). Pursuant to the new risk classification methodology, certain funds' risk ratings were changed. RBC GAM reviews each fund's risk rating on an annual basis or if there has been a material change to a fund's investment objectives or investment strategies. Any changes to a fund's risk rating are the result of RBC GAM's annual review and the adoption of the new risk classification methodology.

There were no changes to the Fund's risk rating during the reporting period.

Results of Operations

The Fund's net asset value was \$1.6 billion as of December 31, 2017, essentially unchanged from the end of 2016.

As of December 31, 2017, the current yields were 0.8% for Series A units, 0.8% for Advisor Series units, 0.8% for Series D units, 0.8% for Series F units and 1.4% for Series O units.

Over the past year, the Fund's Series A units returned 0.48%, compared with the 0.56% rise in the FTSE TMX Canada 91-Day T-Bill Index. The Fund's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any

other series, which may vary because of differences in management fees and expenses. In response to an extremely low interest rate environment and to support the yield to unitholders, the management fees of some series of the Fund have been maintained at reduced levels by RBC GAM. The decision to reduce management fees is determined at the discretion of RBC GAM.

A stronger-than-expected start to 2017 prompted investors to reconsider their view that the Bank of Canada (the "BOC") would continue to leave interest rates unchanged, as emergency-level rates were no longer necessary given rising business investment, a buoyant housing market and falling unemployment. Accordingly, in June the BOC announced that its commitment to historically low rates had outlived its usefulness, and shortly thereafter hiked its benchmark rate for the first time in seven years by ¼ percentage point. The BOC raised rates a second time in September. A resurgent U.S. economy aided the Canadian outlook, as did a broad global economic recovery, with most central banks either tightening monetary policy for the first time in years, or moving in that direction.

The portfolio manager maintained a longer average term to maturity during the first half of the year, but adjusted to the BOC policy shift by placing more emphasis on shorter-dated securities in anticipation of a rise in market interest rates.

The portfolio manager continued to concentrate the Fund's assets in asset-backed paper, where supply was plentiful and yields were highest. This was followed by bank securities and corporate issuers, which showed virtually no growth during the year, in part because of credit downgrades that pre-empted purchases of those issuers. The portfolio manager also invested in floating-rate notes, which gained popularity after the BOC indicated its intention to raise short-term interest rates. Regulatory minimum liquidity rules continued to be satisfied with a small position in provincial paper.

Recent Developments

The BOC has signalled that it's leaning toward raising policy rates as the economy expands. The medium-term outlook for the domestic economy is somewhat uncertain, however, given risks surrounding the renegotiation of the North American Free Trade Agreement, heavily indebted households and geopolitical risks. Supporting the trend of rate hikes in Canada is the strengthening U.S. economy, which prompted three hikes in 2017 by the U.S. Federal Reserve, with more expected in 2018.

Major central banks are retreating from emergency-level interest rates as most industrial economies are quickly recovering. The portfolio manager expects this trend to continue into 2018, prompting further monetary-policy tightening.



Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, holds title to the Fund's property on behalf of its unitholders, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund.

RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund. Both the management fee and fixed administration fee are calculated and accrued daily as a percentage of the net asset value of each series of units of the Fund. RBC GAM, as trustee, earns a fee, which is paid by the manager from the fixed administration fee paid by the Fund.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the Fund, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders switch between series of funds denominated in different currencies. The Fund also maintains bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series D units.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund. RBC IS earns a fee as the custodian, which is paid by the manager from the fixed administration fee paid by the Fund.

Registrars

Royal Bank, RBC IS and RBC GAM are the registrars of the Fund and keep records of who owns the units of the Fund. The registrars earn a fee, which is paid by the manager from the fixed administration fee paid by the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

Inter-Fund Trading

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "Net Asset Value" is derived from the valuation method disclosed in the RBC Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Series A												
Dec. 31, 2017	10.00	0.11	(0.06)	–	–	0.05	(0.05)	–	–	–	(0.05)	10.00
Dec. 31, 2016	10.00	0.09	(0.06)	–	–	0.03	(0.03)	–	–	–	(0.03)	10.00
Dec. 31, 2015	10.00	0.10	(0.06)	–	–	0.04	(0.04)	–	–	–	(0.04)	10.00
Dec. 31, 2014	10.00	0.12	(0.06)	–	–	0.06	(0.06)	–	–	–	(0.06)	10.00
Dec. 31, 2013	10.00	0.12	(0.06)	–	–	0.06	(0.06)	–	–	–	(0.06)	10.00
Advisor Series												
Dec. 31, 2017	10.00	0.11	(0.06)	–	–	0.05	(0.05)	–	–	–	(0.05)	10.00
Dec. 31, 2016	10.00	0.09	(0.06)	–	–	0.03	(0.03)	–	–	–	(0.03)	10.00
Dec. 31, 2015	10.00	0.10	(0.06)	–	–	0.04	(0.04)	–	–	–	(0.04)	10.00
Dec. 31, 2014	10.00	0.12	(0.06)	–	–	0.06	(0.06)	–	–	–	(0.06)	10.00
Dec. 31, 2013	10.00	0.12	(0.06)	–	–	0.06	(0.06)	–	–	–	(0.06)	10.00
Series D												
Dec. 31, 2017	10.00	0.11	(0.06)	–	–	0.05	(0.05)	–	–	–	(0.05)	10.00
Dec. 31, 2016	10.00	0.09	(0.06)	–	–	0.03	(0.03)	–	–	–	(0.03)	10.00
Dec. 31, 2015	10.00	0.10	(0.06)	–	–	0.04	(0.04)	–	–	–	(0.04)	10.00
Dec. 31, 2014	10.00	0.12	(0.06)	–	–	0.06	(0.06)	–	–	–	(0.06)	10.00
Dec. 31, 2013	10.00	0.12	(0.06)	–	–	0.06	(0.06)	–	–	–	(0.06)	10.00
Series F												
Dec. 31, 2017	10.00	0.11	(0.06)	–	–	0.05	(0.05)	–	–	–	(0.05)	10.00
Dec. 31, 2016	10.00	0.10	(0.06)	–	–	0.04	(0.04)	–	–	–	(0.04)	10.00
Dec. 31, 2015	10.00	0.10	(0.06)	–	–	0.04	(0.04)	–	–	–	(0.04)	10.00
Dec. 31, 2014	10.00	0.12	(0.06)	–	–	0.06	(0.06)	–	–	–	(0.06)	10.00
Dec. 31, 2013	10.00	0.12	(0.06)	–	–	0.06	(0.07)	–	–	–	(0.07)	10.00
Series O												
Dec. 31, 2017	10.00	0.11	–	–	–	0.11	(0.11)	–	–	–	(0.11)	10.00
Dec. 31, 2016	10.00	0.09	–	–	–	0.09	(0.09)	–	–	–	(0.09)	10.00
Dec. 31, 2015	10.00	0.10	–	–	–	0.10	(0.10)	–	–	–	(0.10)	10.00
Dec. 31, 2014	10.00	0.12	–	–	–	0.12	(0.12)	–	–	–	(0.12)	10.00
Dec. 31, 2013	10.00	0.12	–	–	–	0.12	(0.12)	–	–	–	(0.12)	10.00

¹ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Dec. 31, 2017	10.00	1 048 238	104 818	0.60	0.60	n/a	—
Dec. 31, 2016	10.00	1 224 869	122 485	0.60	0.60	n/a	—
Dec. 31, 2015	10.00	1 352 347	135 235	0.61	0.61	n/a	—
Dec. 31, 2014	10.00	1 236 246	123 625	0.61	0.61	n/a	—
Dec. 31, 2013	10.00	1 477 907	147 791	0.61	0.61	n/a	—
Advisor Series							
Dec. 31, 2017	10.00	13 676	1 368	0.61	0.61	n/a	—
Dec. 31, 2016	10.00	14 759	1 476	0.61	0.61	n/a	—
Dec. 31, 2015	10.00	13 191	1 319	0.61	0.61	n/a	—
Dec. 31, 2014	10.00	13 881	1 388	0.61	0.61	n/a	—
Dec. 31, 2013	10.00	11 647	1 165	0.61	0.61	n/a	—
Series D							
Dec. 31, 2017	10.00	161 812	16 180	0.61	0.61	n/a	—
Dec. 31, 2016	10.00	164 136	16 413	0.61	0.61	n/a	—
Dec. 31, 2015	10.00	173 834	17 383	0.61	0.61	n/a	—
Dec. 31, 2014	10.00	179 277	17 928	0.61	0.61	n/a	—
Dec. 31, 2013	10.00	192 022	19 202	0.61	0.61	n/a	—
Series F							
Dec. 31, 2017	10.00	24 381	2 438	0.56	0.56	n/a	—
Dec. 31, 2016	10.00	12 499	1 250	0.56	0.56	n/a	—
Dec. 31, 2015	10.00	8 769	877	0.56	0.56	n/a	—
Dec. 31, 2014	10.00	12 965	1 297	0.56	0.56	n/a	—
Dec. 31, 2013	10.00	19 691	1 969	0.56	0.56	n/a	—
Series O							
Dec. 31, 2017	10.00	323 862	32 385	0.02	0.02	n/a	—
Dec. 31, 2016	10.00	168 559	16 856	0.02	0.02	n/a	—
Dec. 31, 2015	10.00	185 330	18 533	0.02	0.02	n/a	—
Dec. 31, 2014	10.00	284 482	28 448	0.02	0.02	n/a	—
Dec. 31, 2013	10.00	441 689	44 169	0.02	0.02	n/a	—

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund. The portfolio turnover rate is not applicable to money market funds.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at the annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	0.75%	33%	67%
Advisor Series	0.75%	33%	67%
Series D	0.60%	17%	83%
Series F	0.50%	–	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

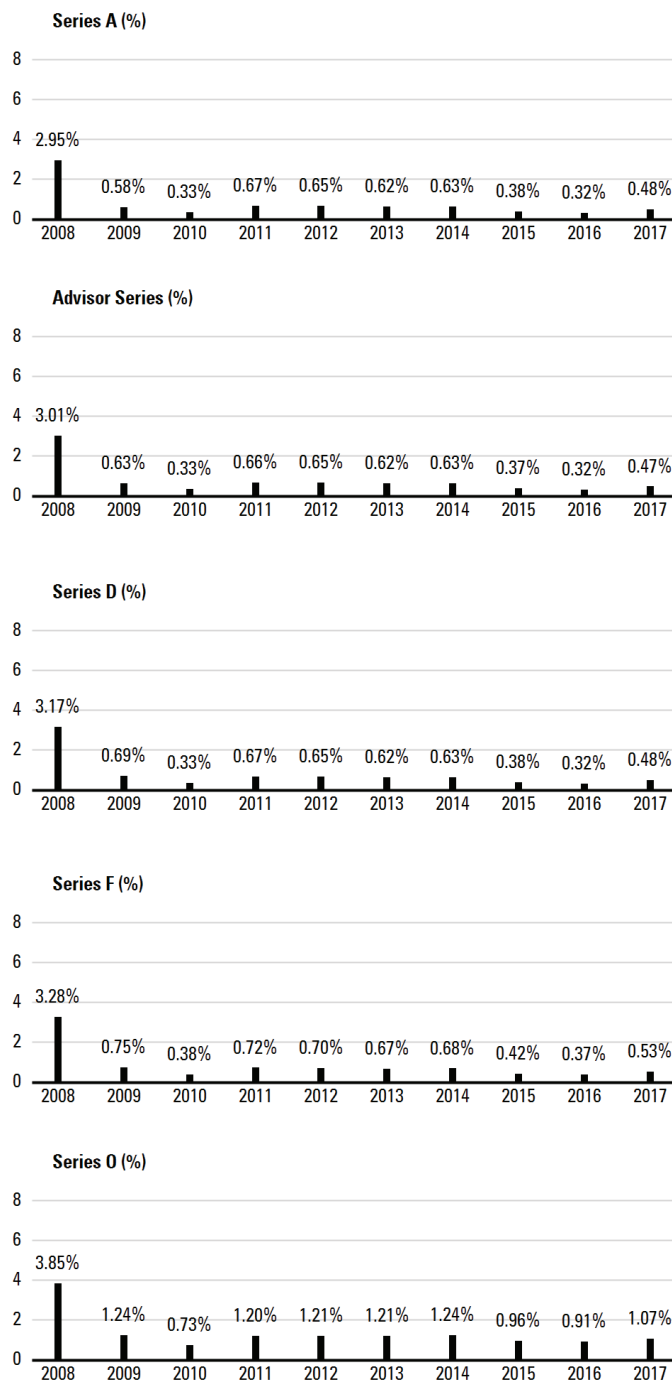
* Includes all costs related to management, trustee, investment advisory services, general administration and profit.

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Inception dates are not provided for series that have been in existence for more than 10 years.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2017

Investment Mix

	% of Net Asset Value
Commercial Paper	64.6
Bankers Acceptances and Bank Obligations	28.7
Provincial Obligations	6.3
Cash/Other	0.4

Top 25 Holdings

	% of Net Asset Value
Zeus Receivables Trust - Senior Notes 1.401% Jan 17 2018	2.3
Toronto-Dominion Bank 1.253% Jan 2 2018	2.3
Province of New Brunswick 1.058% Feb 1 2018	2.1
HSBC Bank Canada 1.332% Feb 26 2018	2.0
Prime Trust - Senior Notes 1.297% Jan 19 2018	1.9
Bank of Nova Scotia 1.040% Jan 29 2018	1.9
Canadian Imperial Bank of Commerce 0.995% Feb 9 2018	1.9
Clarity Trust 1.311% Jan 26 2018	1.9
Bank of Nova Scotia 1.121% Mar 22 2018	1.8
Banner Trust 1.619% Apr 26 2018	1.8
National Bank of Canada 1.308% Jan 22 2018	1.8
Toronto-Dominion Bank 1.100% Apr 25 2018	1.6
BNP Paribas Capital Trust 1.339% Jan 24 2018	1.6
Bay Street Funding Trust - Class A 1.401% Feb 1 2018	1.6
Canadian Imperial Bank of Commerce 1.550% Jun 8 2018	1.6
Fusion Trust 1.399% Jan 29 2018	1.5
King Street Funding Trust 1.451% Feb 15 2018	1.4
Toronto-Dominion Bank 1.100% Mar 5 2018	1.4
Fusion Trust 1.401% Feb 5 2018	1.4
SAFE Trust - Series 1996-1 1.401% Jan 10 2018	1.4
SAFE Trust - Series 1996-1 1.409% Mar 9 2018	1.3
Province of Manitoba 1.044% Jan 2 2018	1.3
HSBC Bank Canada 1.580% Apr 3 2018	1.3
Canadian Master Trust - Series A 1.286% Mar 7 2018	1.3
King Street Funding Trust 1.392% Jan 25 2018	1.3
Top 25 Holdings	41.7

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.