



FIXED-INCOME FUND

## RBC \$U.S. SHORT TERM INCOME CLASS

March 31, 2021

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

The Board of Directors of RBC Corporate Class Inc. approved this annual management report of fund performance on June 10, 2021.

### 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/en/ca](http://www.rbcgam.com/en/ca) or SEDAR at [www.sedar.com](http://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.*



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## MANAGEMENT DISCUSSION OF FUND PERFORMANCE (in USD)

### Investment Objective and Strategies

The Fund seeks to provide current income and liquidity consistent with short-term U.S. money market rates, to preserve the value of an investment, and to generate U.S. dollar returns, thereby providing investors with potential for currency diversification.

To achieve its investment objective, the Fund invests most of its assets in the RBC \$U.S. Money Market Fund (the “underlying fund”), which holds primarily high-quality, short-term (one year or less) debt securities denominated in U.S. dollars, including treasury bills issued or guaranteed by Canadian or foreign governments or their agencies, bankers acceptances, asset-backed commercial paper and commercial paper issued by Canadian or foreign corporations and supranational agencies such as the World Bank.

### 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.

### Results of Operations

The Fund’s net asset value fell to \$3 million as of March 31, 2021, from \$5 million as of March 31, 2020. The decrease was due to net redemptions.

Over the past year, the Fund’s Series A shares gained 0.2%, matching the 0.2% rise in the benchmark. The Fund’s return is after the deduction of fees and expenses, while the 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.

U.S. fixed-income markets were consumed by the COVID-19 pandemic and the efforts to defeat it, with the U.S. presidential election and a riot at the Capitol in Washington adding some drama. At the pandemic’s outset, damage to the U.S. economy triggered by government-mandated COVID-19 restrictions was met with massive fiscal and monetary support. The U.S. Federal Reserve (the “Fed”) cut interest rates by 3 percentage points to near zero and redoubled fixed-income asset purchases by trillions of dollars to provide global stability. U.S. money-market yields fell in response to the Fed’s initial easing and continued to trade at historical lows. A lack of supply, coupled with expectations that the Fed could be counted on to keep interest rates low, helped cap any rise in yields. The virus appeared to retreat during the summer months, but a second wave of cases

during the fall and winter resulted in renewed government relief programs as promised by a newly elected President Biden and a Democratic-controlled Congress. The U.S. economy recovered more quickly than expected, as the government support and vaccine approvals fueled hopes that the economy would bounce back quickly in 2021.

The portfolio manager managed the Fund during this initial tumultuous period by focusing on short-dated investments, as investor panic led to a serious lack of asset buyers. As pressures eased somewhat, the portfolio manager began seeking out the higher yields available on longer-dated securities. As a result, the Fund invested heavily in asset-back commercial paper. Commercial-paper markets were thin as issuance remained poor, and regulatory requirements were satisfied through maturity management and a core position in government paper.

### Recent Developments

Investors are focused on how quickly vaccination programs can bring down COVID-19 infections, as the Fed has stated that policy will be determined by how quickly the economy re-opens. The U.S., due to a comprehensive vaccination rollout, is on its way to a faster recovery than most industrial economies. However, a full recovery may still be some time away.

The portfolio manager expects that monetary- and fiscal-support programs will wind down as economic activity accelerates into the summer. Interest rates set by the Fed will remain at current low levels for at least another year, in the view of the portfolio manager, as the Fed is in no hurry to tighten policy. One risk to this outlook is inflation. Ultra-low interest rates combined with accelerating consumer demand will likely lead to faster inflation in the summer, in the view of the portfolio manager. In that event, the Fed might be forced to raise interest rates sooner than it would like.

Effective February 28, 2021, Ms. Catherine J. Kloepper resigned as Vice Chair of the Independent Review Committee (the “IRC”). Effective March 22, 2021, Mr. Paul K. Bates was appointed as Vice Chair of the IRC. Effective April 1, 2021, Ms. Brenda Eaton was appointed as a member of the IRC.

### Related-Party Transactions

#### *Manager and Portfolio Manager*

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager and portfolio manager of the Fund. RBC GAM is responsible for the Fund’s day-to-day operations, 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,



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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 mutual fund shares of 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 shareholders 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 may distribute certain series of the mutual fund shares of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' investment in certain series of mutual fund shares of the Fund.

#### ***Registrars***

RBC GAM, RBC Investor Services Trust ("RBC IS") or Royal Bank (or a combination thereof) are the registrars of the Fund and keep records of who owns mutual fund shares of the Fund. The registrars earn a fee, which is paid by the manager from the fixed administration fee paid by the Fund.

#### ***Custodian***

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.

#### ***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.



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## FINANCIAL HIGHLIGHTS (in USD)

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.

### Change in Net Assets Per Mutual Fund Share

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>					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	Total	
Series A												
Mar. 31, 2021	10.61	0.05	(0.03)	—	—	0.02	—	—	(0.11)	—	(0.11)	10.52
Mar. 31, 2020	10.39	0.24	(0.04)	—	—	0.20	—	—	—	—	—	10.61
Mar. 31, 2019	10.20	0.24	(0.04)	—	—	0.20	—	—	—	—	—	10.39
Mar. 31, 2018	10.08	0.18	(0.05)	—	—	0.13	—	—	—	—	—	10.20
Mar. 31, 2017	10.01	0.14	(0.06)	—	—	0.08	—	—	—	—	—	10.08
Series D												
Mar. 31, 2021	10.61	0.05	(0.03)	—	—	0.02	—	—	(0.11)	—	(0.11)	10.52
Mar. 31, 2020	10.39	0.24	(0.04)	—	—	0.20	—	—	—	—	—	10.61
Mar. 31, 2019	10.20	0.24	(0.04)	—	—	0.20	—	—	—	—	—	10.39
Mar. 31, 2018	10.08	0.19	(0.05)	—	—	0.14	—	—	—	—	—	10.20
Mar. 31, 2017	10.01	0.14	(0.07)	—	—	0.07	—	—	—	—	—	10.08
Series F												
Mar. 31, 2021	10.64	0.05	(0.02)	—	—	0.03	—	—	(0.11)	—	(0.11)	10.56
Mar. 31, 2020	10.41	0.23	(0.03)	—	—	0.20	—	—	—	—	—	10.64
Mar. 31, 2019	10.21	0.24	(0.03)	—	—	0.21	—	—	—	—	—	10.41
Mar. 31, 2018	10.08	0.16	(0.03)	—	—	0.13	—	—	—	—	—	10.21
Mar. 31, 2017	10.01	0.14	(0.06)	—	—	0.08	—	—	—	—	—	10.08
Series O												
Mar. 31, 2021	10.72	0.04	—	—	—	0.04	—	—	(0.11)	—	(0.11)	10.65
Mar. 31, 2020	10.46	0.24	—	—	—	0.24	—	—	—	—	—	10.72
Mar. 31, 2019	10.24	—	(0.04)	—	—	(0.04)	—	—	—	—	—	10.46
Mar. 31, 2018	10.09	0.17	(0.04)	—	—	0.13	—	—	—	—	—	10.24
Mar. 31, 2017	10.01	0.13	(0.05)	—	—	0.08	—	—	—	—	—	10.09

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

<sup>2</sup> Distributions are reinvested in additional mutual fund shares of the Fund or paid in cash.



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**FINANCIAL HIGHLIGHTS (in USD) (cont.)**

**Ratios and Supplemental Data**

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series A</b>							
<b>Mar. 31, 2021</b>	<b>10.52</b>	<b>126</b>	<b>12</b>	<b>0.26</b>	<b>0.96</b>	<b>63.69</b>	—
Mar. 31, 2020	10.61	717	68	0.39	0.96	86.84	—
Mar. 31, 2019	10.39	502	48	0.34	1.03	86.02	—
Mar. 31, 2018	10.20	148	15	0.28	1.24	508.20	—
Mar. 31, 2017	10.08	72	7	0.28	1.26	44.86	—
<b>Series D</b>							
<b>Mar. 31, 2021</b>	<b>10.52</b>	<b>202</b>	<b>19</b>	<b>0.28</b>	<b>0.72</b>	<b>63.69</b>	—
Mar. 31, 2020	10.61	307	29	0.40	0.72	86.84	—
Mar. 31, 2019	10.39	358	34	0.34	0.78	86.02	—
Mar. 31, 2018	10.20	10	1	0.28	0.99	508.20	—
Mar. 31, 2017	10.08	2	—	0.29	1.27	44.86	—
<b>Series F</b>							
<b>Mar. 31, 2021</b>	<b>10.56</b>	<b>2 448</b>	<b>232</b>	<b>0.21</b>	<b>0.60</b>	<b>63.69</b>	—
Mar. 31, 2020	10.64	3 873	364	0.28	0.60	86.84	—
Mar. 31, 2019	10.41	1 700	163	0.25	0.66	86.02	—
Mar. 31, 2018	10.21	706	69	0.22	0.88	508.20	—
Mar. 31, 2017	10.08	59	6	0.23	1.21	44.86	—
<b>Series O</b>							
<b>Mar. 31, 2021</b>	<b>10.65</b>	<b>113</b>	<b>11</b>	<b>0.05</b>	<b>0.05</b>	<b>63.69</b>	—
Mar. 31, 2020	10.72	157	15	0.06	0.08	86.84	—
Mar. 31, 2019	10.46	191	18	0.05	0.14	86.02	—
Mar. 31, 2018	10.24	1	—	0.05	0.36	508.20	—
Mar. 31, 2017	10.09	148	15	0.05	1.03	44.86	—

<sup>1</sup> The management expense ratio ("MER") is based on the direct expenses charged to the Fund and the Fund's proportionate share of the expenses of underlying funds, if any, 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 shareholders, 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.

<sup>2</sup> 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.

<sup>3</sup> 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.



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## FINANCIAL HIGHLIGHTS (in USD) (cont.)

### Management Fees and Administration Fees

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

	Management Fees	Breakdown of Services		Administration Fees
		Distribution	Other*	
Series A	0.85%	29%	71%	0.03%
Series D	0.60%	17%	83%	0.03%
Series F	0.50%	—	100%	0.03%
Series O	n/a	n/a	n/a	0.02%

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

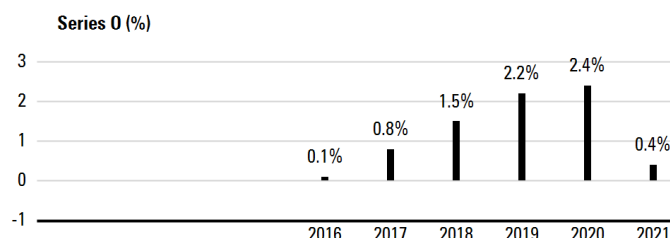
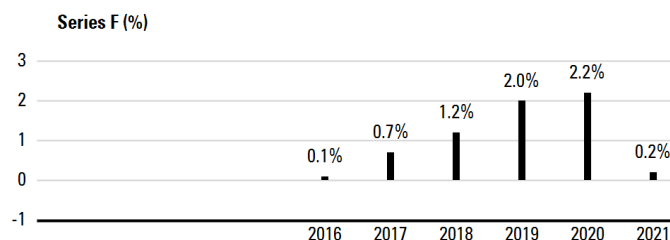
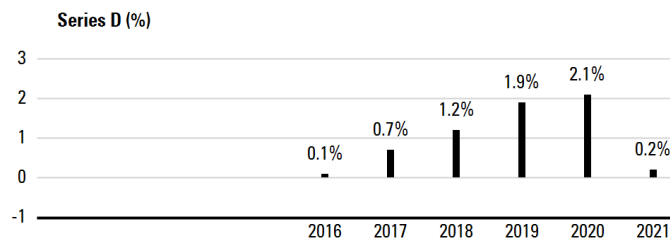
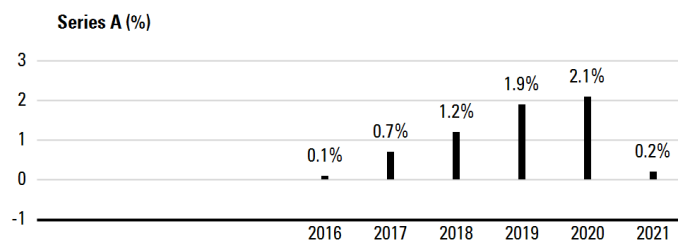
\* Includes all costs related to management, investment advisory services, general administration and profit.

## PAST PERFORMANCE (in USD)

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional shares 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.





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## PAST PERFORMANCE (in USD) (cont.)

### Annual Compound Returns (%)

The table shows the annual compound returns for each series of the Fund and for each of the periods indicated ended on March 31, 2021, compared with the following benchmark:

#### Citigroup 3-Month T-Bill Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A	0.2	1.4	1.2	—	1.2
Benchmark	0.2	1.5	1.2	—	1.1
Series D	0.2	1.4	1.2	—	1.2
Benchmark	0.2	1.5	1.2	—	1.1
Series F	0.2	1.5	1.3	—	1.2
Benchmark	0.2	1.5	1.2	—	1.1
Series O	0.4	1.7	1.4	—	1.4
Benchmark	0.2	1.5	1.2	—	1.1

The returns of each series may vary because of differences in management fees and expenses. Benchmark and/or broad-based index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to benchmark and/or broad-based indexes.

Series A, Series D, Series F and Series O mutual fund shares have been available for sale to shareholders since January 25, 2016.

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

### INDEX DESCRIPTIONS

**Citigroup 3-Month T-Bill Index** The index tracks the performance of short-term U.S. government debt instruments.

## SUMMARY OF INVESTMENT PORTFOLIO (in USD)

(after consideration of derivative products, if any)

As at March 31, 2021

### Investment Mix

	% of Net Asset Value
Commercial Paper	77.3
Provincial Obligations	14.1
Bankers Acceptances and Bank Obligations	9.2
Cash/Other	(0.6)

### Top 25 Holdings\*

	% of Net Asset Value
Province of British Columbia 0.112% Apr 22 2021	6.5
Enbridge Pipelines Inc. 0.173% Mar 22 2021	5.0
Ridge Trust 0.400% May 13 2021	4.6
Canadian Imperial Bank of Commerce 0.116% Mar 5 2021	3.8
PSP Capital Inc. 0.148% Apr 6 2021	3.4
Fusion Trust 0.271% Aug 12 2021	3.4
National Bank of Canada 0.250% Oct 4 2021	2.6
Prime Trust - Senior Notes 0.204% Mar 25 2021	2.5
Province of Alberta 0.088% May 10 2021	2.3
Ridge Trust 0.390% Mar 23 2021	2.3
Merit Trust - Senior Notes 0.435% Mar 29 2021	2.3
Reliant Trust 0.371% Jul 14 2021	2.2
Ridge Trust 0.244% Mar 5 2021	2.2
National Bank of Canada 0.230% May 26 2021	2.1
Banner Trust 0.401% May 27 2021	2.0
SURE Trust 0.350% Jul 6 2021	2.0
Zeus Receivables Trust - Senior Notes 0.401% May 27 2021	2.0
Merit Trust - Senior Notes 0.461% Mar 22 2021	1.9
Caisse Centrale Desjardins 0.148% Apr 27 2021	1.9
Hydro-Quebec 0.069% May 5 2021	1.8
Province of British Columbia 0.109% Apr 29 2021	1.8
SURE Trust 0.440% Apr 1 2021	1.7
SAFE Trust - Series 1996-1 0.440% Apr 1 2021	1.5
Toronto-Dominion Bank 0.116% Mar 8 2021	1.5
SOUND Trust 0.269% Aug 18 2021	1.4
Top 25 Holdings	64.7

\* The Fund invests substantially all of its assets directly in the RBC \$U.S. Money Market Fund. The above are the Top 25 holdings of the RBC \$U.S. Money Market Fund.

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/en/ca](http://www.rbcgam.com/en/ca).

The Simplified Prospectus and other information about the underlying fund are available on SEDAR website at [www.sedar.com](http://www.sedar.com).