



RBC Canadian Short-Term Income Fund

Investment Objective

To provide a competitive level of monthly income by investing primarily in short-term, high-quality fixed-income securities issued or guaranteed by Canadian federal, provincial or municipal governments and corporations.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF264
Adv	Deferred Sales	CAD	RBF851
Adv	Front End	CAD	RBF751
Adv	Low Load	CAD	RBF113

Inception Date	January 1992
Total Fund Assets \$Mil	6,296.7
Series A NAV \$	10.57
Series A MER %	1.04
Benchmark	FTSE Canada Short Term Overall Bond Index

Income Distribution	Monthly
Capital Gains Distribution	Annually

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

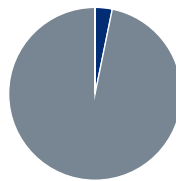
Fund Category	Canadian Short Term Fixed Income
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Management Company	RBC Global Asset Management Inc.
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Web Site	www.rbcgam.com
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Portfolio Analysis as of July 31, 2019

Asset Mix



	% Assets
Cash	3.2
Fixed Income	96.8
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

Fixed Income Breakdown

	% Fixed Income
Government Bonds	50.5
Corporate Bonds	46.3
Other Bonds	0.0
Mortgage Backed Securities	0.0
ST Investments (Cash & Other)	3.2
Asset Backed Securities	0.0

Bond Rating	%	Term to Maturity	%
Cash / Cash Equiv.	3.2	Under 1 year	6.5
AAA	28.0	1 - 5 Yrs	86.2
AA	29.0	5 - 10 Yrs	7.1
A	28.8	Over 10 Yrs	0.3
BBB	11.0		
Below BBB	0.0	Avg. Term to maturity (Yrs)	2.9
Mortgages	0.0	Duration (Yrs)	2.8
NR/NA	0.1	Yield to Maturity	1.9

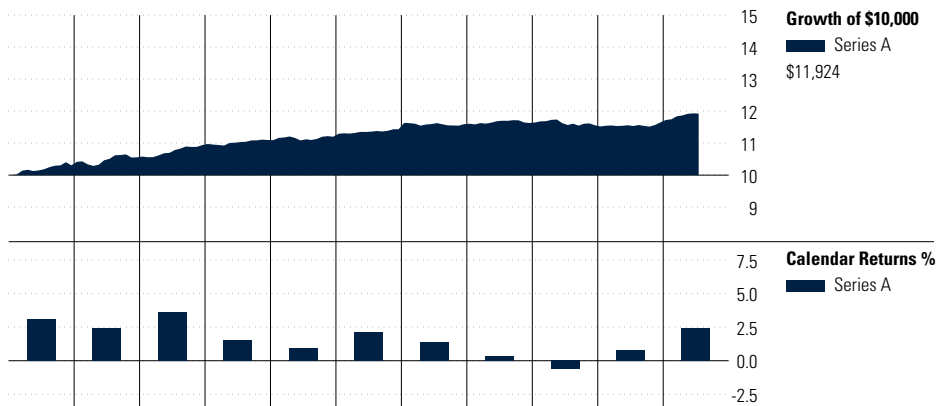
Geographic Allocations

	% Assets
Canada	100.0
United States	0.0
International (ex-Emerging Markets)	0.0
Emerging Markets	0.0

Top 10 Holdings

	% Assets
Canada (Government of) 0.5% 01-03-2022	3.8
Canada (Government of) 1.5% 01-03-2020	3.0
Ontario (Province Of) 2.85% 02-06-2023	2.6
Canada (Government of) 2.25% 01-03-2024	2.2
Canada Hsg Tr No 1 3.35% 15-06-2024	2.2
Ontario (Province Of) 2.3% 08-09-2024	2.1
Ontario (Province Of) 1.35% 08-03-2022	2.1
Quebec (Province Of) 3.5% 01-12-2022	2.1
Canada Housing Tr No.1 1.25% 15-06-2021	1.9
Quebec (Province Of) 4.5% 01-12-2020	1.8
Total % of Top 10 Holdings	23.7
Total Number of Stock Holdings	0
Total Number of Bond Holdings	189
Total Number of Other Holdings	10
Total Number of Holdings	199

Performance Analysis as of July 31, 2019



Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	YTD	Fund Quartile
Calendar Returns %	3.1 ^{3rd}	2.4 ^{3rd}	3.6 ^{2nd}	1.5 ^{3rd}	0.9 ^{3rd}	2.1 ^{3rd}	1.4 ^{3rd}	0.3 ^{4th}	-0.6 ^{4th}	0.8 ^{3rd}	2.4 ^{3rd}	

Period	1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
Calendar Returns %	-0.1 ^{4th}	0.5 ^{3rd}	1.7 ^{3rd}	3.4 ^{3rd}	0.6 ^{4th}	1.0 ^{4th}	1.6 ^{3rd}	3.8	Fund Quartile
No. of Funds in Category	244	242	239	232	197	164	60	—	No. of Funds in Category



RBC Canadian Short-Term Income Fund

Management Overview

Manager Bios

Walter Posiewko

RBC Global Asset Management Inc.

Walter Posiewko is Vice President and Senior Portfolio Manager, Global Fixed Income and Money Markets. He has been in the investment industry since 1985.

Performance Analysis Cont'd as of July 31, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	0.09	0.14	0.14	0.16	0.18	0.19	0.20	0.25	0.28	0.30	0.33
Interest	0.09	0.14	0.14	0.16	0.18	0.19	0.20	0.25	0.28	0.30	0.33
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	1-1996	13.6	7-1997	8.7	7-1999	6.4	7-2004	5.4
Worst	5-2018	-1.7	1-2018	-0.3	10-2018	0.6	12-2018	1.5
Average		3.4		3.2		3.2		3.3
No. of Periods		289		265		241		181
Pct. Positive		92.7		96.2		100.0		100.0

* Distributions are characterized into income type at year-end.

Commentary as at June 30, 2019

Canadian fixed-income markets rallied during the first half of 2019, as expectations of slowing global economic growth and the intensifying U.S.-China trade dispute spurred bond buying by domestic and international investors alike. Against this backdrop, the IMF twice lowered its projections for global growth. The U.S. Federal Reserve's (the "Fed") commitment to tighter monetary policy came under sustained attack from both investors and President Trump, as a lack of resolution to the trade dispute led to intensified concerns about the sustainability of the U.S. expansion. Lower inflation and expectations that it would slow even more fueled calls for the Fed to reconsider its planned path to higher interest rates, and the Fed did appear headed for an interest-rate cut if warranted.

In Canada, the economy showed signs of recovery after a slow start to the year, with strong labour markets and pick-ups in consumer optimism and housing. However, bond yields declined in Canada as inflation pressures retreated and global concerns predominated.

In this environment of sharply falling government yields, the portfolio manager bumped up exposure to non-government assets as relative valuations improved, and as government yields fell further below the cost of overnight funding. The portfolio manager positioned the Fund such that significant swings in interest rates would not have an excessively large impact on performance and on the assumption that overall interest rates would come down.

Many major central banks appear primed to lower interest rates and more generally stimulate borrowing in support of global economic growth, which shows signs of weakening. While the Canadian economy appears to be holding up relatively well, short-term Canadian yields are anticipating U.S. monetary easing. Whatever the case, it is fairly certain, in the view of the portfolio manager, that policymakers will not be raising short-term rates anytime soon. The portfolio manager therefore expects lower yields overall and smaller premiums on non-government securities in the short term.



RBC Canadian Short-Term Income 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.

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MER (%) for RBC Funds, PH&N Funds and BlueBay Funds 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.

MER (%) for RBC Corporate Class Funds is based on actual expenses for the preceding full year period ended March 31 or half-year period ended September 30 expressed on an annualized basis, depending on availability of data at the time of publication.

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.

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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).

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