

PH&N Canadian Money Market Fund

Investment Objective

To provide a steady level of current income while preserving capital by investing in a well-diversified portfolio of short-term Canadian money market securities.

Fund Details

Series	Load Structure	Currency	Fund Code
A	No Load	CAD	RBF7120
Adv	Front End	CAD	RBF6120
Adv	Low Load	CAD	RBF4120

Inception Date	November 2008
Total Fund Assets \$Mil	1,831.8
Series A Current Yield%	1.41
Series A MER %	0.54
Benchmark	FTSE Canada 30 Day T-Bill Index

Income Distribution	Monthly
Capital Gains Distribution	N/A

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

Fund Category	Canadian Money Market
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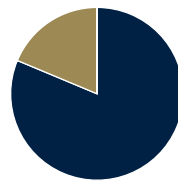
Management Company	RBC Global Asset Management Inc.
Web Site	www.rbcgam.com

Notes

The current yield is an annualized yield based on the seven day period ended as of the date of the Performance Analysis.

Portfolio Analysis as of June 30, 2019

Asset Mix



	% Assets
Cash	81.3
Fixed Income	18.7
Canadian Equity	0.0
US Equity	0.0
International Equity	0.0
Other	0.0

Term to Maturity

	%
0 - 30 days	44
31 - 60 days	15
61 - 90 days	22
90 + days	19
Avg. Term to maturity (days)	57

Cash Breakdown

	Cash (%)
Treasury Bills	0.0
Provincial Bills	0.0
Bankers Acceptance	14.8
Commercial Paper	35.3
Bank Deposits	49.9

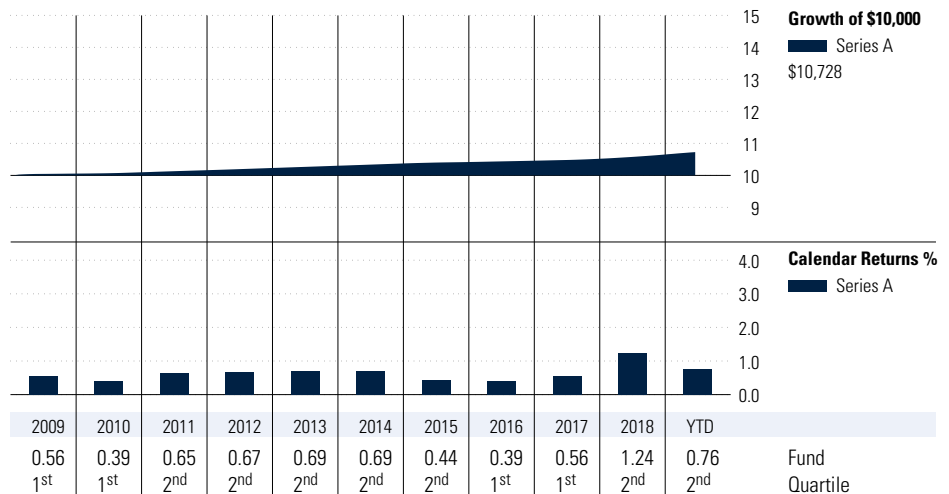
Credit Quality

	%
R1 High	64.6
R1 Medium	6.7
R1 Low	28.7
Avg. Rating	R1H

Top 25 Holdings

	% Assets
Banner Trust 1.882% 18-09-2019	2.7
Canadian Master Tr A 1.971% 28-11-2019	1.9
Merit Trust 1.866% 09-07-2019	1.9
King Street Funding Tr 1.889% 04-09-2019	1.7
Merit Trust 1.882% 17-09-2019	1.6
Husky Energy Inc. 2.011% 23-07-2019	1.6
Bank of Montreal 1.8% 11-07-2019	1.6
Zeus Receivables Trust 1.844% 15-07-2019	1.6
Enbridge Gas Distribut 1.998% 26-07-2019	1.6
Nissan Canada Fin Serv 1.978% 25-07-2019	1.5
Fusion Trust 2.061% 03-09-2019	1.4
GTAA 1.863% 11-07-2019	1.4
Epcor Utilities Inc. 1.826% 08-07-2019	1.4
CIBC 1.840% 17-12-2019	1.4
Sound Trust 1.910% 09-07-2019	1.4
Caterpillar Fin Servic 1.819% 22-07-2019	1.2
Enbridge Pipelines Inc. 2.022% (ST)	1.2
CIBC 1.931% 07-10-2019	1.2
Stable Trust 1.901% 20-12-2019	1.2
Altalink Lp 1.959% 29-07-2019	1.2
Canadian Master Tr A 1.920% 09-12-2019	1.2
Bank Of Montreal 1.803% 17-07-2019	1.1
Altalink Lp 1.956% 15-07-2019	1.1
CIBC 2.160% 01-08-2019	1.1
Lower Mattagami Energy Lp 1.841% (ST)	1.1
Total % of Top 25 Holdings	36.1
Total Number of Stock Holdings	0
Total Number of Bond Holdings	29
Total Number of Other Holdings	151
Total Number of Holdings	180

Performance Analysis as of June 30, 2019



1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr	Since Incep.	Trailing Return %
0.11	0.35	0.76	1.46	0.92	0.75	0.66	0.68	Fund
2 nd	2 nd	2 nd	2 nd	1 st	1 st	1 st	—	Quartile
236	234	234	227	192	170	117	—	No. of Funds in Category

PH&N Canadian Money Market Fund

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 June 30, 2019

Distributions (\$)/Unit	YTD*	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Distributions	0.08	0.12	0.06	0.04	0.04	0.07	0.07	0.07	0.06	0.04	0.06
Interest	0.08	0.12	0.06	0.04	0.04	0.07	0.07	0.07	0.06	0.04	0.06
Dividends	—	—	—	—	—	—	—	—	—	—	—
Capital Gains	—	—	—	—	—	—	—	—	—	—	—
Return Of Capital	—	—	—	—	—	—	—	—	—	—	—

Best/Worst Periods %	Ended	1 Yr	Ended	3 Yr	Ended	5 Yr	Ended	10 Yr
Best	6-2019	1.46	6-2019	0.92	6-2019	0.75	6-2019	0.66
Worst	5-2010	0.19	9-2017	0.46	9-2017	0.55	1-2019	0.63
Average		0.62		0.60		0.61		0.64
No. of Periods		116		92		68		8
Pct. Positive		100.00		100.00		100.00		100.00

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

Commentary as at June 30, 2019

During the first six months of the year, the portfolio manager allocated all of the Fund's assets to money-market instruments paying higher yields than Government of Canada Treasury bills. Such instruments included corporate notes, bank-sponsored asset-backed commercial paper, and bankers' acceptances. The portfolio also had a small allocation to short-term floating-rate notes, whose payments adjust to changes in short-term interest rates.

Throughout the year, the Bank of Canada (BoC) has taken a pause from increasing the overnight rate in order to support the economy through a weak patch. The BoC has kept the policy rate at 1.75% in 2019 so far after raising it three times in 2018. This pause in policy is expected to last for the rest of the year as the BoC has continued to take a more cautious tone in its public statements. While the overnight rate has remained unchanged, the yield curve has continued to flatten and even invert at certain points. Currently, the yield on 3-

month T-bills is similar to the yield on 1-month T-bills. However, the extra yield available on longer-maturing corporate notes remains compelling, so the portfolio manager kept the Fund's average maturity close to its 60-day maximum. This strategy was additive to relative performance in the period.

In Canada, the economic outlook reflects moderating housing activity and considerable pressure on the domestic energy sector. At the same time, Canada's job market has been quite strong according to recent job creation data and inflation has been trending upwards since the start of the year. In light of these developments, the Bank of Canada (BoC) has remained patient, leaving its policy interest rate unchanged since its last increase in October 2018, and there is a strong likelihood that they remain on pause through the remainder of 2019.

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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.

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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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