



RBC Global
Asset Management

RBC CORPORATE CLASS FUNDS
RBC UNDERLYING FUNDS
RBC REFERENCE FUNDS

2012 Annual Report



RBC CORPORATE CLASS FUNDS

Annual Management Report of Fund Performance

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FIXED-INCOME FUND

RBC SHORT TERM INCOME CLASS

March 31, 2012

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 May 23, 2012.

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/funds 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.



March 31, 2012

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide current income and liquidity consistent with short-term money market rates, and to preserve the value of an investment.

To achieve its investment objective, the Fund invests most of its assets in the RBC Canadian Money Market Fund (the “underlying fund”), which holds primarily high-quality short-term government and corporate-debt securities with a maximum term of 365 days. The underlying fund’s corporate-debt holdings are deemed by major debt-rating agencies to be suitable for conservative investors. The underlying 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.

Results of Operations

The Fund was launched on January 1, 2012, and its net asset value was \$9.1 million as of March 31, 2012. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

On April 3, 2012, Royal Bank of Canada (“Royal Bank”) announced that it has entered into a definitive agreement to acquire the 50% stake that Royal Bank does not already own in the joint venture RBC Dexia Investor Services Limited which owns RBC Dexia Investor Services Trust (“RBC Dexia”), the custodian of the Fund. Following the closing of the transaction, Royal Bank will own 100% of RBC Dexia Investor Services Limited.

The outlook for Canadian bonds is subject to a number of forces that can move valuations substantially. Risks to the bond market include rising energy prices, concern about Iran’s nuclear ambitions, a renewed wave of macroeconomic anxiety in Europe and the potential effect of an accelerating U.S. recovery on bond yields. The U.S. Federal Reserve Board’s latest efforts to bolster the economy expire in the second quarter, and this could have repercussions for longer-dated Treasuries and Canadian bonds. With this level of uncertainty, the portfolio manager expects to spread risks somewhat evenly across the portfolio.

Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank and is the manager and portfolio advisor 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, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributor

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

Custodian

RBC Dexia is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC Dexia and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors (“BoG”) in its capacity as 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.



March 31, 2012

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 BoG 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.



March 31, 2012

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 since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class 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.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year	
		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												
Mar. 31, 2012³	10.00[†]	0.02	(0.02)	–	–	–	–	–	–	–	–	10.01
Advisor Series												
Mar. 31, 2012³	10.00[†]	0.03	(0.03)	–	–	–	–	–	–	–	–	10.00
Series D												
Mar. 31, 2012³	10.00[†]	0.02	(0.02)	–	–	–	–	–	–	–	–	10.00
Series F												
Mar. 31, 2012³	10.00[†]	0.04	(0.03)	–	–	0.01	–	–	–	–	–	10.01
Series O												
Mar. 31, 2012³	10.00[†]	0.04	(0.02)	–	–	0.02	–	–	–	–	–	10.02

¹ 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.

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

³ From January 1, 2012.

[†] Initial offering net asset value per mutual fund share.

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 (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2012⁴	10.01	4 488	449	0.63	0.63	18.51	–
Advisor Series							
Mar. 31, 2012⁴	10.00	1 200	120	0.69	0.69	18.51	–
Series D							
Mar. 31, 2012⁴	10.00	81	8	0.63	0.63	18.51	–
Series F							
Mar. 31, 2012⁴	10.01	677	68	0.58	0.58	18.51	–
Series O							
Mar. 31, 2012⁴	10.02	2 653	265	0.11	0.11	18.51	–

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 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.

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.

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.

⁴ From January 1, 2012.



March 31, 2012

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable 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	0.50%	20%	80%
Series F	0.50%	–	100%

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

* Management fees represent the actual average management fee rate for the period ended March 31, 2012.

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

PAST PERFORMANCE

Investment performance in respect of a fund that has been available for less than one year is not provided.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2012

Investment Mix

	% of Net Asset Value
Commercial Paper	60.3
Bankers Acceptances and Bank Obligations	36.7
Provincial Obligations	3.0

Top 25 Holdings

	% of Net Asset Value
Bank of Montreal 1.201% Jun 5 12	3.2
National Bank of Canada 1.096% Apr 9 12	2.7
Bay Street Funding Trust – Class A 1.169% Apr 25 12	2.4
Toronto-Dominion Bank 1.201% Jul 12 12	2.4
Darwin Receivables Trust – Senior Notes 1.170% May 8 12	2.3
Bank of Nova Scotia 1.138% May 2 12	2.2
HSBC Bank Canada 1.150% Jun 19 12	2.2
Canadian Imperial Bank of Commerce 1.270% Sep 28 12	2.2
Zeus Receivables Trust – Senior Notes 1.279% Sep 7 12	1.9
Toronto-Dominion Bank 1.200% Aug 15 12	1.9
Bank of Nova Scotia 1.150% May 8 12	1.8
King Street Funding Trust 1.130% Apr 24 12	1.7
Canadian Imperial Bank of Commerce 1.306% Sep 10 12	1.7
HSBC Bank Canada 1.150% Apr 4 12	1.6
Diversified Trust 1.159% May 7 12	1.6
Prime Trust – Senior Notes 1.171% Apr 10 12	1.6
Fusion Trust 1.179% May 17 12	1.6
Canadian Imperial Bank of Commerce 1.281% Aug 29 12	1.6
Bank of America Corp. 1.700% Apr 12 12	1.6
Bank of Nova Scotia 1.270% Jan 29 13	1.5
National Bank of Canada 1.460% Jul 6 12	1.4
Bank of Montreal 1.211% Jul 18 12	1.4
Province of Alberta 1.279% Jun 15 13	1.3
Bay Street Funding Trust – Class A 1.171% Apr 10 12	1.3
SOUND Trust 1.171% Jun 21 12	1.3
Top 25 Holdings	46.4

The Fund invests substantially all of its assets directly in the RBC Canadian Money Market Fund. The Investment Mix and Top 25 Holdings, shown above, are the proportionate holdings of the RBC Canadian 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/funds.

The simplified prospectus and other information about the underlying fund is available on SEDAR website at www.sedar.com.



FIXED-INCOME FUND

**PHILLIPS, HAGER & NORTH
TOTAL RETURN BOND CAPITAL CLASS**

March 31, 2012

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 May 23, 2012.

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/funds 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 stability of capital through exposure primarily to a well-diversified portfolio of fixed-income securities issued by Canadian governments and corporations.

To achieve its investment objective, the Fund invests most of its assets in the Phillips, Hager & North Total Return Bond LP (the "underlying fund"). The underlying fund may enter into one or more forward contracts to gain exposure to the performance of the Phillips, Hager & North Total Return Bond Trust (the "reference fund"). The Fund may also invest in fixed-income securities or units of the reference fund. The return of the underlying fund will depend on the return of the reference fund. The portfolio manager of the reference fund invests primarily in medium- to high-quality corporate bonds and government bonds of Canadian issuers and may also invest in securities of U.S. and other foreign issuers. The reference fund may also invest in Canadian asset-backed commercial paper to enhance its return. The average term to maturity of the portfolio is managed within strict guidelines, and typically falls between seven and 12 years.

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 was launched on January 1, 2012, and its net asset value was \$139.2 million as of March 31, 2012. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

On April 3, 2012, Royal Bank of Canada ("Royal Bank") announced that it has entered into a definitive agreement to acquire the 50% stake that Royal Bank does not already own in the joint venture RBC Dexia Investor Services Limited which owns RBC Dexia Investor Services Trust ("RBC Dexia"), the custodian of the Fund. Following the closing of the transaction, Royal Bank will own 100% of RBC Dexia Investor Services Limited.

Given the brightening prospects for economic growth, the portfolio manager believes that bond yields have room to rise. This outlook has resulted in a portfolio that can weather an environment of higher interest rates, and one that will also benefit from higher allocations to investment-grade and high-yield corporate bonds, as well as provincial fixed-income securities.

Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank and is the manager and portfolio advisor 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, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributor

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

Custodian

RBC Dexia is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC Dexia and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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.



March 31, 2012

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 since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class 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.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year	
		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												
Mar. 31, 2012³	10.00[†]	–	(0.03)	–	0.03	–	–	–	–	–	–	10.00
Advisor Series												
Mar. 31, 2012³	10.00[†]	–	(0.03)	–	0.03	–	–	–	–	–	–	10.00
Series D												
Mar. 31, 2012³	10.00[†]	–	(0.02)	–	0.02	–	–	–	–	–	–	10.02
Series F												
Mar. 31, 2012³	10.00[†]	–	(0.02)	–	0.02	–	–	–	–	–	–	10.02
Series O												
Mar. 31, 2012³	10.00[†]	–	(0.01)	–	0.04	0.03	–	–	–	–	–	10.03

¹ 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.

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

³ From January 1, 2012.

[†] Initial offering net asset value per mutual fund share.

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 (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2012⁴	10.00	28 329	2 832	1.23	1.23	–	–
Advisor Series							
Mar. 31, 2012⁴	10.00	15 773	1 577	1.23	1.23	–	–
Series D							
Mar. 31, 2012⁴	10.02	806	80	0.65	0.65	–	–
Series F							
Mar. 31, 2012⁴	10.02	27 867	2 783	0.66	0.66	–	–
Series O							
Mar. 31, 2012⁴	10.03	66 433	6 624	0.08	0.08	–	–

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 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.

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.

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.

⁴ From January 1, 2012.



March 31, 2012

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable 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	1.00%	50%	50%
Advisor Series	1.25%	40%	60%
Series D	0.50%	40%	60%
Series F	0.50%	—	100%

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

* Management fees represent the actual average management fee rate for the period ended March 31, 2012.

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

PAST PERFORMANCE

Investment performance in respect of a fund that has been available for less than one year is not provided.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2012

Investment Mix

	% of Net Asset Value
Corporate Bonds	52.5
Provincial/Municipal Bonds	30.2
Federal Bonds	2.3
Mortgages and Mortgage-Backed Securities	0.8
Cash/Other	14.2

Top 25 Holdings

	% of Net Asset Value
Cash & Cash Equivalents	15.0
Province of Ontario 7.600% Jun 2 27	5.1
Province of Ontario 6.500% Mar 8 29	4.6
Province of Ontario 5.850% Mar 8 33	3.1
Phillips, Hager & North High Yield Bond Fund	3.0
Toronto-Dominion Bank 5.382% Nov 1 17	2.9
Bank of Montreal 2.960% Aug 2 16	2.4
Province of Ontario 4.600% Jun 2 39	2.4
Master Credit Card Trust 5.297% Aug 21 12	2.2
Royal Bank of Canada 2.680% Dec 8 16	2.0
Canadian Imperial Bank of Commerce 2.650% Nov 8 16	1.9
Province of Ontario 5.600% Jun 2 35	1.8
Province of Ontario 4.200% Jun 2 20	1.8
Bank of Nova Scotia 6.000% Oct 3 18	1.6
CU Inc. 6.145% Nov 22 17	1.6
Canada Housing Trust No. 1 4.100% Dec 15 18	1.5
HSBC Bank Canada 2.901% Jan 13 17	1.5
Province of Quebec 6.250% Jun 1 32	1.4
Canada Housing Trust No. 1 3.750% Mar 15 20	1.4
Province of Ontario 4.650% Jun 2 41	1.3
Province of Ontario 9.500% Jul 13 22	1.1
Master Credit Card Trust 5.237% May 21 13	1.1
Wells Fargo Financial Canada Corp. 5.200% Sep 13 12	1.1
Province of Ontario 4.400% Jun 2 19	1.1
Sun Life Financial Inc. 4.380% Mar 2 22	1.1
Top 25 Holdings	64.0

The Fund invests substantially all of its assets directly in the Phillips, Hager & North Total Return Bond LP which obtains exposure to the Phillips, Hager & North Total Return Bond Trust by entering into one or more forward contracts. The Investment Mix and Top 25 Holdings, shown above, are the proportionate holdings of the Phillips, Hager & North Total Return Bond Trust.

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.

The simplified prospectus and other information about the underlying fund and the reference fund is available on SEDAR website at www.sedar.com.



FIXED-INCOME FUND

RBC HIGH YIELD BOND CAPITAL CLASS

March 31, 2012

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 May 23, 2012.

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/funds 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.



March 31, 2012

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide a high level of income with the potential for modest capital growth through exposure primarily to higher yielding corporate debt securities issued by Canadian and U.S. corporations.

To achieve its investment objective, the Fund invests most of its assets in the RBC High Yield Bond LP (the “underlying fund”). The underlying fund may enter into one or more forward contracts linked to the performance of the RBC High Yield Bond Trust (the “reference fund”). The Fund may also invest in fixed-income securities or units of the reference fund. The return of the underlying fund will depend on the return of the reference fund. The portfolio manager of the reference fund invests primarily in debt securities rated from BBB to B by Standard & Poor’s or an equivalent credit-rating company. The portfolio manager employs a value-focused philosophy, striving to invest in quality companies having stable to improving credit profiles, which are considered undervalued.

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 was launched on January 1, 2012, and its net asset value was \$128.0 million as of March 31, 2012. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

On April 3, 2012, Royal Bank of Canada (“Royal Bank”) announced that it has entered into a definitive agreement to acquire the 50% stake that Royal Bank does not already own in the joint venture RBC Dexia Investor Services Limited which owns RBC Dexia Investor Services Trust (“RBC Dexia”), the custodian of the Fund. Following the closing of the transaction, Royal Bank will own 100% of RBC Dexia Investor Services Limited.

Concerns about the strength of global economic growth in the U.S. and China, and the re-emergence of risks in the Eurozone, have curbed investors’ risk appetites. The portfolio manager expects the high-yield bond market to remain volatile in the short term, and therefore remains cautious. The portfolio manager also plans to rotate the cash, security-quality and geographic mix of the portfolio in a way that takes advantage of opportunities as they arise.

Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank and is the manager and portfolio advisor 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, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributor

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

Custodian

RBC Dexia is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC Dexia and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors (“BoG”) in its capacity as 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.



March 31, 2012

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 BoG 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.



March 31, 2012

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 since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class 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.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year	
		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												
Mar. 31, 2012³	10.00[†]	–	(0.04)	–	0.17	0.13	–	–	–	–	–	10.12
Advisor Series												
Mar. 31, 2012³	10.00[†]	–	(0.04)	–	0.17	0.13	–	–	–	–	–	10.12
Series D												
Mar. 31, 2012³	10.00[†]	–	(0.03)	–	0.17	0.14	–	–	–	–	–	10.13
Series F												
Mar. 31, 2012³	10.00[†]	–	(0.03)	–	0.17	0.14	–	–	–	–	–	10.14
Series O												
Mar. 31, 2012³	10.00[†]	–	(0.01)	–	0.17	0.16	–	–	–	–	–	10.16

¹ 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.

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

³ From January 1, 2012.

[†] Initial offering net asset value per mutual fund share.

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 (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2012⁴	10.12	9 600	948	1.52	1.52	–	–
Advisor Series							
Mar. 31, 2012⁴	10.12	13 844	1 368	1.52	1.52	–	–
Series D							
Mar. 31, 2012⁴	10.13	490	48	1.12	1.12	–	–
Series F							
Mar. 31, 2012⁴	10.14	11 822	1 166	0.95	0.95	–	–
Series O							
Mar. 31, 2012⁴	10.16	92 253	9 084	0.09	0.09	–	–

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 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.

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.

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.

⁴ From January 1, 2012.



March 31, 2012

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable 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	1.25%	40%	60%
Advisor Series	1.25%	40%	60%
Series D	0.90%	17%	83%
Series F	0.75%	–	100%

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

* Management fees represent the actual average management fee rate for the period ended March 31, 2012.

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

PAST PERFORMANCE

Investment performance in respect of a fund that has been available for less than one year is not provided.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2012

Investment Mix

	% of Net Asset Value
United States	70.2
Canada	21.7
Luxembourg	1.5
Australia	0.7
Cash/Other	5.9

Top 25 Holdings

	% of Net Asset Value
Cash & Cash Equivalents	4.3
Ford Motor Credit Co. LLC 12.000% May 15 15	2.5
Host Hotels & Resorts LP 9.000% May 15 17	2.3
MGM Mirage 13.000% Nov 15 13	2.1
UR Financing Escrow Corp. 5.750% Jul 15 18	1.9
Bell Aliant Regional Communications LP 4.880% Apr 26 18	1.8
Reynolds Group Issuer Inc. 7.125% Apr 15 19	1.8
Tenet Healthcare Corp. 8.875% Jul 1 19	1.8
Quebecor Media Inc. 7.375% Jan 15 21	1.7
Lamar Media Corp. 9.750% Apr 1 14	1.7
Smithfield Foods Inc. 10.000% Jul 15 14	1.7
Shaw Communications Inc. 5.650% Oct 1 19	1.7
Beazer Homes USA Inc. 12.000% Oct 15 17	1.7
Ford Credit Canada Ltd. 4.200% Nov 14 13	1.7
Harvest Operations Corp. USD 6.875% Oct 1 17	1.7
Frontier Communications Corp. 8.500% Apr 15 20	1.6
Videotron Ltd. USD 9.125% Apr 15 18	1.6
Wynn Las Vegas LLC Corp. 7.750% Aug 15 20	1.6
Mohawk Industries Inc. 6.875% Jan 15 16	1.6
The AES Corp. 8.000% Oct 15 17	1.6
Prestige Brands Inc. 8.125% Feb 1 20	1.5
Intelsat Jackson Holdings S.A. USD 7.250% Apr 1 19	1.5
EchoStar DBS Corp. 7.750% May 31 15	1.5
Qwest Corp. 6.750% Dec 1 21	1.5
Corus Entertainment Inc. 7.250% Feb 10 17	1.5
Top 25 Holdings	45.9

The Fund invests substantially all of its assets directly in the RBC High Yield Bond LP which obtains exposure to the RBC High Yield Bond Trust by entering into one or more forward contracts. The Investment Mix and Top 25 Holdings, shown above, are the proportionate holdings of the RBC High Yield Bond Trust.

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.

The simplified prospectus and other information about the underlying fund and reference fund is available on SEDAR website at www.sedar.com.



CANADIAN EQUITY FUND

RBC CANADIAN DIVIDEND CLASS

March 31, 2012

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 May 23, 2012.

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/funds 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 achieve long-term total returns consisting of regular dividend income, which benefits from the preferential tax treatment given to dividends from Canadian companies, and modest long-term capital growth.

To achieve its investment objective, the Fund invests most of its assets in the RBC Private Canadian Dividend Pool and/or the RBC Canadian Dividend Fund (the "underlying funds"). The underlying funds invest primarily in common shares with above-average dividend yields and also invest in preferred shares of major Canadian companies. The underlying funds select companies with long-term prospects of growing their dividends and tend to focus on interest-sensitive securities to achieve dividend income, primarily investing in the Financials, Telecommunication Services and Utilities sectors.

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 was launched on January 1, 2012, and its net asset value was \$9.9 million as of March 31, 2012. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

On April 3, 2012, Royal Bank of Canada ("Royal Bank") announced that it has entered into a definitive agreement to acquire the 50% stake that Royal Bank does not already own in the joint venture RBC Dexia Investor Services Limited which owns RBC Dexia Investor Services Trust ("RBC Dexia"), the custodian of the Fund. Following the closing of the transaction, Royal Bank will own 100% of RBC Dexia Investor Services Limited.

Overall, economic data has helped lift consumer and investor confidence, but expectations are tempered by persistent geopolitical risk, reduced Chinese growth targets and a fall-off in positive earnings surprises. The portfolio manager expects that higher dividend yields will continue to attract investors and forecasts reasonable returns from equities for those with an intermediate-term horizon.

Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank and is the manager and portfolio advisor 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, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributor

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

Custodian

RBC Dexia is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC Dexia and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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.



March 31, 2012

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 BoG 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.



March 31, 2012

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 since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class 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.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year
		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, 2012³	10.00[†]	0.21	(0.05)	–	0.13	0.29	–	–	–	–	–	10.29
Advisor Series												
Mar. 31, 2012³	10.00[†]	0.21	(0.05)	–	0.13	0.29	–	–	–	–	–	10.29
Series D												
Mar. 31, 2012³	10.00[†]	0.21	(0.03)	–	0.13	0.31	–	–	–	–	–	10.31
Series F												
Mar. 31, 2012³	10.00[†]	0.21	(0.03)	–	0.13	0.31	–	–	–	–	–	10.31
Series O												
Mar. 31, 2012³	10.00[†]	0.21	(0.01)	–	0.13	0.33	–	–	–	–	–	10.33

¹ 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.

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

³ From January 1, 2012.

[†] Initial offering net asset value per mutual fund share.

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 (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2012⁴	10.29	3 132	304	1.88	1.88	–	0.05
Advisor Series							
Mar. 31, 2012⁴	10.29	431	42	1.88	1.88	–	0.05
Series D							
Mar. 31, 2012⁴	10.31	198	19	1.29	1.29	–	0.05
Series F							
Mar. 31, 2012⁴	10.31	1 093	106	1.01	1.01	–	0.05
Series O							
Mar. 31, 2012⁴	10.33	5 005	484	0.14	0.14	–	0.05

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 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.

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.

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.

⁴ From January 1, 2012.



March 31, 2012

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable 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	1.50%	67%	33%
Advisor Series	1.50%	67%	33%
Series D	1.00%	25%	75%
Series F	0.75%	—	100%

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

* Management fees represent the actual average management fee rate for the period ended March 31, 2012.

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

PAST PERFORMANCE

Investment performance in respect of a fund that has been available for less than one year is not provided.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2012

Investment Mix

	% of Net Asset Value
Financials	45.1
Energy	21.7
Materials	6.6
Industrials	6.3
Consumer Discretionary	4.2
Telecommunication Services	3.9
Utilities	2.8
Consumer Staples	2.5
Cash/Other	6.9

Top 25 Holdings

	% of Net Asset Value
Toronto-Dominion Bank	7.7
Royal Bank of Canada	7.5
Cash & Cash Equivalents	6.6
Bank of Nova Scotia	6.2
Canadian Imperial Bank of Commerce	3.6
Bank of Montreal	3.5
Brookfield Asset Management Inc., Class A	3.3
Enbridge Inc.	3.0
Canadian National Railway Co.	3.0
Power Corporation of Canada	2.9
TransCanada Corp.	2.7
Suncor Energy Inc.	2.6
Manulife Financial Corporation	2.3
Imperial Oil Ltd.	2.2
Cenovus Energy Inc.	2.2
Canadian Natural Resources Ltd.	2.1
Potash Corporation of Saskatchewan Inc.	2.0
Husky Energy Inc.	1.8
Barrick Gold Corp.	1.7
Magna International Inc., Class A	1.6
CI Financial Corp.	1.5
BCE Inc.	1.5
TELUS Corp., Class A	1.3
Canadian Pacific Railway Ltd.	1.2
Atco Ltd., Class I, Non-Voting	1.2
Top 25 Holdings	75.2

The Fund invests substantially all of its assets directly in the RBC Private Canadian Dividend Pool and/or the RBC Canadian Dividend Fund. The Investment Mix and Top 25 Holdings, shown above, are the proportionate holdings of the RBC Private Canadian Dividend Pool.

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.

The simplified prospectus and other information about the underlying funds is available on SEDAR website at www.sedar.com.



CANADIAN EQUITY FUND

RBC CANADIAN EQUITY CLASS

March 31, 2012

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 May 23, 2012.

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/funds 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.



March 31, 2012

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in equity securities of major Canadian companies.

To achieve its investment objective, the Fund invests most of its assets in the RBC Private Canadian Equity Pool and/or RBC Canadian Equity Fund (the "underlying funds"). The underlying funds typically invest in large-cap Canadian companies or income trusts and may take advantage of opportunities in mid-cap companies. The underlying funds diversify across S&P/TSX industry sectors, with minimum and maximum exposures.

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 was launched on January 1, 2012, and its net asset value was \$2.3 million as of March 31, 2012. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

On April 3, 2012, Royal Bank of Canada ("Royal Bank") announced that it has entered into a definitive agreement to acquire the 50% stake that Royal Bank does not already own in the joint venture RBC Dexia Investor Services Limited which owns RBC Dexia Investor Services Trust ("RBC Dexia"), the custodian of the Fund. Following the closing of the transaction, Royal Bank will own 100% of RBC Dexia Investor Services Limited.

Overall, economic data has helped lift consumer and investor confidence, but expectations are tempered by persistent geopolitical risk, reduced Chinese growth targets and a fall-off in positive earnings surprises. The portfolio manager continues to expect reasonable returns from equities for those with an intermediate-term horizon.

Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank and is the manager and portfolio advisor 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, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributor

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

Custodian

RBC Dexia is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC Dexia and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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.



March 31, 2012

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 since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class 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.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year	
		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												
Mar. 31, 2012³	10.00[†]	0.10	(0.14)	–	0.24	0.20	–	–	–	–	–	10.19
Advisor Series												
Mar. 31, 2012³	10.00[†]	0.11	(0.15)	–	0.24	0.20	–	–	–	–	–	10.19
Series D												
Mar. 31, 2012³	10.00[†]	0.11	(0.13)	–	0.24	0.22	–	–	–	–	–	10.21
Series F												
Mar. 31, 2012³	10.00[†]	0.11	(0.12)	–	0.24	0.23	–	–	–	–	–	10.22
Series O												
Mar. 31, 2012³	10.00[†]	0.15	(0.15)	–	0.24	0.24	–	–	–	–	–	10.24

¹ 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.

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

³ From January 1, 2012.

[†] Initial offering net asset value per mutual fund share.

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 (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2012⁴	10.19	374	37	2.15	2.15	1.48	0.12
Advisor Series							
Mar. 31, 2012⁴	10.19	290	28	2.15	2.15	1.48	0.12
Series D							
Mar. 31, 2012⁴	10.21	35	3	1.28	1.28	1.48	0.12
Series F							
Mar. 31, 2012⁴	10.22	63	6	0.99	0.99	1.48	0.12
Series O							
Mar. 31, 2012⁴	10.24	1 537	150	0.12	0.12	1.48	0.12

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 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.

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.

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.

⁴ From January 1, 2012.



March 31, 2012

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable 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	1.75%	66%	34%
Advisor Series	1.75%	66%	34%
Series D	1.00%	25%	75%
Series F	0.75%	–	100%

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

* Management fees represent the actual average management fee rate for the period ended March 31, 2012.

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

PAST PERFORMANCE

Investment performance in respect of a fund that has been available for less than one year is not provided.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2012

Investment Mix

	% of Net Asset Value
Financials	30.5
Energy	27.0
Materials	18.9
Industrials	5.5
Telecommunication Services	3.8
Consumer Discretionary	3.8
Consumer Staples	2.7
Information Technology	2.0
Utilities	1.6
Cash/Other	4.2

Top 25 Holdings

	% of Net Asset Value
Royal Bank of Canada	6.0
Toronto-Dominion Bank	5.8
Suncor Energy Inc.	4.4
Bank of Nova Scotia	4.4
Cash & Cash Equivalents	4.0
Barrick Gold Corp.	3.6
Goldcorp Inc.	3.6
Canadian Natural Resources Ltd.	3.5
Cenovus Energy Inc.	3.1
Potash Corporation of Saskatchewan Inc.	3.1
Canadian National Railway Co.	2.7
Manulife Financial Corporation	2.6
Teck Resources Ltd., Class B	2.5
Bank of Montreal	2.2
Enbridge Inc.	2.1
Canadian Imperial Bank of Commerce	2.1
Brookfield Asset Management Inc., Class A	2.1
TELUS Corp., Class A	2.0
Imperial Oil Ltd.	1.9
Rogers Communications Inc., Class B	1.8
TransCanada Corp.	1.6
Magna International Inc., Class A	1.6
ARC Resources Ltd.	1.6
Baytex Energy Corp.	1.6
Power Corporation of Canada	1.5
Top 25 Holdings	71.4

The Fund invests substantially all of its assets directly in the RBC Private Canadian Equity Pool and/or the RBC Canadian Equity Fund. The Investment Mix and Top 25 Holdings, shown above, are the proportionate holdings of the RBC Private Canadian Equity Pool.

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.

The simplified prospectus and other information about the underlying funds is available on SEDAR website at www.sedar.com.



CANADIAN EQUITY FUND

RBC CANADIAN EQUITY INCOME CLASS

March 31, 2012

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 May 23, 2012.

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/funds 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.



March 31, 2012

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in a diversified portfolio of Canadian securities including, but not limited to, common and preferred shares of Canadian companies that pay dividends, real estate investment trusts and income trusts.

To achieve its investment objective, the Fund invests most of its assets in the RBC Canadian Equity Income Fund (the “underlying fund”). The underlying fund invests primarily in a diversified portfolio of Canadian equity securities including common and preferred shares, real estate investment trusts and income trusts. The underlying fund may also invest in fixed-income securities, such as government and corporate bonds, debentures and notes.

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 was launched on January 1, 2012, and its net asset value was \$37.3 million as of March 31, 2012. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

On April 3, 2012, Royal Bank of Canada (“Royal Bank”) announced that it has entered into a definitive agreement to acquire the 50% stake that Royal Bank does not already own in the joint venture RBC Dexia Investor Services Limited which owns RBC Dexia Investor Services Trust (“RBC Dexia”), the custodian of the Fund. Following the closing of the transaction, Royal Bank will own 100% of RBC Dexia Investor Services Limited.

Overall, economic data has helped lift consumer and investor confidence, but expectations are tempered by persistent geopolitical risk, reduced Chinese growth targets and a fall-off in positive earnings surprises. The portfolio manager expects that higher dividend yields will continue to attract investors and forecasts reasonable returns from equities for those with an intermediate-term horizon.

Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank and is the manager and portfolio advisor 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, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributor

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

Custodian

RBC Dexia is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC Dexia and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors (“BoG”) in its capacity as 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.



March 31, 2012

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 BoG 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.



March 31, 2012

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 since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class 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.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year	
		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												
Mar. 31, 2012³	10.00[†]	0.13	(0.05)	–	0.23	0.31	–	–	–	–	–	10.30
Advisor Series												
Mar. 31, 2012³	10.00[†]	0.13	(0.05)	–	0.23	0.31	–	–	–	–	–	10.30
Series D												
Mar. 31, 2012³	10.00[†]	0.11	(0.03)	–	0.23	0.31	–	–	–	–	–	10.33
Series F												
Mar. 31, 2012³	10.00[†]	0.12	(0.02)	–	0.23	0.33	–	–	–	–	–	10.33
Series O												
Mar. 31, 2012³	10.00[†]	0.13	–	–	0.23	0.36	–	–	–	–	–	10.36

¹ 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.

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

³ From January 1, 2012.

[†] Initial offering net asset value per mutual fund share.

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 (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2012⁴	10.30	9 139	887	2.20	2.20	–	0.67
Advisor Series							
Mar. 31, 2012⁴	10.30	19 379	1 881	2.20	2.20	–	0.67
Series D							
Mar. 31, 2012⁴	10.33	1 713	166	1.29	1.29	–	0.67
Series F							
Mar. 31, 2012⁴	10.33	6 112	592	1.01	1.01	–	0.67
Series O							
Mar. 31, 2012⁴	10.36	952	92	0.09	0.09	–	0.67

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 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.

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.

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.

⁴ From January 1, 2012.



March 31, 2012

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable 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	1.75%	66%	34%
Advisor Series	1.75%	66%	34%
Series D	1.00%	25%	75%
Series F	0.75%	–	100%

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

* Management fees represent the actual average management fee rate for the period ended March 31, 2012.

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

PAST PERFORMANCE

Investment performance in respect of a fund that has been available for less than one year is not provided.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2012

Investment Mix

	% of Net Asset Value
Energy	27.8
Financials	23.7
Materials	10.5
Industrials	9.8
Consumer Discretionary	6.9
Consumer Staples	5.7
Utilities	4.4
Telecommunication Services	2.7
Information Technology	0.6
Cash/Other	7.9

Top 25 Holdings

	% of Net Asset Value
Cash & Cash Equivalents	7.6
Keyera Corp.	2.8
Toronto-Dominion Bank	2.5
Bank of Nova Scotia	2.5
Suncor Energy Inc.	2.4
Magna International Inc., Class A	2.2
Bank of Montreal	2.2
Manulife Financial Corporation	2.1
Progressive Waste Solutions Ltd.	2.1
Gibson Energy Inc.	1.8
CSX Corp.	1.8
African Minerals Ltd., Convertible USD 8.500% Feb 10 17	1.7
Canadian Natural Resources Ltd.	1.7
PetroBakken Energy Ltd., Class A	1.6
Loblaw Companies Ltd.	1.5
Verizon Communications Inc.	1.5
Primaris Retail Real Estate Investment Trust	1.4
Cominar Real Estate Investment Trust	1.3
Agrium Inc.	1.3
Crescent Point Energy Corp.	1.3
Canadian Energy Services & Technology Corp.	1.2
Goldcorp Inc.	1.2
Teck Resources Ltd., Class B	1.2
Chartwell Seniors Housing Real Estate Investment Trust	1.2
Canadian Imperial Bank of Commerce	1.2
Top 25 Holdings	49.3

The Fund invests substantially all of its assets directly in the RBC Canadian Equity Income Fund. The Investment Mix and Top 25 Holdings, shown above, are the proportionate holdings of the RBC Canadian Equity Income 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/funds.

The simplified prospectus and other information about the underlying fund is available on SEDAR website at www.sedar.com.



CANADIAN EQUITY FUND

RBC CANADIAN MID CAP EQUITY CLASS

March 31, 2012

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 May 23, 2012.

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/funds 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 long-term capital growth by investing primarily in equity securities of mid-sized Canadian companies that offer above-average prospects for growth and may also invest in smaller capitalization companies that have adequate liquidity.

To achieve its investment objective, the Fund invests most of its assets in the RBC Private Canadian Mid Cap Equity Pool (the "underlying fund"). The underlying fund focuses on companies with a history of high growth in sales and earnings, with above-average prospects for continued growth. The underlying fund invests in companies with strong management, focused business models and a competitive advantage. The underlying fund typically invests across major industry sectors within minimum and maximum exposures for each sector.

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 was launched on January 1, 2012, and its net asset value was \$2.9 million as of March 31, 2012. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

On April 3, 2012, Royal Bank of Canada ("Royal Bank") announced that it has entered into a definitive agreement to acquire the 50% stake that Royal Bank does not already own in the joint venture RBC Dexia Investor Services Limited which owns RBC Dexia Investor Services Trust ("RBC Dexia"), the custodian of the Fund. Following the closing of the transaction, Royal Bank will own 100% of RBC Dexia Investor Services Limited.

Overall, economic data has helped lift consumer and investor confidence, but expectations are tempered by persistent geopolitical risk, reduced Chinese growth targets and a fall-off in positive earnings surprises. The portfolio manager continues to expect reasonable returns from equities for those with an intermediate-term horizon.

Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank and is the manager and portfolio advisor 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, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributor

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

Custodian

RBC Dexia is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC Dexia and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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.



March 31, 2012

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 BoG 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.



March 31, 2012

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 since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class 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.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year	
		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												
Mar. 31, 2012³	10.00[†]	0.10	(0.05)	–	(0.22)	(0.17)	–	–	–	–	–	9.83
Advisor Series												
Mar. 31, 2012³	10.00[†]	0.10	(0.07)	(0.01)	(0.22)	(0.20)	–	–	–	–	–	9.83
Series D												
Mar. 31, 2012³	10.00[†]	0.10	(0.04)	–	(0.22)	(0.16)	–	–	–	–	–	9.85
Series F												
Mar. 31, 2012³	10.00[†]	0.10	(0.04)	–	(0.22)	(0.16)	–	–	–	–	–	9.86
Series O												
Mar. 31, 2012³	10.00[†]	0.10	(0.01)	–	(0.22)	(0.13)	–	–	–	–	–	9.87

¹ 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.

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

³ From January 1, 2012.

[†] Initial offering net asset value per mutual fund share.

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 (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2012⁴	9.83	44	4	2.19	2.19	2.31	0.33
Advisor Series							
Mar. 31, 2012⁴	9.83	–	–	2.19	2.19	2.31	0.33
Series D							
Mar. 31, 2012⁴	9.85	3	–	1.34	1.34	2.31	0.33
Series F							
Mar. 31, 2012⁴	9.86	–	–	1.06	1.06	2.31	0.33
Series O							
Mar. 31, 2012⁴	9.87	2 829	287	0.18	0.18	2.31	0.33

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 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.

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.

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.

⁴ From January 1, 2012.



March 31, 2012

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable 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	1.75%	66%	34%
Advisor Series	1.75%	66%	34%
Series D	1.00%	25%	75%
Series F	0.75%	–	100%

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

* Management fees represent the actual average management fee rate for the period ended March 31, 2012.

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

PAST PERFORMANCE

Investment performance in respect of a fund that has been available for less than one year is not provided.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2012

Investment Mix

	% of Net Asset Value
Energy	28.2
Materials	19.1
Financials	17.9
Consumer Staples	7.8
Utilities	7.1
Industrials	7.0
Information Technology	5.1
Consumer Discretionary	5.0
Health Care	2.4
Cash/Other	0.4

Top 25 Holdings

	% of Net Asset Value
Emera Inc.	2.9
Atco Ltd., Class I, Non-Voting	2.6
CGI Group Inc., Class A	2.5
SXC Health Solutions Corp.	2.4
Brookfield Office Properties Inc.	2.3
Finning International Inc.	2.3
Alimentation Couche-Tard Inc.	2.2
Keyera Corp.	2.1
Viterra Inc.	2.1
AltaGas Ltd.	2.1
Onex Corporation	2.0
Canadian Tire Corp. Ltd., Class A	2.0
Canadian Real Estate Investment Trust	2.0
Veresen Inc.	1.9
Open Text Corp.	1.9
Progressive Waste Solutions Ltd.	1.9
IGM Financial Inc.	1.8
AuRico Gold Inc.	1.6
Quebecor Inc., Class B	1.6
Dundee Real Estate Investment Trust	1.6
CI Financial Corp.	1.6
Inmet Mining Corp.	1.6
Vermilion Energy Inc.	1.6
New Gold Inc.	1.6
TransAlta Corp.	1.6
Top 25 Holdings	49.8

The Fund invests substantially all of its assets directly in the RBC Private Canadian Mid Cap Equity Pool. The Investment Mix and Top 25 Holdings, shown above, are the proportionate holdings of the RBC Private Canadian Mid Cap Equity Pool.

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.

The simplified prospectus and other information about the underlying fund is available on SEDAR website at www.sedar.com.



NORTH AMERICAN EQUITY FUND

RBC NORTH AMERICAN VALUE CLASS

March 31, 2012

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 May 23, 2012.

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/funds 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.



March 31, 2012

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing in equity securities of Canadian and/or U.S. companies priced below their true value and offering long-term opportunities for growth.

To achieve its investment objective, the Fund invests most of its assets in the RBC North American Value Fund (the "underlying fund"). The underlying fund identifies quality companies that are undervalued based on criteria such as assets, earnings and cash flow. The approach provides for a lower level of volatility than a portfolio of growth companies. The underlying fund may also invest in income trusts.

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 was launched on January 1, 2012, and its net asset value was \$8.5 million as of March 31, 2012. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

On April 3, 2012, Royal Bank of Canada ("Royal Bank") announced that it has entered into a definitive agreement to acquire the 50% stake that Royal Bank does not already own in the joint venture RBC Dexia Investor Services Limited which owns RBC Dexia Investor Services Trust ("RBC Dexia"), the custodian of the Fund. Following the closing of the transaction, Royal Bank will own 100% of RBC Dexia Investor Services Limited.

Overall, economic data has helped lift consumer and investor confidence, but expectations are tempered by persistent geopolitical risk, reduced Chinese growth targets and a fall-off in positive earnings surprises. The portfolio manager continues to expect reasonable returns from equities for those with an intermediate-term horizon.

Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank and is the manager and portfolio advisor 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, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributor

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

Custodian

RBC Dexia is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC Dexia and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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.



March 31, 2012

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 since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class 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.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year	
		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												
Mar. 31, 2012³	10.00[†]	–	(0.06)	–	0.49	0.43	–	–	–	–	–	10.46
Advisor Series												
Mar. 31, 2012³	10.00[†]	–	(0.06)	–	0.49	0.43	–	–	–	–	–	10.46
Series D												
Mar. 31, 2012³	10.00[†]	–	(0.04)	–	0.49	0.45	–	–	–	–	–	10.48
Series F												
Mar. 31, 2012³	10.00[†]	–	(0.03)	–	0.49	0.46	–	–	–	–	–	10.49
Series O												
Mar. 31, 2012³	10.00[†]	–	(0.06)	0.02	0.49	0.45	–	–	–	–	–	10.51

¹ 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.

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

³ From January 1, 2012.

[†] Initial offering net asset value per mutual fund share.

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 (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2012⁴	10.46	3 213	307	2.20	2.20	3.17	0.61
Advisor Series							
Mar. 31, 2012⁴	10.46	3 860	369	2.20	2.20	3.17	0.61
Series D							
Mar. 31, 2012⁴	10.48	187	18	1.29	1.29	3.17	0.61
Series F							
Mar. 31, 2012⁴	10.49	1 115	106	1.01	1.01	3.17	0.61
Series O							
Mar. 31, 2012⁴	10.51	157	15	0.09	0.09	3.17	0.61

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 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.

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.

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.

⁴ From January 1, 2012.



March 31, 2012

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable 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	1.75%	66%	34%
Advisor Series	1.75%	66%	34%
Series D	1.00%	25%	75%
Series F	0.75%	–	100%

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

* Management fees represent the actual average management fee rate for the period ended March 31, 2012.

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

PAST PERFORMANCE

Investment performance in respect of a fund that has been available for less than one year is not provided.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2012

Investment Mix – Sectors

	% of Net Asset Value
Financials	27.4
Energy	13.8
Information Technology	11.3
Materials	8.7
Consumer Discretionary	7.7
Consumer Staples	7.0
Health Care	6.0
Industrials	4.2
Utilities	1.6
Cash/Other	12.3

Investment Mix – Countries/Regions

	% of Net Asset Value
Canada	45.5
United States	39.0
United Kingdom	3.3
Cash/Other	12.2

Top 25 Holdings

	% of Net Asset Value
Cash & Cash Equivalents	12.3
Bank of Nova Scotia	3.0
Toronto-Dominion Bank	2.6
Royal Bank of Canada	2.5
Cenovus Energy Inc.	2.2
Potash Corporation of Saskatchewan Inc.	2.1
Brookfield Asset Management Inc., Class A	2.0
Berkshire Hathaway Inc., Class B	2.0
Canadian Natural Resources Ltd.	1.9
EnCana Corp.	1.8
JPMorgan Chase & Co.	1.6
Imperial Oil Ltd.	1.4
Barrick Gold Corp.	1.3
Goldcorp Inc.	1.2
ShawCor Ltd., Class A	1.1
Cisco Systems Inc.	1.0
Suncor Energy Inc.	1.0
Wal-Mart Stores Inc.	1.0
Manulife Financial Corporation	1.0
Bank of Montreal	1.0
Microsoft Corp.	1.0
Loblaw Companies Ltd.	1.0
Power Corporation of Canada	1.0
Wells Fargo & Company	1.0
Atco Ltd., Class I, Non-Voting	0.9
Top 25 Holdings	48.9

The Fund invests substantially all of its assets directly in the RBC North American Value Fund. The Investment Mix and Top 25 Holdings, shown above, are the proportionate holdings of the RBC North American Value 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/funds.

The simplified prospectus and other information about the underlying fund is available on SEDAR website at www.sedar.com.



U.S. EQUITY FUND

RBC U.S. EQUITY CLASS

March 31, 2012

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 May 23, 2012.

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/funds 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.



March 31, 2012

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in equity securities of major U.S. companies.

To achieve its investment objective, the Fund invests most of its assets in the RBC Private U.S. Equity Pool and/or the RBC U.S. Equity Fund (the “underlying funds”). The underlying funds diversify across industries and invest in companies with strong management, focused business models and the potential for growth in earnings and cash flow.

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 was launched on January 1, 2012, and its net asset value was \$3.6 million as of March 31, 2012. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

On April 3, 2012, Royal Bank of Canada (“Royal Bank”) announced that it has entered into a definitive agreement to acquire the 50% stake that Royal Bank does not already own in the joint venture RBC Dexia Investor Services Limited which owns RBC Dexia Investor Services Trust (“RBC Dexia”), the custodian of the Fund. Following the closing of the transaction, Royal Bank will own 100% of RBC Dexia Investor Services Limited.

U.S. stocks may face headwinds in the months ahead, including the possible re-emergence of severe debt concerns in Europe, as well as political instability and the threat of conflict in the Middle East. U.S. equities tend to pause during the summer leading up to a presidential election and rebound in the weeks before the balloting. The portfolio is positioned to reflect these concerns.

Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank and is the manager and portfolio advisor 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, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributor

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

Custodian

RBC Dexia is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC Dexia and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors (“BoG”) in its capacity as 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 BoG 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.



March 31, 2012

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 since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class 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.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year
		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, 2012³	10.00[†]	0.05	(0.06)	–	0.71	0.70	–	–	–	–	–	10.73
Advisor Series												
Mar. 31, 2012³	10.00[†]	0.06	(0.06)	–	0.71	0.71	–	–	–	–	–	10.72
Series D												
Mar. 31, 2012³	10.00[†]	0.05	(0.04)	–	0.71	0.72	–	–	–	–	–	10.75
Series F												
Mar. 31, 2012³	10.00[†]	0.05	(0.03)	–	0.71	0.73	–	–	–	–	–	10.75
Series O												
Mar. 31, 2012³	10.00[†]	0.07	(0.01)	–	0.71	0.77	–	–	–	–	–	10.78

¹ 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.

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

³ From January 1, 2012.

[†] Initial offering net asset value per mutual fund share.

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 (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2012⁴	10.73	384	36	2.18	2.18	–	0.48
Advisor Series							
Mar. 31, 2012⁴	10.72	77	7	2.18	2.18	–	0.48
Series D							
Mar. 31, 2012⁴	10.75	59	5	1.27	1.27	–	0.48
Series F							
Mar. 31, 2012⁴	10.75	80	7	0.99	0.99	–	0.48
Series O							
Mar. 31, 2012⁴	10.78	2 999	278	0.11	0.11	–	0.48

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 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.

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.

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.

⁴ From January 1, 2012.



March 31, 2012

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable 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	1.75%	66%	34%
Advisor Series	1.75%	66%	34%
Series D	1.00%	25%	75%
Series F	0.75%	—	100%

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

* Management fees represent the actual average management fee rate for the period ended March 31, 2012.

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

PAST PERFORMANCE

Investment performance in respect of a fund that has been available for less than one year is not provided.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2012

Investment Mix

	% of Net Asset Value
Information Technology	23.5
Financials	13.9
Consumer Discretionary	12.9
Health Care	9.7
Industrials	9.5
Energy	9.4
Consumer Staples	8.1
Materials	4.2
Telecommunication Services	2.1
Utilities	1.7
Cash/Other	5.0

Top 25 Holdings

	% of Net Asset Value
Cash & Cash Equivalents	5.0
Apple Inc.	4.5
Wells Fargo & Company	3.3
Exxon Mobil Corp.	2.7
International Business Machines	2.7
QUALCOMM Inc.	2.5
Microsoft Corp.	2.5
Alexion Pharmaceuticals Inc.	2.2
JPMorgan Chase & Co.	2.0
General Electric Company	2.0
UnitedHealth Group Incorporated	1.9
Philip Morris International Inc.	1.8
Cisco Systems Inc.	1.6
Pfizer Inc.	1.5
Intel Corp.	1.5
Coca-Cola Co.	1.5
Capital One Financial Corp.	1.5
EMC Corp.	1.5
AT&T Inc.	1.5
KeyCorp	1.5
Eaton Corp.	1.5
Macy's Inc.	1.4
Home Depot Inc.	1.3
The Walt Disney Company	1.3
VMware Inc.	1.3
Top 25 Holdings	52.0

The Fund invests substantially all of its assets directly in the RBC Private U.S. Equity Pool and/or the RBC U.S. Equity Fund. The Investment Mix and Top 25 Holdings, shown above, are the proportionate holdings of the RBC Private U.S. Equity Pool.

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.

The simplified prospectus and other information about the underlying funds is available on SEDAR website at www.sedar.com.



U.S. EQUITY FUND

**PHILLIPS, HAGER & NORTH U.S.
MULTI-STYLE ALL-CAP EQUITY CLASS**

March 31, 2012

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 May 23, 2012.

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/funds 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 long-term capital growth by investing primarily in a well-diversified portfolio of U.S. equity securities.

To achieve its investment objective, the Fund invests most of its assets in the Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund (the "underlying fund"). The underlying fund invests in U.S. equity securities with the objective of building a portfolio that encompasses multiple investment styles. The underlying fund's portfolio will be comprised of the following investment styles, which are managed by RBC GAM's sub-advisors as separate portfolios within the underlying fund: U.S. Large Cap Growth, U.S. Mid Cap Growth, U.S. Large Cap Value, U.S. Mid Cap Value and U.S. Small Cap Core.

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 was launched on January 1, 2012, and its net asset value was \$1.1 million as of March 31, 2012. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

On April 3, 2012, Royal Bank of Canada ("Royal Bank") announced that it has entered into a definitive agreement to acquire the 50% stake that Royal Bank does not already own in the joint venture RBC Dexia Investor Services Limited which owns RBC Dexia Investor Services Trust ("RBC Dexia"), the custodian of the Fund. Following the closing of the transaction, Royal Bank will own 100% of RBC Dexia Investor Services Limited.

U.S. stocks may face headwinds in the months ahead, including the possible re-emergence of severe debt concerns in Europe, and political instability and the threat of conflict in the Middle East. U.S. equities tend to pause during the summer leading up to a presidential election and rebound in the weeks before the balloting. The portfolio is positioned to reflect these concerns.

Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank and is the manager and portfolio advisor 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, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributor

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

Custodian

RBC Dexia is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC Dexia and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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.



March 31, 2012

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 since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class 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.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year	
		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												
Mar. 31, 2012³	10.00[†]	–	(0.06)	–	0.71	0.65	–	–	–	–	–	10.66
Advisor Series												
Mar. 31, 2012³	10.00[†]	–	(0.06)	–	0.71	0.65	–	–	–	–	–	10.66
Series D												
Mar. 31, 2012³	10.00[†]	–	(0.03)	–	0.71	0.68	–	–	–	–	–	10.68
Series F												
Mar. 31, 2012³	10.00[†]	–	(0.03)	–	0.71	0.68	–	–	–	–	–	10.69
Series O												
Mar. 31, 2012³	10.00[†]	–	(0.02)	–	0.71	0.69	–	–	–	–	–	10.71

¹ 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.

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

³ From January 1, 2012.

[†] Initial offering net asset value per mutual fund share.

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 (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2012⁴	10.66	614	58	2.14	2.14	–	0.41
Advisor Series							
Mar. 31, 2012⁴	10.66	239	22	2.14	2.14	–	0.41
Series D							
Mar. 31, 2012⁴	10.68	122	11	1.29	1.29	–	0.41
Series F							
Mar. 31, 2012⁴	10.69	1	–	1.01	1.01	–	0.41
Series O							
Mar. 31, 2012⁴	10.71	173	16	0.12	0.12	–	0.41

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 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.

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.

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.

⁴ From January 1, 2012.



March 31, 2012

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable 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	1.75%	57%	43%
Advisor Series	1.75%	57%	43%
Series D	1.00%	25%	75%
Series F	0.75%	—	100%

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

* Management fees represent the actual average management fee rate for the period ended March 31, 2012.

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

PAST PERFORMANCE

Investment performance in respect of a fund that has been available for less than one year is not provided.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2012

Investment Mix

	% of Net Asset Value
Information Technology	19.5
Financials	16.0
Consumer Discretionary	14.8
Industrials	12.5
Health Care	9.3
Energy	8.5
Consumer Staples	6.2
Materials	5.9
Utilities	2.9
Telecommunication Services	1.7
Cash/Other	2.7

Top 25 Holdings

	% of Net Asset Value
Apple Inc.	3.5
Cash & Cash Equivalents	2.3
JPMorgan Chase & Co.	1.6
Exxon Mobil Corp.	1.5
Wells Fargo & Company	1.5
Philip Morris International Inc.	1.4
Intel Corp.	1.4
Chevron Corp.	1.3
Pfizer Inc.	1.3
Cisco Systems Inc.	1.2
CVS Corp.	1.2
Microsoft Corp.	1.1
General Electric Company	1.0
International Business Machines	1.0
Home Depot Inc.	1.0
Kraft Foods Inc., Class A	1.0
U.S. Bancorp	0.9
Verizon Communications Inc.	0.9
Comcast Corp., Class A	0.9
Fifth Third Bancorp	0.8
QUALCOMM Inc.	0.8
Edison International	0.8
Merck & Co. Inc.	0.7
Alexion Pharmaceuticals Inc.	0.7
Citigroup Inc.	0.7
Top 25 Holdings	30.5

The Fund invests substantially all of its assets directly in the Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund. The Investment Mix and Top 25 Holdings, shown above, are the proportionate holdings of the Phillips, Hager & North U.S. Multi-Style All-Cap Equity 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/funds.

The simplified prospectus and other information about the underlying fund is available on SEDAR website at www.sedar.com.



INTERNATIONAL EQUITY FUND

**PHILLIPS, HAGER & NORTH
OVERSEAS EQUITY CLASS**

March 31, 2012

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 May 23, 2012.

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/funds 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.



March 31, 2012

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing in a diversified portfolio of common stocks in companies in the world's largest industrialized countries outside North America, including countries in Europe, the Far East, including Japan and Australia.

To achieve its investment objective, the Fund will invest most of its assets in the Phillips, Hager & North Overseas Equity Fund (the "underlying fund"). The underlying fund invests in companies that are attractively valued, possess sound fundamentals and have a strong market position.

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 was launched on January 1, 2012, and its net asset value was \$1.8 million as of March 31, 2012. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

On April 3, 2012, Royal Bank of Canada ("Royal Bank") announced that it has entered into a definitive agreement to acquire the 50% stake that Royal Bank does not already own in the joint venture RBC Dexia Investor Services Limited which owns RBC Dexia Investor Services Trust ("RBC Dexia"), the custodian of the Fund. Following the closing of the transaction, Royal Bank will own 100% of RBC Dexia Investor Services Limited.

An economic slowdown in China could mean less demand for commodities and signal a wider pullback in growth. Banks will need to reduce leverage, and so will likely not enjoy the level of returns recorded in the past. The portfolio is positioned to reflect these concerns.

Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank and is the manager and portfolio advisor 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, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributor

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

Custodian

RBC Dexia is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC Dexia and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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.



March 31, 2012

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 since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class 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.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year	
		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												
Mar. 31, 2012³	10.00[†]	–	(0.06)	0.01	0.87	0.82	–	–	–	–	–	10.83
Advisor Series												
Mar. 31, 2012³	10.00[†]	–	(0.07)	0.02	0.87	0.82	–	–	–	–	–	10.83
Series D												
Mar. 31, 2012³	10.00[†]	–	(0.04)	0.01	0.87	0.84	–	–	–	–	–	10.85
Series F												
Mar. 31, 2012³	10.00[†]	–	(0.03)	0.01	0.87	0.85	–	–	–	–	–	10.86
Series O												
Mar. 31, 2012³	10.00[†]	–	(0.01)	0.02	0.87	0.88	–	–	–	–	–	10.89

¹ 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.

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

³ From January 1, 2012.

[†] Initial offering net asset value per mutual fund share.

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 (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2012⁴	10.83	263	24	2.31	2.31	11.25	0.34
Advisor Series							
Mar. 31, 2012⁴	10.83	9	1	2.31	2.31	11.25	0.34
Series D							
Mar. 31, 2012⁴	10.85	108	10	1.46	1.46	11.25	0.34
Series F							
Mar. 31, 2012⁴	10.86	44	4	1.18	1.18	11.25	0.34
Series O							
Mar. 31, 2012⁴	10.89	1 326	122	0.16	0.16	11.25	0.34

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 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.

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.

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.

⁴ From January 1, 2012.



March 31, 2012

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable 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	1.85%	54%	46%
Advisor Series	1.85%	54%	46%
Series D	1.10%	23%	77%
Series F	0.85%	–	100%

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

* Management fees represent the actual average management fee rate for the period ended March 31, 2012.

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

PAST PERFORMANCE

Investment performance in respect of a fund that has been available for less than one year is not provided.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2012

Investment Mix – Sectors

	% of Net Asset Value
Financials	17.0
Industrials	16.0
Health Care	14.3
Telecommunication Services	13.3
Energy	11.8
Consumer Discretionary	9.6
Materials	6.0
Consumer Staples	3.1
Information Technology	2.1
Utilities	1.6
Cash/Other	5.2

Investment Mix – Countries/Regions

	% of Net Asset Value
Europe ex. U.K. Equities	37.7
U.K. Equities	26.2
Japan Equities	12.9
Pacific ex. Japan Equities	10.0
Middle East & Africa Equities	3.3
Latin America Equities	2.6
U.S. Equities	2.1
Cash/Other	5.2

Top 25 Holdings

	% of Net Asset Value
Cable & Wireless Worldwide Plc.	5.7
Sanofi	5.0
Cash & Cash Equivalents	4.8
ENI S.p.A.	4.7
Renault S.A.	4.2
Roche Holdings AG Genussscheine	4.1
Mitsubishi Corp.	3.0
G4S Plc.	2.8
China Mobile (Hong Kong) Ltd.	2.6
Nippon Telegraph & Telephone Corp.	2.6
Firstgroup Plc.	2.2
Carillion Plc.	2.2
Transocean Ltd.	2.1
Intesa Sanpaolo S.p.A.	2.1
HSBC Holdings Plc. (U.K. Reg.)	2.1
UBS AG	2.0
Sankyo Co. Ltd.	2.0
Koninklijke Boskalis Westminster N.V.	2.0
Catlin Group Ltd.	1.9
Vodafone Group Plc.	1.9
Aviva Plc.	1.8
Zijin Mining Group Co. Ltd.	1.8
Casino Guichard Perrachon S.A.	1.8
Novartis AG	1.7
Macquarie Group Ltd.	1.7
Top 25 Holdings	68.8

The Fund invests substantially all of its assets directly in the Phillips, Hager & North Overseas Equity Fund. The Investment Mix and Top 25 Holdings, shown above, are the proportionate holdings of the Phillips, Hager & North Overseas Equity 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/funds.

The simplified prospectus and other information about the underlying fund is available on SEDAR website at www.sedar.com.



INTERNATIONAL EQUITY FUND

RBC EMERGING MARKETS EQUITY CLASS

March 31, 2012

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 May 23, 2012.

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/funds 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.



March 31, 2012

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in equity securities of companies located in or active in emerging markets.

To achieve its investment objective, the Fund invests most of its assets in the RBC Emerging Markets Equity Fund (the “underlying fund”). The underlying fund invests in securities of companies located or active in emerging-market countries, including, but not limited to: China, Brazil, South Korea, Taiwan, India, South Africa, Russia, Mexico, Israel, Malaysia, Indonesia, Turkey, Chile, Thailand and Poland. The portfolio is diversified by sector and emerging-market country to help reduce risk. Individual stocks are selected based on the intrinsic value of each company, liquidity and overall portfolio risk.

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 was launched on January 1, 2012, and its net asset value was \$8.0 million as of March 31, 2012. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

On April 3, 2012, Royal Bank of Canada (“Royal Bank”) announced that it has entered into a definitive agreement to acquire the 50% stake that Royal Bank does not already own in the joint venture RBC Dexia Investor Services Limited which owns RBC Dexia Investor Services Trust (“RBC Dexia”), the custodian of the Fund. Following the closing of the transaction, Royal Bank will own 100% of RBC Dexia Investor Services Limited.

Given the strong rally in emerging-market equities, valuations remain supportive at the lower end of the longer-term average, based on both price-to-earnings ratios and book value. The case for emerging-market equities is also compelling relative to bond yields. The portfolio is positioned to reflect these concerns.

Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank and is the manager and portfolio advisor 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, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributor

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

Custodian

RBC Dexia is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC Dexia and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors (“BoG”) in its capacity as 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 BoG 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.



March 31, 2012

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 since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class 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.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year	
		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												
Mar. 31, 2012³	10.00[†]	–	(0.06)	–	0.84	0.78	–	–	–	–	–	10.79
Advisor Series												
Mar. 31, 2012³	10.00[†]	–	(0.11)	–	0.84	0.73	–	–	–	–	–	10.79
Series D												
Mar. 31, 2012³	10.00[†]	–	(0.04)	–	0.84	0.80	–	–	–	–	–	10.81
Series F												
Mar. 31, 2012³	10.00[†]	–	(0.08)	–	0.84	0.76	–	–	–	–	–	10.83
Series O												
Mar. 31, 2012³	10.00[†]	–	(0.01)	–	0.84	0.83	–	–	–	–	–	10.84

¹ 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.

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

³ From January 1, 2012.

[†] Initial offering net asset value per mutual fund share.

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 (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2012⁴	10.79	365	34	2.51	2.51	–	0.46
Advisor Series							
Mar. 31, 2012⁴	10.79	1	–	2.51	2.51	–	0.46
Series D							
Mar. 31, 2012⁴	10.81	110	10	1.56	1.56	–	0.46
Series F							
Mar. 31, 2012⁴	10.83	2	–	1.27	1.27	–	0.46
Series O							
Mar. 31, 2012⁴	10.84	7 536	695	0.33	0.33	–	0.46

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 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.

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.

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.

⁴ From January 1, 2012.



March 31, 2012

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable 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	1.85%	54%	46%
Advisor Series	1.85%	54%	46%
Series D	1.00%	25%	75%
Series F	0.75%	—	100%

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

* Management fees represent the actual average management fee rate for the period ended March 31, 2012.

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

PAST PERFORMANCE

Investment performance in respect of a fund that has been available for less than one year is not provided.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2012

Investment Mix

	% of Net Asset Value
Other Countries	18.4
Korea	12.9
Brazil	10.7
China	10.2
South Africa	10.2
Taiwan	7.6
India	6.5
Hong Kong	4.6
Mexico	4.5
Chile	4.2
Canada	3.2
Indonesia	3.2
Cash/Other	3.8

Top 25 Holdings

	% of Net Asset Value
Taiwan Semiconductor Manufacturing Co. Ltd.	4.6
Vale S.A. ADR	4.2
Samsung Electronics Co. Ltd.	4.1
Naspers Ltd.	3.8
Cash & Cash Equivalents	3.6
China Mobile (Hong Kong) Ltd.	3.4
America Movil S.A. de CV ADR	3.4
PT Astra International Tbk	3.2
China Construction Bank Corp.	3.1
Petrochina Co.	3.1
Housing Development Finance Corp.	2.7
Embotelladora Andina S.A.	2.6
Public Bank Berhad	2.5
MTN Group Ltd.	2.4
Credicorp Ltd.	2.4
Dragon Oil Plc.	2.4
Kinross Gold Corp.	2.4
Clicks Group Ltd.	2.1
AES Tiete S.A.	2.1
SM Investments Corp.	2.0
Hyundai Mobis	2.0
South African Breweries Plc.	1.9
Cia. Hering	1.9
Chinatrust Financial Holding Co.	1.9
Tisco Financial Group Plc.	1.7
Top 25 Holdings	69.5

The Fund invests substantially all of its assets directly in the RBC Emerging Markets Equity Fund. The Investment Mix and Top 25 Holdings, shown above, are the proportionate holdings of the RBC Emerging Markets Equity 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/funds.

The simplified prospectus and other information about the underlying fund is available on SEDAR website at www.sedar.com.



GLOBAL EQUITY FUND

RBC GLOBAL RESOURCES CLASS

March 31, 2012

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 May 23, 2012.

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/funds 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.



March 31, 2012

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing in equity securities of companies around the world in any or all of the Energy, Materials, Industrials and Utilities sectors.

To achieve its investment objective, the Fund invests most of its assets in the RBC Global Resources Fund (the "underlying fund"). The underlying fund pursues global companies with a leading market position, high and sustainable profitability, sound finances and attractive valuations relative to peers and the market. The Fund will focus on mid- to large-cap stocks, but will also invest in smaller companies.

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 was launched on January 1, 2012, and its net asset value was \$0.3 million as of March 31, 2012. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

On April 3, 2012, Royal Bank of Canada ("Royal Bank") announced that it has entered into a definitive agreement to acquire the 50% stake that Royal Bank does not already own in the joint venture RBC Dexia Investor Services Limited which owns RBC Dexia Investor Services Trust ("RBC Dexia"), the custodian of the Fund. Following the closing of the transaction, Royal Bank will own 100% of RBC Dexia Investor Services Limited.

As the first quarter of 2012 wound down, there were some signs of a slowing global economy, particularly in Europe, the U.S. and China, and the future remains unusually difficult to forecast. U.S. natural gas prices continue to weaken, while oil prices are supported by higher demand, supply concerns and sanctions placed on Iran because of its nuclear program. The portfolio is positioned to reflect these concerns.

Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank and is the manager and portfolio advisor 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, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributor

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

Custodian

RBC Dexia is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC Dexia and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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.



March 31, 2012

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 since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class 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.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year	
		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												
Mar. 31, 2012³	10.00[†]	–	(0.06)	–	(0.28)	(0.34)	–	–	–	–	–	9.67
Advisor Series												
Mar. 31, 2012³	10.00[†]	–	(0.06)	–	(0.28)	(0.34)	–	–	–	–	–	9.67
Series D												
Mar. 31, 2012³	10.00[†]	–	(0.03)	–	(0.28)	(0.31)	–	–	–	–	–	9.70
Series F												
Mar. 31, 2012³	10.00[†]	–	(0.03)	–	(0.28)	(0.31)	–	–	–	–	–	9.70
Series O												
Mar. 31, 2012³	10.00[†]	–	(0.01)	–	(0.28)	(0.29)	–	–	–	–	–	9.72

¹ 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.

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

³ From January 1, 2012.

[†] Initial offering net asset value per mutual fund share.

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 (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2012⁴	9.67	57	6	2.35	2.35	0.39	0.50
Advisor Series							
Mar. 31, 2012⁴	9.67	8	1	2.35	2.35	0.39	0.50
Series D							
Mar. 31, 2012⁴	9.70	31	3	1.34	1.34	0.39	0.50
Series F							
Mar. 31, 2012⁴	9.70	63	7	1.05	1.05	0.39	0.50
Series O							
Mar. 31, 2012⁴	9.72	144	15	0.08	0.08	0.39	0.50

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 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.

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.

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.

⁴ From January 1, 2012.



March 31, 2012

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily 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	1.85%	62%	38%
Advisor Series	1.85%	62%	38%
Series D	1.00%	25%	75%
Series F	0.75%	–	100%

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

* Management fees represent the actual average management fee rate for the period ended March 31, 2012.

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

PAST PERFORMANCE

Investment performance in respect of a fund that has been available for less than one year is not provided.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2012

Investment Mix – Sectors

	% of Net Asset Value
Oil, Gas and Consumable Fuels	44.0
Metals and Mining	29.4
Energy Equipment and Services	7.7
Chemicals	5.4
Construction Materials	1.1
Water Utilities	0.5
Cash/Other	11.9

Investment Mix – Countries/Regions

	% of Net Asset Value
Canada	56.8
United States	17.9
United Kingdom	7.0
Australia	4.5
Brazil	1.9
Cash/Other	11.9

Top 25 Holdings

	% of Net Asset Value
Cash & Cash Equivalents	12.0
National Oilwell Varco Inc.	3.5
African Minerals Ltd.	3.4
Plains Exploration & Production Co.	3.2
TAG Oil Ltd.	3.0
Coastal Energy Co.	3.0
Monsanto Co.	2.8
Anadarko Petroleum Corp.	2.4
Imperial Oil Ltd.	2.3
Premier Oil Plc.	2.2
Trilogy Energy Corp.	2.2
Yamana Gold Inc.	2.1
Eldorado Gold Corp.	2.1
Teck Resources Ltd., Class B	2.0
Paramount Resources Ltd., Class A	2.0
Canadian Natural Resources Ltd.	2.0
Halliburton Co.	2.0
African Petroleum Corp. Ltd.	2.0
Arcan Resources Ltd.	1.7
Perseus Mining Inc.	1.7
Griffith Energy International, Common (Private)	1.7
New Gold Inc.	1.5
HRT Participacoes em Petroleo S.A.	1.5
Tourmaline Oil Corp.	1.5
Transglobe Energy Corporation	1.4
Top 25 Holdings	65.2

The Fund invests substantially all of its assets directly in the RBC Global Resources Fund. The Investment Mix and Top 25 Holdings, shown above, are the proportionate holdings of the RBC Global Resources 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/funds.

The simplified prospectus and other information about the underlying fund is available on SEDAR website at www.sedar.com.



The accompanying financial statements have been prepared by RBC Global Asset Management Inc. ("RBC GAM") as manager of the RBC Corporate Class Funds (the "Funds") and approved by the Board of Directors of RBC Corporate Class Inc. We are responsible for the information contained within the financial statements.

We have maintained appropriate procedures and controls to ensure that timely and reliable financial information is produced. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada (and they include certain amounts that are based on estimates and judgements). The significant accounting policies, which we believe are appropriate for the Funds, are described in Note 3 to the financial statements.

An advisory Board of Governors of the Funds was established in 1994 specifically to provide advice to RBC GAM regarding conflicts of interest in mutual fund management. Effective December 1, 2006, the Board of Governors was designated as the independent review committee of the Funds and other mutual funds managed by us pursuant to the provisions of *National Instrument 81-107, Independent Review Committee for Investment Funds*. In addition to the regulatory requirements for independent fund governance, the Board of Governors and its committees have been asked by RBC GAM to maintain their important roles of providing advice on other issues relating to the management of the Funds.

Although the Board of Directors of RBC Corporate Class Inc. is solely responsible for approving the financial statements and overseeing management's financial reporting responsibilities along with RBC GAM, the Financial Advisory Committee of the Board of Governors provides advice to the Board of Governors and RBC GAM concerning financial reporting, the audit process and internal controls.

Deloitte & Touche LLP is the external auditor of the Funds. The auditor was appointed by the Board of Directors of RBC Corporate Class Inc. and cannot be changed without the prior approval of the Board of Governors, in its capacity as the independent review committee. Deloitte & Touche LLP has audited the financial statements in accordance with Canadian generally accepted auditing standards to enable it to express to the shareholders its opinion on the financial statements. Its report is set out on the next page.

John S. Montalbano, CFA
Chief Executive Officer
RBC Global Asset Management Inc.

Frank Lippa, CA
Chief Financial Officer and Chief Operating Officer
RBC Global Asset Management Inc.

May 23, 2012



March 31, 2012

To the Shareholders of the following classes of RBC Corporate Class Inc.:

- | | |
|--|--|
| RBC Short Term Income Class | RBC North American Value Class |
| Phillips, Hager & North Total Return Bond Capital Class | RBC U.S. Equity Class |
| RBC High Yield Bond Capital Class | Phillips, Hager & North U.S. Multi-Style All-Cap Equity Class |
| RBC Canadian Dividend Class | Phillips, Hager & North Overseas Equity Class |
| RBC Canadian Equity Class | RBC Emerging Markets Equity Class |
| RBC Canadian Equity Income Class | RBC Global Resources Class |
| RBC Canadian Mid Cap Equity Class | (collectively referred to as the "Funds") |

We have audited the accompanying financial statements of each of the Funds, which comprise the statements of investment portfolio and of net assets as at March 31, 2012, and the statements of operations and changes in net assets for the period (since the establishment of the Funds) then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient in our audits and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as at March 31, 2012 and the results of their operations and the changes in their net assets for the period (since establishment of the Funds) then ended, in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants
May 23, 2012
Toronto, Ontario



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC SHORT TERM INCOME CLASS

March 31, 2012

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
896 989	RBC Canadian Money Market Fund*	\$ 8 970	\$ 8 970	
TOTAL INVESTMENTS		<u>\$ 8 970</u>	8 970	98.6
OTHER NET ASSETS			129	1.4
NET ASSETS			<u>\$ 9 099</u>	100.0

* Investment in related party (see note 6 in the generic notes).



Statement of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2012
ASSETS	
Investments at fair value	\$ 8 970
Subscriptions receivable	232
TOTAL ASSETS	9 202
LIABILITIES	
Bank overdraft	99
Accounts payable and accrued expenses	4
TOTAL LIABILITIES	103
NET ASSETS	\$ 9 099
Investments at cost	\$ 8 970
NET ASSETS PER SERIES, END OF PERIOD	
SERIES A	\$ 4 488
ADVISOR SERIES	\$ 1 200
SERIES D	\$ 81
SERIES F	\$ 677
SERIES O	\$ 2 653
NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD	
SERIES A	\$ 10.01
ADVISOR SERIES	\$ 10.00
SERIES D	\$ 10.00
SERIES F	\$ 10.01
SERIES O	\$ 10.02
NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD (see note 3 in the generic notes)	
SERIES A	\$ 10.01
ADVISOR SERIES	\$ 10.00
SERIES D	\$ 10.00
SERIES F	\$ 10.01
SERIES O	\$ 10.02

Statement of Operations (in \$000s except per mutual fund share amounts)

For the period ended March 31 (see note 2 in the generic notes)*	2012
INCOME (see note 3 in the generic notes)	
Other revenue	\$ 10
TOTAL INCOME (LOSS)	10
EXPENSES (see notes – Fund Specific Information)	
Management fees	2
Administration fees	1
Board of Directors fees	5
Board of Governors costs	1
GST/HST	–
TOTAL EXPENSES	9
NET INVESTMENT INCOME (LOSS)	1
INCREASE (DECREASE) IN NET ASSETS	
FROM OPERATIONS	\$ 1
INCREASE (DECREASE) IN NET ASSETS	
FROM OPERATIONS	
SERIES A	\$ –
ADVISOR SERIES	\$ –
SERIES D	\$ –
SERIES F	\$ –
SERIES O	\$ 1
INCREASE (DECREASE) IN NET ASSETS	
FROM OPERATIONS PER MUTUAL FUND SHARE	
SERIES A	\$ –
ADVISOR SERIES	\$ –
SERIES D	\$ –
SERIES F	\$ 0.01
SERIES O	\$ 0.02

* Fund launched January 1, 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

The accompanying notes are an integral part of these financial statements.



Statement of Changes in Net Assets (in \$000s)

For the period ended March 31 (see note 2 in the generic notes)*	Series A 2012	Advisor Series 2012	Series D 2012	Series F 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	–	–	–	–
Early redemption fees	–	–	–	–
Proceeds from mutual fund shares issued	5 632	1 227	81	717
Proceeds from reinvestment of distributions	–	–	–	–
Payments on redemption of mutual fund shares	(1 144)	(27)	–	(40)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	4 488	1 200	81	677
Distributions from net income	–	–	–	–
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
TOTAL DISTRIBUTIONS	–	–	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	4 488	1 200	81	677
NET ASSETS – END OF PERIOD	\$ 4 488	\$ 1 200	\$ 81	\$ 677

For the period ended March 31 (see note 2 in the generic notes)*	Series O 2012	Total 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	1	1
Early redemption fees	–	–
Proceeds from mutual fund shares issued	2 670	10 327
Proceeds from reinvestment of distributions	–	–
Payments on redemption of mutual fund shares	(18)	(1 229)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	2 652	9 098
Distributions from net income	–	–
Distributions from net gains	–	–
Distributions from capital	–	–
TOTAL DISTRIBUTIONS	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	2 653	9 099
NET ASSETS – END OF PERIOD	\$ 2 653	\$ 9 099

* Fund launched January 1, 2012.



March 31, 2012

**Financial instrument risk and capital management
(see note 4 in the generic notes)**

The Fund invests in the RBC Canadian Money Market Fund. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk (%)

The table below summarizes the RBC Canadian Money Market Fund's exposure to credit risk grouped by credit ratings as at:

Rating	March 31 2012
R-1 (H)	82.3
R-1 (M)	7.6
R-1 (L)	10.1
Total debt securities	100.0

Interest rate risk (%)

The table below summarizes the RBC Canadian Money Market Fund's exposure to interest rate risk by remaining term to maturity as at:

Term to maturity	March 31 2012
0 – 1 month	36.3
1 – 3 months	40.5
4 – 6 months	19.3
7 – 12 months	3.9
Total debt securities	100.0

Due to the short-term nature of the Fund's investments, the Fund has minimal sensitivity to changes in interest rates.

**Fair value hierarchy (\$000s except % amounts)
(see note 3 in the generic notes)**

The following is a summary of the inputs used as of March 31, 2012 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2012	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	8 970	–	–	8 970
Fixed-income				
and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	8 970	–	–	8 970
% of total portfolio	100.0	–	–	100.0

For the period ended March 31, 2012, there were no transfers of financial instruments between Level 1 and Level 2.

Please see the generic notes at the back of the financial statements.

Management fees (see note 6 in the generic notes)

No management fees are payable 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.

Management fees of the other series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.75%
Advisor Series	0.75%
Series D	0.50%
Series F	0.50%

Operating expenses (see note 6 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.08%
Advisor Series	0.08%
Series D	0.03%
Series F	0.03%
Series O	0.02%

Initial investments (\$000s except mutual fund share amounts) (see note 6 in the generic notes)

Royal Bank of Canada, or one of its subsidiaries, held the following investments in the Fund as at:

	March 31 2012
Mutual fund shares held	
Series A	50
Advisor Series	50
Series D	50
Series F	50
Series O	15 000
Value of all mutual fund shares	\$ 152



March 31, 2012

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the period ended March 31
(see note 2 in the generic notes)

2012

Series A

Opening mutual fund shares	–
Issued number of mutual fund shares	563
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(114)
Ending number of mutual fund shares	449

Advisor Series

Opening mutual fund shares	–
Issued number of mutual fund shares	123
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(3)
Ending number of mutual fund shares	120

Series D

Opening mutual fund shares	–
Issued number of mutual fund shares	8
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	8

Series F

Opening mutual fund shares	–
Issued number of mutual fund shares	72
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(4)
Ending number of mutual fund shares	68

Series O

Opening mutual fund shares	–
Issued number of mutual fund shares	267
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(2)
Ending number of mutual fund shares	265

**Other revenue and capital gains (\$000s)
(see note 3 in the generic notes)**

Other revenue and capital gains from investing in other related investment funds for the period ended:

	March 31 2012
RBC Canadian Money Market Fund	\$ 10
Total other revenue	\$ 10
Capital gains received from underlying funds	\$ –



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
PHILLIPS, HAGER & NORTH TOTAL RETURN BOND CAPITAL CLASS

March 31, 2012

Number of Units	Security	Cost	Fair Value	% of Net Assets
LIMITED PARTNERSHIP UNITS				
13 720 027	Phillips, Hager & North Total Return Bond LP*	\$ 137 395	\$ 137 626	
TOTAL INVESTMENTS		<u>\$ 137 395</u>	137 626	98.9
OTHER NET ASSETS			1 582	1.1
NET ASSETS			<u>\$ 139 208</u>	100.0

* Investment in related party (see note 6 in the generic notes).



Statement of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2012
ASSETS	
Investments at fair value	\$ 137 626
Cash	1 179
Subscriptions receivable	5 283
TOTAL ASSETS	144 088
LIABILITIES	
Due to investment dealers	4 100
Redemptions payable	736
Accounts payable and accrued expenses	44
TOTAL LIABILITIES	4 880
NET ASSETS	\$ 139 208
Investments at cost	\$ 137 395
NET ASSETS PER SERIES, END OF PERIOD	
SERIES A	\$ 28 329
ADVISOR SERIES	\$ 15 773
SERIES D	\$ 806
SERIES F	\$ 27 867
SERIES O	\$ 66 433
NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD	
SERIES A	\$ 10.00
ADVISOR SERIES	\$ 10.00
SERIES D	\$ 10.02
SERIES F	\$ 10.02
SERIES O	\$ 10.03
NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD (see note 3 in the generic notes)	
SERIES A	\$ 10.00
ADVISOR SERIES	\$ 10.00
SERIES D	\$ 10.02
SERIES F	\$ 10.02
SERIES O	\$ 10.03

Statement of Operations (in \$000s except per mutual fund share amounts)

For the period ended March 31 (see note 2 in the generic notes)*	2012
EXPENSES (see notes – Fund Specific Information)	
Management fees	\$ 56
Administration fees	5
Board of Directors fees	60
Board of Governors costs	1
GST/HST	8
TOTAL EXPENSES	130
NET INVESTMENT INCOME (LOSS)	(130)
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	
Change in unrealized gain (loss) in value of investments	231
NET GAIN (LOSS) ON INVESTMENTS	231
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$ 101
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
SERIES A	\$ 3
ADVISOR SERIES	\$ (22)
SERIES D	\$ –
SERIES F	\$ 42
SERIES O	\$ 78
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE	
SERIES A	\$ –
ADVISOR SERIES	\$ –
SERIES D	\$ –
SERIES F	\$ –
SERIES O	\$ 0.03

* Fund launched January 1, 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lipka
Director

The accompanying notes are an integral part of these financial statements.



Statement of Changes in Net Assets (in \$000s)

For the period ended March 31 (see note 2 in the generic notes)*	Series A 2012	Advisor Series 2012	Series D 2012	Series F 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	3	(22)	–	42
Early redemption fees	–	–	–	–
Proceeds from mutual fund shares issued	28 556	16 109	806	27 959
Proceeds from reinvestment of distributions	–	–	–	–
Payments on redemption of mutual fund shares	(230)	(314)	–	(134)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	28 326	15 795	806	27 825
Distributions from net income	–	–	–	–
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
TOTAL DISTRIBUTIONS	–	–	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	28 329	15 773	806	27 867
NET ASSETS – END OF PERIOD	\$ 28 329	\$ 15 773	\$ 806	\$ 27 867

For the period ended March 31 (see note 2 in the generic notes)*	Series O 2012	Total 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	78	101
Early redemption fees	–	–
Proceeds from mutual fund shares issued	71 788	145 218
Proceeds from reinvestment of distributions	–	–
Payments on redemption of mutual fund shares	(5 433)	(6 111)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	66 355	139 107
Distributions from net income	–	–
Distributions from net gains	–	–
Distributions from capital	–	–
TOTAL DISTRIBUTIONS	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	66 433	139 208
NET ASSETS – END OF PERIOD	\$ 66 433	\$ 139 208

* Fund launched January 1, 2012.



March 31, 2012

**Financial instrument risk and capital management
(see note 4 in the generic notes)**

The Fund invests directly in the Phillips, Hager & North Total Return Bond LP and invests indirectly in the Phillips, Hager & North Total Return Bond Trust. The Fund's exposure to financial instrument risk is based on the mutual fund asset mix of the indirect investment.

Credit risk (%)

The table below summarizes the Phillips, Hager & North Total Return Bond Trust's exposure to credit risk grouped by credit ratings as at:

Rating	March 31 2012
AAA	11.0
AA	45.7
A	25.1
BBB	15.1
BB	1.9
B	0.5
Unrated	0.7
Total debt securities	100.0

Interest rate risk (%)

The table below summarizes the Phillips, Hager & North Total Return Bond Trust's exposure to interest rate risk by remaining term to maturity from investments in mutual fund units as at:

Term to maturity	March 31 2012
Less than 1 year	11.1
1 – 5 years	32.0
5 – 10 years	19.7
> 10 years	37.2
Total debt securities	100.0

As at March 31, 2012, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 5.7%. In practice, actual results could differ from this sensitivity analysis and the difference could be material.

**Fair value hierarchy (\$000s except % amounts)
(see note 3 in the generic notes)**

The following is a summary of the inputs used as of March 31, 2012 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2012	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	137 626	–	–	137 626
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	137 626	–	–	137 626
% of total portfolio	100.0	–	–	100.0

For the period ended March 31, 2012, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 6 in the generic notes)

No management fees are payable 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.

Management fees of the other series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.00%
Advisor Series	1.25%
Series D	0.50%
Series F	0.50%

Operating expenses (see note 6 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.03%
Advisor Series	0.03%
Series D	0.02%
Series F	0.03%
Series O	0.02%



March 31, 2012

Initial investments (\$000s except mutual fund share amounts) (see note 6 in the generic notes)

Royal Bank of Canada, or one of its subsidiaries, held the following investments in the Fund as at:

	March 31 2012
Mutual fund shares held	
Series A	50
Advisor Series	50
Series D	50
Series F	50
Value of all mutual fund shares	\$ 2

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the period ended March 31
(see note 2 in the generic notes) 2012

Series A	
Opening mutual fund shares	–
Issued number of mutual fund shares	2 855
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(23)
Ending number of mutual fund shares	2 832

Advisor Series	
Opening mutual fund shares	–
Issued number of mutual fund shares	1 608
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(31)
Ending number of mutual fund shares	1 577

Series D	
Opening mutual fund shares	–
Issued number of mutual fund shares	80
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	80

Series F	
Opening mutual fund shares	–
Issued number of mutual fund shares	2 796
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(13)
Ending number of mutual fund shares	2 783

	2012
Series 0	
Opening mutual fund shares	–
Issued number of mutual fund shares	7 166
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(542)
Ending number of mutual fund shares	6 624

Please see the generic notes at the back of the financial statements.



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC HIGH YIELD BOND CAPITAL CLASS

March 31, 2012

Number of Units	Security	Cost	Fair Value	% of Net Assets
LIMITED PARTNERSHIP UNITS				
12 486 399	RBC High Yield Bond LP*	\$ 126 292	\$ 126 985	
TOTAL INVESTMENTS		<u>\$ 126 292</u>	126 985	99.2
OTHER NET ASSETS			1 024	0.8
NET ASSETS			<u>\$ 128 009</u>	100.0

* Investment in related party (see note 6 in the generic notes).



Statement of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2012
ASSETS	
Investments at fair value	\$ 126 985
Cash	931
Subscriptions receivable	4 792
TOTAL ASSETS	132 708
LIABILITIES	
Due to investment dealers	4 500
Redemptions payable	166
Accounts payable and accrued expenses	33
TOTAL LIABILITIES	4 699
NET ASSETS	\$ 128 009
Investments at cost	\$ 126 292
NET ASSETS PER SERIES, END OF PERIOD	
SERIES A	\$ 9 600
ADVISOR SERIES	\$ 13 844
SERIES D	\$ 490
SERIES F	\$ 11 822
SERIES O	\$ 92 253
NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD	
SERIES A	\$ 10.12
ADVISOR SERIES	\$ 10.12
SERIES D	\$ 10.13
SERIES F	\$ 10.14
SERIES O	\$ 10.16
NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD (see note 3 in the generic notes)	
SERIES A	\$ 10.12
ADVISOR SERIES	\$ 10.12
SERIES D	\$ 10.13
SERIES F	\$ 10.14
SERIES O	\$ 10.16

Statement of Operations (in \$000s except per mutual fund share amounts)

For the period ended March 31 (see note 2 in the generic notes)*	2012
EXPENSES (see notes – Fund Specific Information)	
Management fees	\$ 39
Administration fees	4
Board of Directors fees	60
Board of Governors costs	1
GST/HST	5
TOTAL EXPENSES	109
NET INVESTMENT INCOME (LOSS)	(109)
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	
Change in unrealized gain (loss) in value of investments	693
NET GAIN (LOSS) ON INVESTMENTS	693
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
	\$ 584
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
SERIES A	\$ 24
ADVISOR SERIES	\$ 59
SERIES D	\$ 1
SERIES F	\$ 42
SERIES O	\$ 458
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE	
SERIES A	\$ 0.13
ADVISOR SERIES	\$ 0.13
SERIES D	\$ 0.14
SERIES F	\$ 0.14
SERIES O	\$ 0.16

* Fund launched January 1, 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lipka
Director

The accompanying notes are an integral part of these financial statements.



Statement of Changes in Net Assets (in \$000s)

For the period ended March 31 (see note 2 in the generic notes)*	Series A 2012	Advisor Series 2012	Series D 2012	Series F 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	24	59	1	42
Early redemption fees	–	–	–	–
Proceeds from mutual fund shares issued	10 039	13 894	575	12 378
Proceeds from reinvestment of distributions	–	–	–	–
Payments on redemption of mutual fund shares	(463)	(109)	(86)	(598)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	9 576	13 785	489	11 780
Distributions from net income	–	–	–	–
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
TOTAL DISTRIBUTIONS	–	–	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	9 600	13 844	490	11 822
NET ASSETS – END OF PERIOD	\$ 9 600	\$ 13 844	\$ 490	\$ 11 822

For the period ended March 31 (see note 2 in the generic notes)*	Series O 2012	Total 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	458	584
Early redemption fees	–	–
Proceeds from mutual fund shares issued	96 749	133 635
Proceeds from reinvestment of distributions	–	–
Payments on redemption of mutual fund shares	(4 954)	(6 210)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	91 795	127 425
Distributions from net income	–	–
Distributions from net gains	–	–
Distributions from capital	–	–
TOTAL DISTRIBUTIONS	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	92 253	128 009
NET ASSETS – END OF PERIOD	\$ 92 253	\$ 128 009

* Fund launched January 1, 2012.



March 31, 2012

**Financial instrument risk and capital management
(see note 4 in the generic notes)**

The Fund invests directly in the RBC High Yield Bond LP and invests indirectly in the RBC High Yield Bond Trust. The Fund's exposure to financial instrument risk is based on the mutual fund asset mix of the indirect investment.

Credit risk (%)

The table below summarizes the RBC High Yield Bond Trust's exposure to credit risk grouped by credit ratings as at:

Rating	March 31 2012
AA	1.4
A	2.3
BBB	10.7
BB	60.2
B	23.9
CCC	1.5
Total debt securities	100.0

Interest rate risk (%)

The table below summarizes the RBC High Yield Bond Trust's exposure to interest rate risk by remaining term to maturity from investments in mutual fund units as at:

Term to maturity	March 31 2012
Less than 1 year	1.7
1 – 5 years	22.5
5 – 10 years	71.1
> 10 years	4.7
Total debt securities	100.0

As at March 31, 2012, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 4.8%. In practice, actual results could differ from this sensitivity analysis and the difference could be material.

**Fair value hierarchy (\$000s except % amounts)
(see note 3 in the generic notes)**

The following is a summary of the inputs used as of March 31, 2012 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2012	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	126 985	–	–	126 985
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	126 985	–	–	126 985
% of total portfolio	100.0	–	–	100.0

For the period ended March 31, 2012, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 6 in the generic notes)

No management fees are payable 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.

Management fees of the other series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.25%
Advisor Series	1.25%
Series D	0.90%
Series F	0.75%

Operating expenses (see note 6 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.03%
Advisor Series	0.03%
Series D	0.03%
Series F	0.03%
Series O	0.02%



March 31, 2012

Initial investments (\$000s except mutual fund share amounts) (see note 6 in the generic notes)

Royal Bank of Canada, or one of its subsidiaries, held the following investments in the Fund as at:

	March 31 2012
Mutual fund shares held	
Series A	50
Advisor Series	50
Series D	50
Series F	50
Value of all mutual fund shares	\$ 2

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the period ended March 31
(see note 2 in the generic notes) 2012

Series A

Opening mutual fund shares	–
Issued number of mutual fund shares	994
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(46)
Ending number of mutual fund shares	948

Advisor Series

Opening mutual fund shares	–
Issued number of mutual fund shares	1 379
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(11)
Ending number of mutual fund shares	1 368

Series D

Opening mutual fund shares	–
Issued number of mutual fund shares	57
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(9)
Ending number of mutual fund shares	48

Series F

Opening mutual fund shares	–
Issued number of mutual fund shares	1 225
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(59)
Ending number of mutual fund shares	1 166

For the period ended March 31
(see note 2 in the generic notes) 2012

Series 0

Opening mutual fund shares	–
Issued number of mutual fund shares	9 572
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(488)
Ending number of mutual fund shares	9 084

Please see the generic notes at the back of the financial statements.



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC CANADIAN DIVIDEND CLASS

March 31, 2012

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
307 087	RBC Private Canadian Dividend Pool*	\$ 9 648	\$ 9 701	
TOTAL INVESTMENTS		<u>\$ 9 648</u>	9 701	98.4
OTHER NET ASSETS			158	1.6
NET ASSETS			<u>\$ 9 859</u>	100.0

* Investment in related party (see note 6 in the generic notes).



Statement of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2012
ASSETS	
Investments at fair value	\$ 9 701
Cash	54
Subscriptions receivable	938
TOTAL ASSETS	10 693
LIABILITIES	
Due to investment dealers	828
Accounts payable and accrued expenses	6
TOTAL LIABILITIES	834
NET ASSETS	\$ 9 859
Investments at cost	\$ 9 648
NET ASSETS PER SERIES, END OF PERIOD	
SERIES A	\$ 3 132
ADVISOR SERIES	\$ 431
SERIES D	\$ 198
SERIES F	\$ 1 093
SERIES O	\$ 5 005
NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD	
SERIES A	\$ 10.29
ADVISOR SERIES	\$ 10.29
SERIES D	\$ 10.31
SERIES F	\$ 10.31
SERIES O	\$ 10.33
NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD (see note 3 in the generic notes)	
SERIES A	\$ 10.29
ADVISOR SERIES	\$ 10.29
SERIES D	\$ 10.31
SERIES F	\$ 10.31
SERIES O	\$ 10.33

Statement of Operations (in \$000s except per mutual fund share amounts)

For the period ended March 31 (see note 2 in the generic notes)*	2012
INCOME (see note 3 in the generic notes)	
Other revenue	\$ 82
TOTAL INCOME (LOSS)	82
EXPENSES (see notes – Fund Specific Information)	
Management fees	6
Administration fees	1
Board of Directors fees	4
Board of Governors costs	1
GST/HST	1
TOTAL EXPENSES	13
NET INVESTMENT INCOME (LOSS)	69
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	
Change in unrealized gain (loss) in value of investments	53
NET GAIN (LOSS) ON INVESTMENTS	53
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$ 122
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
SERIES A	\$ 30
ADVISOR SERIES	\$ 4
SERIES D	\$ 2
SERIES F	\$ 3
SERIES O	\$ 83
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE	
SERIES A	\$ 0.29
ADVISOR SERIES	\$ 0.29
SERIES D	\$ 0.31
SERIES F	\$ 0.31
SERIES O	\$ 0.33

* Fund launched January 1, 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

The accompanying notes are an integral part of these financial statements.



Statement of Changes in Net Assets (in \$000s)

For the period ended March 31 (see note 2 in the generic notes)*	Series A 2012	Advisor Series 2012	Series D 2012	Series F 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	30	4	2	3
Early redemption fees	–	–	–	–
Proceeds from mutual fund shares issued	3 152	427	196	1 090
Proceeds from reinvestment of distributions	–	–	–	–
Payments on redemption of mutual fund shares	(50)	–	–	–
TOTAL MUTUAL FUND SHARE TRANSACTIONS	3 102	427	196	1 090
Distributions from net income	–	–	–	–
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
TOTAL DISTRIBUTIONS	–	–	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	3 132	431	198	1 093
NET ASSETS – END OF PERIOD	\$ 3 132	\$ 431	\$ 198	\$ 1 093

For the period ended March 31 (see note 2 in the generic notes)*	Series O 2012	Total 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	83	122
Early redemption fees	–	–
Proceeds from mutual fund shares issued	4 922	9 787
Proceeds from reinvestment of distributions	–	–
Payments on redemption of mutual fund shares	–	(50)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	4 922	9 737
Distributions from net income	–	–
Distributions from net gains	–	–
Distributions from capital	–	–
TOTAL DISTRIBUTIONS	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	5 005	9 859
NET ASSETS – END OF PERIOD	\$ 5 005	\$ 9 859

* Fund launched January 1, 2012.



March 31, 2012

**Financial instrument risk and capital management
(see note 4 in the generic notes)**

The Fund invests in the RBC Private Canadian Dividend Pool and/or the RBC Canadian Dividend Fund. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk

The Fund is exposed to credit risk from investments in underlying mutual funds. These underlying funds could invest in debt securities and could enter into over-the-counter derivative contracts.

Other price risk

Due to the fact that the Fund has been in existence for less than six months, the impact on net assets of the Fund using the historical correlation between the Fund's return and a broad-based index is not disclosed because there is insufficient data and any resulting calculation could be materially misleading.

**Fair value hierarchy (\$000s except % amounts)
(see note 3 in the generic notes)**

The following is a summary of the inputs used as of March 31, 2012 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2012	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	9 701	–	–	9 701
Fixed-income				
and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	9 701	–	–	9 701
% of total portfolio	100.0	–	–	100.0

For the period ended March 31, 2012, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 6 in the generic notes)

No management fees are payable 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.

Management fees of the other series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.50%
Advisor Series	1.50%
Series D	1.00%
Series F	0.75%

Operating expenses (see note 6 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.06%
Advisor Series	0.06%
Series D	0.04%
Series F	0.04%
Series O	0.02%

Initial investments (\$000s except mutual fund share amounts) (see note 6 in the generic notes)

Royal Bank of Canada, or one of its subsidiaries, held the following investments in the Fund as at:

	March 31 2012
Mutual fund shares held	
Series A	50
Advisor Series	50
Series D	50
Series F	50
Series O	15 000
Value of all mutual fund shares	\$ 157



March 31, 2012

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the period ended March 31
(see note 2 in the generic notes)

2012

Series A

Opening mutual fund shares	–
Issued number of mutual fund shares	309
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(5)
Ending number of mutual fund shares	304

Advisor Series

Opening mutual fund shares	–
Issued number of mutual fund shares	42
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	42

Series D

Opening mutual fund shares	–
Issued number of mutual fund shares	19
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	19

Series F

Opening mutual fund shares	–
Issued number of mutual fund shares	106
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	106

Series O

Opening mutual fund shares	–
Issued number of mutual fund shares	484
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	484

**Other revenue and capital gains (\$000s)
(see note 3 in the generic notes)**

Other revenue and capital gains from investing in other related investment funds for the period ended:

	March 31 2012
RBC Private Canadian Dividend Pool	\$ 82
Total other revenue	\$ 82
Capital gains received from underlying funds	\$ –



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC CANADIAN EQUITY CLASS

March 31, 2012

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
120 293	RBC Private Canadian Equity Pool*	\$ 2 304	\$ 2 282	
TOTAL INVESTMENTS		<u>\$ 2 304</u>	2 282	99.3
OTHER NET ASSETS			17	0.7
NET ASSETS			<u>\$ 2 299</u>	100.0

* Investment in related party (see note 6 in the generic notes).



Statement of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2012
ASSETS	
Investments at fair value	\$ 2 282
Cash	128
Subscriptions receivable	92
TOTAL ASSETS	2 502
LIABILITIES	
Due to investment dealers	202
Accounts payable and accrued expenses	1
TOTAL LIABILITIES	203
NET ASSETS	\$ 2 299
Investments at cost	\$ 2 304
NET ASSETS PER SERIES, END OF PERIOD	
SERIES A	\$ 374
ADVISOR SERIES	\$ 290
SERIES D	\$ 35
SERIES F	\$ 63
SERIES O	\$ 1 537
NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD	
SERIES A	\$ 10.19
ADVISOR SERIES	\$ 10.19
SERIES D	\$ 10.21
SERIES F	\$ 10.22
SERIES O	\$ 10.24
NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD (see note 3 in the generic notes)	
SERIES A	\$ 10.19
ADVISOR SERIES	\$ 10.19
SERIES D	\$ 10.21
SERIES F	\$ 10.22
SERIES O	\$ 10.24

Statement of Operations (in \$000s except per mutual fund share amounts)

For the period ended March 31 (see note 2 in the generic notes)*	2012
INCOME (see note 3 in the generic notes)	
Other revenue	\$ 18
TOTAL INCOME (LOSS)	18
EXPENSES (see notes – Fund Specific Information)	
Management fees	1
Administration fees	1
Board of Directors fees	1
Board of Governors costs	1
GST/HST	–
TOTAL EXPENSES	4
NET INVESTMENT INCOME (LOSS)	14
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	
Change in unrealized gain (loss) in value of investments	(22)
NET GAIN (LOSS) ON INVESTMENTS	(22)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$ (8)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
SERIES A	\$ (6)
ADVISOR SERIES	\$ (1)
SERIES D	\$ (1)
SERIES F	\$ –
SERIES O	\$ –
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE	
SERIES A	\$ 0.20
ADVISOR SERIES	\$ 0.20
SERIES D	\$ 0.22
SERIES F	\$ 0.23
SERIES O	\$ 0.24

* Fund launched January 1, 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

The accompanying notes are an integral part of these financial statements.



Statement of Changes in Net Assets (in \$000s)

For the period ended March 31 (see note 2 in the generic notes)*	Series A 2012	Advisor Series 2012	Series D 2012	Series F 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	(6)	(1)	(1)	–
Early redemption fees	–	–	–	–
Proceeds from mutual fund shares issued	411	304	36	63
Proceeds from reinvestment of distributions	–	–	–	–
Payments on redemption of mutual fund shares	(31)	(13)	–	–
TOTAL MUTUAL FUND SHARE TRANSACTIONS	380	291	36	63
Distributions from net income	–	–	–	–
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
TOTAL DISTRIBUTIONS	–	–	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	374	290	35	63
NET ASSETS – END OF PERIOD	\$ 374	\$ 290	\$ 35	\$ 63

For the period ended March 31 (see note 2 in the generic notes)*	Series O 2012	Total 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	–	(8)
Early redemption fees	–	–
Proceeds from mutual fund shares issued	1 537	2 351
Proceeds from reinvestment of distributions	–	–
Payments on redemption of mutual fund shares	–	(44)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	1 537	2 307
Distributions from net income	–	–
Distributions from net gains	–	–
Distributions from capital	–	–
TOTAL DISTRIBUTIONS	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	1 537	2 299
NET ASSETS – END OF PERIOD	\$ 1 537	\$ 2 299

* Fund launched January 1, 2012.



March 31, 2012

**Financial instrument risk and capital management
(see note 4 in the generic notes)**

The Fund invests in the RBC Private Canadian Equity Pool and/or the RBC Canadian Equity Fund. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk

The Fund is exposed to credit risk from investments in underlying mutual funds. These underlying funds could invest in debt securities and could enter into over-the-counter derivative contracts.

Other price risk

Due to the fact that the Fund has been in existence for less than six months, the impact on net assets of the Fund using the historical correlation between the Fund's return and a broad-based index is not disclosed because there is insufficient data and any resulting calculation could be materially misleading.

**Fair value hierarchy (\$000s except % amounts)
(see note 3 in the generic notes)**

The following is a summary of the inputs used as of March 31, 2012 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2012	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	2 282	–	–	2 282
Fixed-income				
and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	2 282	–	–	2 282
% of total portfolio	100.0	–	–	100.0

For the period ended March 31, 2012, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 6 in the generic notes)

No management fees are payable 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.

Management fees of the other series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.75%
Advisor Series	1.75%
Series D	1.00%
Series F	0.75%

Operating expenses (see note 6 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.06%
Advisor Series	0.06%
Series D	0.04%
Series F	0.04%
Series O	0.02%

Initial investments (\$000s except mutual fund share amounts) (see note 6 in the generic notes)

Royal Bank of Canada, or one of its subsidiaries, held the following investments in the Fund as at:

	March 31 2012
Mutual fund shares held	
Series A	50
Advisor Series	50
Series D	50
Series F	50
Series O	15 000
Value of all mutual fund shares	\$ 156



March 31, 2012

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the period ended March 31
(see note 2 in the generic notes)

2012

Series A

Opening mutual fund shares	–
Issued number of mutual fund shares	40
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(3)
Ending number of mutual fund shares	37

Advisor Series

Opening mutual fund shares	–
Issued number of mutual fund shares	29
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(1)
Ending number of mutual fund shares	28

Series D

Opening mutual fund shares	–
Issued number of mutual fund shares	3
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	3

Series F

Opening mutual fund shares	–
Issued number of mutual fund shares	6
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	6

Series O

Opening mutual fund shares	–
Issued number of mutual fund shares	150
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	150

**Other revenue and capital gains (\$000s)
(see note 3 in the generic notes)**

Other revenue and capital gains from investing in other related investment funds for the period ended:

	March 31 2012
RBC Private Canadian Equity Pool	\$ 18
Total other revenue	\$ 18
Capital gains received from underlying funds	\$ –



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC CANADIAN EQUITY INCOME CLASS

March 31, 2012

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
1 512 477	RBC Canadian Equity Income Fund*	\$ 36 734	\$ 36 743	
TOTAL INVESTMENTS		<u>\$ 36 734</u>	<u>36 743</u>	98.5
OTHER NET ASSETS			<u>552</u>	1.5
NET ASSETS			<u>\$ 37 295</u>	100.0

* Investment in related party (see note 6 in the generic notes).



Statement of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2012
ASSETS	
Investments at fair value	\$ 36 743
Cash	639
Subscriptions receivable	1 768
TOTAL ASSETS	39 150
LIABILITIES	
Due to investment dealers	1 790
Redemptions payable	15
Accounts payable and accrued expenses	50
TOTAL LIABILITIES	1 855
NET ASSETS	\$ 37 295
Investments at cost	\$ 36 734
NET ASSETS PER SERIES, END OF PERIOD	
SERIES A	\$ 9 139
ADVISOR SERIES	\$ 19 379
SERIES D	\$ 1 713
SERIES F	\$ 6 112
SERIES O	\$ 952
NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD	
SERIES A	\$ 10.30
ADVISOR SERIES	\$ 10.30
SERIES D	\$ 10.33
SERIES F	\$ 10.33
SERIES O	\$ 10.36
NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD (see note 3 in the generic notes)	
SERIES A	\$ 10.30
ADVISOR SERIES	\$ 10.30
SERIES D	\$ 10.33
SERIES F	\$ 10.33
SERIES O	\$ 10.36

Statement of Operations (in \$000s except per mutual fund share amounts)

For the period ended March 31 (see note 2 in the generic notes)*	2012
INCOME (see note 3 in the generic notes)	
Other revenue	\$ 254
TOTAL INCOME (LOSS)	254
EXPENSES (see notes – Fund Specific Information)	
Management fees	64
Administration fees	4
Board of Directors fees	17
Board of Governors costs	1
GST/HST	9
TOTAL EXPENSES	95
NET INVESTMENT INCOME (LOSS)	159
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	
Change in unrealized gain (loss) in value of investments	9
NET GAIN (LOSS) ON INVESTMENTS	9
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$ 168
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
SERIES A	\$ 38
ADVISOR SERIES	\$ 93
SERIES D	\$ 6
SERIES F	\$ 21
SERIES O	\$ 10
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE	
SERIES A	\$ 0.31
ADVISOR SERIES	\$ 0.31
SERIES D	\$ 0.31
SERIES F	\$ 0.33
SERIES O	\$ 0.36

* Fund launched January 1, 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

The accompanying notes are an integral part of these financial statements.



Statement of Changes in Net Assets (in \$000s)

For the period ended March 31 (see note 2 in the generic notes)*	Series A 2012	Advisor Series 2012	Series D 2012	Series F 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	38	93	6	21
Early redemption fees	–	–	–	–
Proceeds from mutual fund shares issued	9 547	19 779	1 935	6 186
Proceeds from reinvestment of distributions	–	–	–	–
Payments on redemption of mutual fund shares	(446)	(493)	(228)	(95)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	9 101	19 286	1 707	6 091
Distributions from net income	–	–	–	–
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
TOTAL DISTRIBUTIONS	–	–	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	9 139	19 379	1 713	6 112
NET ASSETS – END OF PERIOD	\$ 9 139	\$ 19 379	\$ 1 713	\$ 6 112

For the period ended March 31 (see note 2 in the generic notes)*	Series O 2012	Total 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	10	168
Early redemption fees	–	–
Proceeds from mutual fund shares issued	942	38 389
Proceeds from reinvestment of distributions	–	–
Payments on redemption of mutual fund shares	–	(1 262)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	942	37 127
Distributions from net income	–	–
Distributions from net gains	–	–
Distributions from capital	–	–
TOTAL DISTRIBUTIONS	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	952	37 295
NET ASSETS – END OF PERIOD	\$ 952	\$ 37 295

* Fund launched January 1, 2012.



March 31, 2012

**Financial instrument risk and capital management
(see note 4 in the generic notes)**

The Fund invests in the RBC Canadian Equity Income Fund. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk

The Fund is exposed to credit risk from investments in the underlying mutual fund. This underlying fund could invest in debt securities and could enter into over-the-counter derivative contracts.

Other price risk

Due to the fact that the Fund has been in existence for less than six months, the impact on net assets of the Fund using the historical correlation between the Fund's return and a broad-based index is not disclosed because there is insufficient data and any resulting calculation could be materially misleading.

**Fair value hierarchy (\$000s except % amounts)
(see note 3 in the generic notes)**

The following is a summary of the inputs used as of March 31, 2012 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2012	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	36 743	–	–	36 743
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	36 743	–	–	36 743
% of total portfolio	100.0	–	–	100.0

For the period ended March 31, 2012, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 6 in the generic notes)

No management fees are payable 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.

Management fees of the other series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.75%
Advisor Series	1.75%
Series D	1.00%
Series F	0.75%

Operating expenses (see note 6 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.13%
Advisor Series	0.13%
Series D	0.08%
Series F	0.08%
Series O	0.02%

**Initial investments (\$000s except mutual fund
share amounts) (see note 6 in the generic notes)**

Royal Bank of Canada, or one of its subsidiaries, held the following investments in the Fund as at:

	March 31 2012
Mutual fund shares held	
Series A	50
Advisor Series	50
Series D	50
Series F	50
Series O	15 000
Value of all mutual fund shares	\$ 157



March 31, 2012

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the period ended March 31
(see note 2 in the generic notes)

2012

Series A

Opening mutual fund shares	–
Issued number of mutual fund shares	930
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(43)
Ending number of mutual fund shares	887

Advisor Series

Opening mutual fund shares	–
Issued number of mutual fund shares	1 929
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(48)
Ending number of mutual fund shares	1 881

Series D

Opening mutual fund shares	–
Issued number of mutual fund shares	188
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(22)
Ending number of mutual fund shares	166

Series F

Opening mutual fund shares	–
Issued number of mutual fund shares	601
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(9)
Ending number of mutual fund shares	592

Series O

Opening mutual fund shares	–
Issued number of mutual fund shares	92
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	92

**Other revenue and capital gains (\$000s)
(see note 3 in the generic notes)**

Other revenue and capital gains from investing in other related investment funds for the period ended:

	March 31 2012
RBC Canadian Equity Income Fund	\$ 254
Total other revenue	\$ 254
Capital gains received from underlying funds	\$ –



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC CANADIAN MID CAP EQUITY CLASS

March 31, 2012

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
141 325	RBC Private Canadian Mid Cap Equity Pool*	\$ 2 867	\$ 2 795	
TOTAL INVESTMENTS		<u>\$ 2 867</u>	2 795	97.1
OTHER NET ASSETS			81	2.9
NET ASSETS			<u>\$ 2 876</u>	100.0

* Investment in related party (see note 6 in the generic notes).



Statement of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2012
ASSETS	
Investments at fair value	\$ 2 795
Cash	3
Subscriptions receivable	82
TOTAL ASSETS	2 880
LIABILITIES	
Due to investment dealers	2
Accounts payable and accrued expenses	2
TOTAL LIABILITIES	4
NET ASSETS	\$ 2 876
Investments at cost	\$ 2 867
NET ASSETS PER SERIES, END OF PERIOD	
SERIES A	\$ 44
ADVISOR SERIES	\$ –
SERIES D	\$ 3
SERIES F	\$ –
SERIES O	\$ 2 829
NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD	
SERIES A	\$ 9.83
ADVISOR SERIES	\$ 9.83
SERIES D	\$ 9.85
SERIES F	\$ 9.86
SERIES O	\$ 9.87
NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD (see note 3 in the generic notes)	
SERIES A	\$ 9.83
ADVISOR SERIES	\$ 9.83
SERIES D	\$ 9.85
SERIES F	\$ 9.86
SERIES O	\$ 9.87

Statement of Operations (in \$000s except per mutual fund share amounts)

For the period ended March 31 (see note 2 in the generic notes)*	2012
INCOME (see note 3 in the generic notes)	
Other revenue	\$ 14
TOTAL INCOME (LOSS)	14
EXPENSES (see notes – Fund Specific Information)	
Management fees	–
Administration fees	3
Board of Directors fees	1
Board of Governors costs	1
GST/HST	–
TOTAL EXPENSES	5
NET INVESTMENT INCOME (LOSS)	9
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	
Change in unrealized gain (loss) in value of investments	(72)
NET GAIN (LOSS) ON INVESTMENTS	(72)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
	\$ (63)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
SERIES A	\$ (2)
ADVISOR SERIES	\$ (1)
SERIES D	\$ –
SERIES F	\$ (1)
SERIES O	\$ (59)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE	
SERIES A	\$ (0.17)
ADVISOR SERIES	\$ (0.20)
SERIES D	\$ (0.16)
SERIES F	\$ (0.16)
SERIES O	\$ (0.13)

* Fund launched January 1, 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

The accompanying notes are an integral part of these financial statements.



Statement of Changes in Net Assets (in \$000s)

For the period ended March 31 (see note 2 in the generic notes)*	Series A 2012	Advisor Series 2012	Series D 2012	Series F 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	(2)	(1)	–	(1)
Early redemption fees	–	–	–	–
Proceeds from mutual fund shares issued	70	1	3	15
Proceeds from reinvestment of distributions	–	–	–	–
Payments on redemption of mutual fund shares	(24)	–	–	(14)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	46	1	3	1
Distributions from net income	–	–	–	–
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
TOTAL DISTRIBUTIONS	–	–	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	44	–	3	–
NET ASSETS – END OF PERIOD	\$ 44	\$ –	\$ 3	\$ –

For the period ended March 31 (see note 2 in the generic notes)*	Series O 2012	Total 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	(59)	(63)
Early redemption fees	–	–
Proceeds from mutual fund shares issued	2 913	3 002
Proceeds from reinvestment of distributions	–	–
Payments on redemption of mutual fund shares	(25)	(63)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	2 888	2 939
Distributions from net income	–	–
Distributions from net gains	–	–
Distributions from capital	–	–
TOTAL DISTRIBUTIONS	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	2 829	2 876
NET ASSETS – END OF PERIOD	\$ 2 829	\$ 2 876

* Fund launched January 1, 2012.



March 31, 2012

**Financial instrument risk and capital management
(see note 4 in the generic notes)**

The Fund invests in the RBC Private Canadian Mid Cap Equity Pool. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk

The Fund is exposed to credit risk from investments in the underlying mutual fund. This underlying fund could invest in debt securities and could enter into over-the-counter derivative contracts.

Other price risk

Due to the fact that the Fund has been in existence for less than six months, the impact on net assets of the Fund using the historical correlation between the Fund's return and a broad-based index is not disclosed because there is insufficient data and any resulting calculation could be materially misleading.

**Fair value hierarchy (\$000s except % amounts)
(see note 3 in the generic notes)**

The following is a summary of the inputs used as of March 31, 2012 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2012	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	2 795	–	–	2 795
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	2 795	–	–	2 795
% of total portfolio	100.0	–	–	100.0

For the period ended March 31, 2012, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 6 in the generic notes)

No management fees are payable 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.

Management fees of the other series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.75%
Advisor Series	1.75%
Series D	1.00%
Series F	0.75%

Operating expenses (see note 6 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.05%
Advisor Series	0.05%
Series D	0.05%
Series F	0.05%
Series O	0.02%

Initial investments (\$000s except mutual fund share amounts) (see note 6 in the generic notes)

Royal Bank of Canada, or one of its subsidiaries, held the following investments in the Fund as at:

	March 31 2012
Mutual fund shares held	
Series A	50
Advisor Series	50
Series D	50
Series F	50
Series O	15 000
Value of all mutual fund shares	\$ 150



March 31, 2012

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the period ended March 31
(see note 2 in the generic notes)

2012

Series A

Opening mutual fund shares	–
Issued number of mutual fund shares	6
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(2)
Ending number of mutual fund shares	4

Advisor Series

Opening mutual fund shares	–
Issued number of mutual fund shares	–
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	–

Series D

Opening mutual fund shares	–
Issued number of mutual fund shares	–
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	–

Series F

Opening mutual fund shares	–
Issued number of mutual fund shares	1
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(1)
Ending number of mutual fund shares	–

Series O

Opening mutual fund shares	–
Issued number of mutual fund shares	290
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(3)
Ending number of mutual fund shares	287

**Other revenue and capital gains (\$000s)
(see note 3 in the generic notes)**

Other revenue and capital gains from investing in other related investment funds for the period ended:

	March 31 2012
RBC Private Canadian Mid Cap Equity Pool	\$ 14
Total other revenue	\$ 14
Capital gains received from underlying funds	\$ –



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC NORTH AMERICAN VALUE CLASS

March 31, 2012

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
497 146	RBC North American Value Fund*	\$ 8 225	\$ 8 392	
TOTAL INVESTMENTS		<u>\$ 8 225</u>	8 392	98.4
OTHER NET ASSETS			140	1.6
NET ASSETS			<u>\$ 8 532</u>	100.0

* Investment in related party (see note 6 in the generic notes).



Statement of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2012
ASSETS	
Investments at fair value	\$ 8 392
Cash	166
Subscriptions receivable	372
TOTAL ASSETS	8 930
LIABILITIES	
Due to investment dealers	386
Accounts payable and accrued expenses	12
TOTAL LIABILITIES	398
NET ASSETS	\$ 8 532
Investments at cost	\$ 8 225
NET ASSETS PER SERIES, END OF PERIOD	
SERIES A	\$ 3 213
ADVISOR SERIES	\$ 3 860
SERIES D	\$ 187
SERIES F	\$ 1 115
SERIES O	\$ 157
NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD	
SERIES A	\$ 10.46
ADVISOR SERIES	\$ 10.46
SERIES D	\$ 10.48
SERIES F	\$ 10.49
SERIES O	\$ 10.51
NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD (see note 3 in the generic notes)	
SERIES A	\$ 10.46
ADVISOR SERIES	\$ 10.46
SERIES D	\$ 10.48
SERIES F	\$ 10.49
SERIES O	\$ 10.51

Statement of Operations (in \$000s except per mutual fund share amounts)

For the period ended March 31 (see note 2 in the generic notes)*	2012
EXPENSES (see notes – Fund Specific Information)	
Management fees	\$ 13
Administration fees	2
Board of Directors fees	4
Board of Governors costs	1
GST/HST	2
TOTAL EXPENSES	22
NET INVESTMENT INCOME (LOSS)	(22)
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	
Net realized gain (loss) on investments	1
Change in unrealized gain (loss) in value of investments	167
NET GAIN (LOSS) ON INVESTMENTS	168
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$ 146
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
SERIES A	\$ 52
ADVISOR SERIES	\$ 65
SERIES D	\$ 3
SERIES F	\$ 19
SERIES O	\$ 7
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE	
SERIES A	\$ 0.43
ADVISOR SERIES	\$ 0.43
SERIES D	\$ 0.45
SERIES F	\$ 0.46
SERIES O	\$ 0.45

* Fund launched January 1, 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

The accompanying notes are an integral part of these financial statements.



Statement of Changes in Net Assets (in \$000s)

For the period ended March 31 (see note 2 in the generic notes)*	Series A 2012	Advisor Series 2012	Series D 2012	Series F 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	52	65	3	19
Early redemption fees	–	–	–	–
Proceeds from mutual fund shares issued	3 383	3 813	184	1 226
Proceeds from reinvestment of distributions	–	–	–	–
Payments on redemption of mutual fund shares	(222)	(18)	–	(130)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	3 161	3 795	184	1 096
Distributions from net income	–	–	–	–
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
TOTAL DISTRIBUTIONS	–	–	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	3 213	3 860	187	1 115
NET ASSETS – END OF PERIOD	\$ 3 213	\$ 3 860	\$ 187	\$ 1 115

For the period ended March 31 (see note 2 in the generic notes)*	Series O 2012	Total 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	7	146
Early redemption fees	–	–
Proceeds from mutual fund shares issued	150	8 756
Proceeds from reinvestment of distributions	–	–
Payments on redemption of mutual fund shares	–	(370)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	150	8 386
Distributions from net income	–	–
Distributions from net gains	–	–
Distributions from capital	–	–
TOTAL DISTRIBUTIONS	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	157	8 532
NET ASSETS – END OF PERIOD	\$ 157	\$ 8 532

* Fund launched January 1, 2012.



March 31, 2012

**Financial instrument risk and capital management
(see note 4 in the generic notes)**

The Fund invests in the RBC North American Value Fund. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk

The Fund is exposed to credit risk from investments in the underlying mutual fund. This underlying fund could invest in debt securities and could enter into over-the-counter derivative contracts.

Currency risk (% of net assets)

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk from investments in the underlying mutual fund as at:

	March 31 2012
Currency	
United States dollar	20.8
Mexican peso	0.7
Pound sterling	0.5
Other currencies	0.3
Total	22.3

As at March 31, 2012, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 0.2%. In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Other price risk

Due to the fact that the Fund has been in existence for less than six months, the impact on net assets of the Fund using the historical correlation between the Fund's return and a broad-based index is not disclosed because there is insufficient data and any resulting calculation could be materially misleading.

**Fair value hierarchy (\$000s except % amounts)
(see note 3 in the generic notes)**

The following is a summary of the inputs used as of March 31, 2012 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2012	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	8 392	–	–	8 392
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	8 392	–	–	8 392
% of total portfolio	100.0	–	–	100.0

For the period ended March 31, 2012, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 6 in the generic notes)

No management fees are payable 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.

Management fees of the other series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.75%
Advisor Series	1.75%
Series D	1.00%
Series F	0.75%

Operating expenses (see note 6 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.13%
Advisor Series	0.13%
Series D	0.08%
Series F	0.08%
Series O	0.02%



March 31, 2012

Initial investments (\$000s except mutual fund share amounts) (see note 6 in the generic notes)

Royal Bank of Canada, or one of its subsidiaries, held the following investments in the Fund as at:

	March 31 2012
Mutual fund shares held	
Series A	50
Advisor Series	50
Series D	50
Series F	50
Series O	15 000
Value of all mutual fund shares	\$ 160

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the period ended March 31
(see note 2 in the generic notes) 2012

Series A	
Opening mutual fund shares	–
Issued number of mutual fund shares	329
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(22)
Ending number of mutual fund shares	307
Advisor Series	
Opening mutual fund shares	–
Issued number of mutual fund shares	371
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(2)
Ending number of mutual fund shares	369
Series D	
Opening mutual fund shares	–
Issued number of mutual fund shares	18
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	18
Series F	
Opening mutual fund shares	–
Issued number of mutual fund shares	119
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(13)
Ending number of mutual fund shares	106

For the period ended March 31
(see note 2 in the generic notes) 2012

Series O	
Opening mutual fund shares	–
Issued number of mutual fund shares	15
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	15

Please see the generic notes at the back of the financial statements.



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC U.S. EQUITY CLASS

March 31, 2012

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
434 145	RBC Private U.S. Equity Pool*	\$ 3 368	\$ 3 526	
TOTAL INVESTMENTS		<u>\$ 3 368</u>	<u>3 526</u>	97.9
OTHER NET ASSETS			<u>73</u>	2.1
NET ASSETS			<u>\$ 3 599</u>	100.0

* Investment in related party (see note 6 in the generic notes).



Statement of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2012
ASSETS	
Investments at fair value	\$ 3 526
Cash	6
Subscriptions receivable	75
TOTAL ASSETS	3 607
LIABILITIES	
Due to investment dealers	7
Accounts payable and accrued expenses	1
TOTAL LIABILITIES	8
NET ASSETS	\$ 3 599
Investments at cost	\$ 3 368
NET ASSETS PER SERIES, END OF PERIOD	
SERIES A	\$ 384
ADVISOR SERIES	\$ 77
SERIES D	\$ 59
SERIES F	\$ 80
SERIES O	\$ 2 999
NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD	
SERIES A	\$ 10.73
ADVISOR SERIES	\$ 10.72
SERIES D	\$ 10.75
SERIES F	\$ 10.75
SERIES O	\$ 10.78
NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD (see note 3 in the generic notes)	
SERIES A	\$ 10.73
ADVISOR SERIES	\$ 10.72
SERIES D	\$ 10.75
SERIES F	\$ 10.75
SERIES O	\$ 10.78

Statement of Operations (in \$000s except per mutual fund share amounts)

For the period ended March 31 (see note 2 in the generic notes)*	2012
INCOME (see note 3 in the generic notes)	
Other revenue	\$ 13
TOTAL INCOME (LOSS)	13
EXPENSES (see notes – Fund Specific Information)	
Management fees	1
Administration fees	1
Board of Directors fees	2
Board of Governors costs	1
GST/HST	–
TOTAL EXPENSES	5
NET INVESTMENT INCOME (LOSS)	8
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	
Change in unrealized gain (loss) in value of investments	158
NET GAIN (LOSS) ON INVESTMENTS	158
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
	\$ 166
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
SERIES A	\$ 14
ADVISOR SERIES	\$ 2
SERIES D	\$ 2
SERIES F	\$ 3
SERIES O	\$ 145
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE	
SERIES A	\$ 0.70
ADVISOR SERIES	\$ 0.71
SERIES D	\$ 0.72
SERIES F	\$ 0.73
SERIES O	\$ 0.77

* Fund launched January 1, 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

The accompanying notes are an integral part of these financial statements.



Statement of Changes in Net Assets (in \$000s)

For the period ended March 31 (see note 2 in the generic notes)*	Series A 2012	Advisor Series 2012	Series D 2012	Series F 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	14	2	2	3
Early redemption fees	–	–	–	–
Proceeds from mutual fund shares issued	370	75	57	77
Proceeds from reinvestment of distributions	–	–	–	–
Payments on redemption of mutual fund shares	–	–	–	–
TOTAL MUTUAL FUND SHARE TRANSACTIONS	370	75	57	77
Distributions from net income	–	–	–	–
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
TOTAL DISTRIBUTIONS	–	–	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	384	77	59	80
NET ASSETS – END OF PERIOD	\$ 384	\$ 77	\$ 59	\$ 80

For the period ended March 31 (see note 2 in the generic notes)*	Series O 2012	Total 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	145	166
Early redemption fees	–	–
Proceeds from mutual fund shares issued	2 855	3 434
Proceeds from reinvestment of distributions	–	–
Payments on redemption of mutual fund shares	(1)	(1)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	2 854	3 433
Distributions from net income	–	–
Distributions from net gains	–	–
Distributions from capital	–	–
TOTAL DISTRIBUTIONS	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	2 999	3 599
NET ASSETS – END OF PERIOD	\$ 2 999	\$ 3 599

* Fund launched January 1, 2012.



March 31, 2012

**Financial instrument risk and capital management
(see note 4 in the generic notes)**

The Fund invests in the RBC Private U.S. Equity Pool and/or the RBC U.S. Equity Fund. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk

The Fund is exposed to credit risk from investments in underlying mutual funds. These underlying funds could invest in debt securities and could enter into over-the-counter derivative contracts.

Currency risk (% of net assets)

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk from investments in the underlying mutual funds as at:

	March 31 2012
Currency	
United States dollar	90.1
Total	90.1

As at March 31, 2012, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currency, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 0.9%. In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Other price risk

Due to the fact that the Fund has been in existence for less than six months, the impact on net assets of the Fund using the historical correlation between the Fund's return and a broad-based index is not disclosed because there is insufficient data and any resulting calculation could be materially misleading.

**Fair value hierarchy (\$000s except % amounts)
(see note 3 in the generic notes)**

The following is a summary of the inputs used as of March 31, 2012 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2012	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	3 526	–	–	3 526
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	3 526	–	–	3 526
% of total portfolio	100.0	–	–	100.0

For the period ended March 31, 2012, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 6 in the generic notes)

No management fees are payable 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.

Management fees of the other series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.75%
Advisor Series	1.75%
Series D	1.00%
Series F	0.75%

Operating expenses (see note 6 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.10%
Advisor Series	0.10%
Series D	0.05%
Series F	0.05%
Series O	0.02%



March 31, 2012

Initial investments (\$000s except mutual fund share amounts) (see note 6 in the generic notes)

Royal Bank of Canada, or one of its subsidiaries, held the following investments in the Fund as at:

	March 31 2012
Mutual fund shares held	
Series A	50
Advisor Series	50
Series D	50
Series F	50
Series O	15 000
Value of all mutual fund shares	\$ 164

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the period ended March 31
(see note 2 in the generic notes) 2012

Series A	
Opening mutual fund shares	–
Issued number of mutual fund shares	36
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	36

Advisor Series	
Opening mutual fund shares	–
Issued number of mutual fund shares	7
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	7

Series D	
Opening mutual fund shares	–
Issued number of mutual fund shares	5
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	5

Series F	
Opening mutual fund shares	–
Issued number of mutual fund shares	7
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	7

For the period ended March 31
(see note 2 in the generic notes) 2012

Series O	
Opening mutual fund shares	–
Issued number of mutual fund shares	278
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	278

**Other revenue and capital gains (\$000s)
(see note 3 in the generic notes)**

Other revenue and capital gains from investing in other related investment funds for the period ended:

	March 31 2012
RBC Private U.S. Equity Pool	\$ 13
Total other revenue	\$ 13
Capital gains received from underlying funds	\$ –

Please see the generic notes at the back of the financial statements.



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)

**PHILLIPS, HAGER & NORTH
U.S. MULTI-STYLE ALL-CAP EQUITY CLASS**

March 31, 2012

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
83 568	Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund*	\$ 996	\$ 1 023	
TOTAL INVESTMENTS		<u>\$ 996</u>	<u>1 023</u>	89.1
OTHER NET ASSETS			<u>126</u>	10.9
NET ASSETS			<u>\$ 1 149</u>	100.0

* Investment in related party (see note 6 in the generic notes).



Statement of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2012
ASSETS	
Investments at fair value	\$ 1 023
Cash	24
Subscriptions receivable	151
TOTAL ASSETS	1 198
LIABILITIES	
Due to investment dealers	48
Accounts payable and accrued expenses	1
TOTAL LIABILITIES	49
NET ASSETS	\$ 1 149
Investments at cost	\$ 996
NET ASSETS PER SERIES, END OF PERIOD	
SERIES A	\$ 614
ADVISOR SERIES	\$ 239
SERIES D	\$ 122
SERIES F	\$ 1
SERIES O	\$ 173
NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD	
SERIES A	\$ 10.66
ADVISOR SERIES	\$ 10.66
SERIES D	\$ 10.68
SERIES F	\$ 10.69
SERIES O	\$ 10.71
NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD (see note 3 in the generic notes)	
SERIES A	\$ 10.66
ADVISOR SERIES	\$ 10.66
SERIES D	\$ 10.68
SERIES F	\$ 10.69
SERIES O	\$ 10.71

Statement of Operations (in \$000s except per mutual fund share amounts)

For the period ended March 31 (see note 2 in the generic notes)*	2012
EXPENSES (see notes – Fund Specific Information)	
Management fees	\$ –
Administration fees	–
Board of Governors costs	1
GST/HST	–
TOTAL EXPENSES	1
NET INVESTMENT INCOME (LOSS)	(1)
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	
Change in unrealized gain (loss) in value of investments	27
NET GAIN (LOSS) ON INVESTMENTS	27
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
	\$ 26
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
SERIES A	\$ 11
ADVISOR SERIES	\$ 3
SERIES D	\$ 2
SERIES F	\$ –
SERIES O	\$ 10
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE	
SERIES A	\$ 0.65
ADVISOR SERIES	\$ 0.65
SERIES D	\$ 0.68
SERIES F	\$ 0.68
SERIES O	\$ 0.69

* Fund launched January 1, 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

The accompanying notes are an integral part of these financial statements.



Statement of Changes in Net Assets (in \$000s)

For the period ended March 31 (see note 2 in the generic notes)*	Series A 2012	Advisor Series 2012	Series D 2012	Series F 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	11	3	2	–
Early redemption fees	–	–	–	–
Proceeds from mutual fund shares issued	603	236	120	1
Proceeds from reinvestment of distributions	–	–	–	–
Payments on redemption of mutual fund shares	–	–	–	–
TOTAL MUTUAL FUND SHARE TRANSACTIONS	603	236	120	1
Distributions from net income	–	–	–	–
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
TOTAL DISTRIBUTIONS	–	–	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	614	239	122	1
NET ASSETS – END OF PERIOD	\$ 614	\$ 239	\$ 122	\$ 1

For the period ended March 31 (see note 2 in the generic notes)*	Series O 2012	Total 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	10	26
Early redemption fees	–	–
Proceeds from mutual fund shares issued	163	1 123
Proceeds from reinvestment of distributions	–	–
Payments on redemption of mutual fund shares	–	–
TOTAL MUTUAL FUND SHARE TRANSACTIONS	163	1 123
Distributions from net income	–	–
Distributions from net gains	–	–
Distributions from capital	–	–
TOTAL DISTRIBUTIONS	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	173	1 149
NET ASSETS – END OF PERIOD	\$ 173	\$ 1 149

* Fund launched January 1, 2012.



March 31, 2012

**Financial instrument risk and capital management
(see note 4 in the generic notes)**

The Fund invests in the Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk

The Fund is exposed to credit risk from investments in the underlying mutual fund. This underlying fund could invest in debt securities and could enter into over-the-counter derivative contracts.

Currency risk (% of net assets)

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk from investments in the underlying mutual fund as at:

	March 31 2012
Currency	
United States dollar	100.0
Total	100.0

As at March 31, 2012, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currency, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 1.0%. In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Other price risk

Due to the fact that the Fund has been in existence for less than six months, the impact on net assets of the Fund using the historical correlation between the Fund's return and a broad-based index is not disclosed because there is insufficient data and any resulting calculation could be materially misleading.

**Fair value hierarchy (\$000s except % amounts)
(see note 3 in the generic notes)**

The following is a summary of the inputs used as of March 31, 2012 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2012	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	1 023	–	–	1 023
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	1 023	–	–	1 023
% of total portfolio	100.0	–	–	100.0

For the period ended March 31, 2012, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 6 in the generic notes)

No management fees are payable 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.

Management fees of the other series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.75%
Advisor Series	1.75%
Series D	1.00%
Series F	0.75%

Operating expenses (see note 6 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.05%
Advisor Series	0.05%
Series D	0.05%
Series F	0.05%
Series O	0.02%



March 31, 2012

Initial investments (\$000s except mutual fund share amounts) (see note 6 in the generic notes)

Royal Bank of Canada, or one of its subsidiaries, held the following investments in the Fund as at:

	March 31 2012
Mutual fund shares held	
Series A	50
Advisor Series	50
Series D	50
Series F	50
Series O	15 000
Value of all mutual fund shares	\$ 163

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the period ended March 31
(see note 2 in the generic notes) 2012

Series A	
Opening mutual fund shares	–
Issued number of mutual fund shares	58
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	58

Advisor Series	
Opening mutual fund shares	–
Issued number of mutual fund shares	22
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	22

Series D	
Opening mutual fund shares	–
Issued number of mutual fund shares	11
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	11

Series F	
Opening mutual fund shares	–
Issued number of mutual fund shares	–
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	–

For the period ended March 31
(see note 2 in the generic notes) 2012

Series O	
Opening mutual fund shares	–
Issued number of mutual fund shares	16
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	16

Please see the generic notes at the back of the financial statements.



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
PHILLIPS, HAGER & NORTH OVERSEAS EQUITY CLASS

March 31, 2012

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
192 362	Phillips, Hager & North Overseas Equity Fund*	\$ 1 717	\$ 1 745	
TOTAL INVESTMENTS		<u>\$ 1 717</u>	1 745	99.7
OTHER NET ASSETS			5	0.3
NET ASSETS			<u>\$ 1 750</u>	100.0

* Investment in related party (see note 6 in the generic notes).



Statement of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2012
ASSETS	
Investments at fair value	\$ 1 745
Due from investment dealers	131
Subscriptions receivable	30
TOTAL ASSETS	1 906
LIABILITIES	
Bank overdraft	5
Redemptions payable	150
Accounts payable and accrued expenses	1
TOTAL LIABILITIES	156
NET ASSETS	\$ 1 750
Investments at cost	\$ 1 717
NET ASSETS PER SERIES, END OF PERIOD	
SERIES A	\$ 263
ADVISOR SERIES	\$ 9
SERIES D	\$ 108
SERIES F	\$ 44
SERIES O	\$ 1 326
NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD	
SERIES A	\$ 10.83
ADVISOR SERIES	\$ 10.83
SERIES D	\$ 10.85
SERIES F	\$ 10.86
SERIES O	\$ 10.89
NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD (see note 3 in the generic notes)	
SERIES A	\$ 10.83
ADVISOR SERIES	\$ 10.83
SERIES D	\$ 10.85
SERIES F	\$ 10.86
SERIES O	\$ 10.89

Statement of Operations (in \$000s except per mutual fund share amounts)

For the period ended March 31 (see note 2 in the generic notes)*	2012
EXPENSES (see notes – Fund Specific Information)	
Management fees	\$ 1
Administration fees	–
Board of Directors fees	1
Board of Governors costs	1
GST/HST	–
TOTAL EXPENSES	3
NET INVESTMENT INCOME (LOSS)	(3)
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	
Net realized gain (loss) on investments	1
Change in unrealized gain (loss) in value of investments	28
NET GAIN (LOSS) ON INVESTMENTS	29
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$ 26
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
SERIES A	\$ –
ADVISOR SERIES	\$ (1)
SERIES D	\$ –
SERIES F	\$ –
SERIES O	\$ 27
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE	
SERIES A	\$ 0.82
ADVISOR SERIES	\$ 0.82
SERIES D	\$ 0.84
SERIES F	\$ 0.85
SERIES O	\$ 0.88

* Fund launched January 1, 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lipka
Director

The accompanying notes are an integral part of these financial statements.



Statement of Changes in Net Assets (in \$000s)

For the period ended March 31 (see note 2 in the generic notes)*	Series A 2012	Advisor Series 2012	Series D 2012	Series F 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	–	(1)	–	–
Early redemption fees	–	–	–	–
Proceeds from mutual fund shares issued	263	10	109	44
Proceeds from reinvestment of distributions	–	–	–	–
Payments on redemption of mutual fund shares	–	–	(1)	–
TOTAL MUTUAL FUND SHARE TRANSACTIONS	263	10	108	44
Distributions from net income	–	–	–	–
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
TOTAL DISTRIBUTIONS	–	–	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	263	9	108	44
NET ASSETS – END OF PERIOD	\$ 263	\$ 9	\$ 108	\$ 44

For the period ended March 31 (see note 2 in the generic notes)*	Series O 2012	Total 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	27	26
Early redemption fees	–	–
Proceeds from mutual fund shares issued	1 474	1 900
Proceeds from reinvestment of distributions	–	–
Payments on redemption of mutual fund shares	(175)	(176)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	1 299	1 724
Distributions from net income	–	–
Distributions from net gains	–	–
Distributions from capital	–	–
TOTAL DISTRIBUTIONS	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	1 326	1 750
NET ASSETS – END OF PERIOD	\$ 1 326	\$ 1 750

* Fund launched January 1, 2012.



March 31, 2012

**Financial instrument risk and capital management
(see note 4 in the generic notes)**

The Fund invests in the Phillips, Hager & North Overseas Equity Fund. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk

The Fund is exposed to credit risk from investments in the underlying mutual fund. This underlying fund could invest in debt securities and could enter into over-the-counter derivative contracts.

Currency risk (% of net assets)

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk from investments in the underlying mutual fund as at:

	March 31 2012
Currency	
Euro	31.4
Pound sterling	26.4
Japanese yen	13.1
Swiss franc	10.0
United States dollar	8.0
Hong Kong dollar	5.5
Australian dollar	2.2
Indian rupee	1.9
South African rand	0.8
Brazilian real	0.7
Total	100.0

As at March 31, 2012, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 1.0%. In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Other price risk

Due to the fact that the Fund has been in existence for less than six months, the impact on net assets of the Fund using the historical correlation between the Fund's return and a broad-based index is not disclosed because there is insufficient data and any resulting calculation could be materially misleading.

**Fair value hierarchy (\$000s except % amounts)
(see note 3 in the generic notes)**

The following is a summary of the inputs used as of March 31, 2012 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2012	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	1 745	–	–	1 745
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	1 745	–	–	1 745
% of total portfolio	100.0	–	–	100.0

For the period ended March 31, 2012, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 6 in the generic notes)

No management fees are payable 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.

Management fees of the other series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.85%
Advisor Series	1.85%
Series D	1.10%
Series F	0.85%

Operating expenses (see note 6 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.07%
Advisor Series	0.07%
Series D	0.07%
Series F	0.07%
Series O	0.02%



March 31, 2012

Initial investments (\$000s except mutual fund share amounts) (see note 6 in the generic notes)

Royal Bank of Canada, or one of its subsidiaries, held the following investments in the Fund as at:

	March 31 2012
Mutual fund shares held	
Series A	50
Advisor Series	50
Series D	50
Series F	50
Series O	15 000
Value of all mutual fund shares	\$ 165

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the period ended March 31
(see note 2 in the generic notes) 2012

Series A	
Opening mutual fund shares	–
Issued number of mutual fund shares	24
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	24

Advisor Series	
Opening mutual fund shares	–
Issued number of mutual fund shares	1
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	1

Series D	
Opening mutual fund shares	–
Issued number of mutual fund shares	10
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	10

Series F	
Opening mutual fund shares	–
Issued number of mutual fund shares	4
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	4

	2012
Series O	
Opening mutual fund shares	–
Issued number of mutual fund shares	138
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(16)
Ending number of mutual fund shares	122

Please see the generic notes at the back of the financial statements.



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC EMERGING MARKETS EQUITY CLASS

March 31, 2012

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
764 922	RBC Emerging Markets Equity Fund*	\$ 7 699	\$ 8 002	
TOTAL INVESTMENTS		<u>\$ 7 699</u>	<u>8 002</u>	99.8
OTHER NET ASSETS			<u>12</u>	0.2
NET ASSETS			<u>\$ 8 014</u>	100.0

* Investment in related party (see note 6 in the generic notes).



Statement of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2012
ASSETS	
Investments at fair value	\$ 8 002
Cash	44
Subscriptions receivable	35
TOTAL ASSETS	8 081
LIABILITIES	
Due to investment dealers	65
Accounts payable and accrued expenses	2
TOTAL LIABILITIES	67
NET ASSETS	\$ 8 014
Investments at cost	\$ 7 699
NET ASSETS PER SERIES, END OF PERIOD	
SERIES A	\$ 365
ADVISOR SERIES	\$ 1
SERIES D	\$ 110
SERIES F	\$ 2
SERIES O	\$ 7 536
NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD	
SERIES A	\$ 10.79
ADVISOR SERIES	\$ 10.79
SERIES D	\$ 10.81
SERIES F	\$ 10.83
SERIES O	\$ 10.84
NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD (see note 3 in the generic notes)	
SERIES A	\$ 10.79
ADVISOR SERIES	\$ 10.79
SERIES D	\$ 10.81
SERIES F	\$ 10.83
SERIES O	\$ 10.84

Statement of Operations (in \$000s except per mutual fund share amounts)

For the period ended March 31 (see note 2 in the generic notes)*	2012
EXPENSES (see notes – Fund Specific Information)	
Management fees	\$ 1
Administration fees	1
Board of Directors fees	4
Board of Governors costs	1
GST/HST	–
TOTAL EXPENSES	7
NET INVESTMENT INCOME (LOSS)	(7)
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	
Change in unrealized gain (loss) in value of investments	303
NET GAIN (LOSS) ON INVESTMENTS	303
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$ 296
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
SERIES A	\$ 3
ADVISOR SERIES	\$ –
SERIES D	\$ 1
SERIES F	\$ –
SERIES O	\$ 292
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE	
SERIES A	\$ 0.78
ADVISOR SERIES	\$ 0.73
SERIES D	\$ 0.80
SERIES F	\$ 0.76
SERIES O	\$ 0.83

* Fund launched January 1, 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lipka
Director

The accompanying notes are an integral part of these financial statements.



Statement of Changes in Net Assets (in \$000s)

For the period ended March 31 (see note 2 in the generic notes)*	Series A 2012	Advisor Series 2012	Series D 2012	Series F 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	3	–	1	–
Early redemption fees	–	–	–	–
Proceeds from mutual fund shares issued	362	1	109	2
Proceeds from reinvestment of distributions	–	–	–	–
Payments on redemption of mutual fund shares	–	–	–	–
TOTAL MUTUAL FUND SHARE TRANSACTIONS	362	1	109	2
Distributions from net income	–	–	–	–
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
TOTAL DISTRIBUTIONS	–	–	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	365	1	110	2
NET ASSETS – END OF PERIOD	\$ 365	\$ 1	\$ 110	\$ 2

For the period ended March 31 (see note 2 in the generic notes)*	Series O 2012	Total 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	292	296
Early redemption fees	–	–
Proceeds from mutual fund shares issued	7 247	7 721
Proceeds from reinvestment of distributions	–	–
Payments on redemption of mutual fund shares	(3)	(3)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	7 244	7 718
Distributions from net income	–	–
Distributions from net gains	–	–
Distributions from capital	–	–
TOTAL DISTRIBUTIONS	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	7 536	8 014
NET ASSETS – END OF PERIOD	\$ 7 536	\$ 8 014

* Fund launched January 1, 2012.



March 31, 2012

**Financial instrument risk and capital management
(see note 4 in the generic notes)**

The Fund invests in the RBC Emerging Markets Equity Fund. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk

The Fund is exposed to credit risk from investments in the underlying mutual fund. This underlying fund could invest in debt securities and could enter into over-the-counter derivative contracts.

Currency risk (% of net assets)

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk from investments in the underlying mutual fund as at:

	March 31 2012
Currency	
United States dollar	18.7
Hong Kong dollar	13.9
Republic of Korea won	13.2
South African rand	10.3
Taiwan dollar	8.0
Brazilian real	7.8
Indian rupee	6.4
Chilean peso	4.3
Pound sterling	3.7
Indonesian rupiah	3.2
Malaysian ringgit	2.5
Philippine peso	2.0
Turkish new lira	1.9
Thailand baht	1.7
Mexican peso	1.1
Qatari riyal	1.0
Total	99.7

As at March 31, 2012, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 1.0%. In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Other price risk

Due to the fact that the Fund has been in existence for less than six months, the impact on net assets of the Fund using the historical correlation between the Fund's return and a broad-based index is not disclosed because there is insufficient data and any resulting calculation could be materially misleading.

**Fair value hierarchy (\$000s except % amounts)
(see note 3 in the generic notes)**

The following is a summary of the inputs used as of March 31, 2012 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2012	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	8 002	–	–	8 002
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	8 002	–	–	8 002
% of total portfolio	100.0	–	–	100.0

For the period ended March 31, 2012, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 6 in the generic notes)

No management fees are payable 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.

Management fees of the other series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.85%
Advisor Series	1.85%
Series D	1.00%
Series F	0.75%

Operating expenses (see note 6 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.10%
Advisor Series	0.10%
Series D	0.10%
Series F	0.10%
Series O	0.02%



March 31, 2012

Initial investments (\$000s except mutual fund share amounts) (see note 6 in the generic notes)

Royal Bank of Canada, or one of its subsidiaries, held the following investments in the Fund as at:

	March 31 2012
Mutual fund shares held	
Series A	50
Advisor Series	50
Series D	50
Series F	50
Series O	15 000
Value of all mutual fund shares	\$ 165

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the period ended March 31
(see note 2 in the generic notes) 2012

Series A	
Opening mutual fund shares	–
Issued number of mutual fund shares	34
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	34

Advisor Series	
Opening mutual fund shares	–
Issued number of mutual fund shares	–
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	–

Series D	
Opening mutual fund shares	–
Issued number of mutual fund shares	10
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	10

Series F	
Opening mutual fund shares	–
Issued number of mutual fund shares	–
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	–

For the period ended March 31
(see note 2 in the generic notes) 2012

Series O	
Opening mutual fund shares	–
Issued number of mutual fund shares	695
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	695

Please see the generic notes at the back of the financial statements.



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC GLOBAL RESOURCES CLASS

March 31, 2012

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
8 966	RBC Global Resources Fund*	\$ 321	\$ 304	
TOTAL INVESTMENTS		<u>\$ 321</u>	<u>304</u>	100.3
OTHER NET ASSETS (LIABILITIES)			<u>(1)</u>	(0.3)
NET ASSETS			<u>\$ 303</u>	100.0

* Investment in related party (see note 6 in the generic notes).



Statement of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2012
ASSETS	
Investments at fair value	\$ 304
TOTAL ASSETS	304
LIABILITIES	
Accounts payable and accrued expenses	1
TOTAL LIABILITIES	1
NET ASSETS	\$ 303
Investments at cost	\$ 321
NET ASSETS PER SERIES, END OF PERIOD	
SERIES A	\$ 57
ADVISOR SERIES	\$ 8
SERIES D	\$ 31
SERIES F	\$ 63
SERIES O	\$ 144
NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD	
SERIES A	\$ 9.67
ADVISOR SERIES	\$ 9.67
SERIES D	\$ 9.70
SERIES F	\$ 9.70
SERIES O	\$ 9.72
NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD (see note 3 in the generic notes)	
SERIES A	\$ 9.67
ADVISOR SERIES	\$ 9.67
SERIES D	\$ 9.70
SERIES F	\$ 9.70
SERIES O	\$ 9.72

Statement of Operations (in \$000s except per mutual fund share amounts)

For the period ended March 31 (see note 2 in the generic notes)*	2012
EXPENSES (see notes – Fund Specific Information)	
Management fees	\$ –
Administration fees	–
Board of Governors costs	1
GST/HST	–
TOTAL EXPENSES	1
NET INVESTMENT INCOME (LOSS)	(1)
REALIZED AND UNREALIZED GAIN (LOSS)	
ON INVESTMENTS	
Change in unrealized gain (loss) in value of investments	(17)
NET GAIN (LOSS) ON INVESTMENTS	(17)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$ (18)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	
SERIES A	\$ (3)
ADVISOR SERIES	\$ –
SERIES D	\$ (1)
SERIES F	\$ (8)
SERIES O	\$ (6)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE	
SERIES A	\$ (0.34)
ADVISOR SERIES	\$ (0.34)
SERIES D	\$ (0.31)
SERIES F	\$ (0.31)
SERIES O	\$ (0.29)

* Fund launched January 1, 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

The accompanying notes are an integral part of these financial statements.



Statement of Changes in Net Assets (in \$000s)

For the period ended March 31 (see note 2 in the generic notes)*	Series A 2012	Advisor Series 2012	Series D 2012	Series F 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	(3)	–	(1)	(8)
Early redemption fees	–	–	–	–
Proceeds from mutual fund shares issued	61	8	32	71
Proceeds from reinvestment of distributions	–	–	–	–
Payments on redemption of mutual fund shares	(1)	–	–	–
TOTAL MUTUAL FUND SHARE TRANSACTIONS	60	8	32	71
Distributions from net income	–	–	–	–
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
TOTAL DISTRIBUTIONS	–	–	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	57	8	31	63
NET ASSETS – END OF PERIOD	\$ 57	\$ 8	\$ 31	\$ 63

For the period ended March 31 (see note 2 in the generic notes)*	Series O 2012	Total 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	(6)	(18)
Early redemption fees	–	–
Proceeds from mutual fund shares issued	150	322
Proceeds from reinvestment of distributions	–	–
Payments on redemption of mutual fund shares	–	(1)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	150	321
Distributions from net income	–	–
Distributions from net gains	–	–
Distributions from capital	–	–
TOTAL DISTRIBUTIONS	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	144	303
NET ASSETS – END OF PERIOD	\$ 144	\$ 303

* Fund launched January 1, 2012.



March 31, 2012

**Financial instrument risk and capital management
(see note 4 in the generic notes)**

The Fund invests in the RBC Global Resources Fund. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Currency risk (% of net assets)

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk from investments in the underlying mutual fund as at:

	March 31 2012
Currency	
United States dollar	15.1
Pound sterling	5.2
Brazilian real	1.5
Australian dollar	1.3
Total	23.1

As at March 31, 2012, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 0.2%. In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Other price risk

Due to the fact that the Fund has been in existence for less than six months, the impact on net assets of the Fund using the historical correlation between the Fund's return and a broad-based index is not disclosed because there is insufficient data and any resulting calculation could be materially misleading.

**Fair value hierarchy (\$000s except % amounts)
(see note 3 in the generic notes)**

The following is a summary of the inputs used as of March 31, 2012 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2012	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	304	–	–	304
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	304	–	–	304
% of total portfolio	100.0	–	–	100.0

For the period ended March 31, 2012, there were no transfers of financial instruments between Level 1 and Level 2.

Please see the generic notes at the back of the financial statements.

Management fees (see note 6 in the generic notes)

No management fees are payable 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.

Management fees of the other series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.85%
Advisor Series	1.85%
Series D	1.00%
Series F	0.75%

Operating expenses (see note 6 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.18%
Advisor Series	0.18%
Series D	0.13%
Series F	0.13%
Series O	0.02%

**Initial investments (\$000s except mutual fund
share amounts) (see note 6 in the generic notes)**

Royal Bank of Canada, or one of its subsidiaries, held the following investments in the Fund as at:

	March 31 2012
Mutual fund shares held	
Series A	50
Advisor Series	50
Series D	50
Series F	50
Series O	15 000
Value of all mutual fund shares	\$ 148



March 31, 2012

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the period ended March 31
(see note 2 in the generic notes)

2012

Series A

Opening mutual fund shares	–
Issued number of mutual fund shares	6
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	6

Advisor Series

Opening mutual fund shares	–
Issued number of mutual fund shares	1
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	1

Series D

Opening mutual fund shares	–
Issued number of mutual fund shares	3
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	3

Series F

Opening mutual fund shares	–
Issued number of mutual fund shares	7
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	7

Series O

Opening mutual fund shares	–
Issued number of mutual fund shares	15
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	15

Please see the generic notes at the back of the financial statements.



1. The Funds

The mutual funds (“Funds”) are classes of mutual fund shares of RBC Corporate Class Inc. (the “Corporation”). The Corporation is a mutual fund corporation incorporated under the laws of Canada by articles of incorporation dated July 8, 2011. RBC GAM is the manager and portfolio advisor of the Funds.

The Funds may issue an unlimited number of mutual fund shares in some or all of Series A, Advisor Series, Series D, Series F and Series O.

Series A mutual fund shares have no sales charges and are available to all investors.

Advisor Series mutual fund shares are available to all investors with an initial sales charge or low-load sales charge option. Under the initial sales charge option, investors pay a sales commission ranging from 0% to 5% of the amount invested. Under the low-load sales charge option, investors do not pay a commission.

Series D mutual fund shares have no sales charges and have lower fees than Series A mutual fund shares. Series D mutual fund shares are only available to investors who have accounts with RBC Direct Investing Inc. or Phillips, Hager & North Investment Funds Ltd.

Series F mutual fund shares have no sales charges and have lower fees than Series A mutual fund shares. Series F mutual fund shares are only available to investors who have accounts with dealers who have signed a fee-based agreement with RBC GAM.

Series O – no management fees are paid by the Funds in respect of Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM.

2. Financial year/period

The information provided in these financial statements and notes thereto is for the 3-month period ended or as at March 31, 2012. In the year a Fund or series is established, “period” represents the period from January 1 to March 31 of that fiscal year.

3. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”), which include estimates and assumptions by management that may affect the reported amounts of assets (primarily valuation of investments), liabilities, income and expenses during the reported period. Actual results may differ from estimates. The significant accounting policies of the Funds are as follows:

Valuation of Investments The valuation methods used to calculate the daily net asset value to transact mutual fund shares of the Funds, as described in the Funds’ Annual Information Form (“transactional NAV”) are not identical to the GAAP accounting policies used to determine the financial statement net assets (“net assets”) described below. The primary difference between net assets and transactional NAV relates to valuation of actively traded securities at bid prices for net assets and at last sale prices for transactional NAV.

In accordance with the Canadian Institute of Chartered Accountants (“CICA”) Handbook Section 3862, *Financial Instruments – Disclosures*, the Funds’ financial instruments are measured at fair value using a three-tier hierarchy based on inputs used to value the Funds’ investments and derivatives. The hierarchy of inputs is summarized below:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Changes in valuation methods may result in transfers into or out of an investment’s assigned level.

The three-tier hierarchy of investments and derivatives is included in “Notes to Financial Statements – Fund Specific Information.”

Investments are recorded at fair value, which is determined as follows:

Short-term Investments – Short-term investments are valued at their cost including applicable foreign exchange translations. This value, together with accrued interest, approximates fair value using current bid prices.



March 31, 2012

Mutual Fund Share Valuation – Mutual fund shares or limited partnership units of Funds are valued at their respective transactional NAV per mutual fund share received from fund companies on the relevant valuation dates.

Fair Valuation of Investments (including unlisted securities) – If the accounting policies described above are not appropriate, RBC GAM will estimate the fair value of an investment using established fair valuation procedures such as: consideration of public information, broker quotes, valuation models, fundamental analysis, matrix pricing, discounts from market prices of similar securities, or discounts applied due to restrictions on the disposition of securities, and external fair value service providers.

Procedures are in place to fair value foreign securities traded in countries outside North America daily, to avoid stale prices and to take into account, among other things, any significant events occurring after the close of a foreign market. This fair valuation process takes into account the last quoted price of the security and adjusts the price based on inputs such as related indices, changes in foreign markets, American Depository Receipts (“ADR”) prices, etc. These securities are classified as Level 2.

Foreign Exchange The value of investments and other assets and liabilities in foreign currencies is translated into Canadian dollars at the rate of exchange on each valuation date. Purchases and sales of investments, income and expenses are translated at the rate of exchange prevailing on the respective dates of such transactions. Realized foreign exchange gains/losses are included in “Net gain (loss) on foreign currencies and other net assets” in the Statements of Operations.

Valuation of Series A different net asset value is calculated for each series of mutual fund shares of a Fund. The net asset value of a particular series of mutual fund shares is computed by calculating the value of the series’ proportionate share of the assets and liabilities of the Fund common to all series less the liabilities of the Fund attributable only to that series. Expenses directly attributable to a series are charged to that series. Other expenses are allocated proportionately to each series based upon the relative net asset value of each series. Expenses are accrued daily.

Investment Transactions Investment transactions are accounted for as of the trade date, and realized and unrealized gains and losses are calculated on an average cost basis. The period change in the difference between fair value and average cost of securities represents unrealized gains and losses. Realized and unrealized gains and losses are included in the Statements of Operations. The basis of determining the cost of portfolio assets is average cost.

Income Recognition Interest income is recognized on an accrual basis. “Other revenue” includes income earned by a Fund from investments in underlying funds.

Increase (decrease) in Net Assets from Operations Per Mutual Fund Share Increase (decrease) in net assets from operations per mutual fund share in the Statements of Operations represents the increase (decrease) in net assets from operations by series, divided by the average mutual fund shares outstanding per series during the period.

Early Redemption Fees Early redemption fees (short-term trading fees) are paid directly to a Fund, and are designed to deter excessive trading and its associated costs. With the exception of money market funds, a Fund may apply a fee of 2% of the current value of mutual fund shares if the shareholder redeems or switches out mutual fund shares within seven days of purchasing or previously switching into a Fund.

4. Financial instrument risk and capital management

RBC GAM is responsible for managing each Fund’s capital which is its net assets and consists primarily of its financial instruments.

A Fund’s investment activities expose it to a variety of financial risks. RBC GAM seeks to minimize potential adverse effects of these risks on a Fund’s performance by employing professional, experienced portfolio advisors, daily monitoring of the Fund’s holdings and market events, diversifying its investment portfolio within the constraints of its investment objectives, and, in some cases, periodically hedging certain risk exposures through the use of derivatives. To assist in managing risks, RBC GAM also uses internal guidelines, maintains a governance structure that oversees each Fund’s investment activities and monitors compliance with the Fund’s investment strategies, internal guidelines, and securities regulations.



Liquidity risk

Liquidity risk is the possibility that investments in a Fund cannot be readily converted into cash when required. A Fund is exposed to daily cash redemptions of redeemable mutual fund shares. Liquidity risk is managed by investing the majority of a Fund's assets in investments that are traded in an active market and that can be readily disposed. In accordance with securities regulations, a Fund must maintain at least 90% of assets in liquid investments. In addition, a Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions.

Credit risk

Credit risk is the risk that a loss could arise from a security issuer or counterparty not being able to meet its financial obligations. The carrying amount of investments and other assets represents the maximum credit risk exposure as disclosed in a Fund's Statements of Net Assets. The fair value of fixed-income and debt securities includes a consideration of the credit worthiness of the debt issuer. Credit risk exposure to over-the-counter derivative instruments is based on a Fund's unrealized gain on the contractual obligations with the counterparty. RBC GAM monitors each Fund's credit exposure and counterparty ratings daily.

Interest rate risk

Interest rate risk is the risk that the fair value of a Fund's interest-bearing investments will fluctuate due to changes in market interest rates. The value of fixed-income and debt securities, such as bonds, debentures, mortgages, or other income-producing securities is affected by interest rates. Generally, the value of these securities increases if interest rates fall and decreases if interest rates rise.

Currency risk

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of a Fund, will fluctuate due to changes in foreign exchange rates. The value of investments denominated in a currency other than Canadian dollars is affected by changes in the value of the Canadian dollar, a Fund's functional currency, in relation to the value of the currency in which the investment is denominated. When the value of the Canadian dollar falls in relation to foreign currencies, then the value of foreign investments rises. When the value of the Canadian dollar rises, the value of foreign investments falls.

Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment.

5. Taxes

The Corporation qualifies as a mutual fund corporation under the *Income Tax Act* (Canada) and is subject to tax on the amount of its taxable income in each taxation year, ending March 31.

Each Fund represents a class of mutual fund shares of the Corporation. All classes of the mutual fund shares of the Corporation are combined as a single legal entity for tax purposes in computing the net income (loss) and net capital gains (losses). Net losses of one class may be used to offset net gains of another class to reduce the net income or net gain of the Corporation as a whole.

Taxable dividends received from taxable Canadian corporations are subject to a tax of 33%. Such taxes are fully refundable upon payment of taxable dividends to its shareholders on a basis of \$1 for every \$3 of dividends paid. Any such tax paid is reported as an amount receivable until recovered through the payment to shareholders of dividends out of net investment income. Interest income and foreign dividends, net of applicable expense, are taxed at full corporate rates applicable to mutual fund corporations with credits, subject to certain limitations for foreign taxes paid. All tax on net realized taxable capital gains is refundable when the gains are distributed to shareholders as capital gains dividends or through redemption of shares at the request of shareholders. Income taxes, if any, are allocated to the classes of shares of the Corporation on a fair and reasonable basis.

Temporary differences between the tax basis of assets and liabilities and their carrying amounts may be either taxable or deductible. Taxable temporary differences give rise to future income tax liabilities and deductible temporary differences give rise to future income tax assets. When the fair value of investments is greater than its tax basis, a future income tax liability arises and the future tax liability is offset by refundable taxes generated by future payments of capital



March 31, 2012

gains dividends. When the fair value of investments is less than its tax basis, a future income tax asset arises and due to the uncertainty of such future income tax assets ultimately being realized, a full valuation allowance is applied to offset the asset. Any unused capital and non-capital losses represent future tax assets to the Funds for which a full valuation allowance has been established such that no net benefit has been recorded by the Funds.

As at the taxation year ended March 31, 2012, the Corporation has no capital losses to carry forward and non-capital losses in the amount of approximately \$43,000 which may be carried forward for up to 20 years.

6. Administrative and other related-party transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Funds. RBC GAM is responsible for the Funds' day-to-day operations, provides investment advice and portfolio management services to the Funds and appoints distributors for the Funds. RBC GAM is paid a management fee by the Funds as compensation for its services. No management fees are paid by the Funds with respect to Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

The Funds pay a fixed administration fee to RBC GAM. RBC GAM in turn pays certain operating expenses of the Funds. These expenses include regulatory filing fees and other day-to-day operating expenses including, but not limited to, recordkeeping, accounting and fund valuation costs, custody fees, audit and legal fees, the costs of preparing and distributing annual and semi-annual reports, prospectuses and statements and investor communications.

Notwithstanding the fixed administration fee, the Funds also pay certain operating expenses directly, including the costs related to the Board of Directors of the Corporation, the Board of Governors ("BoG") of the Funds and the trustees of the Corporate Class Trust (the holders of the Common Shares of the Corporation), the cost of any new government or regulatory requirements introduced and any borrowing costs (collectively, *other fund costs*), and taxes (including, but not limited to, GST/HST). Other fund costs will be allocated among each series of mutual fund shares of a Fund in accordance with the services used. RBC GAM may, in some

years and in certain cases, absorb a portion of operating expenses. The decision to absorb the operating expenses is reviewed annually and determined at the discretion of RBC GAM, without notice to shareholders.

Certain Funds may invest directly or indirectly in units of other funds managed by RBC GAM or its affiliates.

Affiliates of RBC GAM that provide services to the Funds in the course of their normal businesses are discussed below.

Distributor

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 mutual fund shares of, the Funds. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, and Series D mutual fund shares.

Custodian

RBC Dexia is the custodian which holds the assets of the Funds.

Registrars

Royal Bank, RBC Dexia and RBC GAM are the registrars of the Funds and keep records of who owns the mutual fund shares of the Funds.

Brokerage

The Funds have established standard brokerage agreements at market rates with related-party brokerages.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Funds relied on the standing instructions from the BoG in its capacity as 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 an issuer 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 BoG 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 in the best interests of the Funds and 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 Funds, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Funds. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.

7. Future accounting changes

International Financial Reporting Standards

The Funds will be required to adopt the International Financial Reporting Standards (“IFRS”) beginning in their fiscal 2014 year. In preparation to meet the requirements, RBC GAM has taken the following steps in managing the transition to IFRS:

- (a) Established a committee for the development and implementation of a transition plan and to provide oversight of the transition to IFRS;
- (b) Commenced activities to identify key issues and the likely impacts resulting from the adoption of IFRS; and,
- (c) Initiated analysis to reconfigure accounting systems used by the Funds.

The key elements of the plan currently include the disclosures of the quantitative impact, if any, in the 2013 financial statements and the preparation of the 2014 financial statements in accordance with IFRS.

Since IFRS standards are constantly evolving, the major qualitative impacts based on standards approved to date are the addition of a cash flow statement, the impact of classification of puttable instruments, the mutual fund shares of the Fund, as a liability or as an equity.

Regardless of the financial statement impacts, RBC GAM has presently determined that there will be no quantitative impact to the Net Asset Value per mutual fund share (“transactional NAV”) of each series as a result of the changeover to IFRS.



March 31, 2012

The advisory Board of Governors of the RBC Funds was established in 1994 specifically to provide advice to the fund manager regarding conflicts of interest in mutual fund management.

On December 1, 2006, the Board of Governors and RBC Global Asset Management Inc. completed the regulatory requirements necessary to allow the RBC Funds to be the first to take full advantage of the benefits of independent fund governance provided by National Instrument 81-107. Building on its long history of leadership in fund governance, RBC Global Asset Management Inc. established the Board of Governors as the independent review committee of the RBC Funds. All of the members of the Board of Governors are independent of RBC Global Asset Management Inc. and RBC Financial Group.

In its capacity as the independent review committee, the Board of Governors provides input on conflict of interest matters in respect of RBC Global Asset Management Inc. and the RBC Corporate Class Funds. At least once per year, the Board of Governors reviews and assesses the adequacy and effectiveness of the fund manager's policies and procedures relating to conflict of interest matters.

The Board of Governors is responsible for reviewing and assessing the independence of its members, the compensation of its members, and the effectiveness of the Board of Governors, its subcommittees and its members. In order to effectively manage its workload, the Board of Governors has three subcommittees: the Financial Advisory Committee, the Investment Conflicts Committee and the Governance Committee.

The Board of Governors has also been asked by RBC Global Asset Management Inc. to maintain its important role of providing advice on other issues relating to the management of the RBC Corporate Class Funds. This includes the role of the Financial Advisory Committee of the Board of Governors to provide advice concerning financial reporting, the audit process and financial internal controls.

The annual report of the Board of Governors describing its activities as the independent review committee of the RBC Corporate Class Funds is available on the website at www.rbcgam.com/funds and on SEDAR at www.sedar.com.

If you have any questions or comments about the Board of Governors or its committees, please let us know by contacting Nancy Church, Secretary to the Board of Governors, at the address below.

Lloyd R. McGinnis, OC, PEng
Chair of the Board of Governors

Board of Governors
Attention: Nancy Church
RBC Global Asset Management Inc.
P.O. Box 7500, Station A
Toronto, Ontario M5W 1P9

Board of Governors

Lloyd R. McGinnis

Chair of the Board of Governors
Director, Airport Site Development
Winnipeg Airports Authority

Michael G. Thorley^{1,4}

Vice Chair of the Board of Governors
Retired Lawyer
Toronto, Ontario

Selwyn B. Kossuth^{1,3}

Financial Consultant
Mississauga, Ontario

Charles F. Macfarlane^{1,3}

Corporate Director and Consultant
Toronto, Ontario

Linda S. Petch^{1,3}

President
Petch & Associates Management
Consultants Ltd.
Victoria, British Columbia

Elaine C. Phénix⁵

President
Phénix Capital Inc.
Montreal, Quebec

Mary C. Ritchie^{2,3}

President
Richford Holdings Ltd.
Edmonton, Alberta

Joseph P. Shannon⁶

President
Atlantic Corporation
Port Hawkesbury, Nova Scotia

James W. Yuel⁶

Chair
PIC Investment Group Inc.
Saskatoon, Saskatchewan

- ¹ Member of the Financial Advisory Committee
- ² Chair of the Financial Advisory Committee
- ³ Member of the Investment Conflicts Committee
- ⁴ Chair of the Investment Conflicts Committee
- ⁵ Chair of the Governance Committee
- ⁶ Member of the Governance Committee



FIXED-INCOME FUND

**PHILLIPS, HAGER & NORTH
TOTAL RETURN BOND LP**

March 31, 2012

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

The Board of Directors of RBC Corporate Class GP Inc. approved this annual management report of fund performance on May 23, 2012.

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/funds 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 stability of capital through exposure primarily to a well-diversified portfolio of fixed-income securities issued by Canadian governments and corporations.

To achieve its investment objective, the Fund enters into one or more forward contracts to gain exposure to the performance of the Phillips, Hager & North Total Return Bond Trust (the "reference fund"). The Fund may also invest in fixed-income securities or units of the reference fund. The return of the underlying fund will depend on the return of the reference fund. The portfolio manager of the reference fund invests primarily in medium- to high-quality corporate bonds and government bonds of Canadian issuers and may also invest in securities of U.S. and other foreign issuers. The reference fund may also invest in Canadian asset-backed commercial paper to enhance its return. The average term to maturity of the portfolio is managed within strict guidelines, and typically falls between seven and 12 years.

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 was launched on January 1, 2012, and its net asset value was \$137.6 million as of March 31, 2012. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

On April 3, 2012, Royal Bank of Canada ("Royal Bank") announced that it has entered into a definitive agreement to acquire the 50% stake that Royal Bank does not already own in the joint venture RBC Dexia Investor Services Limited which owns RBC Dexia Investor Services Trust ("RBC Dexia"), the custodian of the Fund. Following the closing of the transaction, Royal Bank will own 100% of RBC Dexia Investor Services Limited.

Given the brightening prospects for economic growth, the portfolio manager believes that bond yields have room to rise. This outlook has resulted in a portfolio that can weather an environment of higher interest rates, and one that will also benefit from higher allocations to investment-grade and high-yield corporate bonds, as well as provincial fixed-income securities.

Related-Party Transactions

Manager, Portfolio Advisor and Principal Distributor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank and is the manager, portfolio advisor and principal distributor of the Fund.

RBC GAM is responsible for the Fund's day-to-day operations and provides investment advice and portfolio management services to the Fund. Unitholders pay a negotiated fee directly to RBC GAM 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.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Custodian

RBC Dexia is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC Dexia and RBC GAM are the registrars of the Fund and keep records of who owns the units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Underlying 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.

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	
		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 0													
Mar. 31, 2012³	10.00[†]	–	(0.01)	0.04	0.01	0.04	–	–	–	–	–	–	10.03

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.

³ From January 1, 2012.

[†] Initial offering net asset value per unit.

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 0							
Mar. 31, 2012⁴	10.03	137 626	13 720	0.02	0.02	192.10	–

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.

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.

⁴ From January 1, 2012.



March 31, 2012

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund.

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

PAST PERFORMANCE

Investment performance in respect of a fund that has been available for less than one year is not provided.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2012

Investment Mix*

	% of Net Asset Value
Corporate Bonds	52.5
Provincial/Municipal Bonds	30.2
Federal Bonds	2.3
Mortgages and Mortgage-Backed Securities	0.8
Cash/Other	14.2

Top 25 Holdings*

	% of Net Asset Value
Cash & Cash Equivalents	15.0
Province of Ontario 7.600% Jun 2 27	5.1
Province of Ontario 6.500% Mar 8 29	4.6
Province of Ontario 5.850% Mar 8 33	3.1
Phillips, Hager & North High Yield Bond Fund	3.0
Toronto-Dominion Bank 5.382% Nov 1 17	2.9
Bank of Montreal 2.960% Aug 2 16	2.4
Province of Ontario 4.600% Jun 2 39	2.4
Master Credit Card Trust 5.297% Aug 21 12	2.2
Royal Bank of Canada 2.680% Dec 8 16	2.0
Canadian Imperial Bank of Commerce 2.650% Nov 8 16	1.9
Province of Ontario 5.600% Jun 2 35	1.8
Province of Ontario 4.200% Jun 2 20	1.8
Bank of Nova Scotia 6.000% Oct 3 18	1.6
CU Inc. 6.145% Nov 22 17	1.6
Canada Housing Trust No. 1 4.100% Dec 15 18	1.5
HSBC Bank Canada 2.901% Jan 13 17	1.5
Province of Quebec 6.250% Jun 1 32	1.4
Canada Housing Trust No. 1 3.750% Mar 15 20	1.4
Province of Ontario 4.650% Jun 2 41	1.3
Province of Ontario 9.500% Jul 13 22	1.1
Master Credit Card Trust 5.237% May 21 13	1.1
Wells Fargo Financial Canada Corp. 5.200% Sep 13 12	1.1
Province of Ontario 4.400% Jun 2 19	1.1
Sun Life Financial Inc. 4.380% Mar 2 22	1.1
Top 25 Holdings	64.0

* The Fund obtains exposure to the Phillips, Hager & North Total Return Bond Trust by entering into one or more forward contracts. The Investment Mix and Top 25 Holdings, shown above, are the proportionate holdings of the Phillips, Hager & North Total Return Bond Trust.

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.

The simplified prospectus and other information about the reference fund is available on SEDAR website at www.sedar.com.



FIXED-INCOME FUND

RBC HIGH YIELD BOND LP

March 31, 2012

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

The Board of Directors of RBC Corporate Class GP Inc. approved this annual management report of fund performance on May 23, 2012.

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/funds 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.



March 31, 2012

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide a high level of income with the potential for modest capital growth through exposure primarily to higher yielding corporate debt securities issued by Canadian and U.S. corporations.

To achieve its investment objective, the Fund enters into one or more forward contracts to gain exposure to the performance of the RBC High Yield Bond Trust (the "reference fund"). The Fund may also invest in fixed-income securities or units of the reference fund. The return of the underlying fund will depend on the return of the reference fund. The portfolio manager of the reference fund invests primarily in debt securities rated from BBB to B by Standard & Poor's or an equivalent credit-rating company. The portfolio manager employs a value-focused philosophy, striving to invest in quality companies having stable to improving credit profiles, which are considered undervalued.

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 was launched on January 1, 2012, and its net asset value was \$127 million as of March 31, 2012. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

On April 3, 2012, Royal Bank of Canada ("Royal Bank") announced that it has entered into a definitive agreement to acquire the 50% stake that Royal Bank does not already own in the joint venture RBC Dexia Investor Services Limited which owns RBC Dexia Investor Services Trust ("RBC Dexia"), the custodian of the Fund. Following the closing of the transaction, Royal Bank will own 100% of RBC Dexia Investor Services Limited.

Concerns about the strength of global economic growth in the U.S. and China, and the re-emergence of risks in the Eurozone, have curbed investors' risk appetites. The portfolio manager expects the high-yield bond market to remain volatile in the short term, and therefore remains cautious. The portfolio manager also plans to rotate the cash, security-quality and geographic mix of the portfolio in a way that takes advantage of opportunities as they arise.

Related-Party Transactions

Manager, Portfolio Advisor and Principal Distributor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank and is the manager, portfolio advisor and principal distributor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations and

provides investment advice and portfolio management services to the Fund. Unitholders pay a negotiated fee directly to RBC GAM 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.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Custodian

RBC Dexia is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC Dexia and RBC GAM are the registrars of the Fund and keep records of who owns the units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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.



March 31, 2012

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 since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Underlying 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.

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	
		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 0												
Mar. 31, 2012³	10.00[†]	–	(0.01)	0.10	0.03	0.12	–	–	–	–	–	10.17

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.

³ From January 1, 2012.

[†] Initial offering net asset value per unit.

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 0							
Mar. 31, 2012⁴	10.17	126 986	12 486	0.02	0.02	203.54	–

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.

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.

⁴ From January 1, 2012.



March 31, 2012

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund.

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

PAST PERFORMANCE

Investment performance in respect of a fund that has been available for less than one year is not provided.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2012

Investment Mix*

	% of Net Asset Value
United States	70.2
Canada	21.7
Luxembourg	1.5
Australia	0.7
Cash/Other	5.9

Top 25 Holdings*

	% of Net Asset Value
Cash & Cash Equivalents	4.3
Ford Motor Credit Co. LLC 12.000% May 15 15	2.5
Host Hotels & Resorts LP 9.000% May 15 17	2.3
MGM Mirage 13.000% Nov 15 13	2.1
UR Financing Escrow Corp. 5.750% Jul 15 18	1.9
Bell Aliant Regional Communications LP 4.880% Apr 26 18	1.8
Reynolds Group Issuer Inc. 7.125% Apr 15 19	1.8
Tenet Healthcare Corp. 8.875% Jul 1 19	1.8
Quebecor Media Inc. 7.375% Jan 15 21	1.7
Lamar Media Corp. 9.750% Apr 1 14	1.7
Smithfield Foods Inc. 10.000% Jul 15 14	1.7
Shaw Communications Inc. 5.650% Oct 1 19	1.7
Beazer Homes USA Inc. 12.000% Oct 15 17	1.7
Ford Credit Canada Ltd. 4.200% Nov 14 13	1.7
Harvest Operations Corp. USD 6.875% Oct 1 17	1.7
Frontier Communications Corp. 8.500% Apr 15 20	1.6
Videotron Ltd. USD 9.125% Apr 15 18	1.6
Wynn Las Vegas LLC Corp. 7.750% Aug 15 20	1.6
Mohawk Industries Inc. 6.875% Jan 15 16	1.6
The AES Corp. 8.000% Oct 15 17	1.6
Prestige Brands Inc. 8.125% Feb 1 20	1.5
Intelsat Jackson Holdings S.A. USD 7.250% Apr 1 19	1.5
EchoStar DBS Corp. 7.750% May 31 15	1.5
Qwest Corp. 6.750% Dec 1 21	1.5
Corus Entertainment Inc. 7.250% Feb 10 17	1.5
Top 25 Holdings	45.9

* The Fund obtains exposure to the RBC High Yield Bond Trust by entering into one or more forward contracts. The Investment Mix and Top 25 Holdings, shown above, are the proportionate holdings of the RBC High Yield Bond Trust.

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.

The simplified prospectus and other information about the reference fund is available on SEDAR website at www.sedar.com.



The accompanying financial statements have been prepared by RBC Global Asset Management Inc. ("RBC GAM") as manager of the RBC Underlying Funds (the "Funds") and approved by the Board of Directors of RBC Corporate Class GP Inc. We are responsible for the information contained within the financial statements.

We have maintained appropriate procedures and controls to ensure that timely and reliable financial information is produced. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada (and they include certain amounts that are based on estimates and judgements). The significant accounting policies, which we believe are appropriate for the Funds, are described in Note 3 to the financial statements.

An advisory Board of Governors of the Funds was established in 1994 specifically to provide advice to RBC GAM regarding conflicts of interest in mutual fund management. Effective December 1, 2006, the Board of Governors was designated as the independent review committee of the Funds and other mutual funds managed by us pursuant to the provisions of *National Instrument 81-107, Independent Review Committee for Investment Funds*. In addition to the regulatory requirements for independent fund governance, the Board of Governors and its committees have been asked by RBC GAM to maintain their important roles of providing advice on other issues relating to the management of the Funds.

Although the Board of Directors of RBC Corporate Class GP Inc. is solely responsible for approving the financial statements and overseeing management's financial reporting responsibilities along with RBC GAM, the Financial Advisory Committee of the Board of Governors provides advice to the Board of Governors and RBC GAM concerning financial reporting, the audit process and internal controls.

Deloitte & Touche LLP is the external auditor of the Funds. The auditor was appointed by the Board of Directors of RBC Corporate Class GP Inc. and cannot be changed without the prior approval of the Board of Governors, in its capacity as the independent review committee. Deloitte & Touche LLP has audited the financial statements in accordance with Canadian generally accepted auditing standards to enable it to express to unitholders its opinion on the financial statements. Its report is set out on the next page.

John S. Montalbano, CFA
Chief Executive Officer
RBC Global Asset Management Inc.

May 23, 2012

Frank Lippa, CA
Chief Financial Officer and Chief Operating Officer
RBC Global Asset Management Inc.



March 31, 2012

To the Unitholders of:

**Phillips, Hager & North Total Return Bond LP
RBC High Yield Bond LP
(collectively referred to as the "Funds")**

We have audited the accompanying financial statements of each of the Funds, which comprise the statements of investment portfolio and of net assets as at March 31, 2012, and the statements of operations and changes in net assets for the period (since the establishment of the Funds) then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient in our audits and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as at March 31, 2012 and the results of their operations and the changes in their net assets for the period (since establishment of the Funds) then ended, in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants
May 23, 2012
Toronto, Ontario



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
PHILLIPS, HAGER & NORTH TOTAL RETURN BOND LP

March 31, 2012

Holdings	Security	Cost	Fair Value	% of Net Assets
CANADIAN EQUITIES				
Consumer Discretionary				
415 856	Gildan Activewear Inc., Class A	\$ 11 329	\$ 11 415	
240 196	Magna International Inc., Class A	11 339	11 424	
397 808	Thomson Corp.	11 488	11 461	
215 345	Tim Hortons Inc.	11 381	11 491	
		<u>45 537</u>	<u>45 791</u>	33.3
Energy				
538 427	Canadian Oil Sands Ltd.	11 874	11 322	
295 716	Enbridge Inc.	11 387	11 456	
876 291	Talisman Energy Inc.	11 388	10 989	
		<u>34 649</u>	<u>33 767</u>	24.5
Financials				
908 274	Manulife Financial Corporation	11 338	12 271	
530 151	Sun Life Financial Inc.	11 376	12 522	
		<u>22 714</u>	<u>24 793</u>	18.0
Materials				
255 797	Barrick Gold Corp.	11 487	11 086	
		<u>11 487</u>	<u>11 086</u>	8.1
Utilities				
364 905	Fortis Inc.	11 836	11 775	
580 566	TransAlta Corp.	11 378	10 857	
		<u>23 214</u>	<u>22 632</u>	16.4
TOTAL INVESTMENTS				
		<u>137 601</u>	<u>138 069</u>	100.3
UNREALIZED GAINS (LOSSES) ON FORWARD CONTRACTS (SCHEDULE A)				
		–	(445)	(0.3)
TOTAL PORTFOLIO				
		<u>\$ 137 601</u>	<u>137 624</u>	100.0
OTHER NET ASSETS (LIABILITIES)				
			(1)	–
NET ASSETS				
		<u>\$ 137 623</u>	<u>137 623</u>	100.0

SCHEDULE A

Forward Contracts

As part of its investment strategy, the Fund has entered into a forward agreement under which it will swap its portfolio of Canadian securities in return for exposure to an investment in units of the reference fund. As a consequence of this forward contract, the Fund will forgo any benefits of an increase in the value of the Canadian securities.

Notional Number of Units	Reference Fund	Expiration Date	Counterparty	Counterparty Rating	Contracted Value	Unrealized Gains (Losses)
13 707 671	Phillips, Hager & North Total Return Bond Trust*	11-Apr-12	Toronto-Dominion Bank	AA-	\$ 137 601	\$ (445)

* Investment in related party (see note 6 in the generic notes).

The accompanying notes are an integral part of these financial statements.



Statement of Net Assets (in \$000s except per unit amounts)

March 31 (see note 2 in the generic notes)	2012
ASSETS	
Investments at fair value	\$ 138 069
Cash	1
Subscriptions receivable	4 100
TOTAL ASSETS	142 170
LIABILITIES	
Due to investment dealers	4 100
Unrealized loss on forward contracts	445
Accounts payable and accrued expenses	2
TOTAL LIABILITIES	4 547
NET ASSETS	\$ 137 623
Investments at cost	\$ 137 601
NET ASSETS PER SERIES, END OF PERIOD	
SERIES 0	\$ 137 623
NET ASSETS PER UNIT, END OF PERIOD	
SERIES 0	\$ 10.03
NET ASSET VALUE (TRANSACTIONAL NAV)	
PER UNIT, END OF PERIOD	
(see note 3 in the generic notes)	
SERIES 0	\$ 10.03

Statement of Operations (in \$000s except per unit amounts)

For the period ended March 31 (see note 2 in the generic notes)*	2012
EXPENSES (see notes – Fund Specific Information)	
Administration fees	\$ 4
Board of Governors costs	1
GST/HST	–
TOTAL EXPENSES	5
NET INVESTMENT INCOME (LOSS)	(5)
REALIZED AND UNREALIZED GAIN (LOSS)	
ON INVESTMENTS	
Net realized gain (loss) on investments	210
Change in unrealized gain (loss) in value of investments	468
Change in unrealized gain (loss) in value of forward contracts	(445)
NET GAIN (LOSS) ON INVESTMENTS	233
INCREASE (DECREASE) IN NET ASSETS	
FROM OPERATIONS	\$ 228
INCREASE (DECREASE) IN NET ASSETS	
FROM OPERATIONS	
SERIES 0	\$ 228
INCREASE (DECREASE) IN NET ASSETS	
FROM OPERATIONS PER UNIT	
SERIES 0	\$ 0.04

* Fund launched January 1, 2012.

Approved by the Board of Directors of RBC Corporate Class GP Inc.

Doug Coulter
Director

Frank Lipa
Director

The accompanying notes are an integral part of these financial statements.



Statement of Changes in Net Assets *(in \$000s)*

For the period ended March 31 (see note 2 in the generic notes)*	Series 0 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –
INCREASE (DECREASE) FROM OPERATIONS	228
Early redemption fees	–
Proceeds from units issued	137 395
Proceeds from reinvestment of distributions	–
Payments on redemption of units	–
TOTAL UNIT TRANSACTIONS	137 395
Distributions from net income	–
Distributions from net gains	–
Distributions from capital	–
TOTAL DISTRIBUTIONS	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	137 623
NET ASSETS – END OF PERIOD	\$ 137 623

* Fund launched January 1, 2012.



March 31, 2012

**Financial instrument risk and capital management
(see note 4 in the generic notes)**

The Fund's exposure to financial instrument risk is based on the Phillips, Hager & North Total Return Bond Trust as the Fund enters into a forward contract which indirectly attempts to replicate the return of the Phillips, Hager & North Total Return Bond Trust.

Credit risk (%)

The table below summarizes the Phillips, Hager & North Total Return Bond Trust's exposure to credit risk grouped by credit ratings as at:

Rating	March 31 2012
AAA	11.0
AA	45.7
A	25.1
BBB	15.1
BB	1.9
B	0.5
Unrated	0.7
Total debt securities	100.0

Interest rate risk (%)

The table below summarizes the Phillips, Hager & North Total Return Bond Trust's exposure to interest rate risk by remaining term to maturity from investments in mutual fund units as at:

Term to maturity	March 31 2012
Less than 1 year	11.1
1 – 5 years	32.0
5 – 10 years	19.7
> 10 years	37.2
Total debt securities	100.0

As at March 31, 2012, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 5.7%. In practice, actual results could differ from this sensitivity analysis and the difference could be material.

**Fair value hierarchy (\$000s except % amounts)
(see note 3 in the generic notes)**

The following is a summary of the inputs used as of March 31, 2012 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2012	Level 1	Level 2	Level 3	Total
Equities	138 069	–	–	138 069
Mutual fund units	–	–	–	–
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	(445)	–	(445)
Total financial instruments	138 069	(445)	–	137 624
% of total portfolio	100.3	(0.3)	–	100.0

For the period ended March 31, 2012, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 6 in the generic notes)

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

Operating expenses (see note 6 in the generic notes)

The administration fee payable by Series O of the Fund is calculated at the following annual percentage, before GST/HST, of the daily net asset value of Series O of the Fund.

Series O	0.02%
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Unitholders' equity (000s)

The unitholders' equity of the Fund includes amounts representing units, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of units available for issue. Units are purchased and redeemed at the transactional NAV per unit.

For the period ended March 31
(see note 2 in the generic notes)

Series O	2012
Opening units	–
Issued number of units	13 720
Reinvested number of units	–
Redeemed number of units	–
Ending number of units	13 720



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC HIGH YIELD BOND LP

March 31, 2012

Holdings	Security	Cost	Fair Value	% of Net Assets
CANADIAN EQUITIES				
Consumer Staples				
398 136	Gildan Activewear Inc., Class A	\$ 10 819	\$ 10 929	
229 859	Magna International Inc., Class A	10 825	10 932	
375 777	Thomson Corp.	10 822	10 826	
187 727	Tim Hortons Inc.	9 919	10 017	
		<u>42 385</u>	<u>42 704</u>	33.6
Energy				
486 296	Canadian Oil Sands Ltd.	10 680	10 227	
281 831	Enbridge Inc.	10 821	10 918	
821 486	Talisman Energy Inc.	10 684	10 301	
		<u>32 185</u>	<u>31 446</u>	24.8
Financials				
822 629	Manulife Financial Corporation	10 155	11 114	
494 986	Sun Life Financial Inc.	10 511	11 692	
		<u>20 666</u>	<u>22 806</u>	18.0
Materials				
224 130	Barrick Gold Corp.	10 067	9 714	
		<u>10 067</u>	<u>9 714</u>	7.6
Utilities				
330 275	Fortis Inc.	10 682	10 658	
551 775	TransAlta Corp.	10 827	10 318	
		<u>21 509</u>	<u>20 976</u>	16.5
TOTAL INVESTMENTS		<u>126 812</u>	<u>127 646</u>	100.5
UNREALIZED GAINS (LOSSES) ON FORWARD CONTRACTS (SCHEDULE A)				
		–	(667)	(0.5)
TOTAL PORTFOLIO		<u>\$ 126 812</u>	<u>126 979</u>	100.0
OTHER NET ASSETS			4	–
NET ASSETS			<u>\$ 126 983</u>	100.0

SCHEDULE A

Forward Contracts

As part of its investment strategy, the Fund has entered into a forward agreement under which it will swap its portfolio of Canadian securities in return for exposure to an investment in units of the reference fund. As a consequence of this forward contract, the Fund will forgo any benefits of an increase in the value of the Canadian securities.

Notional Number of Units	Reference Fund	Expiration Date	Counterparty	Counterparty Rating	Contracted Value	Unrealized Gains (Losses)
12 474 811	RBC High Yield Bond Trust*	11-Apr-12	Toronto-Dominion Bank	AA-	\$ 126 812	\$ (667)

* Investment in related party (see note 6 in the generic notes).



Statement of Net Assets (in \$000s except per unit amounts)

March 31 (see note 2 in the generic notes)	2012
ASSETS	
Investments at fair value	\$ 127 646
Cash	6
Subscriptions receivable	4 500
TOTAL ASSETS	132 152
LIABILITIES	
Due to investment dealers	4 500
Unrealized loss on forward contracts	667
Accounts payable and accrued expenses	2
TOTAL LIABILITIES	5 169
NET ASSETS	\$ 126 983
Investments at cost	\$ 126 812
NET ASSETS PER SERIES, END OF PERIOD	
SERIES 0	\$ 126 983
NET ASSETS PER UNIT, END OF PERIOD	
SERIES 0	\$ 10.17
NET ASSET VALUE (TRANSACTIONAL NAV)	
PER UNIT, END OF PERIOD	
(see note 3 in the generic notes)	
SERIES 0	\$ 10.17

Statement of Operations (in \$000s except per unit amounts)

For the period ended March 31 (see note 2 in the generic notes)*	2012
EXPENSES (see notes – Fund Specific Information)	
Administration fees	\$ 2
Board of Governors costs	1
GST/HST	–
TOTAL EXPENSES	3
NET INVESTMENT INCOME (LOSS)	(3)
REALIZED AND UNREALIZED GAIN (LOSS)	
ON INVESTMENTS	
Net realized gain (loss) on investments	527
Change in unrealized gain (loss) in value of investments	834
Change in unrealized gain (loss) in value of forward contracts	(667)
NET GAIN (LOSS) ON INVESTMENTS	694
INCREASE (DECREASE) IN NET ASSETS	
FROM OPERATIONS	\$ 691
INCREASE (DECREASE) IN NET ASSETS	
FROM OPERATIONS	
SERIES 0	\$ 691
INCREASE (DECREASE) IN NET ASSETS	
FROM OPERATIONS PER UNIT	
SERIES 0	\$ 0.12

* Fund launched January 1, 2012.

Approved by the Board of Directors of RBC Corporate Class GP Inc.

Doug Coulter
Director

Frank Lipa
Director

The accompanying notes are an integral part of these financial statements.



Statement of Changes in Net Assets *(in \$000s)*

For the period ended March 31 (see note 2 in the generic notes)*	Series 0 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –
INCREASE (DECREASE) FROM OPERATIONS	691
Early redemption fees	–
Proceeds from units issued	126 292
Proceeds from reinvestment of distributions	–
Payments on redemption of units	–
TOTAL UNIT TRANSACTIONS	126 292
Distributions from net income	–
Distributions from net gains	–
Distributions from capital	–
TOTAL DISTRIBUTIONS	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	126 983
NET ASSETS – END OF PERIOD	\$ 126 983

* Fund launched January 1, 2012.



March 31, 2012

**Financial instrument risk and capital management
(see note 4 in the generic notes)**

The Fund's exposure to financial instrument risk is based on the RBC High Yield Bond Trust as the Fund enters into a forward contract which indirectly attempts to replicate the return of the RBC High Yield Bond Trust.

Credit risk (%)

The table below summarizes the RBC High Yield Bond Trust's exposure to credit risk grouped by credit ratings as at:

Rating	March 31 2012
AA	1.4
A	2.3
BBB	10.7
BB	60.2
B	23.9
CCC	1.5
Total debt securities	100.0

Interest rate risk (%)

The table below summarizes the RBC High Yield Bond Trust's exposure to interest rate risk by remaining term to maturity from investments in mutual fund units as at:

Term to maturity	March 31 2012
Less than 1 year	1.7
1 – 5 years	22.5
5 – 10 years	71.1
> 10 years	4.7
Total debt securities	100.0

As at March 31, 2012, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 4.8%. In practice, actual results could differ from this sensitivity analysis and the difference could be material.

**Fair value hierarchy (\$000s except % amounts)
(see note 3 in the generic notes)**

The following is a summary of the inputs used as of March 31, 2012 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2012	Level 1	Level 2	Level 3	Total
Equities	127 646	–	–	127 646
Mutual fund units	–	–	–	–
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	(667)	–	(667)
Total financial instruments	127 646	(667)	–	126 979
% of total portfolio	100.5	(0.5)	–	100.0

For the period ended March 31, 2012, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 6 in the generic notes)

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

Operating expenses (see note 6 in the generic notes)

The administration fee payable by Series O of the Fund is calculated at the following annual percentage, before GST/HST, of the daily net asset value of Series O of the Fund.

Series O	0.02%
----------	-------

Unitholders' equity (000s)

The unitholders' equity of the Fund includes amounts representing units, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of units available for issue. Units are purchased and redeemed at the transactional NAV per unit.

For the period ended March 31
(see note 2 in the generic notes) 2012

Series O	
Opening units	–
Issued number of units	12 486
Reinvested number of units	–
Redeemed number of units	–
Ending number of units	12 486



1. The Funds

The mutual funds (“Funds”) are limited partnerships formed under the laws of the Province of Ontario and governed by a Limited Partnership Agreement. RBC GAM is the manager and portfolio advisor of the Funds.

The Funds may issue an unlimited number of Series O units.

Series O – no management fees are payable by the Funds in respect of Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM.

2. Financial year/period

The information provided in these financial statements and notes thereto is for the 3-month period ended or as at March 31, 2012. In the year a Fund or series is established, “period” represents the period from January 1 to March 31 of that fiscal year.

3. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”), which include estimates and assumptions by management that may affect the reported amounts of assets (primarily valuation of investments), liabilities, income and expenses during the reported period. Actual results may differ from estimates. The significant accounting policies of the Funds are as follows:

Valuation of Investments The valuation methods used to calculate the daily net asset value to transact units of the Funds, as described in the Funds’ Annual Information Form (“transactional NAV”) are not identical to the GAAP accounting policies used to determine the financial statement net assets (“net assets”) described below. The primary difference between net assets and transactional NAV relates to valuation of actively traded securities at bid prices for net assets and at last sale prices for transactional NAV.

In accordance with the Canadian Institute of Chartered Accountants (“CICA”) Handbook Section 3862, *Financial Instruments – Disclosures*, the Funds’ financial instruments are measured at fair value using a three-tier hierarchy based on inputs used to value the Funds’ investments and derivatives. The hierarchy of inputs is summarized below:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Changes in valuation methods may result in transfers into or out of an investment’s assigned level.

The three-tier hierarchy of investments and derivatives is included in “Notes to Financial Statements – Fund Specific Information.”

Investments are recorded at fair value, which is determined as follows:

Equities – Equities are valued at the current bid price recorded by the security exchange on which the security is principally traded.

Short-term Investments – Short-term investments are valued at their cost including applicable foreign exchange translations. This value, together with accrued interest, approximates fair value using current bid prices.

Forward Contracts – The Funds have entered into forward agreements in order to earn the economic return of the reference funds. The value of the forward contract is calculated by subtracting the fair value of the total investments of the Fund from the fair value of the notional units of the reference fund on the valuation date. Any gain or loss at the close of business on each valuation date is recorded in the Statements of Operations. The net receivable/payable on forward contracts is recorded separately in the Statements of Net Assets.

Mutual Fund Unit Valuation – Units of Funds are valued at their respective transactional NAV per unit received from fund companies on the relevant valuation dates.

Fair Valuation of Investments (including unlisted securities) – If the accounting policies described above are not appropriate, RBC GAM will estimate the fair value of an investment using established fair valuation procedures such as: consideration of public information, broker quotes, valuation models, fundamental analysis, matrix pricing, discounts from market prices of similar securities, or discounts applied due to restrictions on the disposition of securities, and external fair value service providers.



March 31, 2012

Procedures are in place to fair value foreign securities traded in countries outside North America daily, to avoid stale prices and to take into account, among other things, any significant events occurring after the close of a foreign market. This fair valuation process takes into account the last quoted price of the security and adjusts the price based on inputs such as related indices, changes in foreign markets, American Depository Receipts (“ADR”) prices, etc. These securities are classified as Level 2.

Valuation of Series The net asset value of a particular series of units is computed by calculating the value of the series’ proportionate share of the assets and liabilities of the Fund common to all series less the liabilities of the Fund attributable only to that series. Expenses directly attributable to a series are charged to that series. Other expenses are allocated proportionately to each series based upon the relative net asset value of each series. Expenses are accrued daily.

Investment Transactions Investment transactions are accounted for as of the trade date, and realized and unrealized gains and losses are calculated on an average cost basis. The period change in the difference between fair value and average cost of securities represents unrealized gains and losses. Realized and unrealized gains and losses are included in the Statements of Operations. The basis of determining the cost of portfolio assets is average cost.

Income Recognition Dividend income is recognized on the ex-dividend date and interest income is recognized on an accrual basis.

Increase (decrease) in Net Assets from Operations Per Unit Increase (decrease) in net assets from operations per unit in the Statements of Operations represents the increase (decrease) in net assets from operations by series, divided by the average units outstanding per series during the period.

Early Redemption Fees Early redemption fees (short-term trading fees) are paid directly to a Fund, and are designed to deter excessive trading and its associated costs. With the exception of money market funds, a Fund may apply a fee of 2% of the current value of units if the unitholder redeems or switches out units within seven days of purchasing or previously switching into a Fund.

4. Financial instrument risk and capital management

RBC GAM is responsible for managing each Fund’s capital which is its net assets and consists primarily of its financial instruments.

A Fund’s investment activities expose it to a variety of financial risks. RBC GAM seeks to minimize potential adverse effects of these risks on a Fund’s performance by employing professional, experienced portfolio advisors, daily monitoring of the Fund’s holdings and market events, diversifying its investment portfolio within the constraints of its investment objectives, and, in some cases, periodically hedging certain risk exposures through the use of derivatives. To assist in managing risks, RBC GAM also uses internal guidelines, maintains a governance structure that oversees each Fund’s investment activities and monitors compliance with the Fund’s investment strategies, internal guidelines, and securities regulations.

Liquidity risk

Liquidity risk is the possibility that investments in a Fund cannot be readily converted into cash when required. A Fund is exposed to daily cash redemptions of redeemable units. Liquidity risk is managed by investing the majority of a Fund’s assets in investments that are traded in an active market and that can be readily disposed. In accordance with securities regulations, a Fund must maintain at least 90% of assets in liquid investments. In addition, a Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions.

Credit risk

Credit risk is the risk that a loss could arise from a security issuer or counterparty not being able to meet its financial obligations. The carrying amount of investments and other assets represents the maximum credit risk exposure as disclosed in a Fund’s Statements of Net Assets. The fair value of fixed-income and debt securities includes a consideration of the credit worthiness of the debt issuer. Credit risk exposure to over-the-counter derivative instruments is based on a Fund’s unrealized gain on the contractual obligations with the counterparty. RBC GAM monitors each Fund’s credit exposure and counterparty ratings daily.



Interest rate risk

Interest rate risk is the risk that the fair value of a Fund's interest-bearing investments will fluctuate due to changes in market interest rates. The value of fixed-income and debt securities, such as bonds, debentures, mortgages, or other income-producing securities is affected by interest rates. Generally, the value of these securities increases if interest rates fall and decreases if interest rates rise.

Currency risk

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of a Fund, will fluctuate due to changes in foreign exchange rates. The value of investments denominated in a currency other than Canadian dollars is affected by changes in the value of the Canadian dollar, a Fund's functional currency, in relation to the value of the currency in which the investment is denominated. When the value of the Canadian dollar falls in relation to foreign currencies, then the value of foreign investments rises. When the value of the Canadian dollar rises, the value of foreign investments falls.

Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment.

5. Taxes

The Fund is a limited partnership and will not be subject to income tax on its income or gains. Instead, the income or loss, and any net capital gains or capital losses of a Fund will be computed as if the Fund were a separate person and each investor in the Fund will be treated as earning its share of the income, loss, capital gains and capital losses of the Fund for the fiscal year, whether or not the investor receives any distributions from the Fund. Accordingly, an investor will be treated as earning its share of any dividends from taxable Canadian corporations, capital gains or losses, and foreign source income on which foreign tax has been paid, as well as any other types of income or losses realized by the Fund.

6. Administrative and other related-party transactions

General Partner, Manager, Portfolio Advisor and Principal Distributor

The general partner of the Funds is RBC Corporate Class GP Inc. (the "General Partner"). Under the Limited Partnership Agreement, the General Partner is entitled to 0.01% of the net income of a Fund (up to a maximum of \$3,000 per year) and 0.01% of the net loss of a Fund. The General Partner of the Fund has delegated the responsibility for the direction of all day-to-day business, operations and affairs of the Fund to RBC GAM pursuant to a Master Management Agreement.

RBC GAM is the manager, portfolio advisor and principal distributor of the Funds. RBC GAM is responsible for the Funds' day-to-day operations, holds title to the Funds' property on behalf of its unitholders, and provides investment advice and portfolio management services to the Funds. RBC GAM is paid a management fee by the Funds as compensation for its services. No management fees are paid by the Funds with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

The Funds pay a fixed administration fee to RBC GAM. RBC GAM in turn pays certain operating expenses of the Funds. These expenses include regulatory filing fees and other day-to-day operating expenses including, but not limited to, recordkeeping, accounting and fund valuation costs, custody fees, audit and legal fees, the costs of preparing and distributing annual and semi-annual reports, prospectuses and statements and investor communications.

Notwithstanding the fixed administration fee, the Funds also pay certain operating expenses directly, including the costs related to the Board of Governors ("BoG") of the Funds and the cost of any new government or regulatory requirements introduced and any borrowing costs (collectively, *other fund costs*), and taxes (including, but not limited to, GST/HST). Other fund costs will be allocated among each series of units of a fund in accordance with the services used. RBC GAM may, in some years and in certain cases, absorb a portion of operating expenses. The decision to absorb the operating expenses is reviewed annually and determined at the discretion of RBC GAM, without notice to unitholders.

Certain Funds may invest directly or indirectly in units of other funds managed by RBC GAM or its affiliates.



March 31, 2012

Affiliates of RBC GAM that provide services to the Funds in the course of their normal businesses are discussed below.

Custodian

RBC Dexia is the custodian which holds the assets of the Funds.

Registrars

Royal Bank, RBC Dexia and RBC GAM are the registrars of the Funds and keep records of who owns the units of the Funds.

Brokerage

The Funds have established standard brokerage agreements at market rates with related-party brokerages.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Funds relied on the standing instructions from the BoG in its capacity as 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 an issuer 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 BoG 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 in the best interests of the Funds and 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 Funds, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Funds. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.

7. Future accounting changes

International Financial Reporting Standards

The Funds will be required to adopt the International Financial Reporting Standards (“IFRS”) beginning in their fiscal 2014 year. In preparation to meet the requirements, RBC GAM has taken the following steps in managing the transition to IFRS:

- (a) Established a committee for the development and implementation of a transition plan and to provide oversight of the transition to IFRS;
- (b) Commenced activities to identify key issues and the likely impacts resulting from the adoption of IFRS; and,
- (c) Initiated analysis to reconfigure accounting systems used by the Funds.

The key elements of the plan currently include the disclosures of the quantitative impact, if any, in the 2013 financial statements and the preparation of the 2014 financial statements in accordance with IFRS.

Since IFRS standards are constantly evolving, the major qualitative impacts based on standards approved to date are the addition of a cash flow statement and the impact of classification of puttable instruments, the units of the Fund, as a liability or as an equity.

Regardless of the financial statement impacts, RBC GAM has presently determined that there will be no quantitative impact to the Net Asset Value per Unit (“transactional NAV”) of each series as a result of the changeover to IFRS.



March 31, 2012

The advisory Board of Governors of the RBC Funds was established in 1994 specifically to provide advice to the fund manager regarding conflicts of interest in mutual fund management.

On December 1, 2006, the Board of Governors and RBC Global Asset Management Inc. completed the regulatory requirements necessary to allow the RBC Funds to be the first to take full advantage of the benefits of independent fund governance provided by National Instrument 81-107. Building on its long history of leadership in fund governance, RBC Global Asset Management Inc. established the Board of Governors as the independent review committee of the RBC Funds. All of the members of the Board of Governors are independent of RBC Global Asset Management Inc. and RBC Financial Group.

In its capacity as the independent review committee, the Board of Governors provides input on conflict of interest matters in respect of RBC Global Asset Management Inc. and the RBC Underlying Funds. At least once per year, the Board of Governors reviews and assesses the adequacy and effectiveness of the fund manager's policies and procedures relating to conflict of interest matters.

The Board of Governors is responsible for reviewing and assessing the independence of its members, the compensation of its members, and the effectiveness of the Board of Governors, its subcommittees and its members. In order to effectively manage its workload, the Board of Governors has three subcommittees: the Financial Advisory Committee, the Investment Conflicts Committee and the Governance Committee.

The Board of Governors has also been asked by RBC Global Asset Management Inc. to maintain its important role of providing advice on other issues relating to the management of the RBC Underlying Funds. This includes the role of the Financial Advisory Committee of the Board of Governors to provide advice concerning financial reporting, the audit process and financial internal controls.

The annual report of the Board of Governors describing its activities as the independent review committee of the RBC Corporate Class Funds and RBC Underlying Funds is available on the website at www.rbcgam.com/funds and on SEDAR at www.sedar.com.

If you have any questions or comments about the Board of Governors or its committees, please let us know by contacting Nancy Church, Secretary to the Board of Governors, at the address below.

Lloyd R. McGinnis, OC, PEng

Chair of the Board of Governors

Board of Governors

Attention: Nancy Church
RBC Global Asset Management Inc.
P.O. Box 7500, Station A
Toronto, Ontario M5W 1P9

Board of Governors

Lloyd R. McGinnis

Chair of the Board of Governors

Director, Airport Site Development
Winnipeg Airports Authority

Michael G. Thorley^{1,4}

Vice Chair of the Board of Governors

Retired Lawyer
Toronto, Ontario

Selwyn B. Kossuth^{1,3}

Financial Consultant
Mississauga, Ontario

Charles F. Macfarlane^{1,3}

Corporate Director and Consultant
Toronto, Ontario

Linda S. Petch^{1,3}

President
Petch & Associates Management
Consultants Ltd.
Victoria, British Columbia

Elaine C. Phénix⁵

President
Phénix Capital Inc.
Montreal, Quebec

Mary C. Ritchie^{2,3}

President
Richford Holdings Ltd.
Edmonton, Alberta

Joseph P. Shannon⁶

President
Atlantic Corporation
Port Hawkesbury, Nova Scotia

James W. Yuel⁶

Chair
PIC Investment Group Inc.
Saskatoon, Saskatchewan

- ¹ Member of the Financial Advisory Committee
- ² Chair of the Financial Advisory Committee
- ³ Member of the Investment Conflicts Committee
- ⁴ Chair of the Investment Conflicts Committee
- ⁵ Chair of the Governance Committee
- ⁶ Member of the Governance Committee



FIXED-INCOME TRUST

**PHILLIPS, HAGER & NORTH
TOTAL RETURN BOND TRUST**

March 31, 2012

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 June 21, 2012.

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/funds 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 generate interest income and provide stability of capital by investing primarily in a well-diversified portfolio of fixed-income securities issued by Canadian governments and corporations.

To achieve its investment objective, the Fund invests primarily in medium- to high-quality corporate bonds and government bonds of Canadian issuers and may also invest in securities of U.S. and other foreign issuers. The Fund may also invest in Canadian asset-backed commercial paper to enhance its return. The average term to maturity of the portfolio is managed within strict guidelines, and typically falls between seven and 12 years.

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 was launched on January 1, 2012, and its net asset value was \$137.7 million as of March 31, 2012. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

On April 3, 2012, Royal Bank of Canada ("Royal Bank") announced that it has entered into a definitive agreement to acquire the 50% stake that Royal Bank does not already own in the joint venture RBC Dexia Investor Services Limited which owns RBC Dexia Investor Services Trust ("RBC Dexia"), the custodian of the Fund. Following the closing of the transaction, Royal Bank will own 100% of RBC Dexia Investor Services Limited.

Given the brightening prospects for economic growth, the portfolio manager believes that bond yields have room to rise. This outlook has resulted in a portfolio that can weather an environment of higher interest rates, and one that will also benefit from higher allocations to investment-grade and high-yield corporate bonds, as well as provincial fixed-income securities.

Related-Party Transactions

Manager, Trustee, Portfolio Advisor and Principal Distributor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank and is the manager, trustee, portfolio advisor and principal distributor 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, and provides investment advice and portfolio management services to the Fund. Unitholders pay a negotiated fee

directly to RBC GAM 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.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Custodian

RBC Dexia is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC Dexia and RBC GAM are the registrars of the Fund and keep records of who owns the units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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.



March 31, 2012

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 since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "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.

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	
		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 0													
Mar. 31, 2012³	10.00[†]	0.09	-	-	(0.06)	0.03	-	-	-	-	-	-	10.03

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.

³ From January 1, 2012.

[†] Initial offering net asset value per unit.

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 0							
Mar. 31, 2012⁴	10.04	137 659	13 708	0.02	0.02	32.02	-

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.

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.

⁴ From January 1, 2012.



March 31, 2012

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio advisor of the Fund.

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

PAST PERFORMANCE

Investment performance in respect of a fund that has been available for less than one year is not provided.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2012

Investment Mix

	% of Net Asset Value
Corporate Bonds	52.5
Provincial/Municipal Bonds	30.2
Federal Bonds	2.3
Mortgages and Mortgage-Backed Securities	0.8
Cash/Other	14.2

Top 25 Holdings

	% of Net Asset Value
Cash & Cash Equivalents	15.0
Province of Ontario 7.600% Jun 2 27	5.1
Province of Ontario 6.500% Mar 8 29	4.6
Province of Ontario 5.850% Mar 8 33	3.1
Phillips, Hager & North High Yield Bond Fund	3.0
Toronto-Dominion Bank 5.382% Nov 1 17	2.9
Bank of Montreal 2.960% Aug 2 16	2.4
Province of Ontario 4.600% Jun 2 39	2.4
Master Credit Card Trust 5.297% Aug 21 12	2.2
Royal Bank of Canada 2.680% Dec 8 16	2.0
Canadian Imperial Bank of Commerce 2.650% Nov 8 16	1.9
Province of Ontario 5.600% Jun 2 35	1.8
Province of Ontario 4.200% Jun 2 20	1.8
Bank of Nova Scotia 6.000% Oct 3 18	1.6
CU Inc. 6.145% Nov 22 17	1.6
Canada Housing Trust No. 1 4.100% Dec 15 18	1.5
HSBC Bank Canada 2.901% Jan 13 17	1.5
Province of Quebec 6.250% Jun 1 32	1.4
Canada Housing Trust No. 1 3.750% Mar 15 20	1.4
Province of Ontario 4.650% Jun 2 41	1.3
Province of Ontario 9.500% Jul 13 22	1.1
Master Credit Card Trust 5.237% May 21 13	1.1
Wells Fargo Financial Canada Corp. 5.200% Sep 13 12	1.1
Province of Ontario 4.400% Jun 2 19	1.1
Sun Life Financial Inc. 4.380% Mar 2 22	1.1
Top 25 Holdings	64.0

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.



FIXED-INCOME TRUST

RBC HIGH YIELD BOND TRUST

March 31, 2012

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 June 21, 2012.

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/funds 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.



March 31, 2012

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide a high level of income with the potential for modest capital growth through exposure primarily to higher yielding corporate debt securities issued by Canadian and U.S. corporations.

To achieve its investment objective, the Fund invests primarily in debt securities rated from BBB to B by Standard & Poor's or an equivalent credit-rating company. The portfolio manager employs a value-focused philosophy, striving to invest in quality companies having stable to improving credit profiles, which are considered undervalued.

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 was launched on January 1, 2012, and its net asset value was \$127 million as of March 31, 2012. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

On April 3, 2012, Royal Bank of Canada ("Royal Bank") announced that it has entered into a definitive agreement to acquire the 50% stake that Royal Bank does not already own in the joint venture RBC Dexia Investor Services Limited which owns RBC Dexia Investor Services Trust ("RBC Dexia"), the custodian of the Fund. Following the closing of the transaction, Royal Bank will own 100% of RBC Dexia Investor Services Limited.

Concerns about the strength of global economic growth in the U.S. and China, and the re-emergence of risks in the Eurozone, have curbed investors' risk appetites. The portfolio manager expects the high-yield bond market to remain volatile in the short term, and therefore remains cautious. The portfolio manager also plans to rotate the cash, security-quality and geographic mix of the portfolio in a way that takes advantage of opportunities as they arise.

Related-Party Transactions

Manager, Trustee, Portfolio Advisor and Principal Distributor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank and is the manager, trustee, portfolio advisor and principal distributor 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, and provides investment advice and portfolio management services to the Fund. Unitholders pay a negotiated fee

directly to RBC GAM 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.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Custodian

RBC Dexia is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC Dexia and RBC GAM are the registrars of the Fund and keep records of who owns the units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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.



March 31, 2012

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 since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "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.

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	
		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 0													
Mar. 31, 2012³	10.00[†]	0.14	-	0.05	(0.15)	0.04	-	-	-	-	-	-	10.17

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.

³ From January 1, 2012.

[†] Initial offering net asset value per unit.

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 0							
Mar. 31, 2012⁴	10.18	127 013	12 475	0.02	0.02	9.65	-

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.

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.

⁴ From January 1, 2012.



March 31, 2012

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio advisor of the Fund.

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

PAST PERFORMANCE

Investment performance in respect of a fund that has been available for less than one year is not provided.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2012

Investment Mix

	% of Net Asset Value
United States	70.2
Canada	21.7
Luxembourg	1.5
Australia	0.7
Cash/Other	5.9

Top 25 Holdings

	% of Net Asset Value
Cash & Cash Equivalents	4.3
Ford Motor Credit Co. LLC 12.000% May 15 15	2.5
Host Hotels & Resorts LP 9.000% May 15 17	2.3
MGM Mirage 13.000% Nov 15 13	2.1
UR Financing Escrow Corp. 5.750% Jul 15 18	1.9
Bell Aliant Regional Communications LP 4.880% Apr 26 18	1.8
Reynolds Group Issuer Inc. 7.125% Apr 15 19	1.8
Tenet Healthcare Corp. 8.875% Jul 1 19	1.8
Quebecor Media Inc. 7.375% Jan 15 21	1.7
Lamar Media Corp. 9.750% Apr 1 14	1.7
Smithfield Foods Inc. 10.000% Jul 15 14	1.7
Shaw Communications Inc. 5.650% Oct 1 19	1.7
Beazer Homes USA Inc. 12.000% Oct 15 17	1.7
Ford Credit Canada Ltd. 4.200% Nov 14 13	1.7
Harvest Operations Corp. USD 6.875% Oct 1 17	1.7
Frontier Communications Corp. 8.500% Apr 15 20	1.6
Videotron Ltd. USD 9.125% Apr 15 18	1.6
Wynn Las Vegas LLC Corp. 7.750% Aug 15 20	1.6
Mohawk Industries Inc. 6.875% Jan 15 16	1.6
The AES Corp. 8.000% Oct 15 17	1.6
Prestige Brands Inc. 8.125% Feb 1 20	1.5
Intelsat Jackson Holdings S.A. USD 7.250% Apr 1 19	1.5
EchoStar DBS Corp. 7.750% May 31 15	1.5
Qwest Corp. 6.750% Dec 1 21	1.5
Corus Entertainment Inc. 7.250% Feb 10 17	1.5
Top 25 Holdings	45.9

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.



The accompanying financial statements have been prepared by RBC Global Asset Management Inc. ("RBC GAM") as manager of the RBC Funds (the "Funds") and approved by the Board of Directors of RBC GAM. We are responsible for the information contained within the financial statements.

We have maintained appropriate procedures and controls to ensure that timely and reliable financial information is produced. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada (and they include certain amounts that are based on estimates and judgements). The significant accounting policies, which we believe are appropriate for the Funds, are described in Note 3 to the financial statements.

An advisory Board of Governors of the Funds was established in 1994 specifically to provide advice to RBC GAM regarding conflicts of interest in mutual fund management. Effective December 1, 2006, the Board of Governors was designated as the independent review committee of the Funds and other mutual funds managed by us pursuant to the provisions of *National Instrument 81-107, Independent Review Committee for Investment Funds*. In addition to the regulatory requirements for independent fund governance, the Board of Governors and its committees have been asked by RBC GAM to maintain their important roles of providing advice on other issues relating to the management of the Funds.

Although the Board of Directors of RBC GAM is solely responsible for approving the financial statements and overseeing management's financial reporting responsibilities, the Financial Advisory Committee of the Board of Governors provides advice to the Board of Governors and RBC GAM concerning financial reporting, the audit process and internal controls.

Deloitte & Touche LLP is the external auditor of the Funds. The auditor was appointed by the trustee and cannot be changed without the prior approval of the Board of Governors, in its capacity as the independent review committee. Deloitte & Touche LLP has audited the financial statements in accordance with Canadian generally accepted auditing standards to enable it to express to unitholders its opinion on the financial statements. Its report is set out on the next page.

John S. Montalbano, CFA
Chief Executive Officer
RBC Global Asset Management Inc.

June 21, 2012

Frank Lippa, CA
Chief Financial Officer and Chief Operating Officer
RBC Global Asset Management Inc.



March 31, 2012

To the Unitholders of:

**Phillips, Hager & North Total Return Bond Trust
RBC High Yield Bond Trust
(collectively referred to as the "Funds")**

We have audited the accompanying financial statements of each of the Funds, which comprise the statements of investment portfolio and net assets as at March 31, 2012, and the statements of operations and changes in net assets for the period (since the establishment of the Funds) then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient in our audits and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as at March 31, 2012 and the results of their operations and the changes in their net assets for the period (since establishment of the Funds) then ended, in accordance with Canadian generally accepted accounting principles.

Chartered Accountants, Licensed Public Accountants
June 21, 2012
Toronto, Ontario



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
PHILLIPS, HAGER & NORTH TOTAL RETURN BOND TRUST

March 31, 2012

Holdings/ Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS						
354 929	Phillips, Hager & North High Yield Bond Fund*			\$ 4 080	\$ 4 075	
TOTAL MUTUAL FUND UNITS				4 080	4 075	3.0
CANADIAN BONDS						
CORPORATE						
\$ 425	407 International Inc.	4.450	15-Nov-41	449	450	
205	Aéroports de Montréal	5.472	16-Apr-40	253	251	
177	Alliance Pipeline LP	7.217	31-Dec-25	220	218	
270	AltaLink Investments LP	5.207	16-Dec-16	295	294	
75	AltaLink LP	4.462	08-Nov-41	80	81	
900	American Express Canada Credit Corp.	5.900	02-Apr-13	939	935	
3 223	Bank of Montreal	2.960	02-Aug-16	3 291	3 287	
305	Bank of Montreal	5.200	21-Jun-17	309	307	
1 180	Bank of Nova Scotia	2.740	01-Dec-16	1 195	1 192	
1 150	Bank of Nova Scotia	2.598	27-Feb-17	1 151	1 151	
130	Bank of Nova Scotia	4.100	08-Jun-17	139	139	
2 060	Bank of Nova Scotia	6.000	03-Oct-18	2 189	2 180	
405	Bell Aliant Regional Communications LP	6.290	17-Feb-15	446	443	
260	Bell Aliant Regional Communications LP	4.880	26-Apr-18	275	275	
905	Bell Canada	3.600	02-Dec-15	943	940	
410	Bell Canada	4.400	16-Mar-18	440	440	
50	Bell Canada	7.300	23-Feb-32	62	64	
245	Brookfield Asset Management Inc.	5.300	01-Mar-21	258	264	
270	Brookfield Asset Management Inc.	5.950	14-Jun-35	263	258	
255	Brookfield Renewable Power Inc.	6.132	30-Nov-16	284	283	
283	BRP Finance ULC	4.790	07-Feb-22	285	287	
600	Caisse Centrale Desjardins	3.788	08-Jun-15	632	630	
210	Caisse Centrale Desjardins	3.502	05-Oct-17	217	218	
635	Canada Safeway Ltd.	3.000	31-Mar-14	644	642	
570	Canadian Imperial Bank of Commerce	3.100	02-Mar-15	587	587	
2 600	Canadian Imperial Bank of Commerce	2.650	08-Nov-16	2 616	2 617	
175	Canadian Imperial Bank of Commerce	3.950	14-Jul-17	186	186	
95	Canadian Pacific Railway Ltd.	6.450	17-Nov-39	103	106	
40	Capital Desjardins Inc.	5.187	05-May-20	43	44	
605	Capital Desjardins Inc.	3.797	23-Nov-20	620	623	
875	Citigroup Finance Canada Inc.	5.500	21-May-13	902	901	
1 815	CU Inc.	6.145	22-Nov-17	2 195	2 156	
175	CU Inc.	6.800	13-Aug-19	223	221	
60	CU Inc.	5.896	20-Nov-34	77	76	
60	CU Inc.	5.580	26-May-38	75	75	
10	CU Inc.	4.543	24-Oct-41	11	11	
785	Emera Inc.	4.100	20-Oct-14	820	818	
15	Emera Inc.	2.960	13-Dec-16	15	15	
270	Emera Inc.	4.830	02-Dec-19	294	292	
100	Enbridge Inc.	5.000	09-Aug-16	111	110	
120	Enbridge Inc.	4.770	02-Sep-19	134	133	
860	Enbridge Inc.	4.260	01-Feb-21	913	916	
195	Enbridge Pipelines Inc.	5.330	06-Apr-40	240	238	
225	EnCana Corp.	5.800	18-Jan-18	253	252	
175	Enersource Corp.	4.521	29-Apr-21	194	191	
225	EPCOR Utilities Inc.	5.800	31-Jan-18	259	258	
300	EPCOR Utilities Inc.	5.650	16-Nov-35	349	348	

The accompanying notes are an integral part of these financial statements.



March 31, 2012

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
CORPORATE (cont.)						
\$ 270	George Weston Ltd.	3.780	25-Oct-16	\$ 278	\$ 279	
1 000	Golden Credit Card Trust	5.421	15-Apr-13	1 041	1 039	
1 300	Golden Credit Card Trust	3.510	15-May-16	1 356	1 357	
350	Great-West Lifeco Inc.	4.650	13-Aug-20	373	378	
245	Greater Toronto Airports Authority	5.960	20-Nov-19	298	296	
230	Greater Toronto Airports Authority	7.100	04-Jun-31	320	320	
625	HSBC Bank Canada	3.860	21-May-15	659	656	
2 030	HSBC Bank Canada	2.901	13-Jan-17	2 043	2 049	
35	HSBC Bank Canada	3.558	04-Oct-17	36	36	
295	Hydro One Inc.	2.950	11-Sep-15	306	303	
200	Hydro One Inc.	5.180	18-Oct-17	231	228	
100	Inter Pipeline Fund	3.839	30-Jul-18	104	103	
330	Loblaw Companies Ltd.	6.500	22-Jan-29	372	380	
155	Manitoba Telecom Services Inc.	4.590	01-Oct-18	161	163	
2 970	Master Credit Card Trust	5.297	21-Aug-12	3 033	3 014	
1 500	Master Credit Card Trust	5.237	21-May-13	1 564	1 562	
1 300	Master Credit Card Trust	2.626	21-Jan-17	1 299	1 306	
620	Molson Coors Capital Finance ULC	5.000	22-Sep-15	670	668	
1 085	National Bank of Canada	2.231	30-Jan-15	1 088	1 089	
310	National Bank of Canada	4.030	26-May-15	328	327	
150	NAV Canada	5.304	17-Apr-19	176	174	
110	Plenary Health Care Partnerships Humber LP	2.633	18-May-15	110	110	
60	Plenary Properties LTAP LP	6.288	31-Jan-44	74	73	
715	RBC Subordinated Notes Trust*	4.580	30-Apr-17	721	717	
565	Rogers Communications Inc.	5.340	22-Mar-21	627	631	
540	Rogers Communications Inc.	6.680	04-Nov-39	640	647	
2 700	Royal Bank of Canada*	2.680	08-Dec-16	2 725	2 722	
1 400	Royal Bank of Canada*	4.840	11-Mar-18	1 441	1 438	
420	Shaw Communications Inc.	5.500	07-Dec-20	461	462	
340	Shaw Communications Inc.	6.750	09-Nov-39	353	364	
450	Sobeys Inc.	5.790	06-Oct-36	454	463	
125	Sun Life Capital Trust II	5.863	31-Dec-19	127	130	
1 440	Sun Life Financial Inc.	4.380	02-Mar-22	1 446	1 457	
85	Sun Life Financial Inc.	5.590	30-Jan-23	89	90	
150	Sun Life Financial Inc.	4.950	01-Jun-36	148	152	
670	TELUS Corp.	3.650	25-May-16	698	698	
525	TELUS Corp.	5.050	23-Jul-20	583	583	
765	Teranet Holdings LP	4.807	16-Dec-20	825	827	
345	Teranet Holdings LP	5.754	17-Dec-40	367	368	
310	The Manufacturers Life Insurance Co.	4.210	18-Nov-21	313	318	
445	The Manufacturers Life Insurance Co.	4.165	01-Jun-22	447	453	
430	Thomson Reuters Corp.	6.000	31-Mar-16	489	488	
3 960	Toronto-Dominion Bank	5.382	01-Nov-17	4 062	4 040	
960	Toronto Hydro Corp.	3.540	18-Nov-21	982	974	
160	TransAlta Corp.	6.450	29-May-14	172	171	
330	TransAlta Corp.	6.400	18-Nov-19	374	372	
160	TransCanada PipeLines Ltd.	3.650	15-Nov-21	166	164	
235	Union Gas Ltd.	7.900	24-Feb-14	263	261	
150	Union Gas Ltd.	4.640	30-Jun-16	165	164	
100	Union Gas Ltd.	8.750	03-Aug-18	133	133	
60	Union Gas Ltd.	8.650	10-Nov-25	90	90	
315	Union Gas Ltd.	4.880	21-Jun-41	360	358	
128	Veresen Inc.	3.950	14-Mar-17	128	129	
75	Veresen Inc.	4.000	22-Nov-18	74	75	
1 510	Wells Fargo Financial Canada Corp.	5.200	13-Sep-12	1 542	1 534	
75	Wells Fargo Financial Canada Corp.	4.400	12-Dec-12	77	76	
120	Wells Fargo Financial Canada Corp.	4.330	06-Dec-13	125	125	

The accompanying notes are an integral part of these financial statements.



March 31, 2012

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
CORPORATE (cont.)						
\$ 62	Wells Fargo Financial Canada Corp.	3.970	03-Nov-14	\$ 65	\$ 65	
288	Wells Fargo Financial Canada Corp.	4.380	30-Jun-15	307	306	
770	Wells Fargo Financial Canada Corp.	2.774	09-Feb-17	769	768	
95	Westcoast Energy Inc.	3.280	15-Jan-16	98	98	
450	Westcoast Energy Inc.	5.600	16-Jan-19	524	522	
125	Westcoast Energy Inc.	3.883	28-Oct-21	131	129	
				65 960	65 875	47.9
FEDERAL						
1 850	Canada Housing Trust No. 1	4.100	15-Dec-18	2 071	2 068	
1 716	Canada Housing Trust No. 1	3.750	15-Mar-20	1 899	1 882	
327	Government of Canada	3.250	01-Jun-21	355	358	
60	Government of Canada	5.750	01-Jun-33	90	90	
				4 415	4 398	3.2
PROVINCIAL/MUNICIPAL						
212	Ontario Electricity Financial Corp.	8.250	22-Jun-26	331	326	
1 372	Province of Ontario	4.400	02-Jun-19	1 516	1 527	
2 222	Province of Ontario	4.200	02-Jun-20	2 461	2 437	
204	Province of Ontario	4.000	02-Jun-21	219	220	
1 017	Province of Ontario	9.500	13-Jul-22	1 600	1 581	
785	Province of Ontario	8.100	08-Sep-23	1 168	1 151	
430	Province of Ontario	8.500	02-Dec-25	683	674	
4 725	Province of Ontario	7.600	02-Jun-27	7 166	7 074	
4 530	Province of Ontario	6.500	08-Mar-29	6 297	6 275	
1 010	Province of Ontario	6.200	02-Jun-31	1 397	1 379	
3 250	Province of Ontario	5.850	08-Mar-33	4 351	4 325	
1 921	Province of Ontario	5.600	02-Jun-35	2 542	2 514	
1 105	Province of Ontario	4.700	02-Jun-37	1 312	1 299	
2 812	Province of Ontario	4.600	02-Jun-39	3 321	3 283	
1 461	Province of Ontario	4.650	02-Jun-41	1 743	1 733	
213	Province of Quebec	9.375	16-Jan-23	335	331	
1 390	Province of Quebec	6.250	01-Jun-32	1 910	1 900	
720	Province of Quebec	5.750	01-Dec-36	964	954	
657	Province of Quebec	5.000	01-Dec-41	811	811	
				40 127	39 794	29.0
TOTAL CANADIAN BONDS						
				110 502	110 067	80.1
UNITED STATES BONDS						
375	Anheuser-Busch InBev Worldwide Inc. CAD	3.650	15-Jan-16	395	392	
240	Bear Stearns Cos. LLC CAD	4.350	20-Jul-12	243	242	
65	Goldman Sachs Group Inc. CAD	5.200	19-Apr-22	58	59	
270	Merrill Lynch & Co. Inc. CAD	5.290	30-May-22	244	245	
475	Molson Coors International LP CAD	3.950	06-Oct-17	492	492	
				1 432	1 430	1.0
TOTAL UNITED STATES BONDS						
TOTAL BONDS						
				111 934	111 497	81.1

The accompanying notes are an integral part of these financial statements.



March 31, 2012

Par Value	Security	Cost	Fair Value	% of Net Assets
SHORT-TERM INVESTMENTS[†]				
\$ 3 700	Bay Street Funding Trust – Class A	\$ 3 696	\$ 3 696	
2 700	Brookfield Asset Management Inc., Class A	2 694	2 694	
1 000	Canadian Master Trust – Series A	998	998	
7 300	Darwin Receivables Trust – Senior Notes	7 296	7 296	
1 000	Fusion Trust	997	997	
1 500	Inter Pipeline Fund	1 497	1 497	
1 100	Merit Trust – Senior Notes	1 097	1 097	
1 400	Zeus Receivables Trust – Senior Notes	1 396	1 396	
TOTAL SHORT-TERM INVESTMENTS		19 671	19 671	14.3
TOTAL INVESTMENTS		\$ 135 685	135 243	98.4
OTHER NET ASSETS			2 257	1.6
NET ASSETS			\$ 137 500	100.0

* Investment in related party (see note 7 in the generic notes).

[†] Short-term investments, which may be made up of treasury bills, commercial paper, term deposits and discount notes, and are grouped by issuer, earn interest at rates ranging from 1.10% to 1.36% and mature between April 2, 2012 and June 27, 2012.



Statement of Net Assets (in \$000s except per unit amounts)

March 31 (see note 2 in the generic notes)	2012
ASSETS	
Investments at fair value	\$ 135 243
Cash	95
Due from investment dealers	4 045
Subscriptions receivable	4 100
Dividends receivable, interest accrued and other assets	1 240
TOTAL ASSETS	144 723
LIABILITIES	
Due to investment dealers	7 220
Accounts payable and accrued expenses	3
TOTAL LIABILITIES	7 223
NET ASSETS	\$ 137 500
Investments at cost	\$ 135 685
NET ASSETS PER SERIES, END OF PERIOD	
SERIES 0	\$ 137 500
NET ASSETS PER UNIT, END OF PERIOD	
SERIES 0	\$ 10.03
NET ASSET VALUE (TRANSACTIONAL NAV)	
PER UNIT, END OF PERIOD	
(see note 3 in the generic notes)	
SERIES 0	\$ 10.04

Statement of Operations (in \$000s except per unit amounts)

For the period ended March 31 (see note 2 in the generic notes)*	2012
INCOME (see note 3 in the generic notes)	
Other revenue	\$ 52
Interest	584
TOTAL INCOME (LOSS)	636
EXPENSES (see notes – Fund Specific Information)	
Administration fees	3
Board of Governors costs	1
GST/HST	–
TOTAL EXPENSES	4
NET INVESTMENT INCOME (LOSS)	632
REALIZED AND UNREALIZED GAIN (LOSS)	
ON INVESTMENTS	
Net realized gain (loss) on investments	(29)
Net gain (loss) on foreign currencies and other net assets	(1)
Change in unrealized gain (loss)	
in value of investments	(442)
NET GAIN (LOSS) ON INVESTMENTS	(472)
INCREASE (DECREASE) IN NET ASSETS	
FROM OPERATIONS	\$ 160
INCREASE (DECREASE) IN NET ASSETS	
FROM OPERATIONS	
SERIES 0	\$ 160
INCREASE (DECREASE) IN NET ASSETS	
FROM OPERATIONS PER UNIT	
SERIES 0	\$ 0.03

* Fund launched January 1, 2012.

Approved by the Board of Directors of RBC Global Asset Management Inc.

John S. Montalbano
Director

Doug Coulter
Director

The accompanying notes are an integral part of these financial statements.



Statement of Changes in Net Assets *(in \$000s)*

For the period ended March 31 (see note 2 in the generic notes)*	Series 0 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –
INCREASE (DECREASE) FROM OPERATIONS	160
Early redemption fees	–
Proceeds from units issued	147 870
Proceeds from reinvestment of distributions	–
Payments on redemption of units	(10 530)
TOTAL UNIT TRANSACTIONS	137 340
Distributions from net income	–
Distributions from net gains	–
Distributions from capital	–
TOTAL DISTRIBUTIONS	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	137 500
NET ASSETS – END OF PERIOD	\$ 137 500

* Fund launched January 1, 2012.



March 31, 2012

**Financial instrument risk and capital management
(see note 4 in the generic notes)**

Credit risk (%)

The table below summarizes the Fund's credit risk exposure grouped by credit ratings as at:

Rating	March 31 2012
AAA	11.0
AA	45.7
A	25.1
BBB	15.1
BB	1.9
B	0.5
Unrated	0.7
Total debt securities	100.0

Interest rate risk (%)

The table below summarizes the underlying fund's exposure to interest rate risk by remaining term to maturity from investments in mutual fund units as at:

Term to maturity	March 31 2012
Less than 1 year	11.1
1 – 5 years	32.0
5 – 10 years	19.7
> 10 years	37.2
Total debt securities	100.0

As at March 31, 2012, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 5.7%. In practice, actual results could differ from this sensitivity analysis and the difference could be material.

**Fair value hierarchy (\$000s except % amounts)
(see note 3 in the generic notes)**

The following is a summary of the inputs used as of March 31, 2012 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2012	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	4 075	–	–	4 075
Fixed-income and debt securities	–	111 497	–	111 497
Short-term investments	–	19 671	–	19 671
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	4 075	131 168	–	135 243
% of total portfolio	3.0	97.0	–	100.0

For the period ended March 31, 2012, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 7 in the generic notes)

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

Operating expenses (see note 7 in the generic notes)

The administration fee payable by Series O of the Fund is calculated at the following annual percentage, before GST/HST, of the daily net asset value of Series O of the Fund.

Series O	0.02%
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Unitholders' equity (000s)

The unitholders' equity of the Fund includes amounts representing units, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of units available for issue. Units are purchased and redeemed at the transactional NAV per unit.

For the period ended March 31 (see note 2 in the generic notes)	2012
Series O	
Opening units	–
Issued number of units	14 758
Reinvested number of units	–
Redeemed number of units	(1 050)
Ending number of units	13 708



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC HIGH YIELD BOND TRUST

March 31, 2012

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
BONDS						
Australia						
\$ 800	FMG Resources Pty Ltd. USD	7.000	01-Nov-15	\$ 839	\$ 814	
				839	814	0.7
Canada						
1 500	Bank of Montreal	4.609	10-Sep-25	1 644	1 649	
2 200	Bell Aliant Regional Communications LP	4.880	26-Apr-18	2 337	2 329	
1 150	Bombardier Inc. USD	7.750	15-Mar-20	1 310	1 279	
1 100	Canadian Pacific Railway Ltd.	5.100	14-Jan-22	1 146	1 166	
1 750	Corus Entertainment Inc.	7.250	10-Feb-17	1 866	1 865	
1 600	Fairfax Financial Holdings Ltd.	7.500	19-Aug-19	1 800	1 793	
250	Fairfax Financial Holdings Ltd.	6.400	25-May-21	261	259	
2 100	Ford Credit Canada Ltd.	4.200	14-Nov-13	2 123	2 119	
1 000	Great-West Lifeco Finance Delaware LP	5.691	21-Jun-67	1 041	1 065	
2 000	Harvest Operations Corp. USD	6.875	01-Oct-17	2 119	2 113	
491	Newalta Corp.	7.625	23-Nov-17	516	516	
200	Newalta Corp.	7.750	14-Nov-19	208	210	
2 100	Quebecor Media Inc.	7.375	15-Jan-21	2 151	2 199	
1 950	Shaw Communications Inc.	5.650	01-Oct-19	2 172	2 179	
1 000	The Manufacturers Life Insurance Co.	4.210	18-Nov-21	1 011	1 024	
600	TransCanada PipeLines Ltd.	3.650	15-Nov-21	623	616	
1 500	Vermilion Energy Inc.	6.500	10-Feb-16	1 581	1 574	
1 850	Videotron Ltd. USD	9.125	15-Apr-18	2 055	2 039	
900	Videotron Ltd.	6.875	15-Jul-21	945	959	
500	Westcoast Energy Inc.	3.883	28-Oct-21	524	517	
				27 433	27 470	21.7
Luxembourg						
1 850	Intelsat Jackson Holdings S.A. USD	7.250	01-Apr-19	1 941	1 940	
				1 941	1 940	1.5
Netherlands						
400	LyondellBasell Industries NV USD	5.000	15-Apr-19	398	398	
				398	398	0.3
United States						
850	Advanced Micro Devices Inc.	7.750	01-Aug-20	923	933	
2 100	American Axle & Manufacturing Holdings, Inc.	9.250	15-Jan-17	2 357	2 341	
250	American Axle & Manufacturing Holdings, Inc.	7.750	15-Nov-19	266	266	
1 650	Ameristar Casinos Inc.	7.500	15-Apr-21	1 764	1 726	
1 100	Ball Corp.	7.375	01-Sep-19	1 232	1 212	
2 000	Beazer Homes USA Inc.	12.000	15-Oct-17	2 169	2 172	
500	Belo Corp.	8.000	15-Nov-16	558	549	
750	Berry Plastics Corp.	8.250	15-Nov-15	812	799	
900	Berry Plastics Corp.	9.750	15-Jan-21	967	981	
500	CC Holdings GS V LLC	7.750	01-May-17	547	544	
1 650	CCO Holdings LLC	7.375	01-Jun-20	1 793	1 786	
1 100	CCO Holdings LLC	6.500	30-Apr-21	1 157	1 136	
700	Cinemark USA Inc.	8.625	15-Jun-19	776	775	
1 100	Concho Resources Inc.	5.500	01-Oct-22	1 103	1 081	
1 650	Corrections Corporation of America	7.750	01-Jun-17	1 801	1 794	
1 300	Crown Castle GS III Corp.	7.750	01-May-17	1 427	1 413	
2 050	CSC Holdings Inc.	6.750	15-Nov-21	2 201	2 129	
1 450	Denbury Resources Inc.	8.250	15-Feb-20	1 623	1 616	

The accompanying notes are an integral part of these financial statements.



March 31, 2012

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
United States (cont.)						
\$ 1 700	EchoStar DBS Corp.	7.750	31-May-15	\$ 1 910	\$ 1 927	
2 550	Ford Motor Credit Co. LLC	12.000	15-May-15	3 188	3 141	
1 950	Frontier Communications Corp.	8.500	15-Apr-20	2 027	2 047	
1 300	Gannett Co. Inc.	9.375	15-Nov-17	1 469	1 462	
1 000	Great-West Life & Annuity Insurance Co.	7.153	16-May-46	1 012	997	
800	HCA Inc.	8.500	15-Apr-19	890	887	
300	HCA Inc.	7.875	15-Feb-20	326	329	
1 100	HCA Inc.	7.500	15-Feb-22	1 176	1 168	
250	Host Hotels & Resorts LP	6.750	01-Jun-16	260	257	
2 650	Host Hotels & Resorts LP	9.000	15-May-17	2 946	2 924	
1 115	Ingles Markets Inc.	8.875	15-May-17	1 222	1 204	
1 000	Iron Mountain Inc.	8.000	15-Jun-20	1 069	1 052	
1 950	Lamar Media Corp.	9.750	01-Apr-14	2 228	2 188	
700	Lear Corp.	7.875	15-Mar-18	773	761	
1 650	Levi Strauss & Co.	7.625	15-May-20	1 732	1 740	
850	LIN Television Corp.	8.375	15-Apr-18	879	887	
2 300	MGM Mirage	13.000	15-Nov-13	2 692	2 658	
1 800	Mohawk Industries Inc.	6.875	15-Jan-16	1 988	1 984	
1 100	Owens-Brockway Glass Container Inc.	7.375	15-May-16	1 244	1 234	
1 800	Prestige Brands Inc.	8.125	01-Feb-20	1 940	1 946	
1 600	QEP Resources Inc.	5.375	01-Oct-22	1 599	1 582	
1 350	Qwest Corp.	6.500	01-Jun-17	1 531	1 522	
1 700	Qwest Corp.	6.750	01-Dec-21	1 898	1 892	
2 200	Reynolds Group Issuer Inc.	7.125	15-Apr-19	2 315	2 288	
100	Rite Aid Corp.	7.500	01-Mar-17	103	102	
1 250	Rite Aid Corp.	8.000	15-Aug-20	1 434	1 435	
1 700	Seagate HDD Cayman USD	7.750	15-Dec-18	1 899	1 857	
925	Service Corp. International	7.625	01-Oct-18	1 071	1 061	
1 875	Smithfield Foods Inc.	10.000	15-Jul-14	2 216	2 188	
1 450	Spirit Aerosystems Inc.	6.750	15-Dec-20	1 573	1 566	
1 700	Sprint Capital Corp.	6.875	15-Nov-28	1 296	1 297	
1 350	Sprint Nextel Corp.	9.000	15-Nov-18	1 480	1 478	
900	Stater Bros. Holdings Inc.	7.375	15-Nov-18	969	973	
2 000	Tenet Healthcare Corp.	8.875	01-Jul-19	2 267	2 234	
1 750	The AES Corp.	8.000	15-Oct-17	1 986	1 966	
1 600	Toll Brothers Finance Corp.	5.875	15-Feb-22	1 659	1 640	
1 700	Toys "R" Us Property Co.	8.500	01-Dec-17	1 805	1 770	
2 300	UR Financing Escrow Corp.	5.750	15-Jul-18	2 342	2 349	
700	UR Financing Escrow Corp.	7.375	15-May-20	712	714	
800	Windstream Corp.	7.000	15-Mar-19	835	814	
1 185	Windstream Corp.	7.750	01-Oct-21	1 289	1 265	
1 850	Wynn Las Vegas LLC Corp.	7.750	15-Aug-20	2 058	2 027	
				88 784	88 066	69.6
TOTAL BONDS				119 395	118 688	93.8
SHORT-TERM INVESTMENTS*				4 826	4 826	3.8
TOTAL INVESTMENTS				124 221	123 514	97.6
UNREALIZED GAINS (LOSSES) ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE A)				-	(204)	(0.2)
TOTAL PORTFOLIO				\$ 124 221	123 310	97.4
OTHER NET ASSETS					3 226	2.6
NET ASSETS					\$ 126 536	100.0

* Short-term investments, which may be made up of treasury bills, commercial paper, term deposits and discount notes, earn interest at a rate of 1.00% and mature on April 2, 2012.



March 31, 2012

SCHEDULE A

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Gains (Losses)
Bought CAD 4 758 Sold USD 4 790 @ 0.9933	02-Apr-12	\$ (19)
Bought USD 1 277 Sold CAD 1 277 @ 1.0003	02-Apr-12	(4)
Bought USD 4 790 Sold CAD 4 788 @ 0.9996	02-Apr-12	(11)
Bought CAD 6 110 Sold USD 6 105 @ 1.0008	03-Apr-12	21
Bought CAD 1 731 Sold USD 1 737 @ 0.9967	03-Apr-12	(1)
Bought CAD 1 184 Sold USD 1 200 @ 0.9867	03-Apr-12	(13)
Bought CAD 2 626 Sold USD 2 655 @ 0.9891	03-Apr-12	(22)
Bought CAD 8 709 Sold USD 8 700 @ 1.0011	03-Apr-12	33
Bought CAD 396 Sold USD 400 @ 0.9893	03-Apr-12	(3)
Bought CAD 2 700 Sold USD 2 725 @ 0.9908	03-Apr-12	(18)
Bought CAD 1 350 Sold USD 1 350 @ 1.0003	03-Apr-12	4
Bought USD 1 011 Sold CAD 1 008 @ 0.9976	03-Apr-12	–
Bought USD 20 585 Sold CAD 20 564 @ 0.9990	03-Apr-12	(33)
Bought USD 4 287 Sold CAD 4 281 @ 0.9985	03-Apr-12	(5)
Bought CAD 2 452 Sold USD 2 465 @ 0.9947	09-Apr-12	(7)
Bought USD 100 Sold CAD 100 @ 0.9968	09-Apr-12	–
Bought USD 50 Sold CAD 50 @ 1.0004	09-Apr-12	–
Bought CAD 988 Sold USD 990 @ 0.9977	09-Apr-12	–
Bought CAD 2 632 Sold USD 2 650 @ 0.9931	11-Apr-12	(12)
Bought CAD 4 116 Sold USD 4 135 @ 0.9955	12-Apr-12	(9)
Bought CAD 1 354 Sold USD 1 350 @ 1.0032	12-Apr-12	8
Bought CAD 3 786 Sold USD 3 825 @ 0.9898	12-Apr-12	(30)
Bought CAD 1 468 Sold USD 1 475 @ 0.9951	19-Apr-12	(4)
Bought CAD 4 007 Sold USD 4 000 @ 1.0018	23-Apr-12	16
Bought CAD 1 687 Sold USD 1 700 @ 0.9922	23-Apr-12	(10)
Bought CAD 4 283 Sold USD 4 287 @ 0.9990	26-Apr-12	4
Bought CAD 1 418 Sold USD 1 420 @ 0.9983	01-May-12	–
Bought CAD 605 Sold USD 610 @ 0.9919	01-May-12	(4)
Bought CAD 2 989 Sold USD 3 000 @ 0.9962	04-May-12	(6)
Bought CAD 4 792 Sold USD 4 790 @ 1.0003	07-May-12	10
Bought CAD 5 391 Sold USD 5 390 @ 1.0002	08-May-12	11
Bought CAD 1 066 Sold USD 1 075 @ 0.9917	15-May-12	(7)
Bought CAD 2 305 Sold USD 2 300 @ 1.0021	15-May-12	8
Bought CAD 5 387 Sold USD 5 400 @ 0.9976	22-May-12	(5)
Bought CAD 1 983 Sold USD 2 000 @ 0.9917	23-May-12	(14)
Bought CAD 6 697 Sold USD 6 742 @ 0.9933	24-May-12	(36)
Bought CAD 2 245 Sold USD 2 260 @ 0.9933	01-Jun-12	(12)
Bought CAD 10 285 Sold USD 10 340 @ 0.9947	04-Jun-12	(43)
Bought CAD 165 Sold USD 165 @ 0.9980	04-Jun-12	–
Bought CAD 20 590 Sold USD 20 585 @ 1.0002	05-Jun-12	29
Bought CAD 5 010 Sold USD 5 035 @ 0.9951	18-Jun-12	(20)
TOTAL FOREIGN EXCHANGE		\$ (204)

All counterparties have a credit rating of at least A.



Statement of Net Assets (in \$000s except per unit amounts)

March 31 (see note 2 in the generic notes)	2012
ASSETS	
Investments at fair value	\$ 123 514
Due from investment dealers	521
Subscriptions receivable	4 500
Dividends receivable, interest accrued and other assets	2 521
TOTAL ASSETS	131 056
LIABILITIES	
Bank overdraft	1
Due to investment dealers	4 313
Unrealized loss on foreign exchange contracts	204
Accounts payable and accrued expenses	2
TOTAL LIABILITIES	4 520
NET ASSETS	\$ 126 536
Investments at cost	\$ 124 221
NET ASSETS PER SERIES, END OF PERIOD	
SERIES 0	\$ 126 536
NET ASSETS PER UNIT, END OF PERIOD	
SERIES 0	\$ 10.17
NET ASSET VALUE (TRANSACTIONAL NAV)	
PER UNIT, END OF PERIOD	
(see note 3 in the generic notes)	
SERIES 0	\$ 10.18

Statement of Operations (in \$000s except per unit amounts)

For the period ended March 31 (see note 2 in the generic notes)*	2012
INCOME (see note 3 in the generic notes)	
Interest	\$ 872
TOTAL INCOME (LOSS)	872
EXPENSES (see notes – Fund Specific Information)	
Administration fees	2
Board of Governors costs	1
GST/HST	–
TOTAL EXPENSES	3
NET INVESTMENT INCOME (LOSS)	869
REALIZED AND UNREALIZED GAIN (LOSS)	
ON INVESTMENTS	
Net realized gain (loss) on investments	(33)
Net gain (loss) on foreign currencies and other net assets	366
Change in unrealized gain (loss) in value of investments	(911)
NET GAIN (LOSS) ON INVESTMENTS	(578)
INCREASE (DECREASE) IN NET ASSETS	
FROM OPERATIONS	\$ 291
INCREASE (DECREASE) IN NET ASSETS	
FROM OPERATIONS	
SERIES 0	\$ 291
INCREASE (DECREASE) IN NET ASSETS	
FROM OPERATIONS PER UNIT	
SERIES 0	\$ 0.04

* Fund launched January 1, 2012.

Approved by the Board of Directors of RBC Global Asset Management Inc.

John S. Montalbano
Director

Doug Coulter
Director

The accompanying notes are an integral part of these financial statements.



Statement of Changes in Net Assets *(in \$000s)*

For the period ended March 31 (see note 2 in the generic notes)*	Series 0 2012
NET ASSETS – BEGINNING OF PERIOD	\$ –
INCREASE (DECREASE) FROM OPERATIONS	291
Early redemption fees	–
Proceeds from units issued	126 245
Proceeds from reinvestment of distributions	–
Payments on redemption of units	–
TOTAL UNIT TRANSACTIONS	126 245
Distributions from net income	–
Distributions from net gains	–
Distributions from capital	–
TOTAL DISTRIBUTIONS	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	126 536
NET ASSETS – END OF PERIOD	\$ 126 536

* Fund launched January 1, 2012.



March 31, 2012

**Financial instrument risk and capital management
(see note 4 in the generic notes)**

Credit risk (%)

The table below summarizes the Fund's credit risk exposure grouped by credit ratings as at:

Rating	March 31 2012
AA	1.4
A	2.3
BBB	10.7
BB	60.2
B	23.9
CCC	1.5
Total debt securities	100.0

Interest rate risk (%)

The table below summarizes the underlying fund's exposure to interest rate risk by remaining term to maturity from investments in mutual fund units as at:

Term to maturity	March 31 2012
Less than 1 year	1.7
1 – 5 years	22.5
5 – 10 years	71.1
> 10 years	4.7
Total debt securities	100.0

As at March 31, 2012, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 4.8%. In practice, actual results could differ from this sensitivity analysis and the difference could be material.

**Fair value hierarchy (\$000s except % amounts)
(see note 3 in the generic notes)**

The following is a summary of the inputs used as of March 31, 2012 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2012	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	–	–	–	–
Fixed-income and debt securities	–	118 688	–	118 688
Short-term investments	–	4 826	–	4 826
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	(204)	–	(204)
Total financial instruments	–	123 310	–	123 310
% of total portfolio	–	100.0	–	100.0

For the period ended March 31, 2012, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 7 in the generic notes)

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

Operating expenses (see note 7 in the generic notes)

The administration fee payable by Series O of the Fund is calculated at the following annual percentage, before GST/HST, of the daily net asset value of Series O of the Fund.

Series O	0.02%
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Unitholders' equity (000s)

The unitholders' equity of the Fund includes amounts representing units, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of units available for issue. Units are purchased and redeemed at the transactional NAV per unit.

For the period ended March 31
(see note 2 in the generic notes)

Series O	2012
Opening units	–
Issued number of units	12 475
Reinvested number of units	–
Redeemed number of units	–
Ending number of units	12 475



1. The Funds

The mutual funds (“Funds”) are open-ended mutual fund trusts governed by the laws of the Province of Ontario and governed by a Master Declaration of Trust. RBC GAM is the manager, trustee and portfolio advisor of the Funds.

The Funds may issue an unlimited number of Series O units.

Series O – no management fees are payable by the Funds in respect of Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM.

2. Financial year/period

The information provided in these financial statements and notes thereto is for the 3-month period ended or as at March 31, 2012. In the year a Fund or series is established, “period” represents the period from January 1 to March 31 of that fiscal year.

3. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”), which include estimates and assumptions by management that may affect the reported amounts of assets (primarily valuation of investments), liabilities, income and expenses during the reported period. Actual results may differ from estimates. The significant accounting policies of the Funds are as follows:

Valuation of Investments The valuation methods used to calculate the daily net asset value to transact units of the Funds, as described in the Funds’ Annual Information Form (“transactional NAV”) are not identical to the GAAP accounting policies used to determine the financial statement net assets (“net assets”) described below. The primary difference between net assets and transactional NAV relates to valuation of actively traded securities at bid prices for net assets and at last sale prices for transactional NAV.

In accordance with the Canadian Institute of Chartered Accountants (“CICA”) Handbook Section 3862, *Financial Instruments – Disclosures*, the Funds’ financial instruments are measured at fair value using a three-tier hierarchy based on inputs used to value the Funds’ investments and derivatives. The hierarchy of inputs is summarized below:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Changes in valuation methods may result in transfers into or out of an investment’s assigned level.

The three-tier hierarchy of investments and derivatives is included in “Notes to Financial Statements – Fund Specific Information.”

Investments are recorded at fair value, which is determined as follows:

Fixed-income and Debt Securities – Bonds, mortgage-backed securities, loans and debentures are valued at the current bid price quoted by major dealers in such securities.

Short-term Investments – Short-term investments are valued at their cost including applicable foreign exchange translations. This value, together with accrued interest, approximates fair value using current bid prices.

Forward Contracts – Forward contracts are valued at the gain or loss that would arise as a result of closing the position at the valuation date. Any gain or loss at the close of business on each valuation date is recorded in the Statements of Operations. The net receivable/payable on forward contracts is recorded separately in the Statements of Net Assets. Realized gain (loss) on foreign exchange contracts is included in “Net gain (loss) on foreign currencies and other net assets” in the Statements of Operations.

Mutual Fund Unit Valuation – Units of Funds are valued at their respective transactional NAV per unit received from fund companies on the relevant valuation dates.

Fair Valuation of Investments (including unlisted securities) – If the accounting policies described above are not appropriate, RBC GAM will estimate the fair value of an investment using established fair valuation procedures such as: consideration of public information, broker quotes, valuation models, fundamental analysis, matrix pricing, discounts from market prices of similar securities, or discounts applied due to restrictions on the disposition of securities, and external fair value service providers.



Foreign Exchange The value of investments and other assets and liabilities in foreign currencies is translated into Canadian dollars at the rate of exchange on each valuation date. Purchases and sales of investments, income and expenses are translated at the rate of exchange prevailing on the respective dates of such transactions. Realized foreign exchange gains/losses are included in “Net gain (loss) on foreign currencies and other net assets” in the Statements of Operations.

Valuation of Series The net asset value of a particular series of units is computed by calculating the value of the series’ proportionate share of the assets and liabilities of the Fund common to all series less the liabilities of the Fund attributable only to that series. Expenses directly attributable to a series are charged to that series. Other expenses are allocated proportionately to each series based upon the relative net asset value of each series. Expenses are accrued daily.

Investment Transactions Investment transactions are accounted for as of the trade date, and realized and unrealized gains and losses are calculated on an average cost basis. Transaction costs, such as brokerage commissions, incurred by the Funds are recorded in the Statements of Operations for the period. The period change in the difference between fair value and average cost of securities represents unrealized gains and losses. Realized and unrealized gains and losses are included in the Statements of Operations. The basis of determining the cost of portfolio assets is average cost.

Income Recognition Interest income is recognized on an accrual basis. “Other revenue” includes income earned by a Fund from investments in underlying funds.

Increase (decrease) in Net Assets from Operations Per Unit Increase (decrease) in net assets from operations per unit in the Statements of Operations represents the increase (decrease) in net assets from operations by series, divided by the average units outstanding per series during the period.

Early Redemption Fees Early redemption fees (short-term trading fees) are paid directly to a Fund, and are designed to deter excessive trading and its associated costs. With the exception of money market funds, a Fund may apply a fee of 2% of the current value of units if the unitholder redeems or switches out units within seven days of purchasing or previously switching into a Fund.

Foreign Currencies The following is a list of abbreviations used in the Statement of Investment Portfolio.

CAD – Canadian Dollar

USD – United States Dollar

4. Financial instrument risk and capital management

RBC GAM is responsible for managing each Fund’s capital which is its net assets and consists primarily of its financial instruments.

A Fund’s investment activities expose it to a variety of financial risks. RBC GAM seeks to minimize potential adverse effects of these risks on a Fund’s performance by employing professional, experienced portfolio advisors, daily monitoring of the Fund’s holdings and market events, diversifying its investment portfolio within the constraints of its investment objectives, and, in some cases, periodically hedging certain risk exposures through the use of derivatives. To assist in managing risks, RBC GAM also uses internal guidelines, maintains a governance structure that oversees each Fund’s investment activities and monitors compliance with the Fund’s investment strategies, internal guidelines, and securities regulations.

Liquidity risk

Liquidity risk is the possibility that investments in a Fund cannot be readily converted into cash when required. A Fund is exposed to daily cash redemptions of redeemable units. Liquidity risk is managed by investing the majority of a Fund’s assets in investments that are traded in an active market and that can be readily disposed. In accordance with securities regulations, a Fund must maintain at least 90% of assets in liquid investments. In addition, a Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions.

Credit risk

Credit risk is the risk that a loss could arise from a security issuer or counterparty not being able to meet its financial obligations. The carrying amount of investments and other assets represents the maximum credit risk exposure as disclosed in a Fund’s Statements of Net Assets. The fair value of fixed-income and debt securities includes a consideration of the credit worthiness of the debt issuer. Credit risk exposure to over-the-counter derivative instruments is based on a Fund’s unrealized gain on the contractual obligations with the counterparty. Credit risk exposure is mitigated for those Funds participating in a securities lending program (see note 6). RBC GAM monitors each Fund’s credit exposure and counterparty ratings daily.



Interest rate risk

Interest rate risk is the risk that the fair value of a Fund's interest-bearing investments will fluctuate due to changes in market interest rates. The value of fixed-income and debt securities, such as bonds, debentures, mortgages, or other income-producing securities is affected by interest rates. Generally, the value of these securities increases if interest rates fall and decreases if interest rates rise.

Currency risk

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of a Fund, will fluctuate due to changes in foreign exchange rates. The value of investments denominated in a currency other than Canadian dollars is affected by changes in the value of the Canadian dollar, a Fund's functional currency, in relation to the value of the currency in which the investment is denominated. When the value of the Canadian dollar falls in relation to foreign currencies, then the value of foreign investments rises. When the value of the Canadian dollar rises, the value of foreign investments falls.

Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment.

5. Taxes

In general, the Funds are subject to income tax, however, no income tax is payable on net income and/or capital gains which are distributed to unitholders. As the Fund will distribute all of its income, there is no provision for taxes in the financial statements. Non-capital losses may be carried forward to reduce future taxable income for up to 20 years. The Funds have no capital or non-capital losses to carry forward.

6. Securities lending

Certain of the Funds lend portfolio securities from time to time in order to earn additional income. Income from securities lending is included in the Statements of Operations of a Fund. Each such Fund will have entered into a securities lending program with its custodian, RBC Dexia Investor Services Trust ("RBC Dexia"). The aggregate market value of all securities loaned by a Fund cannot exceed 50% of the assets of a Fund. The Fund receives collateral, with an approved credit rating of at least A, of at least 102% of the value of securities on loan. The Fund is indemnified by the custodian for any collateral credit or market loss. As such, the credit risk associated with securities lending is considered minimal.

7. Administrative and other related-party transactions

Manager, Trustee, Portfolio Advisor and Principal Distributor

RBC GAM is the manager, trustee, portfolio advisor and principal distributor of the Funds. RBC GAM is responsible for the Funds' day-to-day operations, holds title to the Funds' property on behalf of its unitholders, and provides investment advice and portfolio management services to the Funds. RBC GAM is paid a management fee by the Funds as compensation for its services. No management fees are paid by the Funds with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

The Funds pay a fixed administration fee to RBC GAM. RBC GAM in turn pays certain operating expenses of the Funds. These expenses include regulatory filing fees and other day-to-day operating expenses including, but not limited to, recordkeeping, accounting and fund valuation costs, custody fees, audit and legal fees, the costs of preparing and distributing annual and semi-annual reports, prospectuses and statements and investor communications.

Notwithstanding the fixed administration fee, the Funds also pay certain operating expenses directly, including the costs related to the Board of Governors ("BoG") of the Funds and the cost of any new government or regulatory requirements introduced and any borrowing costs (collectively, *other fund costs*), and taxes (including, but not limited to, GST/HST).



Other fund costs will be allocated among each series of units of a fund in accordance with the services used. RBC GAM may, in some years and in certain cases, absorb a portion of operating expenses. The decision to absorb the operating expenses is reviewed annually and determined at the discretion of RBC GAM, without notice to unitholders.

Certain Funds may invest in units of other funds managed by RBC GAM or its affiliates.

Affiliates of RBC GAM that provide services to the funds in the course of their normal businesses are discussed below.

Custodian

RBC Dexia is the custodian which holds the assets of the Funds.

Registrars

Royal Bank, RBC Dexia and RBC GAM are the registrars of the Funds and keep records of who owns the units of the Funds.

Brokerage

The Funds have established standard brokerage agreements at market rates with related-party brokerages.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Funds relied on the standing instructions from the BoG in its capacity as 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 an issuer 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 BoG 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 in the best interests of the Funds and 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 Funds, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Funds. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.

8. Future accounting changes

International Financial Reporting Standards

The Funds will be required to adopt the International Financial Reporting Standards ("IFRS") beginning in their fiscal 2014 year. In preparation to meet the requirements, RBC GAM has taken the following steps in managing the transition to IFRS:

- (a) Established a committee for the development and implementation of a transition plan and to provide oversight of the transition to IFRS;
- (b) Commenced activities to identify key issues and the likely impacts resulting from the adoption of IFRS; and,
- (c) Initiated analysis to reconfigure accounting systems used by the Funds.

The key elements of the plan currently include the disclosures of the quantitative impact, if any, in the 2013 financial statements and the preparation of the 2014 financial statements in accordance with IFRS.

Since IFRS standards are constantly evolving, the major qualitative impacts based on standards approved to date are the addition of a cash flow statement and the impact of classification of puttable instruments, the units of the Fund, as a liability or as an equity.

Regardless of the financial statement impacts, RBC GAM has presently determined that there will be no quantitative impact to the Net Asset Value per Unit ("transactional NAV") of each series as a result of the changeover to IFRS.



The advisory Board of Governors of the RBC Funds was established in 1994 specifically to provide advice to the fund manager regarding conflicts of interest in mutual fund management.

On December 1, 2006, the Board of Governors and RBC Global Asset Management Inc. completed the regulatory requirements necessary to allow the RBC Funds to be the first to take full advantage of the benefits of independent fund governance provided by National Instrument 81-107. Building on its long history of leadership in fund governance, RBC Global Asset Management Inc. established the Board of Governors as the independent review committee of the RBC Funds. All of the members of the Board of Governors are independent of RBC Global Asset Management Inc. and RBC Financial Group.

In its capacity as the independent review committee, the Board of Governors provides input on conflict of interest matters in respect of RBC Global Asset Management Inc. and the RBC Funds. At least once per year, the Board of Governors reviews and assesses the adequacy and effectiveness of the fund manager's policies and procedures relating to conflict of interest matters.

The Board of Governors is responsible for reviewing and assessing the independence of its members, the compensation of its members, and the effectiveness of the Board of Governors, its subcommittees and its members. In order to effectively manage its workload, the Board of Governors has three subcommittees: the Financial Advisory Committee, the Investment Conflicts Committee and the Governance Committee.

The Board of Governors has also been asked by RBC Global Asset Management Inc. to maintain its important role of providing advice on other issues relating to the management of the RBC Funds. This includes the role of the Financial Advisory Committee of the Board of Governors to provide advice concerning financial reporting, the audit process and financial internal controls.

The annual report of the Board of Governors describing its activities as the independent review committee of the RBC Funds is available on the website at www.rbcgam.com/funds and on SEDAR at www.sedar.com.

If you have any questions or comments about the Board of Governors or its committees, please let us know by contacting Nancy Church, Secretary to the Board of Governors, at the address below.

Lloyd R. McGinnis, OC, PEng
Chair of the Board of Governors

Board of Governors
Attention: Nancy Church
RBC Global Asset Management Inc.
P.O. Box 7500, Station A
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Board of Governors

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Director, Airport Site Development
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James W. Yuel⁶
Chair
PIC Investment Group Inc.
Saskatoon, Saskatchewan

¹ Member of the Financial Advisory Committee
² Chair of the Financial Advisory Committee
³ Member of the Investment Conflicts Committee
⁴ Chair of the Investment Conflicts Committee
⁵ Chair of the Governance Committee
⁶ Member of the Governance Committee



If you have questions regarding your mutual fund holdings, you can contact us using the following options:

By Phone

Toll-Free: **1-800-463-FUND (3863)**

By Mail

For general mutual fund enquiries, write to:

**RBC Funds Customer Service
P.O. Box 6001, Station A
Montréal, Québec H3C 3A9**

On the Internet

Visit our website at: **www.rbcgam.com/funds**
Email us at: **funds.investments@rbc.com**

Complete an online
account transaction at: **www.rbconlinebanking.com**

For investment advice, a portfolio review or to buy, sell or transfer RBC Funds, visit your local RBC Royal Bank branch.



**RBC Global
Asset Management**