



## ANNUAL INFORMATION FORM

Series A, Advisor Series, Advisor T5 Series, Series T5, Series H, Series D,  
Series F, Series FT5, Series I and Series O mutual fund shares

October 21, 2014

### **Fixed-Income Funds**

RBC Short Term Income Class<sup>1</sup>  
BlueBay Global Convertible Bond  
Class (Canada)<sup>2</sup>

### **Balanced Funds**

Phillips, Hager & North Monthly Income Class<sup>2</sup>

### **Canadian Equity Funds**

RBC Canadian Dividend Class<sup>1</sup>  
RBC Canadian Equity Class<sup>1</sup>  
RBC QUBE Low Volatility Canadian  
Equity Class<sup>1</sup>  
Phillips, Hager & North Canadian  
Equity Value Class<sup>1</sup>  
RBC Canadian Equity Income Class<sup>2</sup>  
RBC Canadian Mid-Cap Equity Class<sup>1</sup>

### **North American Equity Funds**

RBC North American Value Class<sup>1</sup>

### **U.S. Equity Funds**

RBC U.S. Dividend Class<sup>1</sup>  
RBC U.S. Equity Class<sup>1</sup>  
RBC QUBE Low Volatility U.S. Equity Class<sup>1</sup>  
RBC U.S. Equity Value Class<sup>1</sup>  
Phillips, Hager & North U.S. Multi-Style  
All-Cap Equity Class<sup>1</sup>  
RBC U.S. Mid-Cap Value Equity Class<sup>1</sup>  
RBC U.S. Small-Cap Core Equity Class<sup>1</sup>

### **International Equity Funds**

RBC International Equity Class<sup>1</sup>  
RBC European Equity Class<sup>1</sup>  
Phillips, Hager & North Overseas Equity Class<sup>1</sup>  
RBC Emerging Markets Equity Class<sup>1</sup>

### **Global Equity Funds**

RBC Global Equity Class<sup>1</sup>  
RBC QUBE Low Volatility Global Equity Class<sup>1</sup>  
RBC Global Resources Class<sup>1</sup>

<sup>1</sup> Offering Series A, Advisor Series, Series H, Series D, Series F,  
Series I and Series O only.

<sup>2</sup> Offering Series A, Advisor Series, Advisor T5 Series,  
Series T5, Series H, Series D, Series F, Series FT5,  
Series I and Series O only.

## Table of Contents

Name, formation and history of the funds . . . . .	2
Investment practices and restrictions . . . . .	4
Investments . . . . .	4
Investments in derivative instruments . . . . .	4
Securities lending transactions, repurchase agreements and reverse repurchase agreements . . . . .	4
Investment restrictions . . . . .	5
Tax status . . . . .	9
Description of mutual fund shares of the funds . . . . .	9
Meeting of shareholders . . . . .	10
Calculation of share value . . . . .	12
Valuation of securities held by a fund . . . . .	12
Purchases, switches and redemptions of mutual fund shares . . . . .	14
How to buy, redeem and switch . . . . .	14
Purchase options for Advisor Series and Advisor T5 Series mutual fund shares . . . . .	16
Switches and reclassifications of mutual fund shares . . . . .	16
Redemptions . . . . .	17
When you may not be allowed to redeem your mutual fund shares . . . . .	17
Responsibility for operations of the funds . . . . .	17
Manager . . . . .	17
Principal distributor . . . . .	19
Portfolio advisor . . . . .	19
Brokerage arrangements . . . . .	20
RBC Corporate Class Inc. . . . .	21
Custodian . . . . .	22
Auditor . . . . .	22
Registrar . . . . .	22
Securities lending agent . . . . .	22
Independent Review Committee . . . . .	23
Conflicts of interest . . . . .	23
Principal holders of securities . . . . .	23
Affiliated entities . . . . .	40
Corporate governance of the funds . . . . .	41
Policies, procedures, practices and guidelines . . . . .	42
Board of Governors . . . . .	42
Policies and procedures regarding proxy voting . . . . .	43
Voting rights and fund-of-fund investments . . . . .	44
Management fee rebates . . . . .	44
Short-term trading . . . . .	44
Income tax considerations . . . . .	45
Taxation of the funds . . . . .	45
Investments in underlying funds . . . . .	46
Investments in income trusts . . . . .	46
Taxation of shareholders . . . . .	46
Registered plans and TFSAs . . . . .	47
Eligibility for registered plans and TFSAs . . . . .	47
Tax reporting . . . . .	48
Remuneration of directors and officers . . . . .	48
Material contracts . . . . .	48
Certificate of the funds . . . . .	C-1
Certificate of the Manager, the Promoter and the Principal Distributor of the funds . . . . .	C-2

## Name, formation and history of the funds

This annual information form contains information about the RBC Corporate Class Funds listed on the cover page. In this document:

- › *we, us* and *our* refer to RBC Global Asset Management Inc. (*RBC GAM*); and
- › *fund* or *funds* refers to the funds or series of the funds listed on the front cover.

The principal address of each of the funds is c/o RBC Global Asset Management Inc., 155 Wellington Street West, Suite 2200, Toronto, Ontario, M5V 3K7.

RBC GAM is the manager and portfolio advisor of each of the funds. RBC GAM is also the principal distributor of the funds. RBC GAM was formed upon the amalgamation of Phillips, Hager & North Investment Management Ltd. (*PH&N*) and its affiliate, RBC Asset Management Inc., effective November 1, 2010. RBC GAM is the primary investment manager for the RBC® businesses serving the needs of private clients, including the funds, RBC Funds and PH&N Funds. RBC Investor Services Trust (*RBC IS*) is the custodian of all the funds. See *Responsibility for operations of the funds* on page 17. RBC GAM, RBC Direct Investing Inc. (*RBC DI*), Royal Mutual Funds Inc. (*RMFI*), RBC Dominion Securities Inc. (*RBC DS*), Phillips, Hager & North Investment Funds Ltd. (*PHN IF*) and RBC IS are all wholly owned subsidiaries of Royal Bank of Canada (*Royal Bank*). We refer to Royal Bank and affiliated companies of Royal Bank as RBC.

The funds are classes of shares of RBC Corporate Class Inc. (sometimes referred to as the *Corporation*). The Corporation is a mutual fund corporation incorporated under the laws of Canada by Articles of Incorporation (*Articles*) dated July 8, 2011. Each class of shares of the Corporation (other than the common shares of the Corporation) is a separate mutual fund having specific investment objectives and is specifically referable to a separate portfolio of investments. Each such class is divided into separate series of shares (*mutual fund shares*), each of which represents an equal, undivided interest in the portion of the fund's net assets attributable to that series held by shareholders (*shareholders*).

All dollar amounts in this document are in Canadian dollars, unless we state otherwise.

Each fund was established on the date indicated in the following table (which, for the purpose of this document, means the date on which the fund first offered its shares; other series of the fund may have been offered after this date). The table also shows whether the funds' names have changed and any major events affecting the funds in the last 10 years (such as amalgamations, mergers, reorganizations, asset transfers, changes in fundamental investment objectives or material investment strategies and changes in a portfolio advisor or the manager).

FUND	DATE OF FORMATION	CHANGES
<b>Fixed-Income Funds</b>		
RBC Short Term Income Class	December 7, 2011	Not applicable.
BlueBay Global Convertible Bond Class (Canada)	October 16, 2013	Not applicable.
<b>Balanced Funds</b>		
Phillips, Hager & North Monthly Income Class	October 15, 2012	Not applicable.

FUND	DATE OF FORMATION	CHANGES
<b>Canadian Equity Funds</b>		
RBC Canadian Dividend Class	December 7, 2011	Not applicable.
RBC Canadian Equity Class	December 7, 2011	Not applicable.
RBC QUBE Low Volatility Canadian Equity Class	October 16, 2014	Not applicable.
Phillips, Hager & North Canadian Equity Value Class	October 16, 2014	Not applicable.
RBC Canadian Equity Income Class	December 7, 2011	Not applicable.
RBC Canadian Mid-Cap Equity Class	December 7, 2011	Not applicable.
<b>North American Equity Funds</b>		
RBC North American Value Class	December 7, 2011	Not applicable.
<b>U.S. Equity Funds</b>		
RBC U.S. Dividend Class	October 15, 2012	Not applicable.
RBC U.S. Equity Class	December 7, 2011	Not applicable.
RBC QUBE Low Volatility U.S. Equity Class	October 16, 2014	Not applicable.
RBC U.S. Equity Value Class	October 16, 2014	Not applicable.
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Class	December 7, 2011	Not applicable.
RBC U.S. Mid-Cap Value Equity Class	October 16, 2014	Not applicable.
RBC U.S. Small-Cap Core Equity Class	October 16, 2014	Not applicable.
<b>International Equity Funds</b>		
RBC International Equity Class	October 16, 2014	Not applicable.
RBC European Equity Class	October 16, 2014	Not applicable.
Phillips, Hager & North Overseas Equity Class	December 7, 2011	Not applicable.
RBC Emerging Markets Equity Class	December 7, 2011	Not applicable.

FUND	DATE OF FORMATION	CHANGES
<b>Global Equity Funds</b>		
RBC Global Equity Class	October 16, 2014	Not applicable.
RBC QUBE Low Volatility Global Equity Class	October 16, 2014	Not applicable.
RBC Global Resources Class	December 7, 2011	Not applicable.

## Investment practices and restrictions

### *Investments*

Each fund is designed to meet the investment objectives of different investors. Please refer to the simplified prospectus of the funds for a description of the investment objective of each fund.

The fundamental investment objective of a fund may not be changed without the consent of a majority of shareholders of the fund. RBC GAM can make other changes to the investment strategies and activities of a fund without the consent of shareholders, subject to any required approval of the Canadian securities regulators and/or the Board of Governors in its role as the independent review committee of the fund. In the discussion below, *fund* may also refer to a mutual fund (an *underlying fund*) in which a fund invests.

### *Investments in derivative instruments*

The funds may use derivatives as permitted by the Canadian securities regulators for hedging or non-hedging purposes. The risk factors associated with the use of derivatives are disclosed in the simplified prospectus of the funds.

RBC GAM is responsible for managing the risks associated with the use of derivatives. RBC GAM has written guidelines that set out the objectives and goals for derivatives trading, which are established and reviewed periodically by the board of directors of RBC GAM as required. In addition, RBC GAM has written control policies and procedures in place that set out the risk management procedures applicable to derivatives trading. These policies and procedures set out specific procedures for the authorization, documentation, reporting, monitoring and review of derivative strategies ensuring that these functions are performed by individuals independent of those who trade. Limits and controls on derivatives trading are part of RBC GAM's compliance regime. All derivatives transactions are reviewed by a specially trained team that ensures that the derivative positions of the funds are within the existing control policies and procedures. As the use of derivatives by the funds is generally limited, RBC GAM currently does not intend to conduct simulations to test the portfolio under stress conditions. Derivative strategies are regularly monitored by RBC GAM management and reviewed by the Financial Advisory Committee of the Board of Governors of the funds on an annual basis. See *Corporate governance of the funds* on page 41. Compliance with these policies and procedures is monitored periodically by internal auditors of Royal Bank.

### *Securities lending transactions, repurchase agreements and reverse repurchase agreements*

Certain of the funds may enter into securities lending arrangements and repurchase and reverse repurchase transactions in accordance with the rules of the Canadian Securities Administrators.

Pursuant to an agency agreement, RBC GAM has appointed RBC IS to act as the agent of RBC GAM and the funds and to enter into securities lending transactions, repurchase agreements and reverse repurchase agreements on behalf of the funds. The agency agreement provides for the types of transactions that may be entered into by a fund, the types of portfolio assets

of the funds that may be used, collateral requirements, limits on transaction sizes, permitted counterparties to the transactions and investment of any cash collateral. The agent will:

- › ensure that collateral is provided in the form of cash, qualified securities or securities that can be converted into the securities which are the subject of the securities lending, repurchase or reverse repurchase transactions;
- › value the loaned or purchased securities and the collateral every day to ensure that the collateral is worth at least 102% of the value of the securities;
- › invest any cash collateral in accordance with the investment restrictions specified in the agency agreement;
- › invest no more than 50% of the total assets of a fund in securities lending or repurchase transactions at any one time; and
- › assess the creditworthiness of the counterparties to securities lending, repurchase and reverse repurchase transactions.

The securities lending transactions of a fund may be terminated by the fund at any time. Repurchase agreements or reverse repurchase agreements of the funds will have a maximum term of 30 days.

RBC GAM and RBC IS review the agency agreement and the securities lending, repurchase and reverse repurchase arrangements annually to ensure that they comply with Canadian securities regulations and the fund governance policies as described above.

The risk factors associated with securities lending, repurchase and reverse repurchase transactions are disclosed in the simplified prospectus of the funds. RBC GAM is responsible for managing the risks associated with securities lending, repurchase and reverse repurchase transactions. RBC GAM has written guidelines that set out the objectives and goals with respect to securities lending arrangements, repurchase transactions and reverse repurchase transactions which are established and reviewed periodically by the board of directors of RBC GAM as required. RBC GAM has written control policies and procedures in place that set out the risk management practices applicable to securities lending, repurchase and reverse repurchase transactions. As the use of securities lending, repurchase and reverse repurchase transactions by the funds is limited, RBC GAM currently does not intend to conduct simulations to test the portfolio under stress conditions. All securities lending arrangements and repurchase and reverse repurchase agreements are monitored regularly by RBC GAM management and reviewed by the Financial Advisory Committee of the Board of Governors of the funds on an annual basis. See *Corporate governance of the funds* on page 41. Internal auditors of Royal Bank monitor compliance with these policies and procedures periodically.

### ***Investment restrictions***

Subject to the exceptions described below, we manage each of the funds in accordance with the standard mutual fund investment restrictions and practices (the *restrictions*) contained in securities legislation, including National Instrument 81-102 – *Investment Funds (NI 81-102)* and National Instrument 81-107 – *Independent Review Committee for Investment Funds (NI 81-107)*. The restrictions are designed in part to ensure that the investments of the funds are diversified and relatively liquid and to ensure the proper administration of the funds. The exceptions applicable to all funds described below may only be relied upon by a fund where consistent with the investment objectives of the fund.

#### **All funds – related issuer securities**

Generally, the restrictions prevent a fund from purchasing the securities of a related issuer. A fund is permitted, however, to purchase the securities of a related issuer if the purchase is made on an exchange on which the securities are listed and traded. This means a fund can purchase, for example, listed common and preferred shares. RBC GAM has received relief which permits a fund to purchase debt securities of a related issuer, provided that:

- (i) the purchase occurs in the secondary market;
- (ii) the debt security has a designated rating by a designated rating organization;
- (iii) the price payable is not more than the ask price of the security determined as follows:

- (A) if the purchase occurs on a marketplace, in accordance with the requirements of the marketplace;
- (B) if the purchase does not occur on a marketplace,
  - (1) the price at which an independent arm's-length seller is willing to sell; or
  - (2) the price quoted publicly by an independent marketplace or not more than the price quoted by at least one independent arm's-length party.

RBC GAM has also received relief which permits a fund to purchase debt securities of a related issuer (other than asset-backed securities), with a term to maturity of 365 days or more, offered in the primary market (i.e. from the issuer) (*an offering*), provided that:

- (i) the debt security has a designated rating by a designated rating organization;
- (ii) the size of the offering is at least \$100 million;
- (iii) at least two arm's-length purchasers collectively purchase at least 20% of the securities issued in the offering;
- (iv) following the purchase, the fund does not have more than 5% of its net assets invested in the debt securities of the issuer;
- (v) following the purchase, the fund and related mutual funds for which RBC GAM acts as portfolio advisor and/or manager collectively do not hold more than 20% of the securities issued in the offering; and
- (vi) the purchase price is no more than the lowest price paid by any arm's-length purchaser.

#### **All funds – principal trading**

Generally, the restrictions prevent a fund from purchasing securities from or selling securities to a related party acting as principal. A fund is, however, permitted to engage in such transactions if the bid and ask price are reported by any public quotation. A fund is also permitted to purchase debt securities from or sell debt securities to another fund, subject to certain conditions in NI 81-102 and NI 81-107. RBC GAM has received relief which permits a fund to purchase debt securities from or sell debt securities to a related party that is a principal dealer in the Canadian debt securities market, provided that:

- (i) the transaction occurs in the secondary market;
- (ii) the bid and ask price of the security must be determined by reference to a quote from an independent party if not publicly available; and
- (iii) a purchase must not be executed at a price higher than the ask price and a sale must not be executed at a price which is lower than the bid price.

#### **All funds – related party underwriting**

Generally, a fund is prohibited from investing in securities in respect of which a related party has acted as underwriter during the distribution and for 60 days thereafter. A fund is, however, permitted to purchase debt and equity securities in respect of which a related party has acted as underwriter if certain conditions in NI 81-102 are met, including, in respect of equity securities, that a prospectus is filed in respect of the securities. RBC GAM has received relief which permits a fund to purchase equity securities where a prospectus has not been filed, provided that:

- (i) the issuer is a reporting issuer in Canada; and
- (ii) the conditions which apply to purchases where a prospectus has been filed are complied with.

RBC GAM has obtained relief which permits the funds to purchase equity securities distributed in the United States provided that:

- (i) any related party that is involved in the distribution is regulated in respect of its underwriting activities in Canada or the United States;

- (ii) the securities issued in the distribution must be listed on a recognized exchange and if the securities are acquired during the 60-day period after the distribution they are acquired on a recognized exchange; and
- (iii) the conditions which apply to the purchase of equity securities distributed in Canada in respect of which a related party has acted as underwriter are complied with.

RBC GAM has obtained relief which permits a fund to purchase debt securities (other than asset-backed commercial paper) in respect of which a related party has acted as underwriter notwithstanding that the debt securities do not have an approved rating by an approved credit rating organization, provided that:

- (i) if the securities are acquired in a distribution,
  - (A) at least one underwriter acting as underwriter in the distribution is not a related dealer;
  - (B) at least one purchaser who is independent and arm's-length to the fund and the related dealer must purchase at least 5% of the securities distributed under the distribution;
  - (C) the price paid for the securities by the fund in the distribution shall be no higher than the lowest price paid by any of the arm's-length purchasers who participate in the distribution; and
  - (D) the fund and any related funds for which RBC GAM or its affiliate or associate acts as manager and/or portfolio advisor can collectively acquire no more than 20% of the securities distributed under the distribution in which a related dealer acts as underwriter;
- (ii) if the securities are acquired in the 60-day period,
  - (A) the ask price of the securities is readily available as provided in Commentary 7 to section 6.1 of NI 81-107;
  - (B) the price paid for the securities by the fund is not higher than the available ask price of the security; and
  - (C) the purchase is subject to market integrity requirements as defined in NI 81-107.

#### **All funds – inter-fund trades**

Under NI 81-102 and NI 81-107, the funds are permitted to engage in certain inter-fund trades subject to certain conditions, including that the inter-fund trade be executed at the "current market price" of the security. RBC GAM has received relief which permits a fund to engage in inter-fund trades, if the security is an exchange-traded security or a foreign exchange-traded security, executed at the last sale price, immediately before the trade is executed, on the exchange upon which the security is listed or quoted.

Pursuant to exemptive relief obtained on behalf of the funds, each fund is permitted to engage in certain trades of portfolio securities, including mortgages, with investment funds that are not subject to NI 81-107 and with discretionary accounts managed by RBC GAM or related parties, subject to complying with similar conditions as those set out in NI 81-107, as well as additional terms and conditions that apply to mortgage transactions, including valuation requirements.

#### **Board of Governors review**

Appropriate records of the transactions described above (referred to, collectively, as *Related Party Trading Activities*) must be maintained and, in certain cases, particulars must be filed with the securities regulatory authorities. In addition, the Board of Governors, in its role as the independent review committee of a fund, must review and assess the adequacy and effectiveness of the policies and procedures of RBC GAM in respect of Related Party Trading Activities and the Board of Governors and RBC GAM must act in accordance with the requirements of NI 81-107 in respect of standing instructions and reporting to securities regulatory authorities.

The Board of Governors of the funds has approved standing instructions in respect of Related Party Trading Activities. In accordance with the conditions of the applicable standing instructions of the Board of Governors, the Board of Governors reviews Related Party Trading Activities at least quarterly with the exception of the principal trading activities, which are



reviewed at least annually. In its review, the Board of Governors considers whether investment decisions in respect of Related Party Trading Activities:

- › were made by RBC GAM in the best interests of the fund and were free from any influence of Royal Bank and without taking into account any consideration relevant to Royal Bank or its associates or affiliates;
- › were in compliance with the conditions of the policies and procedures of RBC GAM;
- › were in compliance with the applicable standing instructions of the Board of Governors; and
- › achieved a fair and reasonable result for the fund.

The Board of Governors must advise the securities regulatory authorities if it determines that an investment decision in respect of Related Party Trading Activities was not made in accordance with the foregoing requirements.

Additional information about the members of the Board of Governors is disclosed under the heading *Corporate governance of the funds – Board of Governors* on page 42.

#### **All funds – derivative transactions**

The funds have received an exemption from the securities regulatory authorities to extend the category of investments that constitute cash cover for specified derivatives entered into by the funds to include certain liquid fixed-income securities that have a remaining term to maturity of 365 days or less, floating rate securities that have an interest rate reset no later than every 185 days and securities of the RBC money market funds.

The funds have received from the securities regulatory authorities an exemption from certain of the derivatives rules in NI 81-102, which allows the funds, when they use derivative instruments as described under *Investments in derivative instruments* on page 4, to use as cover when a fund has a long position in a debt-like security that has a component that is a long position in a forward contract or in a standardized futures or forward contract or when a fund has a right to receive payments under a swap:

- (i) cash cover in an amount that, together with margin on account for the specified derivative and the market value of the specified derivative, is not less than, on a daily mark-to-market basis, the underlying market exposure of the specified derivative;
- (ii) a right or obligation to sell an equivalent quantity of the underlying interest of the futures or forward contract, and cash cover that, together with margin on account for the position, is not less than the amount, if any, by which the strike price of the futures or forward contract exceeds the strike price of the right or obligation to sell the underlying interest;
- (iii) a right or obligation to enter into an offsetting swap on an equivalent quantity and with an equivalent term and cash cover that, together with margin on account for the position is not less than the aggregate amount, if any, of the obligations of the fund under the swap less the obligations of the fund under such offsetting swap; or
- (iv) a combination of the positions referred to in subparagraphs (i) and (ii) for debt-like securities with a long position in a forward or in a standardized futures or forward contract or of the positions referred to in subparagraphs (i) and (iii) in the case of a swap, that is sufficient, without recourse to other assets of the fund, to enable the fund to acquire the underlying interest of the futures or forward contract or satisfy its obligations under the swap.

#### **All funds – Gold and Silver Exchange Traded Funds**

RBC GAM has obtained relief which permits the funds to purchase securities of certain exchange traded funds that seek to replicate the performance of gold or silver or the value of a specified derivative for which the underlying interest is gold or silver (*Gold or Silver ETFs*), provided that certain conditions are met, including:

- (i) the investment by a fund in securities of a Gold or Silver ETF is in accordance with the fundamental investment objectives of the fund;

- (ii) the fund does not sell short securities of a Gold or Silver ETF;
- (iii) the securities of the Gold or Silver ETF are traded on a stock exchange in Canada or the United States;
- (iv) a fund does not purchase securities of Gold or Silver ETFs if, immediately after such purchase, more than 10% of the net assets of the fund, taken at market value at the time of such purchase, would consist of Gold or Silver ETFs; and
- (v) a fund does not purchase securities of Gold or Silver ETFs if, immediately after such purchase, the market value exposure to Gold or Silver ETFs is more than 10% of the net assets of the fund, taken at market value at the time of such purchase.

#### All funds – German Exchange Traded Funds

RBC GAM has obtained relief which permits funds whose investment objectives and strategies contemplate exposure to European equities to purchase securities of certain specified investment funds that are Undertakings for Collective Investment in Transferable Securities pursuant to the UCITS IV Directive (2009/65/EC), listed on the Frankfurt Stock Exchange and managed by BlackRock Asset Management Deutschland AG (*German ETFs*), provided that:

- (i) the investment by a fund in German ETFs is in accordance with the fundamental investment objectives of the fund;
- (ii) none of the German ETFs are synthetic exchange traded funds, meaning that they will not principally rely on an investment strategy that makes use of swaps or other derivatives to gain an indirect financial exposure to the return of an index;
- (iii) the investment by a fund in a German ETF otherwise complies with section 2.5 of NI 81-102;
- (iv) a fund does not invest more than 10% of its net asset value in securities issued by a single German ETF and does not invest more than 20% of its net asset value in securities issued by German ETFs in aggregate; and
- (v) a fund does not acquire any additional securities of a German ETF, and shall dispose of any securities of a German ETF then held, in the event the regulatory regime applicable to the German ETF is changed in any material way.

#### Tax status

Mutual fund shares of all of the funds are qualified investments for trusts governed by registered plans and tax-free savings accounts (*TFSAs*). Holders of tax-free savings accounts, registered retirement savings plans and registered retirement income funds should consult with their tax advisors regarding whether shares of a fund would be a prohibited investment for such accounts or plans in their particular circumstances. See *Income tax considerations – Eligibility for registered plans and TFSAs* on page 47.

RBC Corporate Class Inc. is a mutual fund corporation under the *Income Tax Act* (Canada). It does not engage in any undertaking other than the investment of its funds in property for the purposes of the *Income Tax Act* (Canada). No fund has deviated from this requirement in the last year.

#### Description of mutual fund shares of the funds

RBC Corporate Class Inc. has separate classes of mutual fund shares and separate series of each class. The Corporation has one class of common shares (the *Common Shares*). It also has 1,000 authorized classes of mutual fund shares. Each class of mutual fund shares may be issued in separate series. Series A, Advisor Series, Advisor T5 Series and Series T5 mutual fund shares are available to all investors. Series H mutual fund shares are only available to investors who invest and maintain the required minimum balance. Series D mutual fund shares are available to investors who have accounts with RBC DI or other discount brokers. Series F and Series FT5 mutual fund shares have lower fees than Series A, Advisor Series, Advisor T5 Series and Series T5 mutual fund shares and are available for sale to investors who have accounts with dealers who have signed a fee-based agreement with us. These investors pay their dealers a fee directly for investment advice or other services. Series I mutual fund shares are only available to investors who invest and maintain the required minimum balance and who have accounts with dealers who have signed a fee-based agreement with us. These investors pay their dealer a fee directly for investment advice or other services. Series O mutual fund shares are for individuals, institutional clients or dealers who have

entered into an agreement directly with RBC GAM to purchase Series O mutual fund shares. No management fees are payable directly by a fund in respect of Series O mutual fund shares. Holders of Series O mutual fund shares pay a negotiated fee directly to RBC GAM, which will not exceed 2%. No sales charges or trailing commissions are payable by RBC GAM in respect of Series O mutual fund shares.

Each class of mutual fund shares is a separate mutual fund associated with an investment portfolio having specific investment objectives. A series consists of mutual fund shares of equal value. All mutual fund shares of a series of a fund have equal rights and privileges. The interest of each shareholder in a fund is shown by how many mutual fund shares are registered in the name of such shareholder. No mutual fund share of a series of a fund has any preference or priority over another mutual fund share of the same series of the fund. No shareholder owns any asset of a fund.

Mutual fund shares of each of the funds have the following attributes:

1. the mutual fund shares have distribution rights;
2. the mutual fund shares have no voting rights except as required by securities legislation or applicable corporate law – please see *Meeting of shareholders* below for a description of certain of your voting rights as a mutual fund shareholder;
3. the mutual fund shares have redemption rights;
4. the conversion rights are as described under the heading *Purchases, switches and redemptions of mutual fund shares* on page 14;
5. there are no pre-emptive rights;
6. the mutual fund shares of a fund cannot be transferred, except in limited circumstances;
7. there is no liability for further calls or assessments by the Corporation;
8. the mutual fund shares of a fund may be sub-divided or consolidated by the Corporation without prior notice to shareholders of the fund; and
9. subject to applicable shareholder approval and notice requirements, these attributes may be amended from time to time by the Corporation.

Each fund is authorized to issue an unlimited number of mutual fund shares of each series. There is no fixed issue price. Mutual fund shares are issued only if they are fully paid. The Corporation may authorize the issuance of additional classes or series of mutual fund shares without prior notice.

The Corporation may issue fractions of mutual fund shares of each class and series. These fractions have all the rights, privileges, restrictions and conditions (other than the right to vote) applicable to a whole mutual fund share of the relevant class and series in the proportion they bear to one whole mutual fund share, including the right to receive distributions.

Holders of the Common Shares may vote at all shareholder meetings, except at a meeting of a class or series of mutual fund shares, and are entitled to the amount paid-up thereon on redemption or on the liquidation of the Corporation. However, the Common Shares have no rights to dividends or distributions or to participate in the remaining property of the Corporation on its liquidation.

In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, shareholders of each fund shall have the right to participate in the remaining property of the Corporation based on the relative net asset value of each fund.

### ***Meeting of shareholders***

Holders of mutual fund shares do not have the right to vote except as required by the *Canada Business Corporations Act* (CBCA) or by Canadian securities legislation.

Holders of mutual fund shares of a fund or, if a series of mutual fund shares of the fund is affected differently from other series of the fund, holders of that series of mutual fund shares, have the right to vote on any proposal to amend the Articles to:

1. add, change or remove the rights, privileges, restrictions or conditions attached to the mutual fund shares, including to:
  - (i) add, remove or change prejudicially redemption rights, (ii) reduce or remove a liquidation preference, or (iii) add, remove or change prejudicially conversion privileges, voting or transfer rights;
2. increase the rights or privileges of any shares of the Corporation having rights or privileges equal or superior to the mutual fund shares;
3. make any shares of the Corporation having rights or privileges inferior to the mutual fund shares equal or superior to the mutual fund shares;
4. effect an exchange or create a right of exchange of all or part of the shares of another class or series of the Corporation into the mutual fund shares; or
5. constrain the issue, transfer or ownership of the mutual fund shares or change or remove such a constraint.

However, no separate vote of mutual fund shares of a fund is required with respect to:

1. decreasing the maximum number of authorized mutual fund shares of the fund;
2. effecting an exchange, reclassification or cancellation of all or part of the mutual fund shares of the fund; or
3. creating a new class of shares of the Corporation equal or superior to the mutual fund shares of the fund.

Holders of mutual fund shares have the right to vote separately as a class or series in respect of certain amalgamations, continuances, sales, leases or exchanges of all or substantially all the assets of the Corporation (other than in the ordinary course of business), as well as on the dissolution of the Corporation.

Unless the funds receive an exemption from the Canadian securities regulatory authorities, the following changes cannot be made to a fund unless a majority of shareholders of the fund approve of them:

1. with respect to Advisor Series and Advisor T5 Series mutual fund shares only, the introduction of a fee or expense that could result in an increase in charges to the fund or shareholders;
2. with respect to Advisor Series and Advisor T5 Series mutual fund shares only, a change in the basis of calculation of a fee or expense that is charged to the fund in a way that could result in an increase in charges to the fund or shareholders;
3. a change in the manager of the fund (other than to an affiliate of RBC GAM);
4. a change in the fundamental investment objectives of the fund;
5. in certain cases, if the fund undertakes a reorganization with, or transfer of its assets to, another mutual fund or acquires another mutual fund's assets; and
6. if the share value of the fund will be calculated less often.

At any meeting of shareholders of a fund or a series of a fund, each shareholder will be entitled to one vote for each whole mutual fund share registered in the shareholder's name, except meetings at which the holders of mutual fund shares of another series are entitled to vote separately as a series.

In certain circumstances, a fund's reorganization with, or transfer of assets to, another mutual fund may be carried out without the prior approval of the shareholders of the fund provided that the Board of Governors approves the transaction pursuant to NI 81-107, the reorganization or transfer complies with certain requirements of NI 81-102 and NI 81-107, as applicable, and shareholders of the fund are sent written notice at least 60 days before the effective date of the change.

The auditor of a fund may be changed without the prior approval of the shareholders of the fund provided that the Board of Governors approves the change and shareholders of the fund are sent written notice at least 60 days before the effective date of the change.

Because no sales charges and no redemption fees apply to Series A, Series T5, Series H, Series D, Series F, Series FT5, Series I or Series O mutual fund shares of the funds, a meeting of shareholders of these series is not required to be held to approve the introduction of a fee or expense that could result in an increase in charges to those series or shareholders of those series, or any changes in the basis of calculation of a fee or expense that is charged to those series in a way that could result in an increase in charges to those series or shareholders of those series. Any such changes will only be made if notice is mailed to the applicable shareholders at least 60 days prior to the valuation date on which the increase is to take effect. The Board of Governors must review and provide a recommendation with regard to any proposed increase in the management fees or administration fees of a fund.

Copies of the simplified prospectus and financial statements of an underlying fund will be delivered to shareholders of a fund at no cost by calling us at 1-800-463-FUND (3863) (English) or 1-800-668-FOND (3663) (French).

## Calculation of share value

You buy or redeem mutual fund shares of each series of a fund at the net asset value per mutual fund share for a series of a fund (*share value*). The issue or redemption price of mutual fund shares of a series of a fund is the next share value of that series of the fund determined after the receipt of the purchase or redemption order. The share value of each series of a fund is determined on each valuation date after the Toronto Stock Exchange (TSX) closes or at such other time that RBC GAM decides (*valuation time*). The valuation date for a fund is any day when RBC GAM's office in Toronto is open for business.

Here is how we calculate the share value of a series of a fund:

- › We take the fair value of all the investments and other assets allocated to the series.
- › We subtract the liabilities allocated to the series. This gives us the net asset value for the series.
- › We divide this amount by the total number of mutual fund shares of the series that investors in the fund are holding.  
That gives us the share value for the series.

We will determine in good faith whether liabilities of the Corporation are attributable to all or only certain funds and whether liabilities of a fund are attributable to all or only certain series of the fund.

To determine what your investment in a fund is worth, simply multiply the share value of the series you own by the number of mutual fund shares you own.

Share values of the respective series of each fund are available, at no cost, on RBC GAM's website at [www.rbcgam.com](http://www.rbcgam.com) or through our interactive voice response system by calling our toll-free Customer Service line at 1-800-463-FUND (3863) (English) or 1-800-668-FOND (3663) (French), or by sending an email to [funds.investments@rbc.com](mailto:funds.investments@rbc.com) (English) or [fonds.investissements@rbc.com](mailto:fonds.investissements@rbc.com) (French) or by asking your dealer.

## Valuation of securities held by a fund

The value of any security or property held by a fund or any of its liabilities will be determined in the following way:

- › Cash, bills, demand notes, accounts receivable, prepaid expenses, cash dividends received or receivable, distributions receivable and interest accrued and not yet received, will be valued at their full amount unless RBC GAM has determined that the cash or other asset is not worth that amount. RBC GAM will then determine a reasonable value.

- › Securities quoted in foreign currencies are translated to Canadian dollars using the prevailing rate of exchange as quoted by customary banking sources on the valuation date.
- › If the share value of a fund is also expressed in a foreign currency, the value in foreign currency is determined by using the prevailing rate of exchange as quoted by customary banking sources on the valuation date or, if that exchange rate is not available, by applying an exchange rate chosen by RBC GAM.
- › Other than the RBC Short Term Income Class, all funds value bonds, debentures and other obligations by taking the average of the latest available bid and ask quotations on the valuation date. Notes and money market instruments are valued at their current market value on the valuation date. RBC GAM may determine this value based on the cost of the investments, which approximates market value after taking into account accrued interest which is recorded separately from the investment. If short-term instruments are sold, the difference between the cost and the proceeds (less income previously credited for such security) will be recorded as income not capital.
- › Debt securities held by the RBC Short Term Income Class will be valued at cost, which approximates market value after taking into account accrued interest which is recorded separately from the investment. If short-term instruments are sold, the difference between the cost thereof and the proceeds (less income previously credited for such security) will represent an adjustment to income, not capital, of the fund.
- › The value of any security which is listed or dealt in any stock exchange or exchanges is generally determined by taking its latest available sale price of a board lot on the principal stock exchange on which it is listed. However, the following exceptions apply:
  - where RBC GAM is lacking any such sales or records, or if the last such sale is not within the latest available bid and ask quotations on the valuation date, RBC GAM will have the discretion to determine the fair value of the listed security based on market quotations RBC GAM believes most closely reflect the fair value of the investment;
  - in calculating the value of inter-listed investments, RBC GAM may permit over-the-counter (*OTC*) rather than stock exchange quotations to be used when they appear to reflect more closely the fair value of any particular investment; but if such stock exchange or *OTC* quotations do not properly reflect the prices which would be received by the fund upon the disposal of such investments, RBC GAM may place values upon such investments which appear to it to reflect most closely the fair value of such investments; and
  - in calculating the value of foreign securities listed or dealt in exchanges outside North America, RBC GAM will place values upon such securities which appear to reflect most closely the fair value of such securities. In particular, RBC GAM has procedures in place to avoid stale prices and to take into account, among other things, any significant events occurring after the close of a foreign market. Accordingly, the value calculated on fair valued securities for purposes of calculating a fund's net asset value may differ from that security's most recent closing market price. As a means of evaluating our fair value process, we will routinely compare closing market prices, the next day's opening prices in the same markets, and adjusted fair value prices. These procedures are designed to minimize the potential for market timing strategies, which are largely focused on funds with significant holdings of foreign securities. They may also be used in respect of foreign securities held by an underlying fund in which a fund may invest, indirectly affecting the net asset value of the fund.
- › Long positions in clearing corporation options, options on futures, *OTC* options, debt-like securities and listed warrants shall be valued at their current market value.
- › Where a covered clearing corporation option, option on futures or *OTC* option is written, the premium received by a fund shall be reflected as a deferred credit which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or *OTC* option that would have the effect of closing the position. Any differences resulting from the revaluation will be treated as an unrealized gain or loss on investment. The deferred credit will be deducted in arriving at the net asset value of the fund. The securities, if any, which are the subject of a written clearing corporation option or *OTC* option will be valued at their current market value.

- › The value of a futures contract, forward contract or swap will be the gain or loss that would be realized if, on the valuation date, the position in the futures contract, forward contract or swap, as the case may be, were to be closed out unless daily limits are in effect, in which case fair value, based on the current market value of the underlying interest, shall be determined by RBC GAM.
- › Margin paid or deposited in respect of futures contracts and forward contracts will be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin.
- › The value of any security which is not listed or dealt in upon any stock exchange is determined at the most recently available sale price on a valuation date, or if such sale price is not available, at a sale price determined by RBC GAM, based on relevant market and/or company data that RBC GAM believes most closely reflects the fair value of the investment.
- › In this annual information form, unless otherwise indicated, *current market value* means the most recently available sale price applicable to the relevant security on the principal exchange on which it is traded immediately preceding the valuation time on the valuation date, provided that, if no sale has taken place on a valuation date, the average of the bid and ask quotations immediately prior to the valuation time on the valuation date shall be used.
- › Units of any underlying funds that are managed by RBC GAM will be valued at their respective unit values on the relevant valuation date.
- › If a valuation date of a fund is not a business day for a specific market, the prices or quotations of the prior business day will be used to value any asset or liability for such market.
- › If the valuation principles described above are not appropriate, RBC GAM will determine a value which it considers to be fair and reasonable. For example, on November 26, 2009, RBC GAM could not apply the valuation principles described above with respect to U.S. equity securities held by mutual funds managed by it due to market volatility. At that time, it used a value which it considered to be fair and reasonable for such securities.

Copies of the simplified prospectus and financial statements of an underlying fund will be delivered to shareholders of a fund at no cost by calling us at 1-800-463-FUND (3863) (English) or 1-800-668-FOND (3663) (French).

## Purchases, switches and redemptions of mutual fund shares

### *How to buy, redeem and switch*

It is up to you or your investment professional, if applicable, to determine which series is appropriate for you. Different series may have different minimum investment levels and may require you to pay different fees. Your dealer must send your order to us on the same day it is received. It is the responsibility of your dealer to transmit orders to us in a timely manner and assume all associated costs.

#### **Series A mutual fund shares**

Series A mutual fund shares are available through authorized dealers, including RMFI, RBC DS and RBC DI.

#### **Advisor Series and Advisor T5 Series mutual fund shares**

Advisor Series and Advisor T5 Series mutual fund shares are available through authorized dealers, including RBC DS and RBC DI.

#### **Series T5 mutual fund shares**

Series T5 mutual fund shares are available through authorized dealers, including RBC DS and RBC DI.

#### **Series H mutual fund shares**

Series H mutual fund shares are only available to investors who invest and maintain the required minimum balance with authorized dealers, including RBC DS and RBC DI.

### Series D mutual fund shares

Series D mutual fund shares are available to investors who have accounts with RBC DI, and may also be available at other discount brokers, where you must invest and maintain a minimum balance of \$500 for each fund and any additional investments must be at least \$25. We pay a reduced trailing commission with respect to Series D mutual fund shares, which means we can charge a lower management fee. RBC DI and other discount brokers do not provide investment recommendations or advice to their clients. If you wish to transfer your holdings of mutual fund shares of a fund to RBC DI or another discount brokerage account, you must contact RBC DI or the other discount broker. **If you hold mutual fund shares of a fund, other than Series D mutual fund shares, in an RBC DI or other discount brokerage account and become eligible to hold Series D mutual fund shares, you may instruct RBC DI or your discount broker to reclassify your mutual fund shares but it will not be done automatically.**

Series D mutual fund shares may also be available to investors who have accounts with PHN IF, where the account minimums established by PHN IF from time to time are satisfied.

### Series F and Series FT5 mutual fund shares

Series F and Series FT5 mutual fund shares are available to investors who have accounts with dealers who have signed a fee-based agreement with us. These investors pay their dealer a fee directly for investment advice or other services. We do not pay any commission to dealers who sell Series F and Series FT5 mutual fund shares, which means that we can charge a lower management fee.

### Series I mutual fund shares

Series I mutual fund shares are only available to investors who invest and maintain the required minimum balance and who have accounts with dealers who have signed a fee-based agreement with us. These investors pay their dealer a fee directly for investment advice or other services. We do not pay any commission to dealers who sell Series I mutual fund shares, which means that we can charge a lower management fee.

### Series O mutual fund shares

Series O mutual fund shares are for individuals, institutional clients or dealers who have entered into an agreement directly with RBC GAM to purchase Series O mutual fund shares and who make the required minimum investment and minimum subsequent investment, as determined by RBC GAM from time to time. No management fees are payable by a fund in respect of Series O mutual fund shares. Holders of Series O mutual fund shares pay a negotiated fee directly to RBC GAM, which will not exceed 2%. No sales charges or trailing commissions are payable by RBC GAM in respect of Series O mutual fund shares.

### All series

You must invest and maintain a minimum balance for each fund. The amount of such minimum balance is set out in the simplified prospectus of the funds.

If your balance falls below the minimum required balance for a particular fund or series, or you otherwise become ineligible to hold a particular fund or series, we may redeem or reclassify your mutual fund shares, as applicable. Where a shareholder is or becomes a citizen or resident of the United States or a resident of any other foreign country, we may require such shareholder to redeem their mutual fund shares if their participation has the potential to cause adverse regulatory or tax consequences for a fund or other shareholders of a fund. We may redeem your mutual fund shares if we are permitted or required to do so, including in connection with the termination of the fund, in accordance with applicable law. If we redeem, reclassify or switch your mutual fund shares, the effect will be the same as if you initiated the transaction. For redemptions in non-registered accounts, we may transfer the proceeds to you, and for redemptions in registered plans, we may transfer the proceeds to a registered savings deposit within the plan. We will not give you or your dealer notice prior to taking any action.

For us to act on an order to buy, redeem, reclassify or switch mutual fund shares, the branch, telephone salesperson or dealer must send the order to us on the same day it is received and assume all associated costs.



If we receive your order before 4:00 p.m. Eastern Time, your order will be processed using that day's share value. A separate share value is calculated for each series of mutual fund shares. If we receive your order after 4:00 p.m. Eastern Time, your order will be processed using the next business day's share value. If the board of directors of the Corporation determines that the share value will be calculated at a time other than after the usual closing time of the TSX, the share value paid or received will be determined relative to that time. All orders are processed within three business days. A dealer may establish earlier cut-off times. Check with your dealer for details.

Within three business days after a purchase order is received, the fund will issue the mutual fund shares, subject to its right of rejection, at the share value of the series on the date that the purchase order was received. Mutual fund shares may be issued only in exchange for cash.

RBC GAM may accept or reject purchase orders, in whole or in part, within one business day of the order. If a purchase order is rejected, the monies received with the order will be returned to the investor immediately.

Your dealer may make arrangements with you that will require you to compensate your dealer for any losses suffered by the dealer in connection with a failed purchase order caused by you.

### ***Purchase options for Advisor Series and Advisor T5 Series mutual fund shares***

When you invest in Advisor Series or Advisor T5 Series mutual fund shares of the funds you may choose either of the following purchase options:

- › Initial sales charge (*paying when you buy your Advisor Series or Advisor T5 Series mutual fund shares*) – a negotiable sales charge of between 0% and 5% of the amount you invest is paid to your dealer.
- › Low-load sales charge (*paying when you redeem your Advisor Series or Advisor T5 Series mutual fund shares*) – no sales charge is payable at the time of purchase. We will pay the dealer a selling commission of 1% of the net asset value of the Advisor Series or Advisor T5 Series mutual fund shares purchased by an investor choosing this option. See *Fees and expenses – Fees and expenses payable directly by you – Redemption fees – Low-load sales charge option* in the simplified prospectus for a summary of the charges payable by investors with respect to this purchase option if the Advisor Series or Advisor T5 Series mutual fund shares are redeemed within a period of two years from the date of purchase.

Your dealer can help you decide which option is right for you. The sales charge compensates your dealer for the advice and service he or she provides to you.

### **Switches and reclassifications of mutual fund shares**

You can switch from one fund to another fund within the Corporation as long as you:

- › maintain the relevant minimum balance in each fund; and
- › switch to a fund under the same sales charge option.

If you switch from one fund to another fund within the Corporation, you are exchanging one class of mutual fund shares for another class of mutual fund shares. This transaction is not taxable to you because you still own mutual fund shares of the Corporation.

#### **Switches of mutual fund shares out of the Corporation**

If you switch from one fund to another mutual fund that is not within the Corporation, you are redeeming your mutual fund shares of the Corporation, as described below under *Redemptions*, and using the proceeds to buy units or shares of another mutual fund to which you are switching. This transaction is taxable and may give rise to a gain or loss for tax purposes. See *Income tax considerations* for more details.

## Reclassifications

You can change your investment from mutual fund shares of one series of a fund to mutual fund shares of another series of the same fund if you are eligible to hold mutual fund shares of the second series. This is called a reclassification. If you cease to be eligible to hold mutual fund shares of a series because you no longer meet the relevant eligibility requirements, your mutual fund shares will be reclassified into mutual fund shares of the series of the fund that you are eligible to hold. A reclassification of mutual fund shares will not result in a capital gain or loss because a reclassification is not considered a redemption or other disposition of the reclassified mutual fund shares for tax purposes.

## Redemptions

You can sell mutual fund shares at any time. This is called a redemption. Your dealer must send your redemption request on the same day it is received. Redemption requests will be processed in the order in which they are received. The fund will not process redemption requests specifying a forward date or specific price. Your dealer will assume all associated costs.

Redemption orders which are received by RBC GAM before 4:00 p.m. Eastern Time on any valuation date will be priced using that day's share value. Redemption orders which are received by RBC GAM after 4:00 p.m. Eastern Time on a valuation date will be priced on the next valuation date. If RBC GAM decides to calculate share value at a time other than after the usual closing time of the TSX, the share value received will be determined relative to that time. Note that your dealer may establish an earlier cut-off time.

Redemption requests for the funds must be for an amount of at least \$25 (unless the account balance is less than \$25).

Within three business days following each valuation date, we will pay to each shareholder who has requested a redemption the value of the mutual fund shares determined on the valuation date. Payments will be considered made upon deposit of the redemption proceeds in the shareholder's bank account or the mailing of a cheque in a postage prepaid envelope addressed to the shareholder unless the cheque is not honoured for payment.

Your redemption (or switch) transaction will not be processed until your dealer has received all documentation. Your dealer will inform you of the documentation it requires. Your dealer must provide all required documents to us within 10 business days of the date of your redemption order. If not, we will repurchase the mutual fund shares for your account. If the cost of repurchasing the mutual fund shares is less than the sale proceeds, the fund will keep the difference. If the cost of repurchasing the mutual fund shares is more than the sale proceeds, your dealer must pay the difference and any related costs. Your dealer may require you to reimburse the amount paid if the dealer suffers a loss.

### ***When you may not be allowed to redeem your mutual fund shares***

Under extraordinary circumstances, you may not be allowed to redeem your mutual fund shares. We may refuse your order to redeem if:

- › normal trading is suspended on any stock exchange or market where more than 50% of the assets of a fund are listed or traded; or
- › we get permission from the Canadian Securities Administrators to temporarily suspend the redemption of mutual fund shares.

A fund will not allow the purchase of mutual fund shares when the right to redeem mutual fund shares is suspended.

## Responsibility for operations of the funds

### ***Manager***

RBC GAM is the manager of the funds. The address, phone number and website address of RBC GAM is 155 Wellington Street West, Suite 2200, Toronto, Ontario, M5V 3K7, 1-800-463-FUND (3863) (English) or 1-800-668-FOND (3663) (French)

and [www.rbcgam.com](http://www.rbcgam.com). You can contact us by email at [funds.investments@rbc.com](mailto:funds.investments@rbc.com) (English) or [fonds.investissements@rbc.com](mailto:fonds.investissements@rbc.com) (French).

RBC GAM manages the funds pursuant to the terms of an amended and restated master management agreement (the *Management Agreement*) between RBC Corporate Class Inc. and RBC GAM dated as of October 17, 2014.

RBC GAM is responsible for the day-to-day operations of the funds, including valuation and security holder recordkeeping services and the supervision of brokerage arrangements for the purchase and sale of fund securities and other assets. RBC GAM also appoints distributors for the funds. RBC GAM is paid a management fee as compensation for the services it provides to each fund. RBC GAM is also paid a fixed administration fee by the funds. In return, RBC GAM pays certain operating expenses of the funds. The administration fee paid to RBC GAM by a fund in respect of a series may, in any particular period, exceed or be lower than the operating expenses paid by RBC GAM for that series of the fund. The amount and details of such fees are set out in the simplified prospectus of the funds under *Fees and expenses – Fees and expenses payable by the funds – Management fees*. RBC GAM currently manages other mutual funds offered to the public.

The Management Agreement may be terminated on 90 days' written notice by either party. However, the Corporation may terminate the Management Agreement at any time, without notice, including if RBC GAM fails to perform its duties under the Management Agreement, becomes bankrupt or insolvent or fails to maintain any registration or qualification it needs in order to act as a manager of any of the funds.

RBC GAM may resign as manager of a fund provided that shareholders of that fund approve of the new manager. Shareholder approval is not required if the new manager is an affiliate of RBC GAM but 60 days' notice of the new manager will be given to shareholders of the fund.

The name and municipality of residence, position and office held with RBC GAM and current principal occupation of each of the directors and executive officers of RBC GAM are as follows:

NAME	MUNICIPALITY OF RESIDENCE	POSITION AND OFFICE HELD WITH RBC GAM	CURRENT PRINCIPAL OCCUPATION
Wayne Bossert	Oakville, Ontario	Director	Executive Vice President, Sales, Canadian Banking, Royal Bank
Daniel E. Chornous	Toronto, Ontario	Director and Chief Investment Officer	Chief Investment Officer, RBC GAM
Douglas Coulter	Toronto, Ontario	Director and President, Retail	President, Retail, RBC GAM
M. George Lewis	Toronto, Ontario	Director and Chairman	Group Head, Wealth Management & Insurance, Royal Bank
Frank Lippa	Toronto, Ontario	Chief Financial Officer and Chief Operating Officer	Chief Financial Officer and Chief Operating Officer, RBC GAM
John S. Montalbano	Vancouver, British Columbia	Director and Chief Executive Officer and Ultimate Designated Person	Chief Executive Officer, RBC Global Asset Management Head, RBC GAM

NAME	MUNICIPALITY OF RESIDENCE	POSITION AND OFFICE HELD WITH RBC GAM	CURRENT PRINCIPAL OCCUPATION
Dave Y. Mun	Toronto, Ontario	Director	Vice President, Finance, Wealth Management, Royal Bank
Lawrence A.W. Neilsen	Vancouver, British Columbia	Chief Compliance Officer	Chief Compliance Officer, RBC GAM
Vijay Parmar	Toronto, Ontario	Director and Vice President	President, RBC Phillips, Hager & North Investment Counsel Inc.
Richard E. Talbot	Toronto, Ontario	Director	Chief Operating Officer of RBC Capital Markets, Royal Bank
Brian M. Walsh	West Vancouver, British Columbia	Chief Administrative Officer	Chief Administrative Officer, RBC GAM
Damon G. Williams	North Vancouver, British Columbia	Director and President, Institutional	President, Institutional, RBC GAM
Gina Zapras	Vaughan, Ontario	Corporate Secretary	Subsidiary Governance Officer, Royal Bank

Each of the people listed above has held his or her current position with the manager or RBC Asset Management Inc., a predecessor to the manager, and his or her principal occupation during the five years preceding the date hereof, except for Daniel E. Chornous, who from May 2008 to November 2010 was also Chief Investment Officer, PH&N, John S. Montalbano, who from January 2009 to November 2010 was also Chief Executive Officer, PH&N, Dave Y. Mun, who from July 2012 to June 2014 was Vice President, Performance Management, Royal Bank and prior thereto held various positions with Royal Bank and RBC Dominion Securities Inc., Lawrence A. W. Neilsen, who from November 2009 to November 2010 was Chief Compliance Officer, PH&N, Damon G. Williams, who from February 2009 to November 2010 was President, PH&N, Brian M. Walsh, who from May 2008 to October 2010 was Chief Financial Officer, PH&N, and Gina Zapras, who from June 2013 is Corporate Secretary, RBC GAM and prior thereto held various positions with RBC GAM and other affiliates as Subsidiary Governance Officer, Royal Bank.

### ***Principal distributor***

RBC GAM is the principal distributor of the mutual fund shares of the funds. The address of RBC GAM is 155 Wellington Street West, Suite 2200, Toronto, Ontario, M5V 3K7.

### ***Portfolio advisor***

RBC GAM provides portfolio advisory services to the funds pursuant to the terms of the Management Agreement.

RBC GAM is responsible for the management of the funds' investment portfolios, subject to the control and direction of the board of directors of the Corporation. RBC GAM is paid a fee as compensation for the services it provides to each fund. The amount of such fees is set out in the simplified prospectus of the funds under *Fees and expenses – Fees and expenses payable by the funds – Management fees*.

The name, title and length of service by persons employed by RBC GAM who are principally responsible for the day-to-day management of a fund or implementing its investment strategy are shown in the table below:

NAME	FUNDS FOR WHICH RESPONSIBLE	POSITION AND OFFICE	PRINCIPAL BUSINESS ASSOCIATION DURING PRECEDING FIVE YEARS
Daniel E. Chornous	All funds	Director and Chief Investment Officer	Received B. Comm. from University of Manitoba; Chartered Financial Analyst; associated with RBC GAM since 2002
Sarah Riopelle	All funds	Vice President and Senior Portfolio Manager, Investment Solutions	Chartered Financial Analyst; associated with RBC GAM since 2003

The portfolio managers of the funds may invest the assets of the funds in certain underlying funds. For more information about the portfolio managers of the underlying funds, please see the annual information form of the underlying funds.

The investment decisions of the individuals listed in the table above made on behalf of RBC GAM are not subject to the oversight, approval or ratification of any committee. The investment decision-making process is supported by research, analysis and internal investment committees. Investment decisions are overseen by the Chief Investment Officer.

### **Brokerage arrangements**

RBC GAM makes decisions as to the purchase and sale of fund securities, including units of the underlying funds and other assets of the funds such as cash and term deposits, as well as decisions regarding the execution of portfolio transactions of a fund, including the selection of market, broker and the negotiation of commissions.

In certain circumstances, RBC GAM receives goods or services from dealers or brokers in exchange for directing brokerage transactions to such dealers or brokers. The types of goods and services for which RBC GAM may direct brokerage commissions are research goods and services (*research goods and services*) and order execution goods and services (*order execution goods and services*).

RBC GAM receives research goods and services which include: (i) advice as to the value of securities and the advisability of effecting transactions in securities; and (ii) analyses and reports concerning securities, issuers, industries, portfolio strategy or economic or political factors and trends that may have an impact on the value of securities. Such goods and services may be provided by the executing dealer directly (known as proprietary research) or by a party other than the executing dealer (known as third party research). The research goods and services with which RBC GAM is provided in exchange for brokerage commissions include advice, analyses and reports that focus on, among other matters, specific stocks, sectors and economies.

RBC GAM may also receive order execution goods and services, such as data analysis, software applications and data feeds. These goods and services may be provided by the executing dealer directly or by a party other than the executing dealer.

The users of these research goods and services and order execution goods and services are RBC GAM's portfolio managers, analysts and traders.

In certain instances, RBC GAM may receive goods and services containing some elements that qualify as research goods and services and/or order execution goods and services and other elements that do not qualify as either of such permitted goods and services. These types of goods and services are considered to be mixed-use (*mixed-use goods and services*). If RBC GAM obtains mixed-use goods and services, RBC GAM only uses brokerage commissions to pay for the portion that would qualify as permitted goods and services that are used in its investment or trading decisions or in effecting securities transactions, each

on behalf of the funds. The types of mixed-use goods and services that RBC GAM may receive include software applications and data analysis.

RBC GAM only routes trade orders to a dealer or broker for execution if RBC GAM has reviewed and approved of that dealer or broker for use. RBC GAM approves a dealer or broker for use if it is of the view that the dealer or broker is able to provide best execution, which includes a number of considerations such as price, volume, speed and certainty of execution, and total transaction cost.

An additional but secondary consideration when RBC GAM reviews and approves a dealer or broker is the dealer or broker's ability to provide research goods and services and order execution goods and services that add value to our investment decision-making and trade order execution processes to generate investment returns for clients. Other factors that we consider when reviewing and approving a dealer or broker include the dealer or broker's regulatory status, its creditworthiness and its ability to efficiently process trade orders and settle trades.

RBC GAM uses the same criteria in selecting all of its dealers and brokers, regardless of whether the dealer or broker is an affiliate of RBC GAM. RBC GAM currently has in place brokerage arrangements with RBC DS, an affiliate of RBC GAM. RBC DS may provide research goods and services, order execution goods and services and mixed-use goods and services in exchange for effecting brokerage transactions.

RBC GAM conducts extensive trade cost analysis to ensure that the funds and clients of RBC GAM receive a reasonable benefit considering the use of the research goods and services and order execution goods and services, as applicable, and the amount of brokerage commissions paid. Specifically, RBC GAM's investment management teams decide which dealers or brokers are allocated brokerage business based on their ability to provide best execution of trades, the competitiveness of the commission costs, and the range of services and quality of research received.

RBC GAM may use research goods and services and order execution goods and services to benefit the funds and clients of RBC GAM other than those whose trades generated the brokerage commission. However, RBC GAM has policies and procedures in place to make a good faith determination that over a reasonable period of time, all clients, including the funds, receive fair and reasonable benefit in return for the commission generated.

For a list of any other dealer, broker or third party which provides research goods and services and/or order execution goods and services, at no cost, call us at 1-800-463-FUND (3863) (English) or 1-800-668-FOND (3663) (French) or send an email to [funds.investments@rbc.com](mailto:funds.investments@rbc.com) (English) or [fonds.investissements@rbc.com](mailto:fonds.investissements@rbc.com) (French).

### ***RBC Corporate Class Inc.***

The business and affairs of RBC Corporate Class Inc. are managed by its board of directors. The board of directors of the Corporation has engaged RBC GAM to act as manager for the funds comprising the Corporation.

The name and municipality of residence, position and office held with the Corporation and current principal occupation of each of the directors and executive officers of the Corporation are as follows:

NAME	MUNICIPALITY OF RESIDENCE	POSITION AND OFFICE HELD WITH THE CORPORATION	CURRENT PRINCIPAL OCCUPATION
Jessica Clinton	Toronto, Ontario	Assistant Corporate Secretary	Senior Subsidiary Governance Officer, Royal Bank
Douglas Coulter	Toronto, Ontario	Director and Chief Executive Officer	President, Retail, RBC GAM

NAME	MUNICIPALITY OF RESIDENCE	POSITION AND OFFICE HELD WITH THE CORPORATION	CURRENT PRINCIPAL OCCUPATION
Jonathan Hartman	Oakville, Ontario	Director and President	Vice President, Investment Products, RBC GAM
Thomas C. Lee	Toronto, Ontario	Chief Financial Officer	Vice President, Taxation, RBC GAM
Frank Lippa <sup>1</sup>	Toronto, Ontario	Director	Chief Financial Officer and Chief Operating Officer, RBC GAM
Charles Macfarlane <sup>1</sup>	Toronto, Ontario	Director	Corporate Director and Consultant
Kenneth Mann <sup>1</sup>	Oakville, Ontario	Director	Corporate Director and Consultant
Gina Zapras	Vaughan, Ontario	Corporate Secretary	Subsidiary Governance Officer, Royal Bank

<sup>1</sup> Member of Audit Committee of the Corporation

Each of the people listed above has held his or her principal occupation during the five years preceding the date hereof.

### ***Custodian***

RBC IS of Toronto, Ontario is the custodian of the assets of the funds pursuant to an amended and restated master custodian agreement between RBC GAM as manager of RBC Corporate Class Inc. and RBC IS dated as of July 26, 2012 (the *Master Custodian Agreement*). RBC IS receives a fee from the Corporation for the custodian services provided to the funds. Either party may terminate the Master Custodian Agreement by giving the other party 90 days' notice.

### ***Auditor***

The auditor of the funds is Deloitte LLP of Toronto, Ontario.

### ***Registrar***

Royal Bank, RBC IS and RBC GAM keep a record of who owns all of the mutual fund shares. The register of the funds is kept in Montreal, Quebec, Toronto, Ontario and Vancouver, British Columbia.

### ***Securities lending agent***

RBC IS of Toronto, Ontario is the securities lending agent of the funds pursuant to an amended and restated securities lending agency agreement between RBC GAM as manager of RBC Corporate Class Inc. and RBC IS dated June 27, 2011 (the *Securities Lending Agency Agreement*). RBC IS is a wholly owned subsidiary of Royal Bank. In accordance with the Securities Lending Agency Agreement, RBC IS will value the loaned securities and the collateral daily to ensure that the collateral is worth at least 102% of the value of the securities. Pursuant to the terms of the Securities Lending Agency Agreement, RBC IS will indemnify and hold harmless each of the funds from any losses which may result from a breach of RBC IS' standard of care or from its negligence, fraud or willful misconduct. Either party may terminate the Securities Lending Agency Agreement by giving the other party five business days' written notice.

***Independent Review Committee***

The Board of Governors acts as the independent review committee that each fund is required to have under Canadian securities laws. The Board of Governors reviews and provides input on conflict of interest matters in respect of RBC GAM and the funds. The Board of Governors also provides advice to RBC GAM on other issues relating to the management of the funds. See *Corporate governance of the funds* on page 41.

**Conflicts of interest*****Principal holders of securities******(a) New funds***

Except as stated below, as at October 3, 2014, no person or company owns of record or, to the knowledge of the relevant fund or the manager, beneficially, directly or indirectly, more than 10% of the outstanding mutual fund shares of any series of the funds.

***RBC QUBE Low Volatility Canadian Equity Class***

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Capital Funding Alberta Limited	Record and Beneficial	100	A	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	Advisor	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	H	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	D	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	F	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	I	100.0%
Capital Funding Alberta Limited	Record and Beneficial	14,400	O	100.0%



*Phillips, Hager & North Canadian Equity Value Class*

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Capital Funding Alberta Limited	Record and Beneficial	100	A	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	Advisor	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	H	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	D	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	F	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	I	100.0%
Capital Funding Alberta Limited	Record and Beneficial	14,400	O	100.0%

*RBC QUBE Low Volatility U.S. Equity Class*

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Capital Funding Alberta Limited	Record and Beneficial	100	A	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	Advisor	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	H	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	D	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	F	100.0%

***RBC QUBE Low Volatility U.S. Equity Class (cont.)***

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Capital Funding Alberta Limited	Record and Beneficial	100	I	100.0%
Capital Funding Alberta Limited	Record and Beneficial	14,400	O	100.0%

***RBC U.S. Equity Value Class***

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Capital Funding Alberta Limited	Record and Beneficial	100	A	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	Advisor	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	H	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	D	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	F	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	I	100.0%
Capital Funding Alberta Limited	Record and Beneficial	14,400	O	100.0%

***RBC U.S. Mid-Cap Value Equity Class***

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Capital Funding Alberta Limited	Record and Beneficial	100	A	100.0%

***RBC U.S. Mid-Cap Value Equity Class (cont.)***

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Capital Funding Alberta Limited	Record and Beneficial	100	Advisor	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	H	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	D	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	F	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	I	100.0%
Capital Funding Alberta Limited	Record and Beneficial	14,400	O	100.0%

***RBC U.S. Small-Cap Core Equity Class***

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Capital Funding Alberta Limited	Record and Beneficial	100	A	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	Advisor	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	H	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	D	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	F	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	I	100.0%

***RBC U.S. Small-Cap Core Equity Class (cont.)***

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Capital Funding Alberta Limited	Record and Beneficial	14,400	O	100.0%

***RBC International Equity Class***

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Capital Funding Alberta Limited	Record and Beneficial	100	A	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	Advisor	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	H	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	D	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	F	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	I	100.0%
Capital Funding Alberta Limited	Record and Beneficial	14,400	O	100.0%

***RBC European Equity Class***

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Capital Funding Alberta Limited	Record and Beneficial	100	A	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	Advisor	100.0%

***RBC European Equity Class (cont.)***

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Capital Funding Alberta Limited	Record and Beneficial	100	H	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	D	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	F	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	I	100.0%
Capital Funding Alberta Limited	Record and Beneficial	14,400	O	100.0%

***RBC Global Equity Class***

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Capital Funding Alberta Limited	Record and Beneficial	100	A	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	Advisor	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	H	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	D	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	F	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	I	100.0%
Capital Funding Alberta Limited	Record and Beneficial	14,400	O	100.0%

***RBC QUBE Low Volatility Global Equity Class***

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Capital Funding Alberta Limited	Record and Beneficial	100	A	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	Advisor	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	H	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	D	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	F	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	I	100.0%
Capital Funding Alberta Limited	Record and Beneficial	14,400	O	100.0%

***(b) Existing funds***

Except as stated below, as at October 3, 2014, no person or company owns of record or, to the knowledge of the relevant fund or the manager, beneficially, directly or indirectly, more than 10% of the outstanding mutual fund shares of any series of the funds.

***RBC Short Term Income Class***

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
RICCI Enterprises Inc.	Record and Beneficial	64,941	Advisor	34.1%
Individual Investor A*	Record and Beneficial	49,417	Advisor	26.0%
Individual Investor B*	Record and Beneficial	144,693	H	14.9%

***RBC Short Term Income Class (cont.)***

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
1644624 Alberta Ltd.	Record and Beneficial	137,747	H	14.2%
Individual Investor C*	Record and Beneficial	98,981	H	10.2%
Individual Investor D*	Record and Beneficial	98,708	H	10.2%
Individual Investor E*	Record and Beneficial	24,912	D	17.6%
Barrington Holdings Ltd.	Record and Beneficial	20,100	F	14.4%
180865 Canada Inc.	Record and Beneficial	18,814	F	13.5%
Individual Investor F*	Record and Beneficial	18,208	F	13.1%
Individual Investor G*	Record and Beneficial	18,122	F	13.0%
Individual Investor H*	Record and Beneficial	15,503	F	11.1%
Hallam Trust	Record and Beneficial	19,657	I	99.5%
David Bradshaw Investments	Record and Beneficial	289,340	O	19.7%

***BlueBay Global Convertible Bond Class (Canada)***

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Individual Investor I*	Record and Beneficial	30,477	Advisor T5	13.6%

**BlueBay Global Convertible Bond Class (Canada) (cont.)**

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Individual Investor J*	Record and Beneficial	16,033	T5	47.4%
Individual Investor K*	Record and Beneficial	4,970	T5	14.7%
Individual Investor L*	Record and Beneficial	4,941	T5	14.6%
Individual Investor M*	Record and Beneficial	4,193	T5	12.4%
KST Industries Inc.	Record and Beneficial	361,435	H	28.6%
Multi Bags Imports Inc.	Record and Beneficial	208,306	H	16.5%
Individual Investor N*	Record and Beneficial	48,677	FT5	25.1%
Capital Funding Alberta Limited	Record and Beneficial	100	O	100.0%

**Phillips, Hager & North Monthly Income Class**

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
KST Industries Inc.	Record and Beneficial	283,861	H	11.7%
9268-5718 Quebec Inc.	Record and Beneficial	39,788	FT5	17.0%
Individual Investor O*	Record and Beneficial	29,974	FT5	12.8%
Individual Investor P*	Record and Beneficial	76,046	I	33.2%



*Phillips, Hager & North Monthly Income Class (cont.)*

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Individual Investor Q*	Record and Beneficial	28,313	I	12.4%
KIM Constructors Ltd.	Record and Beneficial	24,180	I	10.6%

*RBC Canadian Dividend Class*

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Austin Curtin Ltd.	Record and Beneficial	83,629	H	10.0%
Individual Investor R*	Record and Beneficial	41,861	I	14.8%
Biocomp Instruments Inc.	Record and Beneficial	40,423	I	14.3%

*RBC Canadian Equity Class*

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Individual Investor S*	Record and Beneficial	8,201	Advisor	11.1%
Individual Investor T*	Record and Beneficial	19,794	H	99.5%
Nicholas P. Plaskos Medicine	Record and Beneficial	7,075	F	12.4%
Marbett Holdings Ltd.	Record and Beneficial	7,039	F	12.3%
Individual Investor U*	Record and Beneficial	6,273	F	11.0%

***RBC Canadian Equity Class (cont.)***

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Individual Investor V*	Record and Beneficial	4,783	I	76.8%
Individual Investor W*	Record and Beneficial	1,340	I	21.5%
Individual Investor X*	Record and Beneficial	33,587	O	10.1%

***RBC Canadian Equity Income Class***

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Capital Funding Alberta Limited	Record and Beneficial	100	Advisor T5	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	T5	100.0%
Capital Funding Alberta Limited	Record and Beneficial	100	FT5	100.0%
A. Vezina Holding Inc.	Record and Beneficial	90,408	O	70.1%
Gestion Isabel Theriault Inc.	Record and Beneficial	34,382	O	26.7%

***RBC Canadian Mid-Cap Equity Class***

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Sajadj Investment Inc.	Record and Beneficial	23,604	A	20.3%
Individual Investor Y*	Record and Beneficial	12,162	A	10.4%

*RBC Canadian Mid-Cap Equity Class (cont.)*

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Individual Investor Z*	Record and Beneficial	1,921	Advisor	40.1%
Individual Investor AA*	Record and Beneficial	1,674	Advisor	34.9%
Capital Funding Alberta Limited	Record and Beneficial	110	H	100.0%
Individual Investor BB*	Record and Beneficial	8,188	D	14.3%
Individual Investor CC*	Record and Beneficial	6,196	D	10.8%
Jobst Construction Ltd.	Record and Beneficial	3,210	F	15.0%
Individual Investor DD*	Record and Beneficial	2,743	F	12.9%
Individual Investor EE*	Record and Beneficial	2,236	F	10.5%
Individual Investor FF*	Record and Beneficial	2,166	F	10.2%
Capital Funding Alberta Limited	Record and Beneficial	110	I	100.0%
MLG Inc.	Record and Beneficial	131,484	O	20.1%
Individual Investor GG*	Record and Beneficial	84,806	O	13.0%

***RBC North American Value Class***

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Sevaz Holdings Inc.	Record and Beneficial	449,519	I	31.7%
Individual Investor HH*	Record and Beneficial	17,976	O	49.5%
Gestion Manon Cousineau Inc.	Record and Beneficial	17,845	O	49.2%

***RBC U.S. Dividend Class***

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Individual Investor II*	Record and Beneficial	99,523	H	34.7%
Individual Investor JJ*	Record and Beneficial	28,932	H	10.1%

***RBC U.S. Equity Class***

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Individual Investor KK*	Record and Beneficial	8,724	Advisor	23.7%
Individual Investor LL*	Record and Beneficial	7,335	Advisor	19.9%
Individual Investor MM*	Record and Beneficial	4,413	Advisor	12.0%
Individual Investor NN*	Record and Beneficial	17,522	H	41.2%
Individual Investor OO*	Record and Beneficial	14,574	H	34.3%

***RBC U.S. Equity Class (cont.)***

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Eric Piscopo Dentistry	Record and Beneficial	10,344	H	24.3%
RCA of Gunnebo Security Inc.	Record and Beneficial	6,512	F	10.8%
Individual Investor PP*	Record and Beneficial	6,251	F	10.4%
Individual Investor QQ*	Record and Beneficial	24,003	I	48.3%
C & L Leaver Holdings Ltd.	Record and Beneficial	12,863	I	25.9%
Individual Investor RR*	Record and Beneficial	12,750	I	25.6%

***Phillips, Hager & North U.S. Multi-Style All-Cap Equity Class***

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Individual Investor SS*	Record and Beneficial	2,863	Advisor	21.0%
Individual Investor TT*	Record and Beneficial	2,835	Advisor	20.8%
Individual Investor UU*	Record and Beneficial	1,672	Advisor	12.2%
Individual Investor VV*	Record and Beneficial	26,270	H	36.9%
Individual Investor WW*	Record and Beneficial	24,985	H	35.1%
Individual Investor XX*	Record and Beneficial	19,826	H	27.9%

*Phillips, Hager & North U.S. Multi-Style All-Cap Equity Class (cont.)*

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Individual Investor YY*	Record and Beneficial	16,679	I	99.4%
Individual Investor ZZ*	Record and Beneficial	10,237	O	16.4%
Individual Investor AAA*	Record and Beneficial	7,007	O	11.3%
Guillaume Drolet, M.D. Inc.	Record and Beneficial	6,610	O	10.6%

*Phillips, Hager & North Overseas Equity Class*

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Individual Investor BBB*	Record and Beneficial	7,434	Advisor	39.1%
Dr. Leon Davids Optometry Prof.	Record and Beneficial	4,191	Advisor	22.1%
Dr. N Kevin Wade Inc.	Record and Beneficial	14,925	H	99.4%
Individual Investor CCC*	Record and Beneficial	25,593	I	65.4%
Individual Investor DDD*	Record and Beneficial	13,449	I	34.4%

*RBC Emerging Markets Equity Class*

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Individual Investor EEE*	Record and Beneficial	18,783	Advisor	22.4%

***RBC Emerging Markets Equity Class (cont.)***

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Individual Investor FFF*	Record and Beneficial	9,619	Advisor	11.5%
Individual Investor GGG*	Record and Beneficial	18,920	H	36.4%
Dr. N Kevin Wade Inc.	Record and Beneficial	16,902	H	32.5%
Individual Investor HHH*	Record and Beneficial	15,669	H	30.1%
V.M. Holdings (1991) Ltd.	Record and Beneficial	55,616	I	23.8%
Individual Investor III*	Record and Beneficial	42,641	I	18.2%
Individual Investor JJJ*	Record and Beneficial	31,849	I	13.6%
Gestion Gautreau Inc.	Record and Beneficial	28,815	I	12.3%
Individual Investor KKK*	Record and Beneficial	24,390	I	10.4%
Inlander Investments Inc.	Record and Beneficial	252,260	O	13.1%

***RBC Global Resources Class***

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Individual Investor LLL*	Record and Beneficial	8,959	A	11.4%
Individual Investor MMM*	Record and Beneficial	2,511	Advisor	38.1%

*RBC Global Resources Class (cont.)*

NAME	TYPE OF OWNERSHIP	NUMBER OF UNITS OWNED	SERIES	PERCENTAGE OF OUTSTANDING UNITS OF THE SERIES
Individual Investor NNN*	Record and Beneficial	1,920	Advisor	29.1%
Purvis Holdings Ltd.	Record and Beneficial	1,061	Advisor	16.1%
Individual Investor OOO*	Record and Beneficial	743	Advisor	11.3%
Individual Investor PPP*	Record and Beneficial	474	H	79.6%
Capital Funding Alberta Limited	Record and Beneficial	121	H	20.4%
Individual Investor QQQ*	Record and Beneficial	1,985	D	14.7%
Individual Investor RRR*	Record and Beneficial	1,810	D	13.4%
Individual Investor SSS*	Record and Beneficial	2,941	F	31.1%
Individual Investor TTT*	Record and Beneficial	1,635	F	17.3%
Individual Investor UUU*	Record and Beneficial	1,379	F	14.6%
Individual Investor VVV*	Record and Beneficial	1,165	F	12.3%
Individual Investor WWW*	Record and Beneficial	21,117	I	99.4%
Capital Funding Alberta Limited	Record and Beneficial	15,000	O	58.8%

\*To protect the privacy of individual investors, we have omitted the name of the individual investor.



**(c) Manager**

Except as stated below, as at October 3, 2014, no person or company owned of record or, to the knowledge of the Corporation or the manager, beneficially, directly or indirectly, more than 10% of the outstanding shares of RBC GAM, the manager of the funds.

NAME	TYPE OF OWNERSHIP	NUMBER OF SHARES OWNED	PERCENTAGE OF OUTSTANDING SHARES
Royal Bank of Canada	Record and Beneficial	75,000 Common Shares	100%

The percentage of securities of each class or series of voting or equity securities of Royal Bank beneficially owned, directly or indirectly, in aggregate, by all the directors and officers of RBC GAM is no more than 0.09%, and by all members of the Board of Governors is no more than 0.01%.

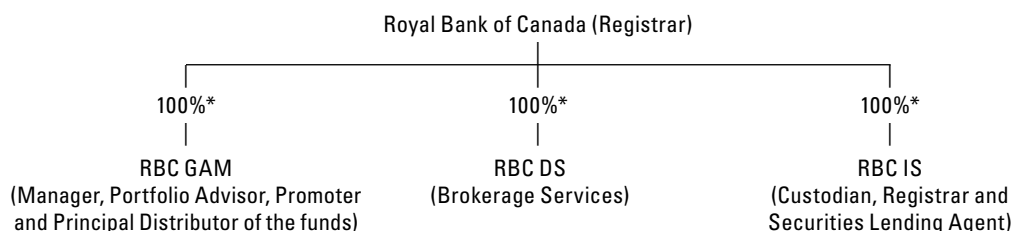
Royal Bank owns, directly or indirectly, 100% or 1,001,002 of the outstanding common shares of RBC DS.

**(d) Common Shares of the Corporation**

As at October 3, 2014, Corporate Class Trust (the *Trust*) directly owned of record and beneficially, 100 Common Shares, representing 100% of the issued and outstanding Common Shares of the Corporation. The Trust holds the Common Shares for the benefit of the holders of all classes and series of mutual fund shares issued by the Corporation from time to time, excluding the holder of any series of any class of mutual fund shares representing seed capital contributed by RBC. The Trust will exercise the voting powers associated with the Common Shares to elect the directors of the Corporation. There will be at all times at least two directors who will be independent of RBC.

**Affiliated entities**

The following companies that provide services to the funds are affiliated with RBC GAM:



\* Indirect wholly owned subsidiaries of Royal Bank of Canada.

The fees paid to RBC DS are contained in the audited financial statements of the funds.

The following individuals are directors or officers of RBC Corporate Class Inc. or RBC GAM and also of an affiliated entity of RBC GAM that provides services to the funds:

NAME	POSITION WITH CORPORATION OR MANAGER	POSITION WITH AFFILIATE OF THE MANAGER
Wayne Bossert	Director, RBC GAM	Executive Vice President, Royal Bank; Director, RBC DS

NAME	POSITION WITH CORPORATION OR MANAGER	POSITION WITH AFFILIATE OF THE MANAGER
Douglas Coulter	Director, Chairman and Chief Executive Officer, Corporation; Director and President, Retail, RBC GAM	Senior Vice President, Royal Bank
M. George Lewis	Director and Chairman, RBC GAM	Group Head, Wealth Management & Insurance, Royal Bank
John S. Montalbano	Director and Chief Executive Officer and Ultimate Designated Person, RBC GAM	Executive Vice President, Royal Bank
Dave Y. Mun	Director, RBC GAM	Vice President, Royal Bank
Vijay Parmar	Director and Vice President, RBC GAM	Vice President, Royal Bank
Richard E. Talbot	Director, RBC GAM	Managing Director, RBC DS; Officer, Royal Bank
Damon G. Williams	Director and President, Institutional, RBC GAM	Senior Vice President, Royal Bank
Gina Zapras	Corporate Secretary, Corporation; Corporate Secretary, RBC GAM	Assistant Corporate Secretary, RBC DS

As disclosed in the table above, certain directors or officers of the Corporation or RBC GAM may also be directors or officers of Royal Bank or RBC DS. RBC GAM has established appropriate policies and procedures to minimize the potential for conflicts between the interests of the Corporation, RBC GAM and any affiliated entities. In particular, RBC GAM has policies and procedures which deal with the trading in common shares of Royal Bank and offerings underwritten by RBC DS and to ensure that any brokerage business allocated to RBC DS will be on the basis of best execution and will be on competitive terms and conditions. See *Corporate governance of the funds – Board of Governors* and *Responsibility for operations of the funds – Brokerage arrangements*. Each of the Corporation and RBC GAM monitors the application of such policies and procedures to ensure their continuing effectiveness.

## Corporate governance of the funds

RBC Corporate Class Inc. has a board of directors which has overall responsibility for management of the Corporation. The board of directors of the Corporation has delegated responsibility for the day-to-day management and administration of the funds to RBC GAM.

The Board of Governors acts as the independent review committee that each fund is required to have under Canadian securities laws. See *Board of Governors* below.

***Policies, procedures, practices and guidelines***

As manager of, and portfolio advisor to, the funds, RBC GAM is responsible for the day-to-day management, administration and operation of the funds, and provides investment advice and portfolio management services to the funds.

RBC GAM has established appropriate policies, procedures, practices and guidelines to ensure the proper management of the funds, including as required by NI 81-107, policies and procedures relating to conflicts of interest. The systems used by RBC GAM in relation to the funds monitor and manage the business and sales practices, risk and internal conflicts of interest relating to the funds, while ensuring compliance with applicable regulatory, compliance and corporate requirements. RBC GAM personnel responsible for compliance, together with management of RBC GAM, ensure that these policies, procedures, practices and guidelines are communicated from time to time to all relevant persons and are updated as necessary (including the systems referred to above) to reflect changing circumstances. RBC GAM also monitors the application of all such policies, procedures, practices and guidelines to ensure their continuing effectiveness.

Compliance with the investment practices and investment restrictions mandated by securities legislation is monitored by RBC GAM on a regular basis. The investment practices and restrictions for the funds and guidelines for derivative use, securities lending transactions, repurchase agreements and reverse repurchase agreements are outlined beginning on page 4.

RBC GAM has also developed a personal trading policy for employees (the *Policy*) which is designed to prevent potential, perceived or actual conflicts between the interests of RBC GAM and its staff and the interests of clients and the funds. Under the Policy, certain RBC GAM personnel are required to pre-clear certain personal securities transactions in order to ensure that those trades do not conflict with the best interests of the funds and have not been offered to the person because of the position they hold in RBC GAM. RBC GAM has also adopted the basic principles set out in the Code of Ethics on Personal Investing established by the Investment Funds Institute of Canada.

***Board of Governors***

The Board of Governors reviews and provides input on conflict of interest matters in respect of RBC GAM and the funds. The Board of Governors also provides advice to RBC GAM on other issues relating to the management of the funds.

In its role as the independent review committee of the funds, the Board of Governors will, no less frequently than annually, review and assess the adequacy and effectiveness of:

- › RBC GAM's policies and procedures relating to conflict of interest matters in respect of the funds;
- › any standing instructions it has provided to RBC GAM pertaining to conflict of interest matters in respect of the funds;
- › RBC GAM's and the funds' compliance with any conditions imposed by the Board of Governors in a recommendation or approval; and
- › any subcommittee to which the Board of Governors, in its role as independent review committee, has delegated any of its functions.

In addition, the Board of Governors will, no less frequently than annually, review and assess the independence of its members, the compensation of its members, its effectiveness and the contribution and effectiveness of its members. The Board of Governors will provide RBC GAM with a report of the results of such assessment.

The Board of Governors prepares an annual report that describes its activities as the independent review committee of the funds. For a copy of this report, at no cost, call us at 1-800-463-FUND (3863) (English) or 1-800-668-FOND (3663) (French) or ask your dealer. You can also get a copy of this report on the RBC GAM website at [www.rbcgam.com](http://www.rbcgam.com) or by sending an email to [funds.investments@rbc.com](mailto:funds.investments@rbc.com) (English) or [fonds.investissements@rbc.com](mailto:fonds.investissements@rbc.com) (French).

This report and other information about the Board of Governors are also available at [www.sedar.com](http://www.sedar.com).

The Board of Governors is composed of nine members and each is independent from RBC GAM, the funds and entities related to RBC GAM. Set forth below are the name, municipality of residence and principal occupation of each of the members of the Board of Governors:

NAME	MUNICIPALITY OF RESIDENCE	CURRENT PRINCIPAL OCCUPATION
Selwyn B. Kossuth <sup>1, 2</sup>	Mississauga, Ontario	Financial Consultant
Charles F. Macfarlane <sup>1, 2</sup>	Toronto, Ontario	Corporate Director
Lloyd R. McGinnis <sup>4</sup>	Winnipeg, Manitoba	Director, Airport Site Redevelopment, Winnipeg Airports Authority
Linda S. Petch <sup>1, 2</sup>	Victoria, British Columbia	Principal, Linda S. Petch Governance Services
Elaine Cousineau <sup>3</sup>	Montreal, Québec	President, Phénix Capital Inc.
Mary C. Ritchie <sup>1, 2</sup>	Edmonton, Alberta	President and Chief Executive Officer, Richford Holdings Ltd.
Joseph P. Shannon <sup>3</sup>	Port Hawkesbury, Nova Scotia	President, Atlantic Corp. Ltd.
Michael G. Thorley <sup>1, 2</sup>	Toronto, Ontario	Retired Lawyer
James W. Yuel <sup>3</sup>	Saskatoon, Saskatchewan	Chair, PIC Investment Group Inc.

<sup>1</sup> Member of the Financial Advisory Committee of the Board of Governors

<sup>2</sup> Member of the Investment Conflicts Committee of the Board of Governors

<sup>3</sup> Member of the Governance Committee of the Board of Governors

<sup>4</sup> Chair of the Board of Governors

### ***Policies and procedures regarding proxy voting***

As portfolio advisor for the funds, RBC GAM has responsibility for the investment management of the funds, including the exercise of voting rights attaching to securities held by the funds. In the discussion below, *fund* or *funds* may also refer to the underlying fund.

Each fund has proxy voting policies and procedures that apply to securities held by the fund to which voting rights are attached. RBC GAM has established proxy voting policies, procedures and guidelines (the *Proxy Voting Guidelines*) for securities held by the funds to which voting rights are attached. The Proxy Voting Guidelines provide that each fund's voting rights will be exercised in accordance with the best interests of the fund.

Issuers' proxies most frequently contain proposals to elect corporate directors, to appoint external auditors and set their compensation, to adopt or amend management compensation plans, and to amend the capitalization of the company. The Proxy Voting Guidelines set out the principles of corporate governance that RBC GAM will follow to determine whether and how to vote on any matter for which a fund receives proxy materials. The Proxy Voting Guidelines establish guidelines relating to the voting of securities of an issuer for the following categories of matters: board of directors, management and director compensation, takeover bid protection, shareholder rights and shareholder proposals. While RBC GAM will generally vote the funds' proxies in accordance with the Proxy Voting Guidelines, there may be circumstances where it believes it is in the best

interests of a fund to vote differently than the manner contemplated by the guidelines. The ultimate decision as to the manner in which the funds' proxies will be voted rests with RBC GAM. Any matters not covered by the Proxy Voting Guidelines, including business issues specific to the issuer or issues raised by shareholders of the issuer will be assessed on a case-by-case basis with a focus on the potential impact of the vote on shareholder value. RBC GAM has retained Institutional Shareholder Services Inc. to provide administrative and proxy voting services to the funds. RBC GAM also has a Proxy Voting Policy which includes procedures to ensure that voting rights are exercised in accordance with the funds' instructions.

If the potential for a conflict of interest arises in connection with proxy voting, the Proxy Voting Policy provides for consideration of the issue by the Board of Governors of the funds and provision of its recommendation to RBC GAM.

The Proxy Voting Guidelines are available on request, at no cost, by calling 1-800-463-FUND (3863) (English) or 1-800-668-FOND (3663) (French) or by writing to RBC Global Asset Management Inc., 155 Wellington Street West, Suite 2200, Toronto, Ontario, M5V 3K7. The Proxy Voting Guidelines are also available from the RBC GAM website at [www.rbcgam.com](http://www.rbcgam.com).

The proxy voting record for each fund for the most recent 12-month period ended June 30 of each year will be available at no cost to any shareholder of the fund upon request at any time after August 31 of that year. The proxy voting record for each fund will also be available from the RBC GAM website at [www.rbcgam.com](http://www.rbcgam.com).

### ***Voting rights and fund-of-fund investments***

The funds may invest in RBC Funds, RBC Private Pools or PH&N Funds. If a unitholder meeting is called for an underlying fund, you will have the voting rights that come with the units of the underlying fund and we will not vote the units of the underlying fund.

### ***Management fee rebates***

We may reduce the management fee borne by institutional investors who hold Series I mutual fund shares of a fund and who have signed agreements with us. We do this by paying out the amount of the reduction in the form of a management fee rebate directly to the eligible institutional investor. Management fee rebates are calculated and credited daily and are paid at least quarterly. Management fee rebates are reinvested in mutual fund shares, unless otherwise requested. A shareholder who is not exempt from tax and who receives a management fee rebate will include the amount of such rebate in income or in the alternative may reduce the tax basis or adjusted cost base of the shareholder's mutual fund shares by the amount of the rebate. Management fee rebates will not result in adverse tax consequences to a fund.

The decision to pay management fee rebates is at our complete discretion and depends on a number of factors, including the size of the investment and a negotiated fee agreement between the institutional investor and RBC GAM.

### ***Short-term trading***

RBC GAM has established policies and procedures to discourage investors from buying, redeeming or switching mutual fund shares frequently. Depending on the fund and the particular circumstances, RBC GAM will employ a combination of preventative and detective measures to discourage and identify excessive short-term trading in the RBC Corporate Class Funds, including:

- › fair value pricing of securities held by a fund;
- › imposition of short-term trading fees; and
- › monitoring of trading activity and refusal of trades.

See *Short-term trading* in the simplified prospectus of the funds for more information on short-term trading fees, including circumstances where they may not apply.

## Income tax considerations

This section describes the principal Canadian federal income tax considerations applicable to the funds and to investors in a fund who are individuals (other than trusts) and who, for tax purposes, are residents of Canada, hold mutual fund shares of the fund as capital property and deal with the Corporation at arm's length.

The summary takes into account the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder, as well as all publicly announced proposed amendments to the *Income Tax Act* (Canada) and regulations. It also takes into account the published administrative policies and assessing practices of the Canada Revenue Agency.

The summary is not intended to be exhaustive. It does not address provincial, territorial or foreign tax considerations. This summary does not constitute legal or tax advice to any particular purchaser or to any particular holder of mutual fund shares. Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in their particular circumstances.

### *Taxation of the funds*

The funds are classes of shares of the Corporation. The Corporation qualified as a mutual fund corporation under Part I of the *Income Tax Act* (Canada) from the date of its incorporation and intends to continue to so qualify and this summary assumes that it will so qualify. The Corporation has elected under subsection 39(4) of the *Income Tax Act* (Canada) that gains or losses realized on the disposition of Canadian securities by the Corporation or allocated to it by an underlying fund are treated as capital gains or losses (the *39(4) Election*).

Although the Corporation is comprised of a number of separate funds, it must (like any other mutual fund corporation with a multi-class structure) compute its income and net capital gains for tax purposes as a single entity. All of the Corporation's revenues, deductible expenses, capital gains and capital losses in connection with all of its investment portfolios, and other items relevant to its tax position (including the tax attributes of all of its assets), will be taken into account in determining the income or loss of the Corporation and applicable taxes payable by the Corporation as a whole. For example, expenses, tax deductions and losses arising from the Corporation's investments and activities in respect of one class or series of mutual fund shares of the Corporation may be deducted or offset against income or gains arising from the Corporation's investments and activities in respect of other classes or series of mutual fund shares of the Corporation. As a result of the Corporation being required to calculate its income as a single entity, the overall result for a holder of mutual fund shares of a fund will differ from what would be the case if the shareholder had invested in a mutual fund trust, or a single-class mutual fund corporation, that made the same investments as the fund.

The Corporation has established a policy to determine how it will allocate income and capital gains in a tax-efficient manner among the funds in a way that is fair, consistent and reasonable for shareholders. The amount of dividends and capital gains dividends paid to shareholders of the Corporation is based on this tax allocation policy, which has been approved by the Board of Directors of the Corporation.

Capital gains may be realized by the Corporation in a variety of circumstances, including on the disposition of portfolio assets of the Corporation as a result of shareholders of a class of mutual fund shares of the Corporation switching their mutual fund shares of such class for mutual fund shares of another class.

The taxable portion of capital gains (net of the allowable portion of capital losses) realized by the Corporation will be subject to tax at normal corporate rates, but taxes paid thereon by the Corporation are generally refundable on a formula basis when mutual fund shares of the Corporation are redeemed or when the Corporation pays capital gains dividends. Accordingly, if sufficient amounts are paid by the Corporation on the redemption of its mutual fund shares or as capital gains dividends, generally the Corporation will not pay tax on its capital gains.

In general, the Corporation will not pay tax on taxable dividends received from taxable Canadian corporations. The Corporation will be subject to the refundable tax under Part IV of the *Income Tax Act* (Canada) on taxable dividends received by it from taxable Canadian corporations in an amount equal to 33-1/3% of such dividends, which tax will be refundable on the basis of \$1.00 for each \$3.00 of taxable dividends paid by the Corporation.

With respect to other income received by the Corporation, such as ordinary income, interest and foreign dividends, the Corporation will generally be subject to tax at normal corporate rates subject to permitted deductions for expenses of the Corporation and applicable credits for any foreign taxes paid. Where a fund invests in derivatives as a substitute for direct investment, the Corporation will generally treat gains and losses realized on such derivatives as being on income account rather than as capital gains and capital losses.

The Corporation is required to compute its income and gains for tax purposes in Canadian dollars and may therefore realize foreign exchange gains or losses with respect to its foreign investments that will be taken into account in computing its income for tax purposes.

### ***Investments in underlying funds***

If appropriate designations are made by the underlying funds in which a fund invests, the nature of distributions from such underlying funds that are derived from taxable dividends received from taxable Canadian corporations (including eligible dividends), foreign income and capital gains will be preserved in the hands of the Corporation for the purpose of computing its income. Where a fund receives distributions from such an underlying fund that are paid out of such underlying fund's realized capital gains and that are so designated by the underlying fund, generally such distributions are treated as capital gains realized by the Corporation. Such capital gains distributed by such an underlying fund to the Corporation may be paid out by the Corporation as capital gains dividends so that the Corporation would generally not pay tax on such capital gains. A fund may also receive distributions of ordinary income from such an underlying fund.

### ***Investments in income trusts***

Under certain rules in the *Income Tax Act* (Canada) relating to specified investment flow-through (*SIFT*) trusts and partnerships, certain publicly traded vehicles, including some income trusts and some real estate investment trusts, are liable to pay a tax on distributions to unitholders out of certain types of income. Where an income trust pays such tax with respect to a distribution, the distribution will be treated in the hands of the investor as if it were a dividend from a taxable Canadian corporation.

### ***Taxation of shareholders***

Where mutual fund shares of a fund are not held through a registered plan, the holder of such mutual fund shares will be required to include in his or her income the Canadian dollar amount of any dividends paid on mutual fund shares of the fund, other than capital gains dividends, whether received in cash or reinvested in additional mutual fund shares. The dividend gross-up and tax credit treatment normally applicable to taxable dividends (including eligible dividends) paid by a taxable Canadian corporation will apply to such dividends.

If a fund pays a return of capital, such amount will generally not be taxable but will reduce the adjusted cost base of the shareholder's mutual fund shares of the fund. However, where such returns of capital are reinvested in new mutual fund shares, the overall adjusted cost base of the shareholder's mutual fund shares will not be reduced. In the circumstance that reductions to the adjusted cost base of a shareholder's mutual fund shares would result in such adjusted cost base becoming a negative amount, that amount will be treated as a capital gain realized by the shareholder in that year and the shareholder's adjusted cost base of the mutual fund shares will become zero.

Capital gains dividends will be paid to the shareholders of the funds, at the discretion of the board of directors of the Corporation with respect to the timing, the amount and the class of shareholders to whom the dividends will be paid, out of

the capital gains realized by the Corporation, including capital gains realized on the disposition of portfolio assets occurring as a result of shareholders of a class switching their mutual fund shares into mutual fund shares of another class. The amount of a capital gains dividend will be treated as a capital gain in the hands of the shareholder and will be subject to the general rules relating to the taxation of capital gains which are described below.

A shareholder who receives a management fee rebate will include the amount of such rebate in income or in the alternative may reduce the adjusted cost base of the shareholder's mutual fund shares by the amount of the rebate.

The switch by a shareholder of mutual fund shares of one class of the Corporation into mutual fund shares of another class or the reclassification of mutual fund shares of a series into mutual fund shares of a different series of the same class, will be deemed not to be a disposition of the switched or reclassified shares, for purposes of the *Income Tax Act* (Canada). As a result, such a shareholder will not realize a capital gain or capital loss on this type of a switch or reclassification. The shareholder's cost of the mutual fund shares acquired on such a switch or reclassification will be the adjusted cost base to the shareholder of the switched or reclassified mutual fund shares immediately before the switch or reclassification. This cost will be required to be averaged with the adjusted cost base of any other mutual fund shares of the same series owned by the shareholder in determining the shareholder's adjusted cost base per mutual fund share.

The net asset value of mutual fund shares held by a shareholder may include income and/or capital gains that have been earned but not yet distributed. If a shareholder buys mutual fund shares of a fund just before a dividend is declared on mutual fund shares of the fund, the shareholder will be taxed on that dividend payment. Any amount reinvested in additional mutual fund shares of the fund will be added to the adjusted cost base of the shareholder's mutual fund shares.

Upon the actual or deemed disposition of a mutual fund share, including the redemption of a mutual fund share by a fund to pay fees or otherwise, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the mutual fund shares exceed (or are exceeded by) the aggregate of the adjusted cost base to the holder of such mutual fund shares and the costs of disposition. One-half of a capital gain realized on the disposition will be included in income as a taxable capital gain. One-half of any capital loss realized will be deducted against any taxable capital gains, subject to and in accordance with the detailed rules of the *Income Tax Act* (Canada). Shareholders should consult their own advisors with respect to provisions of the *Income Tax Act* (Canada) which reduce any such losses by the amount of certain dividends received on mutual fund shares of the Corporation.

### ***Registered plans and TFSA's***

In general, the amount of a distribution paid by a fund to a registered plan (such as a Registered Retirement Savings Plan (RRSP), Registered Education Savings Plan (RESP), Group Registered Retirement Savings Plan, Registered Retirement Income Fund (RRIF), Registered Disability Savings Plan (RDSP) or Deferred Profit Sharing Plan) or to a TFSA, and gains realized by a registered plan or a TFSA on a disposition of mutual fund shares will not be taxable under the *Income Tax Act* (Canada). However, amounts withdrawn from a registered plan may be subject to tax (other than a return of contributions from an RESP or certain withdrawals from an RDSP, and withdrawals from a TFSA).

### ***Eligibility for registered plans and TFSA's***

It is intended that the mutual fund shares of each of the funds will at all relevant times be qualified investments for trusts governed by registered plans and TFSA's.

In the case of a TFSA, an RRSP and an RRIF, provided that the holder or annuitant does not hold a significant interest in the Corporation, and provided that such holder or annuitant deals at arm's length with the Corporation for purposes of the *Income Tax Act* (Canada), the mutual fund shares of a fund will not be a prohibited investment for such TFSA, RRSP or RRIF. Generally, a holder or annuitant will not be considered to have a significant interest in the Corporation unless the holder or annuitant, either alone or together with persons with which the holder or annuitant does not deal at arm's length, owns 10% or more of



the issued and outstanding shares of any class or series of mutual fund shares of the Corporation or shares of any other corporation that is related to the Corporation. Shareholders should consult with their tax advisors regarding whether an investment in a fund may be a prohibited investment for a TFSA, RRSP or RRIF in their particular circumstances.

## Tax reporting

Shareholders will receive an annual tax form relating to the character of amounts paid by the funds to them on their mutual fund shares (including eligible dividends or capital gains dividends, for example) to enable them to complete their income tax returns. Shareholders should keep records of the cost of mutual fund shares acquired and any return of capital distributions so that they can calculate any capital gain or loss on the redemption or other disposition of their mutual fund shares.

## Remuneration of directors and officers

Each member of the board of directors of RBC Corporate Class Inc., will be entitled to receive an annual fee of \$25,000. These fees will be paid by the Corporation.

For the year ended March 31, 2014, members of the Board of Governors received from the RBC Corporate Class Funds annual fees and meeting fees in the amount of \$31,771 as well as \$3,320 as reimbursement for expenses in connection with performing their duties for the RBC Corporate Class Funds and certain other funds managed by RBC GAM. These fees and expenses were allocated among the funds managed by RBC GAM in a manner that was fair and reasonable. For a description of the role of the Board of Governors, please see *Corporate governance of the funds* on page 41.

RBC GAM, in its capacity as manager and portfolio advisor of the funds, is entitled to receive a management fee set out in the simplified prospectus of the funds under *Fees and expenses – Fees and expenses payable by the funds – Management fees*.

## Material contracts

The material contracts of each fund are listed below:

- (a) the Articles;
- (b) the Management Agreement; and
- (c) the Master Custodian Agreement.

Each of the foregoing is described under the heading *Responsibility for operations of the funds* on page 17.

Copies of the material contracts listed above may be examined by prospective or existing shareholders at the principal office of the funds during ordinary business hours.

## Certificate of the funds

This annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each of the provinces and territories of Canada and do not contain any misrepresentations.

Dated: October 21, 2014

By: ***“Douglas Coulter”***

Douglas Coulter  
Chief Executive Officer  
RBC Corporate Class Inc.

By: ***“Thomas C. Lee”***

Thomas C. Lee  
Chief Financial Officer  
RBC Corporate Class Inc.

On behalf of the Board of Directors  
of RBC Corporate Class Inc.

By: ***“Frank Lipa”***

Frank Lipa  
Director

By: ***“Jonathan Hartman”***

Jonathan Hartman  
Director

**Certificate of the Manager, the Promoter and the Principal Distributor of the funds**

This annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each of the provinces and territories of Canada and do not contain any misrepresentations.

Dated: October 21, 2014

By: ***"John S. Montalbano"***

John S. Montalbano  
Chief Executive Officer  
RBC Global Asset Management Inc.,  
as manager, promoter and principal distributor  
of the funds

By: ***"Frank Lippa"***

Frank Lippa  
Chief Financial Officer and Chief Operating Officer  
RBC Global Asset Management Inc.,  
as manager, promoter and principal distributor  
of the funds

On behalf of the Board of Directors  
of RBC Global Asset Management Inc.,  
as manager, promoter and principal distributor of the funds

By: ***"Douglas Coulter"***

Douglas Coulter  
Director

By: ***"Daniel E. Chornous"***

Daniel E. Chornous  
Director

## **RBC Corporate Class Funds**

Additional information about the funds is available in the funds' fund facts, management reports of fund performance and financial statements.

For a copy of these documents, at no cost, please call us toll-free at 1-800-463-FUND (3863) (English) or 1-800-668-FOND (3663) (French), email us at [funds.investments@rbc.com](mailto:funds.investments@rbc.com) (English) or [fonds.investissements@rbc.com](mailto:fonds.investissements@rbc.com) (French) or ask your dealer.

You can also get copies of this annual information form, the fund facts, the simplified prospectus, management reports of fund performance and the financial statements from the RBC GAM website at [www.rbcgam.com](http://www.rbcgam.com).

These documents and other information about the funds, such as information circulars and material contracts, are also available online at [www.sedar.com](http://www.sedar.com).

### **RBC GLOBAL ASSET MANAGEMENT INC.**

155 Wellington Street West  
Suite 2200  
Toronto, Ontario  
M5V 3K7

Mailing Address:  
P.O. Box 7500, Station A  
Toronto, Ontario  
M5W 1P9

Customer Service: 1-800-463-FUND (3863) (English) or 1-800-668-FOND (3663) (French)

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