



RBC Global  
Asset Management

RBC CORPORATE CLASS FUNDS  
RBC UNDERLYING FUNDS  
RBC REFERENCE FUNDS

# 2014 Semi-Annual Report





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FIXED-INCOME FUND

## RBC SHORT TERM INCOME CLASS

September 30, 2013

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

The Board of Directors of RBC Corporate Class Inc. approved this semi-annual management report of fund performance on November 7, 2013.

### A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

*This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual financial statements or the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at [www.rbcgam.com/funds](http://www.rbcgam.com/funds) or SEDAR at [www.sedar.com](http://www.sedar.com). Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.*



## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

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

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

### Results of Operations

The Fund’s net asset value was \$42 million as of September 30, 2013.

Over the past six months, the Fund’s Series A shares gained 0.3%. The Fund’s return is after the deduction of fees and expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

A steadily, albeit mildly improving economy spurred speculation that the U.S. Federal Reserve (“Fed”) would retreat from its aggressive bond-buying program, which has been aimed at stimulating economic growth. This development, coupled with signs of recovery in Europe and somewhat stronger Chinese economic momentum, led bond yields higher during the period and confirmed for many investors that yields had seen their lows. The increase in yields was not a straight line up, however, as they occasionally dipped amid geopolitical crises in Syria and Egypt and weaker-than-expected economic data in many industrialized nations. Yields on longer-term bonds climbed substantially during the period, while short-term yields increased less on expectations that central banks would not act to raise short-term benchmark rates anytime soon.

The portfolio manager strived to limit exposure to rising bond yields by increasing exposure to floating-rate notes and maintaining significant exposure to investment-grade corporate debt, which generally offers higher yields without adding too much extra risk.

Government bond yields had already started to tick higher by late September, and a higher level of rates is expected once the Fed decides to cut back its pace of monthly bond purchases.

### Recent Developments

Monetary policy in most industrialized nations is still geared to promoting growth and stemming deflationary pressures. Projections for global economic growth have been continually lowered for the current year, and mildly raised for 2014. The portfolio manager believes that rates set by the Bank of Canada will remain unchanged through at least the second half of 2014.

The portfolio manager expects bond yields in Canada and the U.S. to rise over the longer term, although the eventual reduction of Fed bond purchases means that U.S. yields will probably rise more quickly than those in Canada. To navigate an environment of rising interest rates, the Fund will continue to emphasize investments that are less sensitive to rising yields such as cash-like investments, floating-rate notes and investment-grade corporate debt. This positioning should help mitigate the damaging effects of rising government bond yields over the short term.

### Related-Party Transactions

#### *Manager and Portfolio Advisor*

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund’s day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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

#### *Distributors*

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

#### *Custodian*

RBC Investor Services Trust (“RBC IS”) is the custodian and holds the assets of the Fund.

#### *Registrars*

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



***Other Related-Party Transactions***

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

***Related-Party Trading Activities***

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

***Inter-Fund Trading***

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



September 30, 2013

**FINANCIAL HIGHLIGHTS**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

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

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series A</b>												
<b>Sept. 30, 2013</b>	<b>10.07</b>	<b>0.06</b>	<b>(0.03)</b>	–	–	<b>0.03</b>	–	–	–	–	–	<b>10.10</b>
Mar. 31, 2013	10.01	0.12	(0.06)	–	–	0.06	–	–	–	–	–	10.07
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.02	(0.02)	–	–	–	–	–	–	–	–	10.01
<b>Advisor Series</b>												
<b>Sept. 30, 2013</b>	<b>10.06</b>	<b>0.06</b>	<b>(0.03)</b>	–	–	<b>0.03</b>	–	–	–	–	–	<b>10.09</b>
Mar. 31, 2013	10.00	0.14	(0.07)	–	–	0.07	–	–	–	–	–	10.06
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.03	(0.03)	–	–	–	–	–	–	–	–	10.00
<b>Series H</b>												
<b>Sept. 30, 2013</b>	<b>10.08</b>	<b>0.06</b>	<b>(0.03)</b>	–	–	<b>0.03</b>	–	–	–	–	–	<b>10.11</b>
Mar. 31, 2013 <sup>4</sup>	10.02 <sup>†</sup>	0.07	(0.04)	–	–	0.03	–	–	–	–	–	10.08
<b>Series D</b>												
<b>Sept. 30, 2013</b>	<b>10.07</b>	<b>0.06</b>	<b>(0.03)</b>	–	–	<b>0.03</b>	–	–	–	–	–	<b>10.10</b>
Mar. 31, 2013	10.00	0.13	(0.06)	–	–	0.07	–	–	–	–	–	10.07
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.02	(0.02)	–	–	–	–	–	–	–	–	10.00
<b>Series F</b>												
<b>Sept. 30, 2013</b>	<b>10.07</b>	<b>0.06</b>	<b>(0.03)</b>	–	–	<b>0.03</b>	–	–	–	–	–	<b>10.11</b>
Mar. 31, 2013	10.01	0.15	(0.06)	–	–	0.09	–	–	–	–	–	10.07
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.04	(0.03)	–	–	0.01	–	–	–	–	–	10.01
<b>Series I</b>												
<b>Sept. 30, 2013</b>	<b>10.06</b>	<b>0.06</b>	<b>(0.02)</b>	–	–	<b>0.04</b>	–	–	–	–	–	<b>10.11</b>
Mar. 31, 2013 <sup>4</sup>	10.03 <sup>†</sup>	0.06	(0.03)	–	–	0.03	–	–	–	–	–	10.06
<b>Series O</b>												
<b>Sept. 30, 2013</b>	<b>10.14</b>	<b>0.06</b>	–	–	–	<b>0.06</b>	–	–	–	–	–	<b>10.20</b>
Mar. 31, 2013	10.02	0.17	(0.01)	–	–	0.16	–	–	–	–	–	10.14
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.04	(0.02)	–	–	0.02	–	–	–	–	–	10.02

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

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

<sup>3</sup> From January 1, 2012.

<sup>4</sup> From July 9, 2012.

<sup>†</sup> Initial offering net asset value per mutual fund share.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Ratios and Supplemental Data**

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series A</b>							
<b>Sept. 30, 2013</b>	<b>10.10</b>	<b>24 386</b>	<b>2 415</b>	<b>0.62</b>	<b>0.63</b>	<b>55.91</b>	—
Mar. 31, 2013	10.07	28 770	2 857	0.62	0.63	42.86	—
Mar. 31, 2012 <sup>4</sup>	10.01	4 488	449	0.63	0.63	18.51	—
<b>Advisor Series</b>							
<b>Sept. 30, 2013</b>	<b>10.09</b>	<b>1 783</b>	<b>177</b>	<b>0.67</b>	<b>0.68</b>	<b>55.91</b>	—
Mar. 31, 2013	10.06	1 570	156	0.67	0.68	42.86	—
Mar. 31, 2012 <sup>4</sup>	10.00	1 200	120	0.69	0.69	18.51	—
<b>Series H</b>							
<b>Sept. 30, 2013</b>	<b>10.11</b>	<b>11 335</b>	<b>1 121</b>	<b>0.51</b>	<b>0.52</b>	<b>55.91</b>	—
Mar. 31, 2013 <sup>5</sup>	10.08	14 809	1 470	0.53	0.54	42.86	—
<b>Series D</b>							
<b>Sept. 30, 2013</b>	<b>10.10</b>	<b>432</b>	<b>43</b>	<b>0.62</b>	<b>0.63</b>	<b>55.91</b>	—
Mar. 31, 2013	10.07	401	40	0.61	0.62	42.86	—
Mar. 31, 2012 <sup>4</sup>	10.00	81	8	0.63	0.63	18.51	—
<b>Series F</b>							
<b>Sept. 30, 2013</b>	<b>10.11</b>	<b>738</b>	<b>73</b>	<b>0.57</b>	<b>0.58</b>	<b>55.91</b>	—
Mar. 31, 2013	10.07	769	76	0.56	0.57	42.86	—
Mar. 31, 2012 <sup>4</sup>	10.01	677	68	0.58	0.58	18.51	—
<b>Series I</b>							
<b>Sept. 30, 2013</b>	<b>10.11</b>	<b>1</b>	<b>—</b>	<b>0.38</b>	<b>0.39</b>	<b>55.91</b>	—
Mar. 31, 2013 <sup>5</sup>	10.06	1	—	0.46	0.47	42.86	—
<b>Series O</b>							
<b>Sept. 30, 2013</b>	<b>10.20</b>	<b>3 648</b>	<b>358</b>	<b>0.05</b>	<b>0.06</b>	<b>55.91</b>	—
Mar. 31, 2013	10.14	2 791	275	0.06	0.07	42.86	—
Mar. 31, 2012 <sup>4</sup>	10.02	2 653	265	0.11	0.11	18.51	—

<sup>1</sup> The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

<sup>4</sup> From January 1, 2012.

<sup>5</sup> From July 9, 2012.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated up to the annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	0.75%	33%	67%
Advisor Series	0.75%	33%	67%
Series H	0.60%	17%	83%
Series D	0.60%	20%	80%
Series F	0.50%	—	100%
Series I	0.40%	—	100%

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

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

**PAST PERFORMANCE**

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

**Year-by-Year Returns (%)**

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year or interim period.





September 30, 2013

**PAST PERFORMANCE (cont.)**

Series 0 <sup>1</sup>		
40%		
20%		
0%	1.2%	0.6%
-20%		
-40%		
	Mar 2013	Sep 2013

<sup>1</sup> Inception date January 1, 2012.

<sup>2</sup> Inception date July 9, 2012.

For the 12-month periods ended March 31 and the six-month period ended September 30, 2013.

**SUMMARY OF INVESTMENT PORTFOLIO**

(after consideration of derivative products, if any)

As at September 30, 2013

**Investment Mix**

	% of Net Asset Value
Commercial Paper	62.1
Bankers Acceptances and Bank Obligations	30.1
Provincial Obligations	7.6
Cash/Other	0.2

**Top 25 Holdings\***

	% of Net Asset Value
King Street Funding Trust 1.155% Oct 4 13	4.5
JPMorgan Chase & Co. 1.249% Feb 26 14	3.6
Bank of Nova Scotia 1.250% Oct 25 13	3.3
Canadian Imperial Bank of Commerce 1.310% May 16 14	3.1
National Bank of Canada 1.280% Jan 8 14	2.3
Province of Nova Scotia 1.295% Dec 3 13	2.0
SOUND Trust 1.191% Nov 1 13	2.0
Bay Street Funding Trust - Class A 1.159% Oct 10 13	1.8
Ridge Trust 1.095% Oct 3 13	1.6
Reliant Trust 1.169% Oct 25 13	1.6
Canadian Imperial Bank of Commerce 1.221% Dec 9 13	1.5
HSBC Bank Canada 1.220% Feb 3 14	1.5
National Bank of Canada 1.209% Jan 14 14	1.5
Merit Trust - Senior Notes 1.300% Jan 13 14	1.5
Zeus Receivables Trust - Senior Notes 1.280% Oct 28 13	1.5
HSBC Bank Canada 1.221% Feb 6 14	1.4
Prime Trust - Senior Notes 1.300% Jan 13 14	1.4
Reliant Trust 1.300% Jan 21 14	1.2
Prime Trust - Senior Notes 1.199% Dec 23 13	1.2
Province of Nova Scotia 1.049% Dec 9 13	1.2
Darwin Receivables Trust - Senior Notes 1.169% Oct 25 13	1.2
Bank of Montreal 1.250% Mar 3 14	1.2
Ridge Trust 1.191% Nov 7 13	1.2
Canadian Imperial Bank of Commerce 1.270% Mar 4 14	1.1
Province of Ontario 1.081% Oct 2 13	1.1
<b>Top 25 Holdings</b>	<b>45.5</b>

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

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/funds](http://www.rbcgam.com/funds).

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



FIXED-INCOME FUND

## RBC BOND CAPITAL CLASS

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September 30, 2013

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

The Board of Directors of RBC Corporate Class Inc. approved this semi-annual management report of fund performance on November 7, 2013.

### A Note on Forward-looking Statements

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Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

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*This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual financial statements or the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at [www.rbcgam.com/funds](http://www.rbcgam.com/funds) or SEDAR at [www.sedar.com](http://www.sedar.com). Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.*





## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

The Fund seeks to provide long-term total returns consisting of income and moderate capital growth through exposure primarily to high-quality fixed-income securities issued by Canadian governments and corporations. The Fund may also provide exposure to similar securities outside of Canada.

To achieve its investment objective, the Fund invests most of its assets in the RBC Bond Fund LP (the "underlying fund"). The underlying fund may enter into one or more forward contracts linked to the performance of the RBC Bond Trust (the "reference fund"). The Fund may also invest in fixed-income securities or units of the reference fund. The return of the underlying fund will depend on the return of the reference fund. The portfolio manager of the reference fund uses a disciplined approach to assess opportunities linked to the overall direction of interest rates in Canada, the U.S. and other major economies; expected changes in interest-rate spreads between different segments of the bond market; and anticipated changes in interest-rate spreads associated with a change in individual credit ratings or quality perceptions.

### Results of Operations

The Fund was launched on October 31, 2012, and its net asset value was \$19 million as of September 30, 2013. Investment performance is not provided for a fund that has been available for less than one year.

### Recent Developments

The U.S. Federal Reserve's surprise decision in mid-September to delay a reduction in economic stimulus suggests that policymakers are awaiting additional improvement in the economy before proceeding. The portfolio manager still believes that bond yields will continue to rise, albeit at a slower pace than previously expected.

The volatility in fixed-income markets has caused some short-term losses but provided opportunities for the Fund to accumulate attractively priced assets. With bond yields expected to increase gradually over the next year, the portfolio manager will be adjusting the portfolio's holdings to protect against losses tied to interest-rate sensitivity. Assuming that economic conditions in the U.S. and Canada do not deteriorate, corporate and emerging-market bonds should outperform government bonds over the next year. The Fund will maintain a preference for non-government bonds, with diversified investments and currency trading expected to enhance returns.

As set out above, the Fund currently invests its assets in units of the underlying fund. The underlying fund enters into forward agreements to gain exposure to the investment returns of the reference fund, which returns are treated as capital gains instead of income for tax purposes (the "tax treatment").

The Canadian government's 2013 federal budget included a proposal to eliminate the capital gains tax treatment associated with such forward agreements. Based on grandfathering rules announced by the Department of Finance on July 11, 2013, RBC GAM expects that the 2013 budget proposal will not affect the tax treatment of the forward agreements used by the Fund prior to 2015, provided the forward agreements stay within certain growth limits and settle prior to 2015. During the transition period, the Fund is expected to continue to operate in the same manner as prior to the budget announcement and the forward agreements should continue to receive the same tax treatment they received prior to the budget announcement. In the interim, effective April 2, 2013, RBC GAM capped further investments in the Fund.

### Related-Party Transactions

#### *Manager and Portfolio Advisor*

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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

#### *Distributors*

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

#### *Custodian*

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

#### *Registrars*

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



***Other Related-Party Transactions***

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

***Related-Party Trading Activities***

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

***Inter-Fund Trading***

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



September 30, 2013

**FINANCIAL HIGHLIGHTS**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

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

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series A</b>												
<b>Sept. 30, 2013</b>	<b>10.09</b>	–	<b>(0.06)</b>	<b>(0.01)</b>	<b>(0.23)</b>	<b>(0.30)</b>	–	–	–	–	–	<b>9.74</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.05)	–	0.15	0.10	–	–	–	–	–	10.09
<b>Advisor Series</b>												
<b>Sept. 30, 2013</b>	<b>10.09</b>	–	<b>(0.06)</b>	<b>(0.01)</b>	<b>(0.23)</b>	<b>(0.30)</b>	–	–	–	–	–	<b>9.74</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.05)	–	0.15	0.10	–	–	–	–	–	10.09
<b>Series H</b>												
<b>Sept. 30, 2013</b>	<b>10.10</b>	–	<b>(0.05)</b>	<b>(0.01)</b>	<b>(0.23)</b>	<b>(0.29)</b>	–	–	–	–	–	<b>9.76</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.05)	–	0.14	0.09	–	–	–	–	–	10.10
<b>Series D</b>												
<b>Sept. 30, 2013</b>	<b>10.11</b>	–	<b>(0.04)</b>	<b>(0.01)</b>	<b>(0.23)</b>	<b>(0.28)</b>	–	–	–	–	–	<b>9.78</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.03)	–	0.15	0.12	–	–	–	–	–	10.11
<b>Series F</b>												
<b>Sept. 30, 2013</b>	<b>10.12</b>	–	<b>(0.03)</b>	<b>(0.01)</b>	<b>(0.23)</b>	<b>(0.27)</b>	–	–	–	–	–	<b>9.80</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.03)	–	0.14	0.11	–	–	–	–	–	10.12
<b>Series I</b>												
<b>Sept. 30, 2013</b>	<b>10.12</b>	–	<b>(0.02)</b>	<b>(0.01)</b>	<b>(0.23)</b>	<b>(0.26)</b>	–	–	–	–	–	<b>9.81</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.02)	–	0.17	0.15	–	–	–	–	–	10.12
<b>Series O</b>												
<b>Sept. 30, 2013</b>	<b>10.14</b>	–	–	<b>(0.01)</b>	<b>(0.23)</b>	<b>(0.24)</b>	–	–	–	–	–	<b>9.85</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	–	–	–	0.17	0.17	–	–	–	–	–	10.14

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

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

<sup>3</sup> From October 31, 2012.

<sup>†</sup> Initial offering net asset value per mutual fund share.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Ratios and Supplemental Data**

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series A</b>							
<b>Sept. 30, 2013</b>	<b>9.74</b>	<b>4 765</b>	<b>489</b>	<b>1.23</b>	<b>1.24</b>	<b>26.56</b>	—
Mar. 31, 2013 <sup>4</sup>	10.09	7 609	754	1.25	1.25	4.70	—
<b>Advisor Series</b>							
<b>Sept. 30, 2013</b>	<b>9.74</b>	<b>695</b>	<b>71</b>	<b>1.25</b>	<b>1.26</b>	<b>26.56</b>	—
Mar. 31, 2013 <sup>4</sup>	10.09	810	80	1.25	1.25	4.70	—
<b>Series H</b>							
<b>Sept. 30, 2013</b>	<b>9.76</b>	<b>2 971</b>	<b>304</b>	<b>1.05</b>	<b>1.06</b>	<b>26.56</b>	—
Mar. 31, 2013 <sup>4</sup>	10.10	4 096	406	1.07	1.07	4.70	—
<b>Series D</b>							
<b>Sept. 30, 2013</b>	<b>9.78</b>	<b>104</b>	<b>11</b>	<b>0.83</b>	<b>0.84</b>	<b>26.56</b>	—
Mar. 31, 2013 <sup>4</sup>	10.11	107	11	0.79	0.79	4.70	—
<b>Series F</b>							
<b>Sept. 30, 2013</b>	<b>9.80</b>	<b>706</b>	<b>72</b>	<b>0.61</b>	<b>0.62</b>	<b>26.56</b>	—
Mar. 31, 2013 <sup>4</sup>	10.12	877	87	0.62	0.62	4.70	—
<b>Series I</b>							
<b>Sept. 30, 2013</b>	<b>9.81</b>	<b>1</b>	—	<b>0.50</b>	<b>0.51</b>	<b>26.56</b>	—
Mar. 31, 2013 <sup>4</sup>	10.12	1	—	0.52	0.52	4.70	—
<b>Series O</b>							
<b>Sept. 30, 2013</b>	<b>9.85</b>	<b>9 406</b>	<b>955</b>	<b>0.07</b>	<b>0.08</b>	<b>26.56</b>	—
Mar. 31, 2013 <sup>4</sup>	10.14	9 631	950	0.05	0.05	4.70	—

<sup>1</sup> The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

<sup>4</sup> From October 31, 2012.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.00%	50%	50%
Advisor Series	1.00%	50%	50%
Series H	0.90%	56%	44%
Series D	0.65%	23%	77%
Series F	0.50%	—	100%
Series I	0.40%	—	100%

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

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

**PAST PERFORMANCE**

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

**SUMMARY OF INVESTMENT PORTFOLIO**

(after consideration of derivative products, if any)  
As at September 30, 2013

**Investment Mix**

	% of Net Asset Value
Corporate Bonds	43.6
Provincial/Municipal Bonds	40.0
Federal Bonds	5.8
High Yield Bonds	2.7
Emerging Market Bonds	2.5
Foreign Bonds	2.1
Cash/Other	3.3

**Top 25 Holdings\***

	% of Net Asset Value
<b>Long Positions</b>	
Province of Ontario 2.850% Jun 2 23	3.9
Province of Ontario 1.900% Sep 8 17	2.7
Province of Ontario 4.200% Jun 2 20	2.4
Cash & Cash Equivalents	2.2
Province of Ontario 4.650% Jun 2 41	2.2
Canada Housing Trust No. 1 3.350% Dec 15 20	2.0
Province of Ontario 3.500% Jun 2 43	2.0
Province of Ontario 6.500% Mar 8 29	1.9
Province of Quebec 3.000% Sep 1 23	1.8
Province of Ontario 3.150% Jun 2 22	1.6
Province of Ontario 4.600% Jun 2 39	1.5
Province of Ontario 2.100% Sep 8 18	1.4
Province of Ontario 4.400% Jun 2 19	1.3
Province of Quebec 5.000% Dec 1 41	1.2
Province of Ontario 4.000% Jun 2 21	1.2
Province of Ontario 4.300% Mar 8 17	1.2
Province of Ontario 4.700% Jun 2 37	1.1
Government of Canada 1.500% Jun 1 23	1.0
Canadian Imperial Bank of Commerce 2.220% Mar 7 18	1.0
BlueBay Emerging Markets Corporate Bond Fund	0.9
Canada Housing Trust No. 1 2.650% Mar 15 22	0.9
Province of Quebec 4.250% Dec 1 43	0.9
Government of Canada 3.500% Jun 1 20	0.8
<b>Total</b>	<b>37.1</b>

**Short Positions**

United States 10-Year Note Future, December 2013	(4.5)
United States 5-Year Note Future, December 2013	(1.6)
<b>Total</b>	<b>(6.1)</b>

\* The Fund invests substantially all of its assets directly in the RBC Bond LP which obtains exposure to the RBC Bond Trust by entering into one or more forward contracts. The above are the Top 25 holdings of the RBC Bond Trust.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/funds](http://www.rbcgam.com/funds).

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



FIXED-INCOME FUND

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

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September 30, 2013

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

The Board of Directors of RBC Corporate Class Inc. approved this semi-annual management report of fund performance on November 7, 2013.

**A Note on Forward-looking Statements**

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

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## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

The Fund seeks to provide stability of capital through exposure primarily to a well-diversified portfolio of fixed-income securities issued by Canadian governments and corporations.

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

### Results of Operations

The Fund's net asset value was \$283 million as of September 30, 2013.

Over the past six months, the Fund's Series A shares lost 2.8%. The Fund's return is after the deduction of fees and expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

The Fund began the period positioned such that it would be less susceptible to the negative effect of rising interest rates on bond prices. Rates did, in fact, rise substantially after the U.S. Federal Reserve suggested that it might begin as early as the fall to scale back bond purchases aimed at stimulating the economy. The Fund's relative performance benefited from this strategy and somewhat offset the outright decline in bond prices caused by the rapid rise in rates.

The Fund was overweight both provincial and corporate bonds during the period and these preferences were good for relative performance. The portfolio manager traded between provincial bonds and government-backed securities issued by Canada Housing Trust based on the relative attractiveness of their yields and this tactic aided returns. Premiums on provincial yields have been grinding higher over the past two years, creating compelling yield levels for a relatively low-risk area of the market.

The premium on corporate yields has taken the opposite tack over the past two years, with yields falling relative to benchmark bonds as corporate earnings rose and default rates remained low. Nonetheless, corporate yields have still not fully recovered from the 2008/2009 financial crisis and remain attractive compared with historic levels. The portfolio manager increased the Fund's overall corporate allocation during the period. In the area of high-yield bonds, the Fund's allocation rose to 4% from 3%. High-yield bonds have been strong performers and provide a meaningful boost to the Fund's yield. The portfolio manager's corporate and high-yield strategies were the biggest contributors to relative outperformance.

### Recent Developments

Interest rates increased substantially this spring and summer, catching up with the higher rates implied by steady, if not spectacular, economic growth. The increase in yields made longer-term fixed-income assets more attractive and brought rates closer to fair value and the portfolio manager used this opportunity to increase the Fund's average term to maturity.

Provincial bond premiums remain at their highest levels since the 2009 financial crisis and corporate bonds are attractively priced given current levels of earnings and economic growth. The portfolio manager is cognizant of increasing merger and acquisition activity (Loblaw's proposed purchase of Shoppers Drug Mart, for example) and is therefore reducing exposure to companies that would take on higher levels of debt to finance transactions.

Rising interest rates, while detrimental to short-term performance, are a healthy and welcome development for bond markets over the long run. The Fund's yield is well above the Bank of Canada's 2% inflation target, putting the Fund in a better position to generate levels of income that will preserve investors' purchasing power.

As set out above, the Fund currently invests its assets in units of the underlying fund. The underlying fund enters into forward agreements to gain exposure to the investment returns of the reference fund, which returns are treated as capital gains instead of income for tax purposes (the "tax treatment").

The Canadian government's 2013 federal budget included a proposal to eliminate the capital gains tax treatment associated with such forward agreements. Based on grandfathering rules announced by the Department of Finance on July 11, 2013, RBC GAM expects that the 2013 budget proposal will not affect the tax treatment of the forward agreements used by the Fund prior to 2015, provided the forward agreements stay within certain growth limits and settle prior to 2015. During the transition period, the Fund is expected to continue to operate in the same manner as prior to the budget announcement and the forward agreements should continue to receive the same tax



September 30, 2013

treatment they received prior to the budget announcement. In the interim, effective April 2, 2013, RBC GAM capped further investments in the Fund.

### **Related-Party Transactions**

#### ***Manager and Portfolio Advisor***

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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

#### ***Distributors***

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

#### ***Custodian***

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

#### ***Registrars***

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

#### ***Other Related-Party Transactions***

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

#### ***Related-Party Trading Activities***

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

#### ***Inter-Fund Trading***

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.





September 30, 2013

**FINANCIAL HIGHLIGHTS**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

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

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series A</b>												
<b>Sept. 30, 2013</b>	<b>10.30</b>	–	<b>(0.06)</b>	<b>0.05</b>	<b>(0.28)</b>	<b>(0.29)</b>	–	–	–	–	–	<b>9.90</b>
Mar. 31, 2013	10.00	–	(0.12)	0.01	0.38	0.27	–	–	–	–	–	10.30
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.03)	–	0.03	–	–	–	–	–	–	10.00
<b>Advisor Series</b>												
<b>Sept. 30, 2013</b>	<b>10.30</b>	–	<b>(0.06)</b>	<b>0.05</b>	<b>(0.28)</b>	<b>(0.29)</b>	–	–	–	–	–	<b>9.90</b>
Mar. 31, 2013	10.00	–	(0.12)	0.01	0.37	0.26	–	–	–	–	–	10.30
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.03)	–	0.03	–	–	–	–	–	–	10.00
<b>Series H</b>												
<b>Sept. 30, 2013</b>	<b>10.31</b>	–	<b>(0.05)</b>	<b>0.05</b>	<b>(0.28)</b>	<b>(0.28)</b>	–	–	–	–	–	<b>9.91</b>
Mar. 31, 2013 <sup>4</sup>	10.20 <sup>†</sup>	–	(0.08)	0.01	0.22	0.15	–	–	–	–	–	10.31
<b>Series D</b>												
<b>Sept. 30, 2013</b>	<b>10.38</b>	–	<b>(0.03)</b>	<b>0.05</b>	<b>(0.28)</b>	<b>(0.26)</b>	–	–	–	–	–	<b>10.00</b>
Mar. 31, 2013	10.02	–	(0.06)	0.01	0.35	0.30	–	–	–	–	–	10.38
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.02)	–	0.02	–	–	–	–	–	–	10.02
<b>Series F</b>												
<b>Sept. 30, 2013</b>	<b>10.37</b>	–	<b>(0.03)</b>	<b>0.05</b>	<b>(0.28)</b>	<b>(0.26)</b>	–	–	–	–	–	<b>10.00</b>
Mar. 31, 2013	10.02	–	(0.06)	0.01	0.38	0.33	–	–	–	–	–	10.37
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.02)	–	0.02	–	–	–	–	–	–	10.02
<b>Series I</b>												
<b>Sept. 30, 2013</b>	<b>10.38</b>	–	<b>(0.03)</b>	<b>0.05</b>	<b>(0.28)</b>	<b>(0.26)</b>	–	–	–	–	–	<b>10.01</b>
Mar. 31, 2013 <sup>4</sup>	10.23 <sup>†</sup>	–	(0.04)	0.01	0.22	0.19	–	–	–	–	–	10.38
<b>Series O</b>												
<b>Sept. 30, 2013</b>	<b>10.44</b>	–	–	<b>0.05</b>	<b>(0.28)</b>	<b>(0.23)</b>	–	–	–	–	–	<b>10.10</b>
Mar. 31, 2013	10.03	–	–	0.01	0.39	0.40	–	–	–	–	–	10.44
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.01)	–	0.04	0.03	–	–	–	–	–	10.03

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

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

<sup>3</sup> From January 1, 2012.

<sup>4</sup> From July 9, 2012.

<sup>†</sup> Initial offering net asset value per mutual fund share.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Ratios and Supplemental Data**

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series A</b>							
<b>Sept. 30, 2013</b>	<b>9.90</b>	<b>49 619</b>	<b>5 010</b>	<b>1.17</b>	<b>1.17</b>	<b>29.66</b>	—
Mar. 31, 2013	10.30	77 239	7 497	1.17	1.17	4.46	—
Mar. 31, 2012 <sup>4</sup>	10.00	28 329	2 832	1.23	1.23	—	—
<b>Advisor Series</b>							
<b>Sept. 30, 2013</b>	<b>9.90</b>	<b>36 642</b>	<b>3 701</b>	<b>1.18</b>	<b>1.18</b>	<b>29.66</b>	—
Mar. 31, 2013	10.30	49 935	4 847	1.17	1.17	4.46	—
Mar. 31, 2012 <sup>4</sup>	10.00	15 773	1 577	1.23	1.23	—	—
<b>Series H</b>							
<b>Sept. 30, 2013</b>	<b>9.91</b>	<b>29 159</b>	<b>2 941</b>	<b>1.06</b>	<b>1.06</b>	<b>29.66</b>	—
Mar. 31, 2013 <sup>5</sup>	10.31	48 722	4 726	1.09	1.09	4.46	—
<b>Series D</b>							
<b>Sept. 30, 2013</b>	<b>10.00</b>	<b>7 846</b>	<b>784</b>	<b>0.60</b>	<b>0.60</b>	<b>29.66</b>	—
Mar. 31, 2013	10.38	9 116	879	0.61	0.61	4.46	—
Mar. 31, 2012 <sup>4</sup>	10.02	806	80	0.65	0.65	—	—
<b>Series F</b>							
<b>Sept. 30, 2013</b>	<b>10.00</b>	<b>35 659</b>	<b>3 567</b>	<b>0.63</b>	<b>0.63</b>	<b>29.66</b>	—
Mar. 31, 2013	10.37	62 369	6 014	0.62	0.62	4.46	—
Mar. 31, 2012 <sup>4</sup>	10.02	27 867	2 783	0.66	0.66	—	—
<b>Series I</b>							
<b>Sept. 30, 2013</b>	<b>10.01</b>	<b>14 369</b>	<b>1 436</b>	<b>0.51</b>	<b>0.51</b>	<b>29.66</b>	—
Mar. 31, 2013 <sup>5</sup>	10.38	19 748	1 903	0.52	0.52	4.46	—
<b>Series O</b>							
<b>Sept. 30, 2013</b>	<b>10.10</b>	<b>109 434</b>	<b>10 840</b>	<b>0.06</b>	<b>0.06</b>	<b>29.66</b>	—
Mar. 31, 2013	10.44	131 793	12 620	0.06	0.06	4.46	—
Mar. 31, 2012 <sup>4</sup>	10.03	66 433	6 624	0.08	0.08	—	—

<sup>1</sup> The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

<sup>4</sup> From January 1, 2012.

<sup>5</sup> From July 9, 2012.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.00%	50%	50%
Advisor Series	1.00%	40%	60%
Series H	0.90%	56%	44%
Series D	0.50%	40%	60%
Series F	0.50%	—	100%
Series I	0.40%	—	100%

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

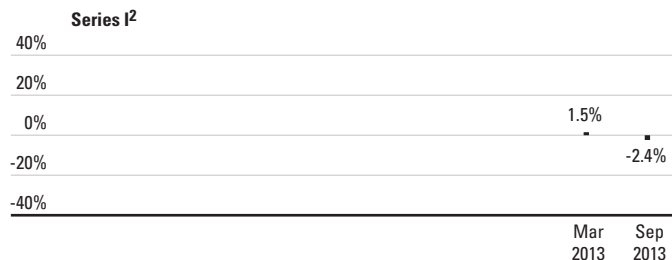
\* Includes all costs related to management, investment advisory services, general administration and profit.

**PAST PERFORMANCE**

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

**Year-by-Year Returns (%)**

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year or interim period.





September 30, 2013

**PAST PERFORMANCE (cont.)**



<sup>1</sup> Inception date January 1, 2012.

<sup>2</sup> Inception date July 9, 2012.

For the 12-month periods ended March 31 and the six-month period ended September 30, 2013.

**SUMMARY OF INVESTMENT PORTFOLIO**

(after consideration of derivative products, if any)

As at September 30, 2013

**Investment Mix**

	% of Net Asset Value
Corporate Bonds	44.4
Provincial/Municipal Bonds	30.0
Federal Bonds	14.1
High Yield Bonds	4.0
Foreign Bonds	2.7
Cash/Other	4.8

**Top 25 Holdings\***

	% of Net Asset Value
Province of Ontario 7.600% Jun 2 27	5.3
Phillips, Hager & North High Yield Bond Fund	4.3
Province of Ontario 3.150% Jun 2 22	4.0
Province of Ontario 5.600% Jun 2 35	3.7
Canada Housing Trust No. 1 4.100% Dec 15 18	3.1
Canada Housing Trust No. 1 3.800% Jun 15 21	2.5
Canada Housing Trust No. 1 1.750% Jun 15 18	2.4
Province of Ontario 8.100% Sep 8 23	2.3
Canada Housing Trust No. 1 2.050% Jun 15 18	2.3
Province of Ontario 2.850% Jun 2 23	2.1
Province of Ontario 4.600% Jun 2 39	2.1
Bank of Nova Scotia 6.000% Oct 3 18	1.7
Province of Ontario 4.650% Jun 2 41	1.5
Royal Bank of Canada 2.680% Dec 8 16	1.4
Cash & Cash Equivalents	1.3
Province of Quebec 6.250% Jun 1 32	1.3
Government of Canada 4.250% Dec 1 21	1.2
Cards II Trust 1.984% Jan 15 16	1.2
Ontario Electricity Financial Corp. 8.250% Jun 22 26	1.1
Province of Ontario 8.500% Dec 2 25	1.1
Canadian Imperial Bank of Commerce 1.750% Jun 1 16	1.0
Province of Ontario 6.500% Mar 8 29	1.0
Bank of Montreal 2.240% Dec 11 17	1.0
Royal Bank of Canada 2.580% Apr 13 17	1.0
Province of Ontario 5.850% Mar 8 33	1.0
<b>Top 25 Holdings</b>	<b>50.9</b>

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

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/funds](http://www.rbcgam.com/funds).

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



FIXED-INCOME FUND

## RBC HIGH YIELD BOND CAPITAL CLASS

September 30, 2013

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

The Board of Directors of RBC Corporate Class Inc. approved this semi-annual management report of fund performance on November 7, 2013.

### A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

*This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual financial statements or the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at [www.rbcgam.com/funds](http://www.rbcgam.com/funds) or SEDAR at [www.sedar.com](http://www.sedar.com). Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.*



## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

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

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

### Results of Operations

The Fund’s net asset value was \$311 million as of September 30, 2013.

Over the past six months, the Fund’s Series A shares lost 0.5%. The Fund’s return is after the deduction of fees and expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

For much of the six-month period, fixed-income returns were hurt by rising U.S. government-bond yields, as a long period of historically low interest rates came to an end. While demand for income, coupled with strong corporate earnings, had supported the high-yield market, yields on higher-yielding securities began to rise in May, following the trend of government bonds. The overall increase in yields came as policymakers at the U.S. Federal Reserve (“Fed”) signaled that they would reduce monetary stimulus sooner than expected if warranted by faster U.S. economic growth. Once the volatility in government yields subsided, high-yield bond prices recovered somewhat and outperformed government and investment-grade bonds amid a generally favourable macroeconomic environment.

The Fund’s cash levels were higher than normal in early April. As yields started to rise in May and June and bond prices started to fall, the portfolio manager took advantage of the increased volatility by selling some of the Fund’s higher-quality Canadian investment-grade names and used the proceeds to buy lower-rated U.S. corporate bonds which had fallen in price. The portfolio manager believed that the strong fundamentals underpinning the high-yield bond market would reassert themselves and allow lower-quality bonds to outperform government bonds once volatility in the government bond market subsided. This is, in fact, what happened.

### Recent Developments

Bond prices have been climbing since the Fed unexpectedly delayed reducing stimulus measures in late September. The reluctance of policymakers to scale back stimulus suggests that they will remain consistent in that regard until the U.S. economy begins to grow faster. However, the low-growth environment should be favourable for corporate bonds as long as company earnings remain strong and corporate-default rates well below historical averages. Yields on high-yield bonds continue to be attractive compared with other fixed-income assets and the portfolio manager continues to look for opportunities to add attractively valued corporate bonds to the Fund.

As set out above, the Fund currently invests its assets in units of the underlying fund. The underlying fund enters into forward agreements to gain exposure to the investment returns of the reference fund, which returns are treated as capital gains instead of income for tax purposes (the “tax treatment”).

The Canadian government’s 2013 federal budget included a proposal to eliminate the capital gains tax treatment associated with such forward agreements. Based on grandfathering rules announced by the Department of Finance on July 11, 2013, RBC GAM expects that the 2013 budget proposal will not affect the tax treatment of the forward agreements used by the Fund prior to 2015, provided the forward agreements stay within certain growth limits and settle prior to 2015. During the transition period, the Fund is expected to continue to operate in the same manner as prior to the budget announcement and the forward agreements should continue to receive the same tax treatment they received prior to the budget announcement. In the interim, effective April 2, 2013, RBC GAM capped further investments in the Fund.

### Related-Party Transactions

#### *Manager and Portfolio Advisor*

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund’s day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.



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

***Distributors***

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

***Custodian***

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

***Registrars***

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

***Other Related-Party Transactions***

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

***Related-Party Trading Activities***

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

***Inter-Fund Trading***

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



September 30, 2013

**FINANCIAL HIGHLIGHTS**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

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

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series A</b>												
<b>Sept. 30, 2013</b>	<b>10.89</b>	–	<b>(0.08)</b>	<b>0.15</b>	<b>(0.12)</b>	<b>(0.05)</b>	–	–	–	–	–	<b>10.51</b>
Mar. 31, 2013	10.12	–	(0.15)	0.02	0.86	0.73	–	–	–	–	–	10.89
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.04)	–	0.17	0.13	–	–	–	–	–	10.12
<b>Advisor Series</b>												
<b>Sept. 30, 2013</b>	<b>10.89</b>	–	<b>(0.08)</b>	<b>0.15</b>	<b>(0.12)</b>	<b>(0.05)</b>	–	–	–	–	–	<b>10.50</b>
Mar. 31, 2013	10.12	–	(0.15)	0.02	0.85	0.72	–	–	–	–	–	10.89
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.04)	–	0.17	0.13	–	–	–	–	–	10.12
<b>Series H</b>												
<b>Sept. 30, 2013</b>	<b>10.90</b>	–	<b>(0.07)</b>	<b>0.15</b>	<b>(0.12)</b>	<b>(0.04)</b>	–	–	–	–	–	<b>10.53</b>
Mar. 31, 2013 <sup>4</sup>	10.33 <sup>†</sup>	–	(0.10)	0.01	0.52	0.43	–	–	–	–	–	10.90
<b>Series D</b>												
<b>Sept. 30, 2013</b>	<b>10.94</b>	–	<b>(0.05)</b>	<b>0.15</b>	<b>(0.12)</b>	<b>(0.02)</b>	–	–	–	–	–	<b>10.58</b>
Mar. 31, 2013	10.13	–	(0.11)	0.02	0.81	0.72	–	–	–	–	–	10.94
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.03)	–	0.17	0.14	–	–	–	–	–	10.13
<b>Series F</b>												
<b>Sept. 30, 2013</b>	<b>10.96</b>	–	<b>(0.05)</b>	<b>0.15</b>	<b>(0.12)</b>	<b>(0.02)</b>	–	–	–	–	–	<b>10.61</b>
Mar. 31, 2013	10.14	–	(0.09)	0.02	0.90	0.83	–	–	–	–	–	10.96
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.03)	–	0.17	0.14	–	–	–	–	–	10.14
<b>Series I</b>												
<b>Sept. 30, 2013</b>	<b>10.97</b>	–	<b>(0.04)</b>	<b>0.15</b>	<b>(0.12)</b>	<b>(0.01)</b>	–	–	–	–	–	<b>10.63</b>
Mar. 31, 2013 <sup>4</sup>	10.36 <sup>†</sup>	–	(0.06)	0.01	0.56	0.51	–	–	–	–	–	10.97
<b>Series O</b>												
<b>Sept. 30, 2013</b>	<b>11.07</b>	–	–	<b>0.15</b>	<b>(0.13)</b>	<b>0.02</b>	–	–	–	–	–	<b>10.76</b>
Mar. 31, 2013	10.16	–	–	0.02	0.89	0.91	–	–	–	–	–	11.07
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.01)	–	0.17	0.16	–	–	–	–	–	10.16

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

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

<sup>3</sup> From January 1, 2012.

<sup>4</sup> From July 9, 2012.

<sup>†</sup> Initial offering net asset value per mutual fund share.





September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Ratios and Supplemental Data**

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series A</b>							
<b>Sept. 30, 2013</b>	<b>10.51</b>	<b>28 358</b>	<b>2 699</b>	<b>1.46</b>	<b>1.46</b>	<b>26.12</b>	—
Mar. 31, 2013	10.89	37 919	3 483	1.45	1.45	3.06	—
Mar. 31, 2012 <sup>4</sup>	10.12	9 600	948	1.52	1.52	—	—
<b>Advisor Series</b>							
<b>Sept. 30, 2013</b>	<b>10.50</b>	<b>40 372</b>	<b>3 844</b>	<b>1.48</b>	<b>1.48</b>	<b>26.12</b>	—
Mar. 31, 2013	10.89	49 483	4 546	1.45	1.45	3.06	—
Mar. 31, 2012 <sup>4</sup>	10.12	13 844	1 368	1.52	1.52	—	—
<b>Series H</b>							
<b>Sept. 30, 2013</b>	<b>10.53</b>	<b>15 896</b>	<b>1 510</b>	<b>1.28</b>	<b>1.28</b>	<b>26.12</b>	—
Mar. 31, 2013 <sup>5</sup>	10.90	19 458	1 785	1.31	1.31	3.06	—
<b>Series D</b>							
<b>Sept. 30, 2013</b>	<b>10.58</b>	<b>5 165</b>	<b>488</b>	<b>1.03</b>	<b>1.03</b>	<b>26.12</b>	—
Mar. 31, 2013	10.94	5 892	539	1.08	1.08	3.06	—
Mar. 31, 2012 <sup>4</sup>	10.13	490	48	1.12	1.12	—	—
<b>Series F</b>							
<b>Sept. 30, 2013</b>	<b>10.61</b>	<b>20 787</b>	<b>1 960</b>	<b>0.91</b>	<b>0.91</b>	<b>26.12</b>	—
Mar. 31, 2013	10.96	29 373	2 680	0.89	0.89	3.06	—
Mar. 31, 2012 <sup>4</sup>	10.14	11 822	1 166	0.95	0.95	—	—
<b>Series I</b>							
<b>Sept. 30, 2013</b>	<b>10.63</b>	<b>11 720</b>	<b>1 103</b>	<b>0.74</b>	<b>0.74</b>	<b>26.12</b>	—
Mar. 31, 2013 <sup>5</sup>	10.97	15 732	1 434	0.75	0.75	3.06	—
<b>Series O</b>							
<b>Sept. 30, 2013</b>	<b>10.76</b>	<b>188 370</b>	<b>17 503</b>	<b>0.06</b>	<b>0.06</b>	<b>26.12</b>	—
Mar. 31, 2013	11.07	228 649	20 649	0.06	0.06	3.06	—
Mar. 31, 2012 <sup>4</sup>	10.16	92 253	9 084	0.09	0.09	—	—

<sup>1</sup> The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

<sup>4</sup> From January 1, 2012.

<sup>5</sup> From July 9, 2012.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.25%	40%	60%
Advisor Series	1.25%	40%	60%
Series H	1.10%	45%	55%
Series D	0.90%	17%	83%
Series F	0.75%	–	100%
Series I	0.60%	–	100%

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

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

**PAST PERFORMANCE**

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

**Year-by-Year Returns (%)**

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year or interim period.





September 30, 2013

**PAST PERFORMANCE (cont.)**



<sup>1</sup> Inception date January 1, 2012.

<sup>2</sup> Inception date July 9, 2012.

For the 12-month periods ended March 31 and the six-month period ended September 30, 2013.

**SUMMARY OF INVESTMENT PORTFOLIO**

(after consideration of derivative products, if any)

As at September 30, 2013

**Investment Mix**

	% of Net Asset Value
United States	66.3
Canada	18.8
Luxembourg	3.1
Japan	1.0
Singapore	0.8
Netherlands	0.7
United Kingdom	0.7
Australia	0.7
Spain	0.3
Cash/Other	7.6

**Top 25 Holdings\***

	% of Net Asset Value
Cash & Cash Equivalents	6.6
DISH DBS Corp. 7.875% Sep 1 19	1.9
Ball Corp. 5.750% May 15 21	1.9
Videotron Ltd. 6.875% Jul 15 21	1.8
ArcelorMittal USD 9.850% Jun 1 19	1.8
Concho Resources Inc. 7.000% Jan 15 21	1.7
MetroPCS Wireless Inc. 6.625% Apr 1 23	1.7
The AES Corp. 8.000% Oct 15 17	1.7
Rite Aid Corp. 8.000% Aug 15 20	1.6
Smithfield Foods Inc. 6.625% Aug 15 22	1.6
Softbank Corp. USD 4.500% Apr 15 20	1.6
NRG Energy Inc. 7.875% May 15 21	1.6
Quebecor Media Inc. 7.375% Jan 15 21	1.5
Hawk Acquisition Sub Inc. 4.250% Oct 15 20	1.5
Intelsat Jackson Holdings S.A. USD 7.250% Apr 1 19	1.4
Reynolds Group Issuer Inc. 6.875% Feb 15 21	1.4
Qwest Corp. 6.750% Dec 1 21	1.3
Continental Resources Inc. 7.125% Apr 1 21	1.3
Ford Credit Canada Ltd. 7.500% Aug 18 15	1.3
Bombardier Inc. USD 7.750% Mar 15 20	1.3
Access Midstream Partners LP 4.875% May 15 23	1.3
Denbury Resources Inc. 8.250% Feb 15 20	1.2
Prestige Brands Inc. 8.250% Apr 1 18	1.2
Beazer Homes USA Inc. 6.625% Apr 15 18	1.2
HDTFS Inc. 6.250% Oct 15 22	1.2
<b>Top 25 Holdings</b>	<b>42.6</b>

\* The Fund invests substantially all of its assets directly in the RBC High Yield Bond LP which obtains exposure to the RBC High Yield Bond Trust by entering into one or more forward contracts. The above are the Top 25 holdings of the RBC High Yield Bond Trust.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/funds](http://www.rbcgam.com/funds).

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



BALANCED FUND

**PHILLIPS, HAGER & NORTH  
MONTHLY INCOME CLASS**

September 30, 2013

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

The Board of Directors of RBC Corporate Class Inc. approved this semi-annual management report of fund performance on November 7, 2013.

**A Note on Forward-looking Statements**

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

*This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual financial statements or the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at [www.rbcgam.com/funds](http://www.rbcgam.com/funds) or SEDAR at [www.sedar.com](http://www.sedar.com). Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.*



## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

The Fund seeks to provide monthly income that may consist of dividend income, interest income, realized capital gains and return of capital. The Fund will also have the potential to provide modest capital growth. The Fund primarily invests in a well diversified balanced portfolio of income-producing equity securities, including, but not limited to, common shares of dividend-paying Canadian companies and income trusts. The Fund may also invest in fixed-income securities such as preferred shares, government and corporate bonds, debentures and notes, asset-backed commercial paper, mortgage-backed securities and other income-generating securities.

The Fund's target weightings for each asset class are 50% for fixed income and 50% for equities. The target weightings for each asset class may be adjusted based on changes in the market outlook for each asset class.

To achieve its investment objective, the Fund invests most of its assets in the Phillips, Hager & North Monthly Income Fund and/or a combination of other mutual funds managed by RBC GAM (underlying funds). The underlying funds invest in income-producing equity securities, fixed-income securities, and may also hold income-generating securities such as convertible bonds and convertible preferred shares.

### Results of Operations

The Fund was launched on October 31, 2012, and its net asset value was \$78 million as of September 30, 2013. Investment performance is not provided for a fund that has been available for less than one year.

### Recent Developments

The recent rise in the overall level of interest rates brought them to levels that the portfolio manager believes more closely reflect the economic environment and has therefore increased the Fund's exposure to longer-term maturities. The Fund's overweight positions in corporate bonds and provincial bonds remain in place.

The portfolio manager considers the Fund well positioned for the possibility of rising rates. The portfolio manager's strategy has been focused on building a portfolio around companies that are increasing their free cash flow and dividends, and ones that have meaningful exposure to a recovering economy. The portfolio manager feels that the combination of relatively high income and growth will benefit investors regardless of a moderate near-term change in interest rates.

For much of the stock rally since 2009, earnings growth has been the key driver of equity-market returns. The portfolio manager is now starting to see earnings growth slow, and the most recent leg of the rally has been paced by expanding valuations as investor risk appetite returns to normal levels. Four years following the financial crisis, corporate earnings are back near their historical trend, and higher valuations mean that we may be transitioning to an environment that is consistent with lower total returns.

### Related-Party Transactions

#### *Manager and Portfolio Advisor*

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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

#### *Distributors*

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are the principal distributors of, or distribute certain series of the mutual fund shares of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, Advisor T5 Series, Series T5, Series H and Series D mutual fund shares.

#### *Custodian*

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

#### *Registrars*

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



***Other Related-Party Transactions***

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

***Related-Party Trading Activities***

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

***Inter-Fund Trading***

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



September 30, 2013

**FINANCIAL HIGHLIGHTS**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

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

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series A</b>												
<b>Sept. 30, 2013</b>	<b>10.43</b>	<b>0.26</b>	<b>(0.03)</b>	–	<b>(0.15)</b>	<b>0.08</b>	–	–	–	–	–	<b>10.42</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.26	(0.04)	0.02	0.35	0.59	–	(0.01)	–	–	(0.01)	10.43
<b>Advisor Series</b>												
<b>Sept. 30, 2013</b>	<b>10.43</b>	<b>0.26</b>	<b>(0.01)</b>	–	<b>(0.15)</b>	<b>0.10</b>	–	–	–	–	–	<b>10.42</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.21	(0.01)	0.01	0.28	0.49	–	(0.01)	–	–	(0.01)	10.43
<b>Advisor T5 Series</b>												
<b>Sept. 30, 2013</b>	<b>10.26</b>	<b>0.26</b>	<b>(0.02)</b>	–	<b>(0.15)</b>	<b>0.09</b>	–	<b>(0.25)</b>	–	–	<b>(0.25)</b>	<b>9.97</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.20	(0.01)	0.01	0.27	0.47	–	(0.07)	–	(0.14)	(0.21)	10.26
<b>Series T5</b>												
<b>Sept. 30, 2013</b>	<b>10.26</b>	<b>0.25</b>	<b>(0.02)</b>	–	<b>(0.15)</b>	<b>0.08</b>	–	<b>(0.25)</b>	–	–	<b>(0.25)</b>	<b>9.96</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.24	(0.01)	0.01	0.33	0.57	–	(0.07)	–	(0.14)	(0.21)	10.26
<b>Series H</b>												
<b>Sept. 30, 2013</b>	<b>10.44</b>	<b>0.26</b>	<b>(0.01)</b>	–	<b>(0.15)</b>	<b>0.10</b>	–	–	–	–	–	<b>10.43</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.21	(0.01)	0.01	0.29	0.50	–	(0.01)	–	–	(0.01)	10.44
<b>Series D</b>												
<b>Sept. 30, 2013</b>	<b>10.47</b>	<b>0.27</b>	–	–	<b>(0.15)</b>	<b>0.12</b>	–	–	–	–	–	<b>10.51</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.20	–	0.01	0.27	0.48	–	(0.01)	–	–	(0.01)	10.47
<b>Series F</b>												
<b>Sept. 30, 2013</b>	<b>10.48</b>	<b>0.27</b>	–	–	<b>(0.15)</b>	<b>0.12</b>	–	–	–	–	–	<b>10.53</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.37	–	0.02	0.51	0.90	–	(0.01)	–	–	(0.01)	10.48
<b>Series FT5</b>												
<b>Sept. 30, 2013</b>	<b>10.31</b>	<b>0.26</b>	–	–	<b>(0.15)</b>	<b>0.11</b>	–	<b>(0.25)</b>	–	–	<b>(0.25)</b>	<b>10.07</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.30	–	0.02	0.40	0.72	–	(0.08)	–	(0.13)	(0.21)	10.31
<b>Series I</b>												
<b>Sept. 30, 2013</b>	<b>10.49</b>	<b>0.27</b>	–	–	<b>(0.15)</b>	<b>0.12</b>	–	–	–	–	–	<b>10.55</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.21	–	0.01	0.28	0.50	–	(0.01)	–	–	(0.01)	10.49

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

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

<sup>3</sup> From October 31, 2012.

<sup>†</sup> Initial offering net asset value per mutual fund share.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Ratios and Supplemental Data**

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series A</b>							
<b>Sept. 30, 2013</b>	<b>10.42</b>	<b>27 010</b>	<b>2 592</b>	<b>1.97</b>	<b>1.97</b>	<b>16.48</b>	<b>0.27</b>
Mar. 31, 2013 <sup>4</sup>	10.43	20 548	1 971	1.98	1.98	8.43	0.27
<b>Advisor Series</b>							
<b>Sept. 30, 2013</b>	<b>10.42</b>	<b>7 614</b>	<b>731</b>	<b>1.98</b>	<b>1.98</b>	<b>16.48</b>	<b>0.27</b>
Mar. 31, 2013 <sup>4</sup>	10.43	4 497	431	1.98	1.98	8.43	0.27
<b>Advisor T5 Series</b>							
<b>Sept. 30, 2013</b>	<b>9.97</b>	<b>12 149</b>	<b>1 219</b>	<b>1.90</b>	<b>1.90</b>	<b>16.48</b>	<b>0.27</b>
Mar. 31, 2013 <sup>4</sup>	10.26	9 975	976	1.97	1.97	8.43	0.27
<b>Series T5</b>							
<b>Sept. 30, 2013</b>	<b>9.96</b>	<b>13 936</b>	<b>1 399</b>	<b>1.95</b>	<b>1.95</b>	<b>16.48</b>	<b>0.27</b>
Mar. 31, 2013 <sup>4</sup>	10.26	8 989	880	1.98	1.98	8.43	0.27
<b>Series H</b>							
<b>Sept. 30, 2013</b>	<b>10.43</b>	<b>10 845</b>	<b>1 040</b>	<b>1.82</b>	<b>1.82</b>	<b>16.48</b>	<b>0.27</b>
Mar. 31, 2013 <sup>4</sup>	10.44	7 900	758	1.84	1.84	8.43	0.27
<b>Series D</b>							
<b>Sept. 30, 2013</b>	<b>10.51</b>	<b>3 164</b>	<b>301</b>	<b>1.10</b>	<b>1.10</b>	<b>16.48</b>	<b>0.27</b>
Mar. 31, 2013 <sup>4</sup>	10.47	2 241	214	1.13	1.13	8.43	0.27
<b>Series F</b>							
<b>Sept. 30, 2013</b>	<b>10.53</b>	<b>884</b>	<b>84</b>	<b>0.84</b>	<b>0.84</b>	<b>16.48</b>	<b>0.27</b>
Mar. 31, 2013 <sup>4</sup>	10.48	811	77	0.85	0.85	8.43	0.27
<b>Series FT5</b>							
<b>Sept. 30, 2013</b>	<b>10.07</b>	<b>1 337</b>	<b>133</b>	<b>0.87</b>	<b>0.87</b>	<b>16.48</b>	<b>0.27</b>
Mar. 31, 2013 <sup>4</sup>	10.31	595	58	0.85	0.85	8.43	0.27
<b>Series I</b>							
<b>Sept. 30, 2013</b>	<b>10.55</b>	<b>624</b>	<b>59</b>	<b>0.70</b>	<b>0.70</b>	<b>16.48</b>	<b>0.27</b>
Mar. 31, 2013 <sup>4</sup>	10.49	608	58	0.70	0.70	8.43	0.27

<sup>1</sup> The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

<sup>4</sup> From October 31, 2012.





September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.65%	61%	39%
Advisor Series	1.65%	61%	39%
Advisor T5 Series	1.65%	61%	39%
Series T5	1.65%	61%	39%
Series H	1.50%	67%	33%
Series D	0.90%	28%	72%
Series F	0.65%	—	100%
Series FT5	0.65%	—	100%
Series I	0.50%	—	100%

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

**PAST PERFORMANCE**

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

**SUMMARY OF INVESTMENT PORTFOLIO**

(after consideration of derivative products, if any)

As at September 30, 2013

**Investment Mix**

	% of Net Asset Value
Canadian Equities	50.2
Bonds	34.3
Preferred Equities	5.0
Cash/Other	10.5

**Top 25 Holdings\***

	% of Net Asset Value
RBC High Yield Bond Fund	7.7
Phillips, Hager & North High Yield Bond Fund	4.6
Bank of Nova Scotia	4.4
Royal Bank of Canada	4.3
Toronto-Dominion Bank	3.6
Government of Canada 1.000% Feb 1 14	3.5
TransCanada Corp.	3.2
Enbridge Inc.	2.9
Province of Ontario 7.600% Jun 2 27	2.1
Husky Energy Inc.	2.0
Province of Ontario 3.150% Jun 2 22	1.9
Province of Ontario 5.600% Jun 2 35	1.7
Brookfield Office Properties Inc.	1.7
ARC Resources Ltd.	1.7
Goldcorp Inc.	1.5
Algonquin Power & Utilities Corp.	1.5
Canadian Imperial Bank of Commerce	1.5
Canada Housing Trust No. 1 2.050% Jun 15 18	1.5
Brookfield Renewable Energy Partners LP	1.4
Power Corporation of Canada	1.4
TELUS Corp.	1.4
Toromont Industries Ltd.	1.3
Cenovus Energy Inc.	1.3
BCE Inc.	1.3
Government of Canada 2.750% Jun 1 22	1.3
<b>Top 25 Holdings</b>	<b>60.7</b>

\* The Fund invests substantially all of its assets directly in the Phillips, Hager & North Monthly Income Fund. The above are the Top 25 holdings of the Phillips, Hager & North Monthly Income Fund.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/funds](http://www.rbcgam.com/funds).

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



PORTFOLIO SOLUTION

## RBC SELECT VERY CONSERVATIVE CLASS

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September 30, 2013

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

The Board of Directors of RBC Corporate Class Inc. approved this semi-annual management report of fund performance on November 7, 2013.

### **A Note on Forward-looking Statements**

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

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*This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual financial statements or the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at [www.rbcgam.com/funds](http://www.rbcgam.com/funds) or SEDAR at [www.sedar.com](http://www.sedar.com). Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.*



## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

The Fund is a strategic asset allocation fund, which focuses on providing income and the potential for modest capital growth. The Fund maintains a balance of investments across several asset classes by investing in funds managed by RBC GAM or an affiliate (the "underlying funds").

The Fund's target weightings for each asset class are 80% fixed income, 10% Canadian equities, 5% U.S. equities and 5% international equities. The actual allocation to each asset class will not be more than 15% above or below its target weighting for the fixed-income asset class, and no more than 10% above or below the target weighting for the equities asset classes.

### Results of Operations

The Fund was launched on October 31, 2012, and its net asset value was \$70 million as of September 30, 2013. Investment performance is not provided for a fund that has been available for less than one year.

### Recent Developments

Activity in capital markets suggests the possibility of regime shift: the shadow of the financial crisis is falling a lot shorter. The normalization in the economic outlook and investor sentiment has led to marked improvement in the global economy, a significant rise in bond yields and stock markets reaching new highs. As a sustainable economic recovery takes hold, the portfolio manager expects interest rates to continue to drift higher, reflecting the reduced demand for safe-haven assets and the eventual tightening of global monetary policy.

The Fund remains underweight fixed income. However, the portfolio manager has been raising the bond allocation, with three separate increases during the summer, pushing fixed-income exposure closer to the neutral level. The Fund remains overweight equities as the portfolio manager believes valuations are still attractive and profit growth should tick higher with a better pace to the economy.

Effective November 12, 2013, mutual-fund shares of the Fund will not be available for purchase by investors, including through switches from another RBC Corporate Class Fund. Investors that already hold mutual-fund shares of the Fund through pre-authorized contribution plans established as of that date will continue to be able to make additional purchases through such plans.

### Related-Party Transactions

#### *Manager and Portfolio Advisor*

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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

#### *Distributors*

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

#### *Custodian*

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

#### *Registrars*

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

#### *Other Related-Party Transactions*

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

#### *Related-Party Trading Activities*

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

#### *Inter-Fund Trading*

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.



September 30, 2013

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



September 30, 2013

**FINANCIAL HIGHLIGHTS**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

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

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series A</b>												
<b>Sept. 30, 2013</b>	<b>10.27</b>	<b>0.12</b>	<b>(0.09)</b>	<b>0.01</b>	<b>(0.02)</b>	<b>0.02</b>	—	—	—	—	—	<b>10.28</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.12	(0.07)	0.06	0.24	0.35	—	(0.01)	—	—	(0.01)	10.27
<b>Advisor Series</b>												
<b>Sept. 30, 2013</b>	<b>10.27</b>	<b>0.11</b>	<b>(0.09)</b>	<b>0.01</b>	<b>(0.02)</b>	<b>0.01</b>	—	—	—	—	—	<b>10.28</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.09	(0.08)	0.05	0.19	0.25	—	—	—	—	—	10.27
<b>Series F</b>												
<b>Sept. 30, 2013</b>	<b>10.31</b>	<b>0.12</b>	<b>(0.04)</b>	<b>0.01</b>	<b>(0.02)</b>	<b>0.07</b>	—	—	—	—	—	<b>10.37</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.09	(0.03)	0.05	0.19	0.30	—	(0.01)	—	—	(0.01)	10.31

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

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

<sup>3</sup> From October 31, 2012.

<sup>†</sup> Initial offering net asset value per mutual fund share.

**Ratios and Supplemental Data**

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series A</b>							
<b>Sept. 30, 2013</b>	<b>10.28</b>	<b>61 258</b>	<b>5 959</b>	<b>1.72</b>	<b>1.73</b>	<b>20.45</b>	<b>0.04</b>
Mar. 31, 2013 <sup>4</sup>	10.27	33 739	3 287	1.72	1.72	6.94	0.06
<b>Advisor Series</b>							
<b>Sept. 30, 2013</b>	<b>10.28</b>	<b>4 601</b>	<b>447</b>	<b>1.75</b>	<b>1.76</b>	<b>20.45</b>	<b>0.04</b>
Mar. 31, 2013 <sup>4</sup>	10.27	193	19	1.73	1.73	6.94	0.06
<b>Series F</b>							
<b>Sept. 30, 2013</b>	<b>10.37</b>	<b>3 700</b>	<b>357</b>	<b>0.71</b>	<b>0.72</b>	<b>20.45</b>	<b>0.04</b>
Mar. 31, 2013 <sup>4</sup>	10.31	1 333	129	0.75	0.75	6.94	0.06

<sup>1</sup> The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

<sup>4</sup> From October 31, 2012.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager, trustee and portfolio advisor of the Fund. The management fee payable in respect of each series of the Fund is a variable fee and is determined on a basis such that all fees and expenses that comprise the management expense ratio ("MER"), other than the additional cost of the GST/HST, will be equal to a specified percentage of the average net asset value of each series of the Fund ("Specified Percentage"). The Specified Percentage includes the management fee, administration fee, taxes (other than the additional cost of the GST/HST), other fund costs and any fees and expenses of the underlying funds.

The MER paid by each series of the Fund is calculated at the applicable annual Specified Percentage of the daily net asset value of each series of the Fund, plus the additional cost of the GST/HST as of July 1, 2010. The breakdown of the services received in consideration of the management fee component of the MER for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.60%	47%	53%
Advisor Series	1.60%	47%	53%
Series F	0.70%	–	100%

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

**PAST PERFORMANCE**

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

**SUMMARY OF INVESTMENT PORTFOLIO**

*(after consideration of derivative products, if any)*

*As at September 30, 2013*

**Investment Mix**

	% of Net Asset Value
Income Funds	62.1
Canadian Equity Funds	11.0
U.S. Equity Funds	5.9
International Equity Funds	5.5
Cash/Other	15.5

**Top 25 Holdings\***

	% of Net Asset Value
Phillips, Hager & North Bond Fund	25.2
RBC Bond Fund	13.0
Phillips, Hager & North Short Term Bond & Mortgage Fund	12.5
RBC Canadian Short-Term Income Fund	12.5
RBC Global Bond Fund	11.9
RBC Canadian Dividend Fund	6.7
RBC U.S. Equity Fund	4.5
RBC European Equity Fund	4.4
RBC Canadian Money Market Fund	2.5
RBC Canadian Equity Fund	2.2
Phillips, Hager & North Canadian Equity Underlying Fund	2.1
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	1.4
RBC Asian Equity Fund	1.1
<b>Total</b>	<b>100.0</b>

\* The Fund holds fewer than 25 holdings.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/funds](http://www.rbcgam.com/funds).

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



PORTFOLIO SOLUTION

## RBC SELECT CONSERVATIVE CLASS

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September 30, 2013

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

The Board of Directors of RBC Corporate Class Inc. approved this semi-annual management report of fund performance on November 7, 2013.

### A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

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*This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual financial statements or the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at [www.rbcgam.com/funds](http://www.rbcgam.com/funds) or SEDAR at [www.sedar.com](http://www.sedar.com). Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.*



## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

The Fund is a strategic asset allocation fund, which focuses on providing income and the potential for moderate capital growth. The Fund maintains a balance of investments across several asset classes by investing in funds managed by RBC GAM or an affiliate (the "underlying funds").

The Fund's target weightings for each asset class are 65% for fixed income, 15% for Canadian equities, 10% for U.S. equities and 10% for international equities. The actual allocation to each asset class will not be more than 15% above or below its target weighting for the fixed-income asset class, and no more than 10% above or below the target weighting for the equities asset classes.

### Results of Operations

The Fund was launched on October 31, 2012, and its net asset value was \$64 million as of September 30, 2013. Investment performance is not provided for a fund that has been available for less than one year.

### Recent Developments

Activity in capital markets suggests the possibility of regime shift: the shadow of the financial crisis is falling a lot shorter. The normalization in the economic outlook and investor sentiment has led to marked improvement in the global economy, a significant rise in bond yields and stock markets reaching new highs. As a sustainable economic recovery takes hold, the portfolio manager expects interest rates to continue to drift higher, reflecting the reduced demand for safe-haven assets and the eventual tightening of global monetary policy.

The Fund remains underweight fixed income. However, the portfolio manager has been raising the bond allocation, with three separate increases during the summer, pushing fixed-income exposure closer to the neutral level. The Fund remains overweight equities as the portfolio manager believes valuations are still attractive and profit growth should tick higher with a better pace to the economy.

Effective November 12, 2013, mutual-fund shares of the Fund will not be available for purchase by investors, including through switches from another RBC Corporate Class Fund. Investors that already hold mutual-fund shares of the Fund through pre-authorized contribution plans established as of that date will continue to be able to make additional purchases through such plans.

### Related-Party Transactions

#### *Manager and Portfolio Advisor*

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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

#### *Distributors*

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

#### *Custodian*

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

#### *Registrars*

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

#### *Other Related-Party Transactions*

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

#### *Related-Party Trading Activities*

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

#### *Inter-Fund Trading*

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.





September 30, 2013

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



September 30, 2013

**FINANCIAL HIGHLIGHTS**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

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

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series A</b>												
<b>Sept. 30, 2013</b>	<b>10.43</b>	<b>0.11</b>	<b>(0.10)</b>	<b>0.01</b>	<b>0.13</b>	<b>0.15</b>	—	—	—	—	—	<b>10.56</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.14	(0.08)	0.07	0.35	0.48	—	(0.01)	—	—	(0.01)	10.43
<b>Advisor Series</b>												
<b>Sept. 30, 2013</b>	<b>10.43</b>	<b>0.10</b>	<b>(0.09)</b>	—	<b>0.12</b>	<b>0.13</b>	—	—	—	—	—	<b>10.56</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.23	(0.08)	0.12	0.55	0.82	—	(0.01)	—	—	(0.01)	10.43
<b>Series F</b>												
<b>Sept. 30, 2013</b>	<b>10.48</b>	<b>0.11</b>	<b>(0.04)</b>	<b>0.01</b>	<b>0.13</b>	<b>0.21</b>	—	—	—	—	—	<b>10.66</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.13	(0.03)	0.07	0.33	0.50	—	(0.01)	—	—	(0.01)	10.48

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

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

<sup>3</sup> From October 31, 2012.

<sup>†</sup> Initial offering net asset value per mutual fund share.

**Ratios and Supplemental Data**

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series A</b>							
<b>Sept. 30, 2013</b>	<b>10.56</b>	<b>62 940</b>	<b>5 959</b>	<b>1.86</b>	<b>1.87</b>	<b>18.01</b>	<b>0.08</b>
Mar. 31, 2013 <sup>4</sup>	10.43	34 038	3 265	1.88	1.88	8.71	0.10
<b>Advisor Series</b>							
<b>Sept. 30, 2013</b>	<b>10.56</b>	<b>210</b>	<b>20</b>	<b>1.78</b>	<b>1.79</b>	<b>18.01</b>	<b>0.08</b>
Mar. 31, 2013 <sup>4</sup>	10.43	53	5	1.88	1.88	8.71	0.10
<b>Series F</b>							
<b>Sept. 30, 2013</b>	<b>10.66</b>	<b>604</b>	<b>57</b>	<b>0.77</b>	<b>0.78</b>	<b>18.01</b>	<b>0.08</b>
Mar. 31, 2013 <sup>4</sup>	10.48	168	16	0.81	0.81	8.71	0.10

<sup>1</sup> The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

<sup>4</sup> From October 31, 2012.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager, trustee and portfolio advisor of the Fund. The management fee payable in respect of each series of the Fund is a variable fee and is determined on a basis such that all fees and expenses that comprise the management expense ratio ("MER"), other than the additional cost of the GST/HST, will be equal to a specified percentage of the average net asset value of each series of the Fund ("Specified Percentage"). The Specified Percentage includes the management fee, administration fee, taxes (other than the additional cost of the GST/HST), other fund costs and any fees and expenses of the underlying funds.

The MER paid by each series of the Fund is calculated at the applicable annual Specified Percentage of the daily net asset value of each series of the Fund, plus the additional cost of the GST/HST as of July 1, 2010. The breakdown of the services received in consideration of the management fee component of the MER for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.75%	43%	57%
Advisor Series	1.75%	43%	57%
Series F	0.75%	—	100%

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

**PAST PERFORMANCE**

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

**SUMMARY OF INVESTMENT PORTFOLIO**

(after consideration of derivative products, if any)

As at September 30, 2013

**Investment Mix**

	% of Net Asset Value
Income Funds	48.8
Canadian Equity Funds	16.4
U.S. Equity Funds	11.3
International Equity Funds	10.8
Cash/Other	12.7

**Top 25 Holdings\***

	% of Net Asset Value
RBC Bond Fund	24.4
Phillips, Hager & North Bond Fund	14.8
RBC Canadian Short-Term Income Fund	9.8
RBC Global Bond Fund	9.7
RBC Canadian Dividend Fund	8.8
RBC U.S. Equity Fund	8.6
RBC European Equity Fund	7.6
RBC Canadian Equity Fund	3.9
Phillips, Hager & North Canadian Equity Underlying Fund	3.9
RBC Asian Equity Fund	3.3
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	2.9
RBC Canadian Money Market Fund	1.7
Cash & Cash Equivalents	0.6
<b>Total</b>	<b>100.0</b>

\* The Fund holds fewer than 25 holdings.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/funds](http://www.rbcgam.com/funds).

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



PORTFOLIO SOLUTION

## RBC SELECT BALANCED CLASS

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September 30, 2013

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

The Board of Directors of RBC Corporate Class Inc. approved this semi-annual management report of fund performance on November 7, 2013.

### **A Note on Forward-looking Statements**

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

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*This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual financial statements or the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at [www.rbcgam.com/funds](http://www.rbcgam.com/funds) or SEDAR at [www.sedar.com](http://www.sedar.com). Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.*



## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

The Fund is a strategic asset allocation fund, which focuses on providing long-term capital growth and modest income. The Fund maintains a balance of investments across several asset classes by investing in funds managed by RBC GAM or an affiliate (the "underlying funds").

The Fund's target weightings for each asset class are 45% for fixed income, 20% for Canadian equities, 20% for U.S. equities and 15% for international equities. The actual allocation to each asset class will not be more than 15% above or below its target weighting for the fixed-income asset class, and no more than 10% above or below the target weighting for the equities asset classes.

### Results of Operations

The Fund was launched on October 31, 2012, and its net asset value was \$39 million as of September 30, 2013. Investment performance is not provided for a fund that has been available for less than one year.

### Recent Developments

Activity in capital markets suggests the possibility of regime shift: the shadow of the financial crisis is falling a lot shorter. The normalization in the economic outlook and investor sentiment has led to marked improvement in the global economy, a significant rise in bond yields and stock markets reaching new highs. As a sustainable economic recovery takes hold, the portfolio manager expects interest rates to continue to drift higher, reflecting the reduced demand for safe-haven assets and the eventual tightening of global monetary policy.

The Fund remains underweight fixed income. However, the portfolio manager has been raising the bond allocation, with three separate increases during the summer, pushing fixed-income exposure closer to the neutral level. The Fund remains overweight equities as the portfolio manager believes valuations are still attractive and profit growth should tick higher with a better pace to the economy.

Effective November 12, 2013, mutual-fund shares of the Fund will not be available for purchase by investors, including through switches from another RBC Corporate Class Fund. Investors that already hold mutual-fund shares of the Fund through pre-authorized contribution plans established as of that date will continue to be able to make additional purchases through such plans.

### Related-Party Transactions

#### *Manager and Portfolio Advisor*

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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

#### *Distributors*

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

#### *Custodian*

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

#### *Registrars*

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

#### *Other Related-Party Transactions*

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

#### *Related-Party Trading Activities*

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

#### *Inter-Fund Trading*

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.



September 30, 2013

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



September 30, 2013

**FINANCIAL HIGHLIGHTS**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

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

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series A</b>												
<b>Sept. 30, 2013</b>	<b>10.60</b>	<b>0.11</b>	<b>(0.10)</b>	–	<b>0.28</b>	<b>0.29</b>	–	–	–	–	–	<b>10.88</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.20	(0.09)	0.04	0.50	0.65	–	(0.01)	–	–	(0.01)	10.60
<b>Advisor Series</b>												
<b>Sept. 30, 2013</b>	<b>10.61</b>	<b>0.11</b>	<b>(0.11)</b>	–	<b>0.26</b>	<b>0.26</b>	–	–	–	–	–	<b>10.88</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.22	(0.09)	0.05	0.55	0.73	–	(0.01)	–	–	(0.01)	10.61
<b>Series F</b>												
<b>Sept. 30, 2013</b>	<b>10.65</b>	<b>0.11</b>	<b>(0.05)</b>	–	<b>0.28</b>	<b>0.34</b>	–	–	–	–	–	<b>11.00</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.31	(0.04)	0.07	0.80	1.14	–	–	–	–	–	10.65

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

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

<sup>3</sup> From October 31, 2012.

<sup>†</sup> Initial offering net asset value per mutual fund share.

**Ratios and Supplemental Data**

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series A</b>							
<b>Sept. 30, 2013</b>	<b>10.88</b>	<b>38 954</b>	<b>3 580</b>	<b>1.95</b>	<b>1.96</b>	<b>16.62</b>	<b>0.13</b>
Mar. 31, 2013 <sup>4</sup>	10.60	16 602	1 567	1.98	1.98	2.99	0.16
<b>Advisor Series</b>							
<b>Sept. 30, 2013</b>	<b>10.88</b>	<b>260</b>	<b>24</b>	<b>1.98</b>	<b>1.99</b>	<b>16.62</b>	<b>0.13</b>
Mar. 31, 2013 <sup>4</sup>	10.61	27	3	1.98	1.98	2.99	0.16
<b>Series F</b>							
<b>Sept. 30, 2013</b>	<b>11.00</b>	<b>93</b>	<b>8</b>	<b>0.85</b>	<b>0.86</b>	<b>16.62</b>	<b>0.13</b>
Mar. 31, 2013 <sup>4</sup>	10.65	1	–	0.91	0.91	2.99	0.16

<sup>1</sup> The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

<sup>4</sup> From October 31, 2012.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager, trustee and portfolio advisor of the Fund. The management fee payable in respect of each series of the Fund is a variable fee and is determined on a basis such that all fees and expenses that comprise the management expense ratio ("MER"), other than the additional cost of the GST/HST, will be equal to a specified percentage of the average net asset value of each series of the Fund ("Specified Percentage"). The Specified Percentage includes the management fee, administration fee, taxes (other than the additional cost of the GST/HST), other fund costs and any fees and expenses of the underlying funds.

The MER paid by each series of the Fund is calculated at the applicable annual Specified Percentage of the daily net asset value of each series of the Fund, plus the additional cost of the GST/HST as of July 1, 2010. The breakdown of the services received in consideration of the management fee component of the MER for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.85%	54%	46%
Advisor Series	1.85%	54%	46%
Series F	0.85%	—	100%

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

**PAST PERFORMANCE**

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

**SUMMARY OF INVESTMENT PORTFOLIO**

(after consideration of derivative products, if any)

As at September 30, 2013

**Investment Mix**

	% of Net Asset Value
Income Funds	38.0
Canadian Equity Funds	21.2
U.S. Equity Funds	19.7
International Equity Funds	18.7
Cash/Other	2.4

**Top 25 Holdings\***

	% of Net Asset Value
RBC Bond Fund	33.3
RBC U.S. Equity Fund	11.7
RBC Canadian Dividend Fund	10.6
RBC European Equity Fund	7.2
Phillips, Hager & North Canadian Equity Underlying Fund	5.3
RBC Canadian Equity Fund	5.3
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	4.8
RBC Global Bond Fund	4.7
RBC Emerging Markets Equity Fund	4.3
RBC Asian Equity Fund	3.7
RBC U.S. Mid-Cap Equity Fund	3.2
RBC Global Dividend Growth Fund	3.1
Cash & Cash Equivalents	1.7
RBC Canadian Money Market Fund	0.7
RBC Emerging Markets Dividend Fund	0.2
RBC Emerging Markets Small-Cap Equity Fund	0.2
<b>Total</b>	<b>100.0</b>

\* The Fund holds fewer than 25 holdings.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/funds](http://www.rbcgam.com/funds).

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





PORTFOLIO SOLUTION

## RBC SELECT GROWTH CLASS

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September 30, 2013

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

The Board of Directors of RBC Corporate Class Inc. approved this semi-annual management report of fund performance on November 7, 2013.

### A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

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*This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual financial statements or the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at [www.rbcgam.com/funds](http://www.rbcgam.com/funds) or SEDAR at [www.sedar.com](http://www.sedar.com). Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.*



## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

The Fund is a strategic asset allocation fund, which focuses on providing long-term capital growth. The Fund maintains a balance of investments across several asset classes by investing in funds managed by RBC GAM or an affiliate (the "underlying funds").

The Fund's target weightings for each asset class are 30% for fixed income, 25% for Canadian equities, 25% for U.S. equities and 20% for international equities. The actual allocation to each asset class will not be more than 15% above or below its target weighting for the fixed-income asset class, and no more than 10% above or below the target weighting for the equities asset classes.

### Results of Operations

The Fund was launched on October 31, 2012 and its net asset value was \$7 million as of September 30, 2013. Investment performance is not provided for a fund that has been available for less than one year.

### Recent Developments

Activity in capital markets suggests the possibility of regime shift: the shadow of the financial crisis is falling a lot shorter. The normalization in the economic outlook and investor sentiment has led to marked improvement in the global economy, a significant rise in bond yields and stock markets reaching new highs. As a sustainable economic recovery takes hold, the portfolio manager expects interest rates to continue to drift higher, reflecting the reduced demand for safe-haven assets and the eventual tightening of global monetary policy.

The Fund remains overweight equities as the portfolio manager believes valuations are still attractive and profit growth should tick higher with a better pace to the economy. The Fund remains underweight fixed income. However, the portfolio manager has been raising the bond allocation, with three separate increases during the summer, pushing fixed-income exposure closer to the neutral level.

Effective November 12, 2013, mutual-fund shares of the Fund will not be available for purchase by investors, including through switches from another RBC Corporate Class Fund. Investors that already hold mutual-fund shares of the Fund through pre-authorized contribution plans established as of that date will continue to be able to make additional purchases through such plans.

### Related-Party Transactions

#### *Manager and Portfolio Advisor*

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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

#### *Distributors*

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

#### *Custodian*

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

#### *Registrars*

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

#### *Other Related-Party Transactions*

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

#### *Related-Party Trading Activities*

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

#### *Inter-Fund Trading*

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.



September 30, 2013

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



September 30, 2013

**FINANCIAL HIGHLIGHTS**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

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

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series A</b>												
<b>Sept. 30, 2013</b>	<b>10.72</b>	<b>0.06</b>	<b>(0.11)</b>	–	<b>0.49</b>	<b>0.44</b>	–	–	–	–	–	<b>11.10</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.19	(0.09)	0.08	0.57	0.75	–	(0.03)	–	–	(0.03)	10.72
<b>Advisor Series</b>												
<b>Sept. 30, 2013</b>	<b>10.72</b>	<b>0.06</b>	<b>(0.11)</b>	–	<b>0.45</b>	<b>0.40</b>	–	–	–	–	–	<b>11.14</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.20	(0.08)	0.09	0.61	0.82	–	–	–	–	–	10.72
<b>Series F</b>												
<b>Sept. 30, 2013</b>	<b>10.76</b>	<b>0.06</b>	<b>(0.06)</b>	–	<b>0.45</b>	<b>0.45</b>	–	–	–	–	–	<b>11.25</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.20	(0.04)	0.09	0.61	0.86	–	–	–	–	–	10.76

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

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

<sup>3</sup> From October 31, 2012.

<sup>†</sup> Initial offering net asset value per mutual fund share.

**Ratios and Supplemental Data**

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series A</b>							
<b>Sept. 30, 2013</b>	<b>11.10</b>	<b>6 943</b>	<b>625</b>	<b>2.02</b>	<b>2.08</b>	<b>23.97</b>	<b>0.16</b>
Mar. 31, 2013 <sup>4</sup>	10.72	3 655	342	2.09	2.09	12.54	0.21
<b>Advisor Series</b>							
<b>Sept. 30, 2013</b>	<b>11.14</b>	<b>49</b>	<b>4</b>	<b>1.95</b>	<b>2.01</b>	<b>23.97</b>	<b>0.16</b>
Mar. 31, 2013 <sup>4</sup>	10.72	1	–	2.09	2.09	12.54	0.21
<b>Series F</b>							
<b>Sept. 30, 2013</b>	<b>11.25</b>	<b>269</b>	<b>24</b>	<b>0.95</b>	<b>1.01</b>	<b>23.97</b>	<b>0.16</b>
Mar. 31, 2013 <sup>4</sup>	10.76	1	–	1.02	1.02	12.54	0.21

<sup>1</sup> The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

<sup>4</sup> From October 31, 2012.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager, trustee and portfolio advisor of the Fund. The management fee payable in respect of each series of the Fund is a variable fee and is determined on a basis such that all fees and expenses that comprise the management expense ratio ("MER"), other than the additional cost of the GST/HST, will be equal to a specified percentage of the average net asset value of each series of the Fund ("Specified Percentage"). The Specified Percentage includes the management fee, administration fee, taxes (other than the additional cost of the GST/HST), other fund costs and any fees and expenses of the underlying funds.

The MER paid by each series of the Fund is calculated at the applicable annual Specified Percentage of the daily net asset value of each series of the Fund, plus the additional cost of the GST/HST as of July 1, 2010. The breakdown of the services received in consideration of the management fee component of the MER for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.95%	51%	49%
Advisor Series	1.95%	51%	49%
Series F	0.95%	–	100%

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

**PAST PERFORMANCE**

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

**SUMMARY OF INVESTMENT PORTFOLIO**

(after consideration of derivative products, if any)

As at September 30, 2013

**Investment Mix**

	% of Net Asset Value
Canadian Equity Funds	26.6
International Equity Funds	25.1
U.S. Equity Funds	23.8
Income Funds	22.9
Cash/Other	1.6

**Top 25 Holdings\***

	% of Net Asset Value
RBC U.S. Equity Fund	14.3
RBC Bond Fund	13.7
RBC European Equity Fund	9.3
RBC Global Bond Fund	9.1
Phillips, Hager & North Canadian Equity Underlying Fund	8.5
RBC Canadian Equity Fund	8.4
RBC Emerging Markets Equity Fund	6.0
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	5.8
Phillips, Hager & North Canadian Growth Fund	5.3
RBC Global Dividend Growth Fund	5.2
RBC Canadian Dividend Fund	4.3
RBC Asian Equity Fund	4.2
RBC U.S. Mid-Cap Equity Fund	3.7
Cash & Cash Equivalents	1.3
RBC Canadian Money Market Fund	0.5
RBC Emerging Markets Small-Cap Equity Fund	0.2
RBC Emerging Markets Dividend Fund	0.2
<b>Total</b>	<b>100.0</b>

\* The Fund holds fewer than 25 holdings.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/funds](http://www.rbcgam.com/funds).

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



PORTFOLIO SOLUTION

## RBC SELECT AGGRESSIVE GROWTH CLASS

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September 30, 2013

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

The Board of Directors of RBC Corporate Class Inc. approved this semi-annual management report of fund performance on November 7, 2013.

### **A Note on Forward-looking Statements**

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

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*This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual financial statements or the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at [www.rbcgam.com/funds](http://www.rbcgam.com/funds) or SEDAR at [www.sedar.com](http://www.sedar.com). Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.*



## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

The Fund is a strategic asset-allocation fund that focuses on providing long-term capital growth. The Fund maintains a balance of investments in other funds managed by RBC GAM or an affiliate (the "underlying funds").

The Fund's target weightings for each asset class are 35% for Canadian equities, 35% for U.S. equities and 30% for international equities. The actual allocation to each asset class will not be more than 10% above or below its target weighting.

### Results of Operations

The Fund was launched on October 31, 2012, and its net asset value was \$2 million as of September 30, 2013. Investment performance is not provided for a fund that has been available for less than one year.

### Recent Developments

Activity in capital markets suggests the possibility of regime shift: the shadow of the financial crisis is falling a lot shorter. The normalization in the economic outlook and investor sentiment has led to marked improvement in the global economy, a significant rise in bond yields and stock markets reaching new highs. As a sustainable economic recovery takes hold, the portfolio manager expects interest rates to continue to drift higher, reflecting the reduced demand for safe-haven assets and the eventual tightening of global monetary policy.

The portfolio manager believes that stock valuations remain attractive and that profit growth should tick higher with a better pace to the economy.

Effective November 12, 2013, mutual-fund shares of the Fund will not be available for purchase by investors, including through switches from another RBC Corporate Class Fund. Investors that already hold mutual-fund shares of the Fund through pre-authorized contribution plans established as of that date will continue to be able to make additional purchases through such plans.

### Related-Party Transactions

#### *Manager and Portfolio Advisor*

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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

#### *Distributors*

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

#### *Custodian*

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

#### *Registrars*

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

#### *Other Related-Party Transactions*

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

#### *Related-Party Trading Activities*

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

#### *Inter-Fund Trading*

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.



The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.





September 30, 2013

**FINANCIAL HIGHLIGHTS**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

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

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series A</b>												
<b>Sept. 30, 2013</b>	<b>10.96</b>	<b>0.02</b>	<b>(0.12)</b>	<b>0.02</b>	<b>0.72</b>	<b>0.64</b>	—	—	—	—	—	<b>11.54</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.20	(0.09)	0.06	0.80	0.97	—	(0.05)	—	—	(0.05)	10.96
<b>Advisor Series</b>												
<b>Sept. 30, 2013</b>	<b>10.96</b>	<b>0.02</b>	<b>(0.12)</b>	<b>0.02</b>	<b>0.73</b>	<b>0.65</b>	—	—	—	—	—	<b>11.58</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.19	(0.10)	0.06	0.79	0.94	—	(0.02)	—	—	(0.02)	10.96
<b>Series F</b>												
<b>Sept. 30, 2013</b>	<b>11.01</b>	<b>0.02</b>	<b>(0.06)</b>	<b>0.02</b>	<b>0.73</b>	<b>0.71</b>	—	—	—	—	—	<b>11.66</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.20	(0.05)	0.06	0.81	1.02	—	(0.05)	—	—	(0.05)	11.01

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

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

<sup>3</sup> From October 31, 2012.

<sup>†</sup> Initial offering net asset value per mutual fund share.

**Ratios and Supplemental Data**

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series A</b>							
<b>Sept. 30, 2013</b>	<b>11.54</b>	<b>2 357</b>	<b>204</b>	<b>2.06</b>	<b>2.20</b>	<b>19.65</b>	<b>0.20</b>
Mar. 31, 2013 <sup>4</sup>	10.96	1 879	172	2.20	2.20	3.28	0.28
<b>Advisor Series</b>							
<b>Sept. 30, 2013</b>	<b>11.58</b>	<b>9</b>	<b>1</b>	<b>2.05</b>	<b>2.19</b>	<b>19.65</b>	<b>0.20</b>
Mar. 31, 2013 <sup>4</sup>	10.96	7	1	2.20	2.20	3.28	0.28
<b>Series F</b>							
<b>Sept. 30, 2013</b>	<b>11.66</b>	<b>1</b>	<b>—</b>	<b>1.05</b>	<b>1.19</b>	<b>19.65</b>	<b>0.20</b>
Mar. 31, 2013 <sup>4</sup>	11.01	1	—	1.13	1.13	3.28	0.28

<sup>1</sup> The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

<sup>4</sup> From October 31, 2012.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager, trustee and portfolio advisor of the Fund. The management fee payable in respect of each series of the Fund is a variable fee and is determined on a basis such that all fees and expenses that comprise the management expense ratio ("MER"), other than the additional cost of the GST/HST, will be equal to a specified percentage of the average net asset value of each series of the Fund ("Specified Percentage"). The Specified Percentage includes the management fee, administration fee, taxes (other than the additional cost of the GST/HST), other fund costs and any fees and expenses of the underlying funds.

The MER paid by each series of the Fund is calculated at the applicable annual Specified Percentage of the daily net asset value of each series of the Fund, plus the additional cost of the GST/HST as of July 1, 2010. The breakdown of the services received in consideration of the management fee component of the MER for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	2.05%	49%	51%
Advisor Series	2.05%	49%	51%
Series F	1.05%	—	100%

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

**PAST PERFORMANCE**

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

**SUMMARY OF INVESTMENT PORTFOLIO**

(after consideration of derivative products, if any)

As at September 30, 2013

**Investment Mix**

	% of Net Asset Value
Canadian Equity Funds	34.8
International Equity Funds	32.8
U.S. Equity Funds	32.0
Cash/Other	0.4

**Top 25 Holdings\***

	% of Net Asset Value
RBC U.S. Equity Fund	17.0
RBC European Equity Fund	13.7
RBC Canadian Equity Fund	10.0
Phillips, Hager & North Canadian Equity Underlying Fund	10.0
RBC Canadian Dividend Fund	10.0
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	8.0
RBC U.S. Mid-Cap Equity Fund	7.0
RBC Emerging Markets Equity Fund	7.0
RBC Global Dividend Growth Fund	5.9
RBC Asian Equity Fund	5.8
Phillips, Hager & North Canadian Growth Fund	5.0
Cash & Cash Equivalents	0.2
RBC Emerging Markets Small-Cap Equity Fund	0.2
RBC Emerging Markets Dividend Fund	0.2
<b>Total</b>	<b>100.0</b>

\* The Fund holds fewer than 25 holdings.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/funds](http://www.rbcgam.com/funds).

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CANADIAN EQUITY FUND

## RBC CANADIAN DIVIDEND CLASS

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September 30, 2013

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

The Board of Directors of RBC Corporate Class Inc. approved this semi-annual management report of fund performance on November 7, 2013.

### A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

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September 30, 2013

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

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

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

### Results of Operations

The Fund's net asset value was \$61 million as of September 30, 2013.

Over the past six months, the Fund's Series A shares gained 2.9%. The Fund's return is after the deduction of fees and expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

The S&P/TSX Composite Index trailed most global markets over the six-month period, hurt by softening resource sectors amid falling gold prices, muted global growth and the negative effect of rising bond yields on real estate and other interest-sensitive investments. Strong U.S. market performance was driven by improving domestic housing, consumer and employment trends, and better economic news in Europe increased investor confidence. In Japan, a robust stimulus plan proved beneficial for exporters in the region. Economic growth in China edged lower on concern about slowing credit growth and a potentially overbuilt housing market.

In the Materials sector, the Fund held an underweight position in gold-producing companies, which was positive for performance as gold prices fell. Among gold producers, performance was aided by a relative lack of exposure to poorly performing Barrick Gold and Goldcorp. Within the Financials sector, CI Financial gained as the company posted strong sales. An underweight position in real estate also proved beneficial. Real Estate Investment Trusts ("REITs") declined after Ben Bernanke, chairman of the U.S. Federal Reserve ("Fed"), hinted at the potential removal of economic stimulus, sending bond yields higher. Within the Telecommunication Services sector, an underweight position in BCE added to performance. The entire sector was negatively impacted by speculation that

U.S. telecom giant Verizon would make a bid for Wind Mobile, a step that many investors believed would create greater competition for Canadian-based wireless operators. The domestic companies rebounded somewhat in early September after Verizon opted against entering the domestic Canadian market.

In the Consumer Discretionary sector, a relative lack of exposure to Canadian Tire and Dollarama weighed on performance. Shares of Canadian Tire gained after investors reacted favourably to the company's plan to transfer its real estate assets to a newly created REIT. The Industrials sector was hurt by a lack of exposure to shares of Bombardier, which gained on the lead up to the first flight of its new C-series plane.

### Recent Developments

Major developed global economies are displaying signs of improved growth at a time when emerging markets appear to be slowing. The Fed has held off on reducing monetary stimulus until further improvement in the labour market occurs. In October, worries emerged that the U.S. government shutdown would make it harder to reach an agreement to lift the debt ceiling and created worries about the potential economic impact of the shutdown. In Japan, the benefits of economic policy changes early in the year subsided over the summer as concerns about the direction of Fed policy took over. China continues to experience weaker growth, but improving economies in the U.S. and Europe could be positive for exports. Europe appears to be gaining momentum on an improving outlook and the region should continue to steadily improve from depressed levels. In Canada, concerns over the housing market have dissipated to some degree. However, domestic economic conditions appear to have worsened and slowing construction is now a concern.

Underperforming Canadian equity markets have displayed signs of relative strength recently. On a price-to-earnings basis, the Canadian stock market remains slightly more expensive than the U.S., particularly in areas not linked to finance or natural resources. Canadian equity valuations are reasonable compared to fixed-income markets. Dividend yields are higher than long-term bond yields, and income from dividends is tax-efficient and likely to grow.



September 30, 2013

## **Related-Party Transactions**

### ***Manager and Portfolio Advisor***

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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

### ***Distributors***

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

### ***Custodian***

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

### ***Registrars***

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

### ***Other Related-Party Transactions***

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

#### ***Related-Party Trading Activities***

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

#### ***Inter-Fund Trading***

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



September 30, 2013

**FINANCIAL HIGHLIGHTS**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

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

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series A</b>												
<b>Sept. 30, 2013</b>	<b>11.13</b>	<b>0.17</b>	<b>(0.10)</b>	<b>0.06</b>	<b>0.22</b>	<b>0.35</b>	—	—	—	—	—	<b>11.34</b>
Mar. 31, 2013	10.29	0.39	(0.18)	—	1.11	1.32	—	(0.12)	—	—	(0.12)	11.13
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.21	(0.05)	—	0.13	0.29	—	—	—	—	—	10.29
<b>Advisor Series</b>												
<b>Sept. 30, 2013</b>	<b>11.14</b>	<b>0.17</b>	<b>(0.10)</b>	<b>0.06</b>	<b>0.22</b>	<b>0.35</b>	—	—	—	—	—	<b>11.35</b>
Mar. 31, 2013	10.29	0.39	(0.18)	—	1.10	1.31	—	(0.11)	—	—	(0.11)	11.14
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.21	(0.05)	—	0.13	0.29	—	—	—	—	—	10.29
<b>Series H</b>												
<b>Sept. 30, 2013</b>	<b>11.14</b>	<b>0.17</b>	<b>(0.09)</b>	<b>0.06</b>	<b>0.22</b>	<b>0.36</b>	—	—	—	—	—	<b>11.33</b>
Mar. 31, 2013 <sup>4</sup>	9.92 <sup>†</sup>	0.23	(0.13)	—	0.64	0.74	—	(0.13)	—	—	(0.13)	11.14
<b>Series D</b>												
<b>Sept. 30, 2013</b>	<b>11.24</b>	<b>0.17</b>	<b>(0.06)</b>	<b>0.06</b>	<b>0.22</b>	<b>0.39</b>	—	—	—	—	—	<b>11.47</b>
Mar. 31, 2013	10.31	0.35	(0.13)	—	1.00	1.22	—	(0.13)	—	—	(0.13)	11.24
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.21	(0.03)	—	0.13	0.31	—	—	—	—	—	10.31
<b>Series F</b>												
<b>Sept. 30, 2013</b>	<b>11.25</b>	<b>0.18</b>	<b>(0.05)</b>	<b>0.06</b>	<b>0.23</b>	<b>0.42</b>	—	—	—	—	—	<b>11.51</b>
Mar. 31, 2013	10.31	0.45	(0.10)	—	1.28	1.63	—	(0.12)	—	—	(0.12)	11.25
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.21	(0.03)	—	0.13	0.31	—	—	—	—	—	10.31
<b>Series I</b>												
<b>Sept. 30, 2013</b>	<b>11.26</b>	<b>0.18</b>	<b>(0.04)</b>	<b>0.06</b>	<b>0.23</b>	<b>0.43</b>	—	—	—	—	—	<b>11.52</b>
Mar. 31, 2013 <sup>4</sup>	9.97 <sup>†</sup>	0.23	(0.06)	—	0.65	0.82	—	(0.13)	—	—	(0.13)	11.26
<b>Series O</b>												
<b>Sept. 30, 2013</b>	<b>11.37</b>	<b>0.18</b>	—	<b>0.06</b>	<b>0.23</b>	<b>0.47</b>	—	—	—	—	—	<b>11.67</b>
Mar. 31, 2013	10.33	0.42	(0.01)	—	1.21	1.62	—	(0.14)	—	—	(0.14)	11.37
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.21	(0.01)	—	0.13	0.33	—	—	—	—	—	10.33

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

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

<sup>3</sup> From January 1, 2012.

<sup>4</sup> From July 9, 2012.

<sup>†</sup> Initial offering net asset value per mutual fund share.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Ratios and Supplemental Data**

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series A</b>							
<b>Sept. 30, 2013</b>	<b>11.34</b>	<b>20 898</b>	<b>1 843</b>	<b>1.82</b>	<b>1.83</b>	<b>10.13</b>	<b>0.03</b>
Mar. 31, 2013	11.13	16 519	1 500	1.80	1.81	2.47	0.05
Mar. 31, 2012 <sup>4</sup>	10.29	3 132	304	1.88	1.88	–	0.05
<b>Advisor Series</b>							
<b>Sept. 30, 2013</b>	<b>11.35</b>	<b>3 664</b>	<b>323</b>	<b>1.83</b>	<b>1.84</b>	<b>10.13</b>	<b>0.03</b>
Mar. 31, 2013	11.14	2 170	197	1.79	1.80	2.47	0.05
Mar. 31, 2012 <sup>4</sup>	10.29	431	42	1.88	1.88	–	0.05
<b>Series H</b>							
<b>Sept. 30, 2013</b>	<b>11.33</b>	<b>5 240</b>	<b>462</b>	<b>1.71</b>	<b>1.72</b>	<b>10.13</b>	<b>0.03</b>
Mar. 31, 2013 <sup>5</sup>	11.14	5 862	533	1.75	1.76	2.47	0.05
<b>Series D</b>							
<b>Sept. 30, 2013</b>	<b>11.47</b>	<b>9 619</b>	<b>839</b>	<b>1.18</b>	<b>1.19</b>	<b>10.13</b>	<b>0.03</b>
Mar. 31, 2013	11.24	8 163	735	1.23	1.24	2.47	0.05
Mar. 31, 2012 <sup>4</sup>	10.31	198	19	1.29	1.29	–	0.05
<b>Series F</b>							
<b>Sept. 30, 2013</b>	<b>11.51</b>	<b>2 332</b>	<b>203</b>	<b>0.97</b>	<b>0.98</b>	<b>10.13</b>	<b>0.03</b>
Mar. 31, 2013	11.25	2 326	209	0.97	0.98	2.47	0.05
Mar. 31, 2012 <sup>4</sup>	10.31	1 093	106	1.01	1.01	–	0.05
<b>Series I</b>							
<b>Sept. 30, 2013</b>	<b>11.52</b>	<b>1 888</b>	<b>164</b>	<b>0.77</b>	<b>0.78</b>	<b>10.13</b>	<b>0.03</b>
Mar. 31, 2013 <sup>5</sup>	11.26	1 322	119	0.81	0.82	2.47	0.05
<b>Series O</b>							
<b>Sept. 30, 2013</b>	<b>11.67</b>	<b>17 327</b>	<b>1 485</b>	<b>0.10</b>	<b>0.11</b>	<b>10.13</b>	<b>0.03</b>
Mar. 31, 2013	11.37	14 967	1 332	0.11	0.12	2.47	0.05
Mar. 31, 2012 <sup>4</sup>	10.33	5 005	484	0.14	0.14	–	0.05

<sup>1</sup> The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

<sup>4</sup> From January 1, 2012.

<sup>5</sup> From July 9, 2012.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.50%	67%	33%
Advisor Series	1.50%	67%	33%
Series H	1.45%	79%	21%
Series D	1.00%	25%	75%
Series F	0.75%	–	100%
Series I	0.60%	–	100%

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

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

**PAST PERFORMANCE**

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

**Year-by-Year Returns (%)**

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year or interim period.







September 30, 2013

**PAST PERFORMANCE (cont.)**



<sup>1</sup> Inception date January 1, 2012.

<sup>2</sup> Inception date July 9, 2012.

For the 12-month periods ended March 31 and the six-month period ended September 30, 2013.

**SUMMARY OF INVESTMENT PORTFOLIO**

(after consideration of derivative products, if any)

As at September 30, 2013

**Investment Mix**

	% of Net Asset Value
Financials	44.2
Energy	20.6
Industrials	5.4
Consumer Discretionary	5.1
Materials	4.9
Telecommunication Services	4.1
Utilities	3.5
Consumer Staples	2.6
Cash/Other	9.6

**Top 25 Holdings\***

	% of Net Asset Value
Cash & Cash Equivalents	7.5
Royal Bank of Canada	7.1
Toronto-Dominion Bank	6.9
Bank of Nova Scotia	6.1
Bank of Montreal	3.6
Canadian Imperial Bank of Commerce	3.4
Canadian National Railway Co.	3.4
Suncor Energy Inc.	3.3
Enbridge Inc.	3.1
Brookfield Asset Management Inc., Class A	3.0
TransCanada Corp.	2.8
Manulife Financial Corporation	2.5
Power Corporation of Canada	2.4
Canadian Natural Resources Ltd.	2.1
Cenovus Energy Inc.	2.1
Magna International Inc., Class A	1.9
Imperial Oil Ltd.	1.9
Husky Energy Inc.	1.8
TELUS Corp.	1.7
CI Financial Corp.	1.6
Shaw Communications Inc., Class B	1.5
Loblaw Companies Ltd.	1.5
BCE Inc.	1.4
Potash Corporation of Saskatchewan Inc.	1.4
Sun Life Financial Inc.	1.4
<b>Top 25 Holdings</b>	<b>75.4</b>

\* The Fund invests substantially all of its assets directly in the RBC Private Canadian Dividend Pool and/or the RBC Canadian Dividend Fund. The above are the Top 25 holdings of the RBC Private Canadian Dividend Pool.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/funds](http://www.rbcgam.com/funds).

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



CANADIAN EQUITY FUND

## RBC CANADIAN EQUITY CLASS

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September 30, 2013

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

The Board of Directors of RBC Corporate Class Inc. approved this semi-annual management report of fund performance on November 7, 2013.

### **A Note on Forward-looking Statements**

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

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*This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual financial statements or the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at [www.rbcgam.com/funds](http://www.rbcgam.com/funds) or SEDAR at [www.sedar.com](http://www.sedar.com). Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.*



September 30, 2013

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

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

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

### Results of Operations

The Fund's net asset value was \$10 million as of September 30, 2013.

Over the past six months, the Fund's Series A shares gained 1.7%. The Fund's return is after the deduction of fees and expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

The S&P/TSX Composite Index trailed most global markets over the six-month period, hurt by softening resource sectors amid falling gold prices, muted global growth and the negative effect of rising bond yields on real estate and other interest-sensitive investments. Strong U.S. market performance was driven by improving domestic housing, consumer and employment trends, and better economic news in Europe increased investor confidence. In Japan, a robust stimulus plan proved beneficial for exporters in the region. Economic growth in China edged lower on concern about slowing credit growth and a potentially overbuilt housing market.

In the Materials sector, an underweight position in gold-producing companies drove out performance as gold prices fell. A relative lack of exposure to Barrick Gold and Agnico Eagle contributed to results. Performance in the Financials sector was driven by security selection. An overweight position in insurance company Power Corp. proved beneficial. CI Financial also contributed, as the company posted strong sales. Performance in the Information Technology sector benefited from exposure to Open Text, whose shares moved higher on signs that the company's plan to drive growth showed early signs of success.

Performance was held back by a relative lack of exposure to the Consumer Discretionary sector, which performed well. Underweight positions in Canadian Tire and Magna International weighed on results. In the Health Care sector, an underweight position in Valeant Pharmaceuticals hurt returns, as the shares gained after the company agreed to acquire Bausch & Lomb for US\$8.7 billion. Valeant's strategy of increasing per-share profit through acquisitions and tax savings makes it challenging to forecast results.

### Recent Developments

Major developed global economies are displaying signs of improved growth at a time when emerging markets appear to be slowing. The U.S. Federal Reserve ("Fed") has held off on reducing monetary stimulus until further improvement in the labour market occurs. In October, worries emerged that the U.S. government shutdown would make it harder to reach an agreement to lift the debt ceiling and created worries about the potential economic impact of the shutdown. In Japan, the benefits of economic policy changes early in the year subsided over the summer as concerns about the direction of Fed policy took over. China continues to experience weaker growth, but improving economies in the U.S. and Europe could be positive for exports. Europe appears to be gaining momentum on an improving outlook and the region should continue to steadily improve from depressed levels. In Canada, concerns over the housing market have dissipated to some degree. However, domestic economic conditions appear to have worsened and slowing construction is now a concern.

Underperforming Canadian equity markets have displayed signs of relative strength recently. On a price-to-earnings basis, the Canadian stock market remains slightly more expensive than the U.S., particularly in areas not linked to finance or natural resources. Canadian equity valuations are reasonable compared to fixed-income markets. Dividend yields are higher than long-term bond yields, and income from dividends is tax-efficient and likely to grow.



## **Related-Party Transactions**

### ***Manager and Portfolio Advisor***

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

### ***Distributors***

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

### ***Custodian***

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

### ***Registrars***

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

### ***Other Related-Party Transactions***

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

#### ***Related-Party Trading Activities***

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

#### ***Inter-Fund Trading***

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



September 30, 2013

**FINANCIAL HIGHLIGHTS**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

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

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series A</b>												
<b>Sept. 30, 2013</b>	<b>10.96</b>	<b>0.15</b>	<b>(0.11)</b>	<b>0.07</b>	<b>0.07</b>	<b>0.18</b>	—	—	—	—	—	<b>11.01</b>
Mar. 31, 2013	10.19	0.34	(0.21)	0.02	1.17	1.32	—	(0.13)	—	—	(0.13)	10.96
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.10	(0.14)	—	0.24	0.20	—	—	—	—	—	10.19
<b>Advisor Series</b>												
<b>Sept. 30, 2013</b>	<b>10.96</b>	<b>0.15</b>	<b>(0.11)</b>	<b>0.07</b>	<b>0.07</b>	<b>0.18</b>	—	—	—	—	—	<b>11.00</b>
Mar. 31, 2013	10.19	0.34	(0.22)	0.02	1.14	1.28	—	(0.14)	—	—	(0.14)	10.96
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.11	(0.15)	—	0.24	0.20	—	—	—	—	—	10.19
<b>Series H</b>												
<b>Sept. 30, 2013</b>	<b>10.97</b>	<b>0.15</b>	<b>(0.10)</b>	<b>0.07</b>	<b>0.07</b>	<b>0.19</b>	—	—	—	—	—	<b>11.02</b>
Mar. 31, 2013 <sup>4</sup>	9.65 <sup>†</sup>	0.20	(0.15)	0.01	0.69	0.75	—	(0.14)	—	—	(0.14)	10.97
<b>Series D</b>												
<b>Sept. 30, 2013</b>	<b>11.08</b>	<b>0.15</b>	<b>(0.06)</b>	<b>0.07</b>	<b>0.07</b>	<b>0.23</b>	—	—	—	—	—	<b>11.17</b>
Mar. 31, 2013	10.21	0.31	(0.13)	0.02	1.07	1.27	—	(0.14)	—	—	(0.14)	11.08
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.11	(0.13)	—	0.24	0.22	—	—	—	—	—	10.21
<b>Series F</b>												
<b>Sept. 30, 2013</b>	<b>11.11</b>	<b>0.16</b>	<b>(0.05)</b>	<b>0.07</b>	<b>0.07</b>	<b>0.25</b>	—	—	—	—	—	<b>11.25</b>
Mar. 31, 2013	10.22	0.31	(0.10)	0.02	1.07	1.30	—	(0.12)	—	—	(0.12)	11.11
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.11	(0.12)	—	0.24	0.23	—	—	—	—	—	10.22
<b>Series I</b>												
<b>Sept. 30, 2013</b>	<b>11.13</b>	<b>0.15</b>	<b>(0.04)</b>	<b>0.07</b>	<b>0.07</b>	<b>0.25</b>	—	—	—	—	—	<b>11.25</b>
Mar. 31, 2013 <sup>4</sup>	9.71 <sup>†</sup>	0.22	(0.05)	0.01	0.75	0.93	—	(0.14)	—	—	(0.14)	11.13
<b>Series O</b>												
<b>Sept. 30, 2013</b>	<b>11.23</b>	<b>0.16</b>	—	<b>0.07</b>	<b>0.07</b>	<b>0.30</b>	—	—	—	—	—	<b>11.40</b>
Mar. 31, 2013	10.24	0.38	(0.01)	0.02	1.28	1.67	—	(0.13)	—	—	(0.13)	11.23
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.15	(0.15)	—	0.24	0.24	—	—	—	—	—	10.24

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

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

<sup>3</sup> From January 1, 2012.

<sup>4</sup> From July 9, 2012.

<sup>†</sup> Initial offering net asset value per mutual fund share.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Ratios and Supplemental Data**

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series A</b>							
<b>Sept. 30, 2013</b>	<b>11.01</b>	<b>1 802</b>	<b>164</b>	<b>2.13</b>	<b>2.16</b>	<b>19.12</b>	<b>0.12</b>
Mar. 31, 2013	10.96	1 762	163	2.08	2.14	14.41	0.12
Mar. 31, 2012 <sup>4</sup>	10.19	374	37	2.15	2.15	1.48	0.12
<b>Advisor Series</b>							
<b>Sept. 30, 2013</b>	<b>11.00</b>	<b>697</b>	<b>63</b>	<b>2.06</b>	<b>2.09</b>	<b>19.12</b>	<b>0.12</b>
Mar. 31, 2013	10.96	566	52	2.11	2.17	14.41	0.12
Mar. 31, 2012 <sup>4</sup>	10.19	290	28	2.15	2.15	1.48	0.12
<b>Series H</b>							
<b>Sept. 30, 2013</b>	<b>11.02</b>	<b>222</b>	<b>20</b>	<b>1.86</b>	<b>1.89</b>	<b>19.12</b>	<b>0.12</b>
Mar. 31, 2013 <sup>5</sup>	10.97	218	20	1.92	1.98	14.41	0.12
<b>Series D</b>							
<b>Sept. 30, 2013</b>	<b>11.17</b>	<b>3 164</b>	<b>283</b>	<b>1.20</b>	<b>1.23</b>	<b>19.12</b>	<b>0.12</b>
Mar. 31, 2013	11.08	2 913	266	1.23	1.29	14.41	0.12
Mar. 31, 2012 <sup>4</sup>	10.21	35	3	1.28	1.28	1.48	0.12
<b>Series F</b>							
<b>Sept. 30, 2013</b>	<b>11.25</b>	<b>560</b>	<b>50</b>	<b>0.98</b>	<b>1.01</b>	<b>19.12</b>	<b>0.12</b>
Mar. 31, 2013	11.11	375	34	0.96	1.02	14.41	0.12
Mar. 31, 2012 <sup>4</sup>	10.22	63	6	0.99	0.99	1.48	0.12
<b>Series I</b>							
<b>Sept. 30, 2013</b>	<b>11.25</b>	<b>1</b>	<b>–</b>	<b>0.75</b>	<b>0.78</b>	<b>19.12</b>	<b>0.12</b>
Mar. 31, 2013 <sup>5</sup>	11.13	1	–	0.73	0.81	14.41	0.12
<b>Series O</b>							
<b>Sept. 30, 2013</b>	<b>11.40</b>	<b>3 571</b>	<b>313</b>	<b>0.10</b>	<b>0.13</b>	<b>19.12</b>	<b>0.12</b>
Mar. 31, 2013	11.23	3 178	286	0.10	0.16	14.41	0.12
Mar. 31, 2012 <sup>4</sup>	10.24	1 537	150	0.12	0.12	1.48	0.12

<sup>1</sup> The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

<sup>4</sup> From January 1, 2012.

<sup>5</sup> From July 9, 2012.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.75%	66%	34%
Advisor Series	1.75%	66%	34%
Series H	1.65%	61%	39%
Series D	1.00%	25%	75%
Series F	0.75%	–	100%
Series I	0.60%	–	100%

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

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

**PAST PERFORMANCE**

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

**Year-by-Year Returns (%)**

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year or interim period.





September 30, 2013

**PAST PERFORMANCE (cont.)**



<sup>1</sup> Inception date January 1, 2012.

<sup>2</sup> Inception date July 9, 2012.

For the 12-month periods ended March 31 and the six-month period ended September 30, 2013.

**SUMMARY OF INVESTMENT PORTFOLIO**

(after consideration of derivative products, if any)

As at September 30, 2013

**Investment Mix**

	% of Net Asset Value
Financials	35.7
Energy	28.7
Materials	9.8
Industrials	7.1
Consumer Staples	4.5
Telecommunication Services	3.4
Consumer Discretionary	2.0
Utilities	1.9
Information Technology	1.8
Cash/Other	5.1

**Top 25 Holdings\***

	% of Net Asset Value
Toronto-Dominion Bank	5.6
Bank of Nova Scotia	5.0
Royal Bank of Canada	5.0
Suncor Energy Inc.	4.5
Cash & Cash Equivalents	4.4
Canadian National Railway Co.	3.5
Canadian Natural Resources Ltd.	3.4
Enbridge Inc.	2.8
Cenovus Energy Inc.	2.7
Bank of Montreal	2.6
TransCanada Corp.	2.4
Manulife Financial Corporation	2.4
Canadian Imperial Bank of Commerce	2.1
Brookfield Asset Management Inc., Class A	2.0
Imperial Oil Ltd.	1.9
Rogers Communications Inc., Class B	1.8
Power Corporation of Canada	1.8
Loblaw Companies Ltd.	1.8
TELUS Corp.	1.6
Goldcorp Inc.	1.5
Agrium Inc.	1.3
Talisman Energy Inc.	1.3
Sun Life Financial Inc.	1.3
Potash Corporation of Saskatchewan Inc.	1.3
Onex Corporation	1.2
<b>Top 25 Holdings</b>	<b>65.2</b>

\* The Fund invests substantially all of its assets directly in the RBC Private Canadian Equity Pool and/or the RBC Canadian Equity Fund. The above are the Top 25 holdings of the RBC Private Canadian Equity Pool.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/funds](http://www.rbcgam.com/funds).

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





CANADIAN EQUITY FUND

## RBC CANADIAN EQUITY INCOME CLASS

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September 30, 2013

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

The Board of Directors of RBC Corporate Class Inc. approved this semi-annual management report of fund performance on November 7, 2013.

### A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

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*This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual financial statements or the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at [www.rbcgam.com/funds](http://www.rbcgam.com/funds) or SEDAR at [www.sedar.com](http://www.sedar.com). Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.*



September 30, 2013

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

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

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

### Results of Operations

The Fund’s net asset value was \$158 million as of September 30, 2013.

Over the past six months, the Fund’s Series A shares gained 3.4%. The Fund’s return is after the deduction of fees and expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

The S&P/TSX Composite Index trailed most global markets over the six-month period, hurt by softening resource sectors amid falling gold prices, muted global growth and the negative effect of rising bond yields on real estate and other interest-sensitive investments. Strong U.S. market performance was driven by improving domestic housing, consumer and employment trends. Better economic news in Europe increased investor confidence. In Japan, a robust stimulus plan proved beneficial for exporters in the region. Economic growth in China edged lower on concern about slowing credit growth and a potentially overbuilt housing market.

The Materials sector has represented an underweight in the Fund for the course of the year and this has been the key driver of performance. Within Materials, a relative lack of exposure to gold-producing companies, Barrick Gold and Kinross Gold in particular, had a significant positive impact on results. The Industrials sector benefited from exposure to Badger Daylighting, which gained on quarterly results boosted by strong U.S. growth and margin expansion. Security selection within the Energy sector was also responsible for strong Fund performance. Spectra Energy Corp., a U.S. position in the Fund, helped performance as the shares gained after the company said it planned to transfer U.S. transmission and storage assets to a publicly traded partnership that it controls. The Fund’s stake in Canadian Energy Services, a leading Canadian provider of drilling fluids for use in freeing up energy trapped in shale, was also a positive.

Within the Financials sector, an underweight allocation in Canadian banks weighed on performance. Underweight exposure to Toronto-Dominion Bank, Royal Bank of Canada and Bank of Montreal were negative for returns. A lack of relative exposure to Manulife Financial and Sun Life Financial also hurt performance. Shares of both insurers gained as the companies boosted their ability to withstand market volatility and reduced the sensitivity of their earnings to changes in interest rates and equity markets. An overweight position in real estate also hurt performance, as Real Estate Investment Trusts (“REITs”) declined after U.S. policymakers hinted at the potential removal of economic stimulus. The Consumer Discretionary sector was negatively impacted by an underweight position in Magna International.

### Recent Developments

Major developed global economies are displaying signs of improved growth at a time when emerging markets appear to be slowing. The U.S. Federal Reserve (“Fed”) has held off on reducing monetary stimulus until further improvement in the labour market occurs. In October, worries emerged that the U.S. government shutdown would make it harder to reach an agreement to lift the debt ceiling and created worries about the potential economic impact of the shutdown. In Japan, the benefits of economic policy changes early in the year subsided over the summer as concerns about the direction of Fed policy took over. China continues to experience weaker growth, but improving economies in the U.S. and Europe could be positive for exports. Europe appears to be gaining momentum on an improving outlook and the region should continue to steadily improve from depressed levels. In Canada, concerns over the housing market have dissipated to some degree. However, domestic economic conditions appear to have worsened and slowing construction is now a concern.

Underperforming Canadian equity markets have displayed signs of relative strength recently. On a price-to-earnings basis, the Canadian stock market remains slightly more expensive than the U.S., particularly in areas not linked to finance or natural resources. Canadian equity valuations are reasonable compared to fixed-income markets. Dividend yields are higher than long-term bond yields, and income from dividends is tax-efficient and likely to grow.



September 30, 2013

## **Related-Party Transactions**

### ***Manager and Portfolio Advisor***

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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

### ***Distributors***

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

### ***Custodian***

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

### ***Registrars***

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

### ***Other Related-Party Transactions***

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

#### ***Related-Party Trading Activities***

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

#### ***Inter-Fund Trading***

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



September 30, 2013

**FINANCIAL HIGHLIGHTS**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

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

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series A</b>												
<b>Sept. 30, 2013</b>	<b>11.11</b>	<b>0.24</b>	<b>(0.12)</b>	<b>0.02</b>	<b>0.24</b>	<b>0.38</b>	—	—	—	—	—	<b>11.47</b>
Mar. 31, 2013	10.30	0.40	(0.22)	—	1.07	1.25	—	(0.02)	—	—	(0.02)	11.11
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.13	(0.05)	—	0.23	0.31	—	—	—	—	—	10.30
<b>Advisor Series</b>												
<b>Sept. 30, 2013</b>	<b>11.12</b>	<b>0.24</b>	<b>(0.12)</b>	<b>0.02</b>	<b>0.24</b>	<b>0.38</b>	—	—	—	—	—	<b>11.47</b>
Mar. 31, 2013	10.30	0.41	(0.22)	—	1.08	1.27	—	(0.02)	—	—	(0.02)	11.12
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.13	(0.05)	—	0.23	0.31	—	—	—	—	—	10.30
<b>Series H</b>												
<b>Sept. 30, 2013</b>	<b>11.13</b>	<b>0.24</b>	<b>(0.11)</b>	<b>0.02</b>	<b>0.24</b>	<b>0.39</b>	—	—	—	—	—	<b>11.50</b>
Mar. 31, 2013 <sup>4</sup>	9.86 <sup>†</sup>	0.24	(0.15)	—	0.63	0.72	—	(0.02)	—	—	(0.02)	11.13
<b>Series D</b>												
<b>Sept. 30, 2013</b>	<b>11.24</b>	<b>0.24</b>	<b>(0.07)</b>	<b>0.03</b>	<b>0.25</b>	<b>0.45</b>	—	—	—	—	—	<b>11.65</b>
Mar. 31, 2013	10.33	0.38	(0.13)	—	1.02	1.27	—	(0.02)	—	—	(0.02)	11.24
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.11	(0.03)	—	0.23	0.31	—	—	—	—	—	10.33
<b>Series F</b>												
<b>Sept. 30, 2013</b>	<b>11.28</b>	<b>0.24</b>	<b>(0.05)</b>	<b>0.03</b>	<b>0.25</b>	<b>0.47</b>	—	—	—	—	—	<b>11.70</b>
Mar. 31, 2013	10.33	0.40	(0.10)	—	1.06	1.36	—	(0.02)	—	—	(0.02)	11.28
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.12	(0.02)	—	0.23	0.33	—	—	—	—	—	10.33
<b>Series I</b>												
<b>Sept. 30, 2013</b>	<b>11.29</b>	<b>0.24</b>	<b>(0.04)</b>	<b>0.03</b>	<b>0.25</b>	<b>0.48</b>	—	—	—	—	—	<b>11.74</b>
Mar. 31, 2013 <sup>4</sup>	9.92 <sup>†</sup>	0.23	(0.06)	—	0.61	0.78	—	(0.02)	—	—	(0.02)	11.29
<b>Series O</b>												
<b>Sept. 30, 2013</b>	<b>11.40</b>	<b>0.24</b>	—	<b>0.03</b>	<b>0.25</b>	<b>0.52</b>	—	—	—	—	—	<b>11.89</b>
Mar. 31, 2013	10.36	0.45	—	0.01	1.19	1.65	—	(0.02)	—	—	(0.02)	11.40
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.13	—	—	0.23	0.36	—	—	—	—	—	10.36

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

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

<sup>3</sup> From January 1, 2012.

<sup>4</sup> From July 9, 2012.

<sup>†</sup> Initial offering net asset value per mutual fund share.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Ratios and Supplemental Data**

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series A</b>							
<b>Sept. 30, 2013</b>	<b>11.47</b>	<b>34 688</b>	<b>3 025</b>	<b>2.11</b>	<b>2.11</b>	<b>6.38</b>	<b>0.25</b>
Mar. 31, 2013	11.11	30 397	2 741	2.12	2.12	3.33	0.38
Mar. 31, 2012 <sup>4</sup>	10.30	9 139	887	2.20	2.20	–	0.67
<b>Advisor Series</b>							
<b>Sept. 30, 2013</b>	<b>11.47</b>	<b>54 528</b>	<b>4 753</b>	<b>2.12</b>	<b>2.12</b>	<b>6.38</b>	<b>0.25</b>
Mar. 31, 2013	11.12	50 675	4 567	2.11	2.11	3.33	0.38
Mar. 31, 2012 <sup>4</sup>	10.30	19 379	1 881	2.20	2.20	–	0.67
<b>Series H</b>							
<b>Sept. 30, 2013</b>	<b>11.50</b>	<b>19 088</b>	<b>1 660</b>	<b>1.94</b>	<b>1.94</b>	<b>6.38</b>	<b>0.25</b>
Mar. 31, 2013 <sup>5</sup>	11.13	13 871	1 249	1.96	1.96	3.33	0.38
<b>Series D</b>							
<b>Sept. 30, 2013</b>	<b>11.65</b>	<b>10 477</b>	<b>899</b>	<b>1.20</b>	<b>1.20</b>	<b>6.38</b>	<b>0.25</b>
Mar. 31, 2013	11.24	9 685	863	1.24	1.24	3.33	0.38
Mar. 31, 2012 <sup>4</sup>	10.33	1 713	166	1.29	1.29	–	0.67
<b>Series F</b>							
<b>Sept. 30, 2013</b>	<b>11.70</b>	<b>28 459</b>	<b>2 431</b>	<b>0.95</b>	<b>0.95</b>	<b>6.38</b>	<b>0.25</b>
Mar. 31, 2013	11.28	24 302	2 160	0.96	0.96	3.33	0.38
Mar. 31, 2012 <sup>4</sup>	10.33	6 112	592	1.01	1.01	–	0.67
<b>Series I</b>							
<b>Sept. 30, 2013</b>	<b>11.74</b>	<b>9 834</b>	<b>838</b>	<b>0.77</b>	<b>0.77</b>	<b>6.38</b>	<b>0.25</b>
Mar. 31, 2013 <sup>5</sup>	11.29	9 998	887	0.78	0.78	3.33	0.38
<b>Series O</b>							
<b>Sept. 30, 2013</b>	<b>11.89</b>	<b>1 105</b>	<b>93</b>	<b>0.06</b>	<b>0.06</b>	<b>6.38</b>	<b>0.25</b>
Mar. 31, 2013	11.40	953	84	0.07	0.07	3.33	0.38
Mar. 31, 2012 <sup>4</sup>	10.36	952	92	0.09	0.09	–	0.67

<sup>1</sup> The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

<sup>4</sup> From January 1, 2012.

<sup>5</sup> From July 9, 2012.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.75%	66%	34%
Advisor Series	1.75%	66%	34%
Series H	1.65%	70%	30%
Series D	1.00%	25%	75%
Series F	0.75%	–	100%
Series I	0.60%	–	100%

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

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

**PAST PERFORMANCE**

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

**Year-by-Year Returns (%)**

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year or interim period.





September 30, 2013

**PAST PERFORMANCE (cont.)**



<sup>1</sup> Inception date January 1, 2012.

<sup>2</sup> Inception date July 9, 2012.

For the 12-month periods ended March 31 and the six-month period ended September 30, 2013.

**SUMMARY OF INVESTMENT PORTFOLIO**

*(after consideration of derivative products, if any)*

*As at September 30, 2013*

**Investment Mix**

	% of Net Asset Value
Financials	32.1
Energy	28.4
Industrials	11.2
Materials	7.2
Utilities	6.1
Consumer Staples	5.0
Telecommunication Services	3.2
Consumer Discretionary	3.0
Health Care	0.4
Information Technology	0.4
Cash/Other	3.0

**Top 25 Holdings\***

	% of Net Asset Value
Suncor Energy Inc.	3.9
Bank of Nova Scotia	3.6
Cash & Cash Equivalents	2.8
Royal Bank of Canada	2.7
Toronto-Dominion Bank	2.5
Canadian Natural Resources Ltd.	2.5
Enbridge Inc.	2.3
Brookfield Office Properties Inc.	2.1
Loblaw Companies Ltd.	2.1
Cenovus Energy Inc.	2.0
TransCanada Corp.	2.0
Brookfield Asset Management Inc., Class A	1.9
Rogers Communications Inc., Class B	1.6
Bank of Montreal	1.6
Boardwalk Real Estate Investment Trust	1.5
Cominar Real Estate Investment Trust	1.5
National Bank of Canada	1.4
Brookfield Canada Office Properties	1.3
Veresen Inc.	1.3
Northern Property Real Estate Investment Trust, Units	1.3
Russel Metals Inc.	1.3
KBR Inc.	1.3
CSX Corp.	1.3
Canadian Imperial Bank of Commerce	1.3
Hudson's Bay Co.	1.3
<b>Top 25 Holdings</b>	<b>48.4</b>

\* The Fund invests substantially all of its assets directly in the RBC Canadian Equity Income Fund. The above are the Top 25 holdings of the RBC Canadian Equity Income Fund.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/funds](http://www.rbcgam.com/funds).

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



CANADIAN EQUITY FUND

## RBC CANADIAN MID-CAP EQUITY CLASS

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September 30, 2013

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

The Board of Directors of RBC Corporate Class Inc. approved this semi-annual management report of fund performance on November 7, 2013.

### **A Note on Forward-looking Statements**

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

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*This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual financial statements or the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at [www.rbcgam.com/funds](http://www.rbcgam.com/funds) or SEDAR at [www.sedar.com](http://www.sedar.com). Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.*





September 30, 2013

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

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

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

### Results of Operations

The Fund's net asset value was \$7 million as of September 30, 2013.

Over the past six months, the Fund's Series A shares gained 2.1%. The Fund's return is after the deduction of fees and expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

The S&P/TSX Composite Index trailed most global markets over the six-month period, hurt by softening resource sectors amid falling gold prices, muted global growth and the negative effect of rising bond yields on real estate and other interest-sensitive investments. Strong U.S. market performance was driven by improving domestic housing, consumer and employment trends, and better economic news in Europe increased investor confidence. In Japan, a robust stimulus plan proved beneficial for exporters in the region. Economic growth in China edged lower on concern about slowing credit growth and a potentially overbuilt housing market.

Mid-cap stocks performed in line with their larger-cap peers over the period. The Fund's returns benefited from performance in the Materials, Financials, Consumer Discretionary and Information Technology sectors, offset by weaker performance in Consumer Staples.

Performance in the Materials sector was driven by a relative lack of exposure to gold and precious-metal companies. The Fund held underweight positions in Iamgold, Pan American Silver and Aurico Gold. In the Financials sector, a lack of exposure to Dundee REIT and Canadian Apartment Properties REIT aided performance, as bond yields moved higher after U.S. policymakers hinted at removing economic stimulus. An overweight position in CI Financial helped performance, as the company continued to experience strong sales and growth in assets under management. The Consumer Discretionary

sector was aided by an overweight position in auto-parts maker Linamar, whose shares rallied on record sales. The Information Technology sector benefited from an underweight position in BlackBerry, whose shares slumped after the company reported weaker-than-expected handset sales. In late September, BlackBerry received a takeover offer from a group led by Fairfax Financial.

Performance in the Consumer Staples sector was negatively impacted by a lack of exposure to Empire Ltd., which gained after the company agreed to buy Safeway's Canadian stores.

### Recent Developments

Major developed global economies are displaying signs of improved growth at a time when emerging markets appear to be slowing. The U.S. Federal Reserve ("Fed") has held off on reducing monetary stimulus until further improvement in the labour market occurs. In October, worries emerged that the U.S. government shutdown would make it harder to reach an agreement to lift the debt ceiling and created worries about the potential economic impact of the shutdown. In Japan, the benefits of economic policy changes early in the year subsided over the summer as concerns about the direction of Fed policy took over. China continues to experience weaker growth, but improving economies in the U.S. and Europe could be positive for exports. Europe appears to be gaining momentum on an improving outlook and the region should continue to steadily improve from depressed levels. In Canada, concerns over the housing market have dissipated to some degree. However, domestic economic conditions appear to have worsened and slowing construction is now a concern.

Underperforming Canadian equity markets have displayed signs of relative strength recently. On a price-to-earnings basis, the Canadian stock market remains slightly more expensive than the U.S., particularly in areas not linked to finance or natural resources. Canadian equity valuations are reasonable compared to fixed-income markets. Dividend yields are higher than long-term bond yields, and income from dividends is tax-efficient and likely to grow.



September 30, 2013

## **Related-Party Transactions**

### ***Manager and Portfolio Advisor***

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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

### ***Distributors***

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

### ***Custodian***

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

### ***Registrars***

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

### ***Other Related-Party Transactions***

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

#### ***Related-Party Trading Activities***

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

#### ***Inter-Fund Trading***

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



September 30, 2013

**FINANCIAL HIGHLIGHTS**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

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

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series A</b>												
<b>Sept. 30, 2013</b>	<b>10.62</b>	<b>0.12</b>	<b>(0.11)</b>	<b>0.07</b>	<b>0.13</b>	<b>0.21</b>	—	—	—	—	—	<b>10.75</b>
Mar. 31, 2013	9.83	0.23	(0.21)	0.05	0.91	0.98	—	(0.10)	—	—	(0.10)	10.62
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.10	(0.05)	—	(0.22)	(0.17)	—	—	—	—	—	9.83
<b>Advisor Series</b>												
<b>Sept. 30, 2013</b>	<b>10.66</b>	<b>0.12</b>	<b>(0.10)</b>	<b>0.07</b>	<b>0.13</b>	<b>0.22</b>	—	—	—	—	—	<b>10.85</b>
Mar. 31, 2013	9.83	0.22	(0.19)	0.05	0.90	0.98	—	(0.04)	—	—	(0.04)	10.66
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.10	(0.07)	(0.01)	(0.22)	(0.20)	—	—	—	—	—	9.83
<b>Series H</b>												
<b>Sept. 30, 2013</b>	<b>10.64</b>	<b>0.12</b>	<b>(0.10)</b>	<b>0.07</b>	<b>0.13</b>	<b>0.22</b>	—	—	—	—	—	<b>10.77</b>
Mar. 31, 2013 <sup>4</sup>	9.31 <sup>†</sup>	0.16	(0.13)	0.04	0.63	0.70	—	(0.10)	—	—	(0.10)	10.64
<b>Series D</b>												
<b>Sept. 30, 2013</b>	<b>10.74</b>	<b>0.12</b>	<b>(0.07)</b>	<b>0.07</b>	<b>0.13</b>	<b>0.25</b>	—	—	—	—	—	<b>10.94</b>
Mar. 31, 2013	9.85	0.21	(0.13)	0.05	0.85	0.98	—	(0.07)	—	—	(0.07)	10.74
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.10	(0.04)	—	(0.22)	(0.16)	—	—	—	—	—	9.85
<b>Series F</b>												
<b>Sept. 30, 2013</b>	<b>10.78</b>	<b>0.12</b>	<b>(0.05)</b>	<b>0.07</b>	<b>0.13</b>	<b>0.27</b>	—	—	—	—	—	<b>11.00</b>
Mar. 31, 2013	9.86	0.20	(0.10)	0.05	0.81	0.96	—	(0.07)	—	—	(0.07)	10.78
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.10	(0.04)	—	(0.22)	(0.16)	—	—	—	—	—	9.86
<b>Series I</b>												
<b>Sept. 30, 2013</b>	<b>10.79</b>	<b>0.12</b>	<b>(0.04)</b>	<b>0.07</b>	<b>0.13</b>	<b>0.28</b>	—	—	—	—	—	<b>11.00</b>
Mar. 31, 2013 <sup>4</sup>	9.37 <sup>†</sup>	0.16	(0.05)	0.04	0.64	0.79	—	(0.10)	—	—	(0.10)	10.79
<b>Series O</b>												
<b>Sept. 30, 2013</b>	<b>10.88</b>	<b>0.12</b>	—	<b>0.07</b>	<b>0.13</b>	<b>0.32</b>	—	—	—	—	—	<b>11.13</b>
Mar. 31, 2013	9.87	0.24	(0.01)	0.06	0.95	1.24	—	(0.09)	—	—	(0.09)	10.88
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.10	(0.01)	—	(0.22)	(0.13)	—	—	—	—	—	9.87

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

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

<sup>3</sup> From January 1, 2012.

<sup>4</sup> From July 9, 2012.

<sup>†</sup> Initial offering net asset value per mutual fund share.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Ratios and Supplemental Data**

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series A</b>							
<b>Sept. 30, 2013</b>	<b>10.75</b>	<b>780</b>	<b>73</b>	<b>2.15</b>	<b>2.20</b>	<b>48.48</b>	<b>0.22</b>
Mar. 31, 2013	10.62	773	73	2.12	2.19	50.57	0.26
Mar. 31, 2012 <sup>4</sup>	9.83	44	4	2.19	2.19	2.31	0.33
<b>Advisor Series</b>							
<b>Sept. 30, 2013</b>	<b>10.85</b>	<b>5</b>	–	<b>2.02</b>	<b>2.07</b>	<b>48.48</b>	<b>0.22</b>
Mar. 31, 2013	10.66	3	–	2.02	2.09	50.57	0.26
Mar. 31, 2012 <sup>4</sup>	9.83	–	–	2.19	2.19	2.31	0.33
<b>Series H</b>							
<b>Sept. 30, 2013</b>	<b>10.77</b>	<b>1</b>	–	<b>1.93</b>	<b>1.98</b>	<b>48.48</b>	<b>0.22</b>
Mar. 31, 2013 <sup>5</sup>	10.64	1	–	1.92	1.99	50.57	0.26
<b>Series D</b>							
<b>Sept. 30, 2013</b>	<b>10.94</b>	<b>37</b>	<b>3</b>	<b>1.29</b>	<b>1.34</b>	<b>48.48</b>	<b>0.22</b>
Mar. 31, 2013	10.74	29	3	1.28	1.35	50.57	0.26
Mar. 31, 2012 <sup>4</sup>	9.85	3	–	1.34	1.34	2.31	0.33
<b>Series F</b>							
<b>Sept. 30, 2013</b>	<b>11.00</b>	<b>335</b>	<b>30</b>	<b>0.96</b>	<b>1.01</b>	<b>48.48</b>	<b>0.22</b>
Mar. 31, 2013	10.78	251	23	0.96	1.03	50.57	0.26
Mar. 31, 2012 <sup>4</sup>	9.86	–	–	1.06	1.06	2.31	0.33
<b>Series I</b>							
<b>Sept. 30, 2013</b>	<b>11.00</b>	<b>1</b>	–	<b>0.80</b>	<b>0.85</b>	<b>48.48</b>	<b>0.22</b>
Mar. 31, 2013 <sup>5</sup>	10.79	1	–	0.78	0.85	50.57	0.26
<b>Series O</b>							
<b>Sept. 30, 2013</b>	<b>11.13</b>	<b>5 385</b>	<b>484</b>	<b>0.14</b>	<b>0.19</b>	<b>48.48</b>	<b>0.22</b>
Mar. 31, 2013	10.88	5 730	531	0.15	0.22	50.57	0.26
Mar. 31, 2012 <sup>4</sup>	9.87	2 829	287	0.18	0.18	2.31	0.33

<sup>1</sup> The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

<sup>4</sup> From January 1, 2012.

<sup>5</sup> From July 9, 2012.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.75%	66%	34%
Advisor Series	1.75%	66%	34%
Series H	1.65%	70%	30%
Series D	1.00%	25%	75%
Series F	0.75%	—	100%
Series I	0.60%	—	100%

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

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

**PAST PERFORMANCE**

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

**Year-by-Year Returns (%)**

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year or interim period.





September 30, 2013

**PAST PERFORMANCE (cont.)**



<sup>1</sup> Inception date January 1, 2012.

<sup>2</sup> Inception date July 9, 2012.

For the 12-month periods ended March 31 and the six-month period ended September 30, 2013.

**SUMMARY OF INVESTMENT PORTFOLIO**

(after consideration of derivative products, if any)

As at September 30, 2013

**Investment Mix**

	% of Net Asset Value
Energy	26.8
Financials	19.5
Materials	17.7
Consumer Discretionary	7.8
Consumer Staples	7.1
Industrials	6.9
Utilities	5.3
Information Technology	4.5
Telecommunication Services	1.0
Cash/Other	3.4

**Top 25 Holdings\***

	% of Net Asset Value
Eldorado Gold Corp.	2.9
Cash & Cash Equivalents	2.8
Vermilion Energy Inc.	2.6
West Fraser Timber Co. Ltd.	2.6
Baytex Energy Corp.	2.4
Canadian Real Estate Investment Trust	2.3
Open Text Corp.	2.2
Dollarama Inc.	2.0
Gildan Activewear Inc., Class A	2.0
Brookfield Office Properties Inc.	2.0
Finning International Inc.	1.9
H&R Real Estate Investment Trust	1.9
Saputo Group Inc.	1.8
Metro Inc., Class A	1.8
Peyto Exploration & Development Corp.	1.8
Onex Corporation	1.8
Gran Tierra Energy Inc.	1.7
Emera Inc.	1.7
Paramount Resources Ltd., Class A	1.7
Canadian Utilities Ltd., Class A	1.6
Methanex Corp.	1.6
IGM Financial Inc.	1.5
AltaGas Ltd.	1.5
CI Financial Corp.	1.5
Keyera Corp.	1.4
<b>Top 25 Holdings</b>	<b>49.0</b>

\* The Fund invests substantially all of its assets directly in the RBC Private Canadian Mid-Cap Equity Pool. The above are the Top 25 holdings of the RBC Private Canadian Mid-Cap Equity Pool.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/funds](http://www.rbcgam.com/funds).

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



NORTH AMERICAN EQUITY FUND

## RBC NORTH AMERICAN VALUE CLASS

September 30, 2013

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

The Board of Directors of RBC Corporate Class Inc. approved this semi-annual management report of fund performance on November 7, 2013.

### A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

*This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual financial statements or the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at [www.rbcgam.com/funds](http://www.rbcgam.com/funds) or SEDAR at [www.sedar.com](http://www.sedar.com). Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.*



## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

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

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

### Results of Operations

The Fund's net asset value was \$93 million as of September 30, 2013.

Over the past six months, the Fund's Series A shares gained 5.9%. The Fund's return is after the deduction of fees and expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

The S&P/TSX Composite Index trailed most global markets over the past six months, hurt by a softening resource sector amid falling gold prices, muted global growth and the negative effect of rising bond yields on real estate and other interest sensitive investments. Strong U.S. market performance was driven by improving domestic housing, consumer and employment trends, and improving economic news in Europe increased investor confidence. In Japan, a robust stimulus plan proved beneficial for exporters and stock indexes in the region. Economic growth in China edged lower amid slowing credit growth and a potentially overbuilt housing market.

A lack of relative exposure to gold-producing companies, Barrick Gold in particular, had a positive impact on performance as the Fund was partially shielded from the effect of falling gold prices. The Financials sectors in the U.S. and Canada were an additional source of strong performance, as both outperformed. Positions in Manulife Financial and E\*Trade Financial had a positive effect on results. A high level of exposure to the Consumer Discretionary sector also enhanced Fund performance, as this area of the market outperformed.

The Health Care sector represented the largest drag on performance in both the U.S. and Canada. In Canada, an underweight position in Valeant Pharmaceuticals weighed on performance as shares gained after the company agreed to acquire Bausch & Lomb for US\$8.7 billion. Valeant's strategy of increasing per-share profit through acquisitions and tax savings makes it challenging to forecast results.

The Fund is currently roughly balanced between Canadian and U.S. equities.

### Recent Developments

Major developed global economies are displaying signs of improved growth at a time when emerging markets appear to be slowing. The U.S. Federal Reserve ("Fed") has held off on reducing monetary stimulus until further improvement in the labour market occurs. In October, worries emerged that the U.S. government shutdown would make it harder to reach an agreement to lift the debt ceiling and created worries about the potential economic impact of the shutdown. In Japan, the benefits of economic policy changes early in the year subsided over the summer as concerns about the direction of Fed policy took over. China continues to experience weaker growth, but improving economies in the U.S. and Europe could be positive for exports. Europe appears to be gaining momentum on an improving outlook and the region should continue to steadily improve from depressed levels. In Canada, concerns over the housing market have dissipated to some degree. However, domestic economic conditions appear to have worsened and slowing construction is now a concern.

Underperforming Canadian equity markets have displayed signs of relative strength recently. On a price-to-earnings basis, the Canadian stock market remains slightly more expensive than the U.S., particularly in areas not linked to finance or natural resources. Canadian equity valuations are reasonable compared to fixed-income markets. Dividend yields are higher than long-term bond yields, and income from dividends is tax-efficient and likely to grow.

### Related-Party Transactions

#### *Manager and Portfolio Advisor*

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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

#### *Distributors*

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





***Custodian***

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

***Registrars***

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

***Other Related-Party Transactions***

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

***Related-Party Trading Activities***

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

***Inter-Fund Trading***

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



September 30, 2013

**FINANCIAL HIGHLIGHTS**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

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

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series A</b>												
<b>Sept. 30, 2013</b>	<b>11.60</b>	–	<b>(0.13)</b>	<b>0.02</b>	<b>0.77</b>	<b>0.66</b>	–	–	–	–	–	<b>12.10</b>
Mar. 31, 2013	10.46	0.14	(0.23)	0.51	1.47	1.89	–	(0.07)	–	–	(0.07)	11.60
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.06)	–	0.49	0.43	–	–	–	–	–	10.46
<b>Advisor Series</b>												
<b>Sept. 30, 2013</b>	<b>11.60</b>	–	<b>(0.13)</b>	<b>0.02</b>	<b>0.76</b>	<b>0.65</b>	–	–	–	–	–	<b>12.10</b>
Mar. 31, 2013	10.46	0.14	(0.23)	0.51	1.47	1.89	–	(0.07)	–	–	(0.07)	11.60
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.06)	–	0.49	0.43	–	–	–	–	–	10.46
<b>Series H</b>												
<b>Sept. 30, 2013</b>	<b>11.61</b>	–	<b>(0.11)</b>	<b>0.02</b>	<b>0.77</b>	<b>0.68</b>	–	–	–	–	–	<b>12.14</b>
Mar. 31, 2013 <sup>4</sup>	9.97 <sup>†</sup>	0.07	(0.16)	0.27	0.77	0.95	–	(0.06)	–	–	(0.06)	11.61
<b>Series D</b>												
<b>Sept. 30, 2013</b>	<b>11.72</b>	–	<b>(0.07)</b>	<b>0.02</b>	<b>0.78</b>	<b>0.73</b>	–	–	–	–	–	<b>12.28</b>
Mar. 31, 2013	10.48	0.13	(0.14)	0.47	1.36	1.82	–	(0.07)	–	–	(0.07)	11.72
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.04)	–	0.49	0.45	–	–	–	–	–	10.48
<b>Series F</b>												
<b>Sept. 30, 2013</b>	<b>11.76</b>	–	<b>(0.06)</b>	<b>0.02</b>	<b>0.78</b>	<b>0.74</b>	–	–	–	–	–	<b>12.34</b>
Mar. 31, 2013	10.49	0.14	(0.10)	0.50	1.45	1.99	–	(0.08)	–	–	(0.08)	11.76
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.03)	–	0.49	0.46	–	–	–	–	–	10.49
<b>Series I</b>												
<b>Sept. 30, 2013</b>	<b>11.78</b>	–	<b>(0.04)</b>	<b>0.02</b>	<b>0.76</b>	<b>0.74</b>	–	–	–	–	–	<b>12.38</b>
Mar. 31, 2013 <sup>4</sup>	10.03 <sup>†</sup>	0.08	(0.06)	0.31	0.89	1.22	–	(0.06)	–	–	(0.06)	11.78
<b>Series O</b>												
<b>Sept. 30, 2013</b>	<b>11.90</b>	–	–	<b>0.02</b>	<b>0.80</b>	<b>0.82</b>	–	–	–	–	–	<b>12.52</b>
Mar. 31, 2013	10.51	0.23	(0.01)	0.84	2.43	3.49	–	(0.09)	–	–	(0.09)	11.90
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.06)	0.02	0.49	0.45	–	–	–	–	–	10.51

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

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

<sup>3</sup> From January 1, 2012.

<sup>4</sup> From July 9, 2012.

<sup>†</sup> Initial offering net asset value per mutual fund share.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Ratios and Supplemental Data**

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series A</b>							
<b>Sept. 30, 2013</b>	<b>12.10</b>	<b>24 969</b>	<b>2 064</b>	<b>2.14</b>	<b>2.14</b>	<b>4.11</b>	<b>0.37</b>
Mar. 31, 2013	11.60	16 283	1 412	2.12	2.13	2.62	0.49
Mar. 31, 2012 <sup>4</sup>	10.46	3 213	307	2.20	2.20	3.17	0.61
<b>Advisor Series</b>							
<b>Sept. 30, 2013</b>	<b>12.10</b>	<b>32 333</b>	<b>2 673</b>	<b>2.17</b>	<b>2.17</b>	<b>4.11</b>	<b>0.37</b>
Mar. 31, 2013	11.60	18 721	1 624	2.11	2.12	2.62	0.49
Mar. 31, 2012 <sup>4</sup>	10.46	3 860	369	2.20	2.20	3.17	0.61
<b>Series H</b>							
<b>Sept. 30, 2013</b>	<b>12.14</b>	<b>11 339</b>	<b>934</b>	<b>1.93</b>	<b>1.93</b>	<b>4.11</b>	<b>0.37</b>
Mar. 31, 2013 <sup>5</sup>	11.61	6 629	574	1.94	1.95	2.62	0.49
<b>Series D</b>							
<b>Sept. 30, 2013</b>	<b>12.28</b>	<b>2 099</b>	<b>171</b>	<b>1.20</b>	<b>1.20</b>	<b>4.11</b>	<b>0.37</b>
Mar. 31, 2013	11.72	1 508	129	1.25	1.26	2.62	0.49
Mar. 31, 2012 <sup>4</sup>	10.48	187	18	1.29	1.29	3.17	0.61
<b>Series F</b>							
<b>Sept. 30, 2013</b>	<b>12.34</b>	<b>10 758</b>	<b>872</b>	<b>0.97</b>	<b>0.97</b>	<b>4.11</b>	<b>0.37</b>
Mar. 31, 2013	11.76	5 950	509	0.97	0.98	2.62	0.49
Mar. 31, 2012 <sup>4</sup>	10.49	1 115	106	1.01	1.01	3.17	0.61
<b>Series I</b>							
<b>Sept. 30, 2013</b>	<b>12.38</b>	<b>11 191</b>	<b>904</b>	<b>0.76</b>	<b>0.76</b>	<b>4.11</b>	<b>0.37</b>
Mar. 31, 2013 <sup>5</sup>	11.78	3 475	297	0.78	0.79	2.62	0.49
<b>Series O</b>							
<b>Sept. 30, 2013</b>	<b>12.52</b>	<b>1</b>	<b>–</b>	<b>0.06</b>	<b>0.06</b>	<b>4.11</b>	<b>0.37</b>
Mar. 31, 2013	11.90	1	–	0.06	0.07	2.62	0.49
Mar. 31, 2012 <sup>4</sup>	10.51	157	15	0.09	0.09	3.17	0.61

<sup>1</sup> The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

<sup>4</sup> From January 1, 2012.

<sup>5</sup> From July 9, 2012.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.75%	66%	34%
Advisor Series	1.75%	66%	34%
Series H	1.65%	70%	30%
Series D	1.00%	25%	75%
Series F	0.75%	–	100%
Series I	0.60%	–	100%

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

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

**PAST PERFORMANCE**

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

**Year-by-Year Returns (%)**

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year or interim period.





September 30, 2013

**PAST PERFORMANCE (cont.)**



<sup>1</sup> Inception date January 1, 2012.

<sup>2</sup> Inception date July 9, 2012.

For the 12-month periods ended March 31 and the six-month period ended September 30, 2013.

**SUMMARY OF INVESTMENT PORTFOLIO**

*(after consideration of derivative products, if any)*

*As at September 30, 2013*

**Investment Mix – Sectors**

	% of Net Asset Value
Financials	21.3
Industrials	13.0
Energy	12.2
Consumer Discretionary	8.3
Consumer Staples	7.9
Information Technology	7.8
Materials	7.5
Health Care	4.7
Telecommunication Services	1.2
Utilities	0.6
Cash/Other	15.5

**Investment Mix – Countries/Regions**

	% of Net Asset Value
United States	47.3
Canada	37.4
United Kingdom	0.7
Cash/Other	14.6



September 30, 2013

**SUMMARY OF INVESTMENT PORTFOLIO (cont.)**

**Top 25 Holdings\***

	% of Net Asset Value
Cash & Cash Equivalents	14.5
Toronto-Dominion Bank	2.5
Suncor Energy Inc.	2.1
Royal Bank of Canada	2.0
Brookfield Asset Management Inc., Class A	2.0
Bank of Nova Scotia	1.9
Berkshire Hathaway Inc., Class B	1.8
Canadian Natural Resources Ltd.	1.7
Cenovus Energy Inc.	1.7
Husky Energy Inc.	1.3
Market Vectors - Gold Miners Fund	1.3
BCE Inc.	1.2
Loblaw Companies Ltd.	1.1
Goldcorp Inc.	0.9
Canadian National Railway Co.	0.9
Wells Fargo & Company	0.9
Agrium Inc.	0.9
Canadian Tire Corp. Ltd., Class A	0.9
Citigroup Inc.	0.9
Power Corporation of Canada	0.9
Brookfield Office Properties Inc.	0.8
Safeway Inc.	0.8
Finning International Inc.	0.8
Imperial Oil Ltd.	0.8
Las Vegas Sands Corp.	0.8
<b>Top 25 Holdings</b>	<b>45.4</b>

\* The Fund invests substantially all of its assets directly in the RBC North American Value Fund.  
The above are the Top 25 holdings of the RBC North American Value Fund.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/funds](http://www.rbcgam.com/funds).

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



U.S. EQUITY FUND

## RBC U.S. DIVIDEND CLASS

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September 30, 2013

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

The Board of Directors of RBC Corporate Class Inc. approved this semi-annual management report of fund performance on November 7, 2013.

### **A Note on Forward-looking Statements**

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

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*This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual financial statements or the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at [www.rbcgam.com/funds](http://www.rbcgam.com/funds) or SEDAR at [www.sedar.com](http://www.sedar.com). Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.*



## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

The Fund seeks to provide long-term capital growth and regular dividend income by investing primarily in common and preferred shares of major U.S. companies with above-average dividend yields in order to provide targeted exposure to opportunities in U.S. equity markets. Stocks that qualify as investments will generally carry above-average dividend yields and offer the potential for increased payouts.

To achieve its investment objective, the Fund invests most of its assets in the RBC U.S. Dividend Fund (the "underlying fund"). The underlying fund invests in companies with long-term prospects of growing their dividends or which have the potential for such special events as stock buybacks, takeovers and special dividends. The underlying fund may also invest in government bonds, corporate bonds and treasury bills.

### Results of Operations

The Fund was launched on October 31, 2012 and its net asset value was \$35 million as of September 30, 2013. Investment performance is not provided for a fund that has been available for less than one year.

### Recent Developments

In the U.S., the recent weakening in economic growth appears to be giving way to a faster expansion as the fall approaches. Home prices, sales and new-home construction continue to rise, while the job market gradually improves. These factors, as well as increases in household net worth due to home and stock-market gains, should continue to improve confidence and provide positive momentum in the final three months of 2013.

The S&P 500 stands just below its all-time high and yet valuation remains reasonable. Expectations for an improvement in U.S. economic activity in the second half of the year appear well grounded and the outlook for sales and earnings derived from outside the U.S. has improved as China's economic growth has stabilized and Europe has emerged from recession.

At the moment, the Fund is positioned for a slow-growth environment and the portfolio manager favours companies that generate significant revenues, earnings and free cash flow from domestic operations. The portfolio manager also continues to emphasize companies that have moderately high dividends and the potential to raise them over time.

### Related-Party Transactions

#### *Manager and Portfolio Advisor*

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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

#### *Distributors*

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

#### *Custodian*

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

#### *Registrars*

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

#### *Other Related-Party Transactions*

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

#### *Related-Party Trading Activities*

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

#### *Inter-Fund Trading*

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.





September 30, 2013

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any

consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.

## FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

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

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Total	Annual Distributions <sup>2</sup>				Net Assets End of Year/Period
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	From Income (Excluding Dividends)		From Dividends	From Capital Gains	Return of Capital		
<b>Series A</b>												
<b>Sept. 30, 2013</b>	<b>10.90</b>	<b>0.14</b>	<b>(0.12)</b>	<b>0.06</b>	<b>0.53</b>	<b>0.61</b>	—	—	—	—	—	<b>11.59</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.13	(0.09)	—	1.40	1.44	—	—	—	—	—	10.90
<b>Advisor Series</b>												
<b>Sept. 30, 2013</b>	<b>10.90</b>	<b>0.15</b>	<b>(0.12)</b>	<b>0.06</b>	<b>0.54</b>	<b>0.63</b>	—	—	—	—	—	<b>11.59</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.09	(0.09)	—	0.97	0.97	—	—	—	—	—	10.90
<b>Series H</b>												
<b>Sept. 30, 2013</b>	<b>10.92</b>	<b>0.14</b>	<b>(0.10)</b>	<b>0.06</b>	<b>0.51</b>	<b>0.61</b>	—	—	—	—	—	<b>11.62</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.07	(0.09)	—	0.77	0.75	—	—	—	—	—	10.92
<b>Series D</b>												
<b>Sept. 30, 2013</b>	<b>10.94</b>	<b>0.15</b>	<b>(0.07)</b>	<b>0.06</b>	<b>0.54</b>	<b>0.68</b>	—	—	—	—	—	<b>11.69</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.09	(0.06)	—	0.93	0.96	—	—	—	—	—	10.94
<b>Series F</b>												
<b>Sept. 30, 2013</b>	<b>10.96</b>	<b>0.14</b>	<b>(0.05)</b>	<b>0.06</b>	<b>0.54</b>	<b>0.69</b>	—	—	—	—	—	<b>11.71</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.08	(0.05)	—	0.89	0.92	—	—	—	—	—	10.96
<b>Series I</b>												
<b>Sept. 30, 2013</b>	<b>10.97</b>	<b>0.14</b>	<b>(0.04)</b>	<b>0.06</b>	<b>0.54</b>	<b>0.70</b>	—	—	—	—	—	<b>11.74</b>
Mar. 31, 2013 <sup>3</sup>	10.00 <sup>†</sup>	0.05	(0.04)	—	0.52	0.53	—	—	—	—	—	10.97

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

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

<sup>3</sup> From October 31, 2012.

<sup>†</sup> Initial offering net asset value per mutual fund share.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Ratios and Supplemental Data**

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series A</b>							
<b>Sept. 30, 2013</b>	<b>11.59</b>	<b>8 843</b>	<b>763</b>	<b>2.08</b>	<b>2.09</b>	<b>11.56</b>	<b>0.31</b>
Mar. 31, 2013 <sup>4</sup>	10.90	5 683	521	2.14	2.14	–	0.22
<b>Advisor Series</b>							
<b>Sept. 30, 2013</b>	<b>11.59</b>	<b>6 462</b>	<b>558</b>	<b>2.06</b>	<b>2.07</b>	<b>11.56</b>	<b>0.31</b>
Mar. 31, 2013 <sup>4</sup>	10.90	4 572	419	2.14	2.14	–	0.22
<b>Series H</b>							
<b>Sept. 30, 2013</b>	<b>11.62</b>	<b>2 055</b>	<b>177</b>	<b>1.83</b>	<b>1.84</b>	<b>11.56</b>	<b>0.31</b>
Mar. 31, 2013 <sup>4</sup>	10.92	570	52	1.91	1.91	–	0.22
<b>Series D</b>							
<b>Sept. 30, 2013</b>	<b>11.69</b>	<b>5 321</b>	<b>455</b>	<b>1.18</b>	<b>1.19</b>	<b>11.56</b>	<b>0.31</b>
Mar. 31, 2013 <sup>4</sup>	10.94	4 219	386	1.27	1.27	–	0.22
<b>Series F</b>							
<b>Sept. 30, 2013</b>	<b>11.71</b>	<b>10 863</b>	<b>928</b>	<b>0.97</b>	<b>0.98</b>	<b>11.56</b>	<b>0.31</b>
Mar. 31, 2013 <sup>4</sup>	10.96	7 035	642	0.96	0.96	–	0.22
<b>Series I</b>							
<b>Sept. 30, 2013</b>	<b>11.74</b>	<b>1 889</b>	<b>161</b>	<b>0.72</b>	<b>0.73</b>	<b>11.56</b>	<b>0.31</b>
Mar. 31, 2013 <sup>4</sup>	10.97	1 128	103	0.72	0.72	–	0.22

<sup>1</sup> The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

<sup>4</sup> From October 31, 2012.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.75%	66%	34%
Advisor Series	1.75%	66%	34%
Series H	1.65%	70%	30%
Series D	1.00%	25%	75%
Series F	0.75%	—	100%
Series I	0.60%	—	100%

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

**PAST PERFORMANCE**

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

**SUMMARY OF INVESTMENT PORTFOLIO**

*(after consideration of derivative products, if any)  
As at September 30, 2013*

**Investment Mix**

	% of Net Asset Value
Information Technology	19.3
Consumer Discretionary	15.2
Health Care	13.6
Financials	13.5
Industrials	11.2
Energy	7.9
Consumer Staples	7.5
Materials	3.1
Telecommunication Services	2.1
Utilities	2.0
Cash/Other	4.6

**Top 25 Holdings\***

	% of Net Asset Value
Cash & Cash Equivalents	4.7
Apple Inc.	4.0
Microsoft Corp.	2.7
LyondellBasell Industries N.V.	2.1
ConocoPhillips	2.0
Oracle Corporation	2.0
Cisco Systems Inc.	1.8
U.S. Bancorp	1.7
General Electric Company	1.7
AbbVie Inc.	1.6
The Walt Disney Company	1.6
Cardinal Health Inc.	1.6
AmerisourceBergen Corp.	1.6
Prudential Financial Inc.	1.6
MetLife Inc.	1.6
Johnson & Johnson	1.6
Time Warner Inc.	1.5
Occidental Petroleum Corp.	1.5
UnitedHealth Group Incorporated	1.5
United Technologies Corp.	1.5
Viacom Inc.	1.5
Capital One Financial Corp.	1.5
Ingersoll-Rand Plc., Class A	1.5
Hess Corp.	1.5
Pfizer Inc.	1.5
<b>Top 25 Holdings</b>	<b>47.4</b>

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

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/funds](http://www.rbcgam.com/funds).

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



U.S. EQUITY FUND

## RBC U.S. EQUITY CLASS

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September 30, 2013

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

The Board of Directors of RBC Corporate Class Inc. approved this semi-annual management report of fund performance on November 7, 2013.

### **A Note on Forward-looking Statements**

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

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September 30, 2013

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

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

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

### Results of Operations

The Fund's net asset value was \$16 million as of September 30, 2013.

Over the past six months, the Fund's Series A shares gained 7.6%. The Fund's return is after the deduction of fees and expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

U.S. equity markets gained momentum during the six-month period, fueled by evidence of a strengthening U.S. economy and signs of economic stabilization and growth in Europe and Asia. Surveys measuring business conditions in both manufacturing and services improved steadily after bouncing off their lows. Inflation remained relatively low, as high unemployment in many regions held down wages and prices for many commodities fell or stagnated.

Moderate employment growth continued during the period, contributing to a long-awaited housing recovery in the U.S. The U.S. government's fiscal balance improved as better-than-expected tax revenues were matched by spending cuts. Corporate earnings growth slowed, largely because revenue gains continue to be subdued. This effect was offset by cost controls that kept profit margins near historically high levels.

The Fund's performance benefited from returns in the Energy sector, with exploration and production companies such as Pioneer Natural Resources and Diamondback Resources performing well.

Performance also benefited from overweight positions in the Industrials and Consumer Discretionary sectors, with Priceline.com and Boeing aiding returns. A relative lack of exposure to the Telecommunication Services and Utilities sectors had a positive impact on returns. Certain positions in the Materials and Financial sectors had a negative impact on performance during the period. Freeport McMoran and Citigroup were among the stocks in these sectors that hurt relative returns.

### Recent Developments

Comments from policymakers at the U.S. Federal Reserve ("the Fed") suggest that the central bank remains concerned about the fragility of the domestic economy and this was reflected in the Fed's recent decision to continue with US\$85 billion in monthly bond purchases aimed at stimulating the economy. The portfolio manager believes that economic data should support steps by the Fed to begin scaling back these purchases sometime in 2013 as policymakers gain confidence that the economic recovery is sustainable. The portfolio manager believes that this tapering process may lead to a modest downturn in stocks, as investors try to gauge the effect of higher interest rates on economic growth. Equity markets remain attractively valued on a historical basis and any market weakness is likely to be only a temporary interruption within a longer term bull market.

### Related-Party Transactions

#### *Manager and Portfolio Advisor*

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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

#### *Distributors*

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

#### *Custodian*

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

#### *Registrars*

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



September 30, 2013

***Other Related-Party Transactions***

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

***Related-Party Trading Activities***

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

***Inter-Fund Trading***

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



September 30, 2013

**FINANCIAL HIGHLIGHTS**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

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

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series A</b>												
<b>Sept. 30, 2013</b>	<b>11.83</b>	<b>0.10</b>	<b>(0.13)</b>	<b>0.12</b>	<b>0.81</b>	<b>0.90</b>	—	—	—	—	—	<b>12.73</b>
Mar. 31, 2013	10.73	0.26	(0.23)	0.02	1.57	1.62	—	—	—	—	—	11.83
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.05	(0.06)	—	0.71	0.70	—	—	—	—	—	10.73
<b>Advisor Series</b>												
<b>Sept. 30, 2013</b>	<b>11.83</b>	<b>0.10</b>	<b>(0.13)</b>	<b>0.12</b>	<b>0.81</b>	<b>0.90</b>	—	—	—	—	—	<b>12.73</b>
Mar. 31, 2013	10.72	0.26	(0.23)	0.02	1.56	1.61	—	—	—	—	—	11.83
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.06	(0.06)	—	0.71	0.71	—	—	—	—	—	10.72
<b>Series H</b>												
<b>Sept. 30, 2013</b>	<b>11.85</b>	<b>0.09</b>	<b>(0.11)</b>	<b>0.12</b>	<b>0.76</b>	<b>0.86</b>	—	—	—	—	—	<b>12.78</b>
Mar. 31, 2013 <sup>4</sup>	10.36 <sup>†</sup>	0.18	(0.14)	0.02	1.07	1.13	—	—	—	—	—	11.85
<b>Series D</b>												
<b>Sept. 30, 2013</b>	<b>11.96</b>	<b>0.10</b>	<b>(0.07)</b>	<b>0.13</b>	<b>0.82</b>	<b>0.98</b>	—	—	—	—	—	<b>12.93</b>
Mar. 31, 2013	10.75	0.25	(0.13)	0.02	1.53	1.67	—	—	—	—	—	11.96
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.05	(0.04)	—	0.71	0.72	—	—	—	—	—	10.75
<b>Series F</b>												
<b>Sept. 30, 2013</b>	<b>12.00</b>	<b>0.10</b>	<b>(0.06)</b>	<b>0.13</b>	<b>0.82</b>	<b>0.99</b>	—	—	—	—	—	<b>12.99</b>
Mar. 31, 2013	10.75	0.26	(0.10)	0.02	1.57	1.75	—	—	—	—	—	12.00
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.05	(0.03)	—	0.71	0.73	—	—	—	—	—	10.75
<b>Series I</b>												
<b>Sept. 30, 2013</b>	<b>12.02</b>	<b>0.10</b>	<b>(0.04)</b>	<b>0.13</b>	<b>0.83</b>	<b>1.02</b>	—	—	—	—	—	<b>13.03</b>
Mar. 31, 2013 <sup>4</sup>	10.42 <sup>†</sup>	0.18	(0.06)	0.02	1.08	1.22	—	—	—	—	—	12.02
<b>Series O</b>												
<b>Sept. 30, 2013</b>	<b>12.13</b>	<b>0.10</b>	—	<b>0.13</b>	<b>0.83</b>	<b>1.06</b>	—	—	—	—	—	<b>13.19</b>
Mar. 31, 2013	10.78	0.29	(0.01)	0.02	1.73	2.03	—	—	—	—	—	12.13
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.07	(0.01)	—	0.71	0.77	—	—	—	—	—	10.78

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

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

<sup>3</sup> From January 1, 2012.

<sup>4</sup> From July 9, 2012.

<sup>†</sup> Initial offering net asset value per mutual fund share.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Ratios and Supplemental Data**

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series A</b>							
<b>Sept. 30, 2013</b>	<b>12.73</b>	<b>4 434</b>	<b>348</b>	<b>2.18</b>	<b>2.20</b>	<b>12.46</b>	<b>0.29</b>
Mar. 31, 2013	11.83	3 391	287	2.13	2.17	7.96	0.33
Mar. 31, 2012 <sup>4</sup>	10.73	384	36	2.18	2.18	–	0.48
<b>Advisor Series</b>							
<b>Sept. 30, 2013</b>	<b>12.73</b>	<b>614</b>	<b>48</b>	<b>2.15</b>	<b>2.17</b>	<b>12.46</b>	<b>0.29</b>
Mar. 31, 2013	11.83	505	43	2.15	2.19	7.96	0.33
Mar. 31, 2012 <sup>4</sup>	10.72	77	7	2.18	2.18	–	0.48
<b>Series H</b>							
<b>Sept. 30, 2013</b>	<b>12.78</b>	<b>225</b>	<b>18</b>	<b>1.85</b>	<b>1.87</b>	<b>12.46</b>	<b>0.29</b>
Mar. 31, 2013 <sup>5</sup>	11.85	1	–	1.86	1.90	7.96	0.33
<b>Series D</b>							
<b>Sept. 30, 2013</b>	<b>12.93</b>	<b>2 296</b>	<b>178</b>	<b>1.18</b>	<b>1.20</b>	<b>12.46</b>	<b>0.29</b>
Mar. 31, 2013	11.96	1 799	150	1.25	1.29	7.96	0.33
Mar. 31, 2012 <sup>4</sup>	10.75	59	5	1.27	1.27	–	0.48
<b>Series F</b>							
<b>Sept. 30, 2013</b>	<b>12.99</b>	<b>611</b>	<b>47</b>	<b>0.97</b>	<b>0.99</b>	<b>12.46</b>	<b>0.29</b>
Mar. 31, 2013	12.00	488	41	0.97	1.01	7.96	0.33
Mar. 31, 2012 <sup>4</sup>	10.75	80	7	0.99	0.99	–	0.48
<b>Series I</b>							
<b>Sept. 30, 2013</b>	<b>13.03</b>	<b>1</b>	<b>–</b>	<b>0.75</b>	<b>0.77</b>	<b>12.46</b>	<b>0.29</b>
Mar. 31, 2013 <sup>5</sup>	12.02	1	–	0.76	0.80	7.96	0.33
<b>Series O</b>							
<b>Sept. 30, 2013</b>	<b>13.19</b>	<b>7 921</b>	<b>601</b>	<b>0.09</b>	<b>0.11</b>	<b>12.46</b>	<b>0.29</b>
Mar. 31, 2013	12.13	6 473	534	0.10	0.14	7.96	0.33
Mar. 31, 2012 <sup>4</sup>	10.78	2 999	278	0.11	0.11	–	0.48

<sup>1</sup> The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

<sup>4</sup> From January 1, 2012.

<sup>5</sup> From July 9, 2012.





September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.75%	66%	34%
Advisor Series	1.75%	66%	34%
Series H	1.65%	70%	30%
Series D	1.00%	25%	75%
Series F	0.75%	—	100%
Series I	0.60%	—	100%

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

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

**PAST PERFORMANCE**

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

**Year-by-Year Returns (%)**

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year or interim period.





September 30, 2013

**PAST PERFORMANCE (cont.)**



<sup>1</sup> Inception date January 1, 2012.

<sup>2</sup> Inception date July 9, 2012.

For the 12-month periods ended March 31 and the six-month period ended September 30, 2013.

**SUMMARY OF INVESTMENT PORTFOLIO**

(after consideration of derivative products, if any)

As at September 30, 2013

**Investment Mix**

	% of Net Asset Value
Information Technology	17.9
Consumer Discretionary	14.3
Financials	14.1
Industrials	12.7
Energy	12.2
Health Care	11.1
Consumer Staples	7.5
Materials	3.7
Utilities	2.2
Telecommunication Services	1.1
Cash/Other	3.2

**Top 25 Holdings\***

	% of Net Asset Value
Apple Inc.	3.3
Gilead Sciences Inc.	3.2
Cash & Cash Equivalents	2.8
Google Inc., Class A	2.1
Celgene Corp.	2.0
Whiting Petroleum Corp.	1.6
EOG Resources Inc.	1.6
General Electric Company	1.6
Johnson & Johnson	1.6
AmerisourceBergen Corp.	1.5
Schlumberger Ltd.	1.5
Hess Corp.	1.5
Ecolab Inc.	1.5
Starbucks Corp.	1.5
American International Group Inc.	1.4
Microsoft Corp.	1.4
United Technologies Corp.	1.4
Morgan Stanley	1.4
Wells Fargo & Company	1.4
Viacom Inc.	1.4
Bank of America Corp.	1.4
Halliburton Co.	1.4
Boeing Co.	1.4
The Kroger Co.	1.3
Lowe's Companies	1.3
<b>Top 25 Holdings</b>	<b>42.5</b>

\* The Fund invests substantially all of its assets directly in the RBC Private U.S. Equity Pool and/or the RBC U.S. Equity Fund. The above are the Top 25 holdings of the RBC Private U.S. Equity Pool.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/funds](http://www.rbcgam.com/funds).

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



U.S. EQUITY FUND

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

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September 30, 2013

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

The Board of Directors of RBC Corporate Class Inc. approved this semi-annual management report of fund performance on November 7, 2013.

**A Note on Forward-looking Statements**

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

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*This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual financial statements or the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at [www.rbcgam.com/funds](http://www.rbcgam.com/funds) or SEDAR at [www.sedar.com](http://www.sedar.com). Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.*



September 30, 2013

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in a well-diversified portfolio of U.S. equity securities.

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

### Results of Operations

The Fund’s net asset value was \$17 million as of September 30, 2013.

Over the past six months, the Fund’s Series A shares gained 9.2%. The Fund’s return is after the deduction of fees and expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

Capital-market performance was determined in large part by expectations that the U.S. Federal Reserve would begin to pare measures aimed at stimulating economic growth – followed by the central bank’s surprise decision in late September to stand pat. Markets also took their cue from signs that the Chinese economy was regaining momentum and that Europe was emerging from recession.

The Large Cap Growth component underperformed its benchmark, the Russell Top 200 Growth Index, as positive sector allocation was not enough to offset poor security selection. Positive security selection in the Industrials and Consumer Staples sectors was negated by lagging performance in Materials and Financials sectors.

The Large Cap Value strategy underperformed its benchmark, the Russell Top 200 Value Index, as security selection weighed on returns. Security selection in the Financials and Consumer Discretionary sectors was the biggest detractor from performance, partially offset by positive stock performance in Utilities, Health Care and Industrials.

The Mid Cap Growth component underperformed its benchmark, the Russell Mid Cap Growth Index, due to both sector allocation and security selection. Poor security selection in Health Care and Industrials, and sector allocation in Consumer Discretionary and Information Technology, were the biggest detractors from returns.

The Mid Cap Value strategy outperformed its benchmark, the Russell Mid Cap Value Index, as both sector allocation and security selection had a positive contribution to returns. A significant underweight position in the Utilities and Financials sectors had the biggest positive impact on returns. Favourable security selection in Information Technology, Financials and Health Care also contributed to performance.

The Small Cap Core strategy outperformed its benchmark, the Russell 2000 Index, as both favourable security selection and sector allocation contributed to returns. Security selection in the Consumer Discretionary sector had the largest impact on returns. A significant underweight position in the Financials and Utilities sectors, and a significant overweight position in the Information Technology and Industrials sectors, had a positive contribution to performance.

### Recent Developments

Activity in capital markets suggests the possibility of regime shift: the shadow of the financial crisis is falling a lot shorter. The normalization in the economic outlook and investor sentiment has led to marked improvement in the global economy, a significant rise in bond yields and stock markets reaching new highs.

### Related-Party Transactions

#### *Manager and Portfolio Advisor*

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund’s day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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

#### *Distributors*

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

#### *Custodian*

RBC Investor Services Trust (“RBC IS”) is the custodian and holds the assets of the Fund.

#### *Registrars*

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



***Other Related-Party Transactions***

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

***Related-Party Trading Activities***

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

***Inter-Fund Trading***

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



September 30, 2013

**FINANCIAL HIGHLIGHTS**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

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

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series A</b>												
<b>Sept. 30, 2013</b>	<b>11.87</b>	–	<b>(0.13)</b>	<b>0.07</b>	<b>1.11</b>	<b>1.05</b>	–	–	–	–	–	<b>12.66</b>
Mar. 31, 2013	10.66	0.24	(0.22)	0.96	1.30	2.28	–	–	–	–	–	11.87
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.06)	–	0.71	0.65	–	–	–	–	–	10.66
<b>Advisor Series</b>												
<b>Sept. 30, 2013</b>	<b>11.87</b>	–	<b>(0.12)</b>	<b>0.07</b>	<b>1.11</b>	<b>1.06</b>	–	–	–	–	–	<b>12.66</b>
Mar. 31, 2013	10.66	0.38	(0.22)	1.53	2.06	3.75	–	–	–	–	–	11.87
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.06)	–	0.71	0.65	–	–	–	–	–	10.66
<b>Series H</b>												
<b>Sept. 30, 2013</b>	<b>11.88</b>	–	<b>(0.11)</b>	<b>0.07</b>	<b>1.10</b>	<b>1.06</b>	–	–	–	–	–	<b>12.69</b>
Mar. 31, 2013 <sup>4</sup>	10.30 <sup>†</sup>	0.14	(0.15)	0.56	0.75	1.30	–	–	–	–	–	11.88
<b>Series D</b>												
<b>Sept. 30, 2013</b>	<b>11.99</b>	–	<b>(0.07)</b>	<b>0.07</b>	<b>1.12</b>	<b>1.12</b>	–	–	–	–	–	<b>12.85</b>
Mar. 31, 2013	10.68	0.21	(0.13)	0.85	1.15	2.08	–	–	–	–	–	11.99
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.03)	–	0.71	0.68	–	–	–	–	–	10.68
<b>Series F</b>												
<b>Sept. 30, 2013</b>	<b>12.04</b>	–	<b>(0.06)</b>	<b>0.07</b>	<b>1.11</b>	<b>1.12</b>	–	–	–	–	–	<b>12.91</b>
Mar. 31, 2013	10.69	0.23	(0.11)	0.93	1.25	2.30	–	–	–	–	–	12.04
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.03)	–	0.71	0.68	–	–	–	–	–	10.69
<b>Series I</b>												
<b>Sept. 30, 2013</b>	<b>12.05</b>	–	<b>(0.04)</b>	<b>0.07</b>	<b>1.13</b>	<b>1.16</b>	–	–	–	–	–	<b>12.94</b>
Mar. 31, 2013 <sup>4</sup>	10.36 <sup>†</sup>	0.12	(0.06)	0.48	0.65	1.19	–	–	–	–	–	12.05
<b>Series O</b>												
<b>Sept. 30, 2013</b>	<b>12.16</b>	–	–	<b>0.07</b>	<b>1.12</b>	<b>1.19</b>	–	–	–	–	–	<b>13.09</b>
Mar. 31, 2013	10.71	0.33	(0.01)	1.34	1.80	3.46	–	–	–	–	–	12.16
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.02)	–	0.71	0.69	–	–	–	–	–	10.71

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

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

<sup>3</sup> From January 1, 2012.

<sup>4</sup> From July 9, 2012.

<sup>†</sup> Initial offering net asset value per mutual fund share.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Ratios and Supplemental Data**

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series A</b>							
<b>Sept. 30, 2013</b>	<b>12.66</b>	<b>6 129</b>	<b>484</b>	<b>2.11</b>	<b>2.13</b>	<b>9.19</b>	<b>0.18</b>
Mar. 31, 2013	11.87	4 480	377	2.05	2.10	12.23	0.25
Mar. 31, 2012 <sup>4</sup>	10.66	614	58	2.14	2.14	—	0.41
<b>Advisor Series</b>							
<b>Sept. 30, 2013</b>	<b>12.66</b>	<b>172</b>	<b>14</b>	<b>2.04</b>	<b>2.06</b>	<b>9.19</b>	<b>0.18</b>
Mar. 31, 2013	11.87	124	10	2.07	2.12	12.23	0.25
Mar. 31, 2012 <sup>4</sup>	10.66	239	22	2.14	2.14	—	0.41
<b>Series H</b>							
<b>Sept. 30, 2013</b>	<b>12.69</b>	<b>840</b>	<b>66</b>	<b>1.81</b>	<b>1.83</b>	<b>9.19</b>	<b>0.18</b>
Mar. 31, 2013 <sup>5</sup>	11.88	444	37	1.92	1.97	12.23	0.25
<b>Series D</b>							
<b>Sept. 30, 2013</b>	<b>12.85</b>	<b>6 826</b>	<b>531</b>	<b>1.19</b>	<b>1.21</b>	<b>9.19</b>	<b>0.18</b>
Mar. 31, 2013	11.99	5 428	453	1.24	1.29	12.23	0.25
Mar. 31, 2012 <sup>4</sup>	10.68	122	11	1.29	1.29	—	0.41
<b>Series F</b>							
<b>Sept. 30, 2013</b>	<b>12.91</b>	<b>2 231</b>	<b>173</b>	<b>0.94</b>	<b>0.96</b>	<b>9.19</b>	<b>0.18</b>
Mar. 31, 2013	12.04	901	75	0.97	1.02	12.23	0.25
Mar. 31, 2012 <sup>4</sup>	10.69	1	—	1.01	1.01	—	0.41
<b>Series I</b>							
<b>Sept. 30, 2013</b>	<b>12.94</b>	<b>252</b>	<b>19</b>	<b>0.75</b>	<b>0.77</b>	<b>9.19</b>	<b>0.18</b>
Mar. 31, 2013 <sup>5</sup>	12.05	229	19	0.77	0.82	12.23	0.25
<b>Series O</b>							
<b>Sept. 30, 2013</b>	<b>13.09</b>	<b>265</b>	<b>20</b>	<b>0.09</b>	<b>0.11</b>	<b>9.19</b>	<b>0.18</b>
Mar. 31, 2013	12.16	57	5	0.09	0.14	12.23	0.25
Mar. 31, 2012 <sup>4</sup>	10.71	173	16	0.12	0.12	—	0.41

<sup>1</sup> The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

<sup>4</sup> From January 1, 2012.

<sup>5</sup> From July 9, 2012.



**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.75%	57%	43%
Advisor Series	1.75%	57%	43%
Series H	1.60%	63%	37%
Series D	1.00%	25%	75%
Series F	0.75%	—	100%
Series I	0.60%	—	100%

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

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

**PAST PERFORMANCE**

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

**Year-by-Year Returns (%)**

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year or interim period.







September 30, 2013

**PAST PERFORMANCE (cont.)**



<sup>1</sup> Inception date January 1, 2012.

<sup>2</sup> Inception date July 9, 2012.

For the 12-month periods ended March 31 and the six-month period ended September 30, 2013.

**SUMMARY OF INVESTMENT PORTFOLIO**

(after consideration of derivative products, if any)

As at September 30, 2013

**Investment Mix**

	% of Net Asset Value
Information Technology	18.0
Financials	15.3
Industrials	13.7
Consumer Discretionary	13.4
Health Care	12.4
Energy	10.8
Materials	5.1
Consumer Staples	5.0
Utilities	2.6
Telecommunication Services	1.3
Cash/Other	2.4

**Top 25 Holdings\***

	% of Net Asset Value
Apple Inc.	2.4
Cash & Cash Equivalents	2.2
Chevron Corp.	1.8
Wells Fargo & Company	1.4
Johnson & Johnson	1.3
Google Inc., Class A	1.2
Gilead Sciences Inc.	1.1
Pfizer Inc.	1.0
Skyworks Solutions Inc.	0.9
Microsoft Corp.	0.9
Exxon Mobil Corp.	0.9
Berkshire Hathaway Inc., Class B	0.9
Cisco Systems Inc.	0.9
JPMorgan Chase & Co.	0.8
Lockheed Martin Corporation	0.8
Honeywell International Inc.	0.8
Mondelez International Inc.	0.8
Cigna Corp.	0.8
Pioneer Natural Resources Co.	0.7
Verizon Communications Inc.	0.7
Dominion Resources Inc.	0.7
Citigroup Inc.	0.7
General Electric Company	0.7
Cameron International	0.7
Hartford Financial Services Inc.	0.7
<b>Top 25 Holdings</b>	<b>25.8</b>

\* The Fund invests substantially all of its assets directly in the Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund. The above are the Top 25 holdings of the Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/funds](http://www.rbcgam.com/funds).

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



INTERNATIONAL EQUITY FUND

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

September 30, 2013

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

The Board of Directors of RBC Corporate Class Inc. approved this semi-annual management report of fund performance on November 7, 2013.

**A Note on Forward-looking Statements**

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

*This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual financial statements or the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at [www.rbcgam.com/funds](http://www.rbcgam.com/funds) or SEDAR at [www.sedar.com](http://www.sedar.com). Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.*



## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

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

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

### Results of Operations

The Fund's net asset value was \$22 million as of September 30, 2013.

Over the past six months, the Fund's Series A shares gained 10.0%. The Fund's return is after the deduction of fees and expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

Equity markets in developed regions posted healthy returns during the six-month period. The exception was Australia, where stocks were hurt by lower commodity prices and a related weakening of the currency. The Fund was underweight Australia, which was good for performance. Positions in Australia's Newcrest Mining and Zijin Mining of China, both of which are gold producers, accounted for the bulk of the Fund's underperformance. The portfolio manager's thinking was that gold would protect investors in an environment where governments were increasing the money supply, but this was not the case.

Markets in Continental Europe, including Italy and Spain, performed best. Valuations in Europe were attractive, but the market also benefited from European leaders expressing their intent to keep interest rates low and a general feeling that the Eurozone would remain intact. The Fund held an overweight position in France, and French holdings such as insurer, AXA, and automaker, Renault, contributed strongly to performance. In Germany, the Fund's position in shares of Daimler performed well. In Italy, Telecom Italia rebounded to add to returns.

In the U.K., Royal Bank of Scotland was a major contributor to performance, as improving housing and economic conditions made the company's relatively low valuation attractive. The portfolio manager believes that even with the recent stock appreciation, RBS remains attractive based on book value.

In Asia, returns benefited from positions in Baidu, the Chinese equivalent of search engine Google. In Japan, the two largest telecommunications companies, Nippon Tel and KDDI, also continued to do well for shareholders and have a record of stable and steady profitability.

Changes in foreign-exchange rates had a positive impact on the Fund's performance. The British pound, euro and Swiss franc all rose versus the Canadian dollar, boosting the value of stocks valued in Canadian currency. This was offset somewhat by declines in the Australian dollar and the Brazilian real, which were exposed to weak commodity prices.

### Recent Developments

Sales and prices in the U.S. housing market appear to be gaining steadily, and improvement in this area generally leads to better consumer confidence and greater economic activity. Although tepid, economic improvement also looks to be occurring in Europe and China. Historically, economic recoveries in Europe tend to lag the U.S. by a year or two.

The portfolio manager has increased exposure to the Financials sector, which should be a major beneficiary of economic improvement in Europe. European financial companies have restored their balance sheets and still trade at attractive valuations. The portfolio manager has also increased the Fund's exposure to the Industrials sector, which should benefit from higher capital spending.

The portfolio manager's current strategy is to have overweight exposure to Europe, which continues to offer attractive valuations and good dividend yields. The portfolio manager believes that the portfolio's relatively low overall price-to-earnings ratio and higher dividend yield continue to offer good value.

### Related-Party Transactions

#### *Manager and Portfolio Advisor*

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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

#### *Distributors*

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



***Custodian***

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

***Registrars***

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

***Other Related-Party Transactions***

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

***Related-Party Trading Activities***

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

***Inter-Fund Trading***

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



September 30, 2013

**FINANCIAL HIGHLIGHTS**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

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

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series A</b>												
<b>Sept. 30, 2013</b>	<b>11.47</b>	–	<b>(0.13)</b>	<b>0.04</b>	<b>1.26</b>	<b>1.17</b>	–	–	–	–	–	<b>12.61</b>
Mar. 31, 2013	10.83	0.46	(0.24)	(0.02)	0.87	1.07	–	–	–	–	–	11.47
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.06)	0.01	0.87	0.82	–	–	–	–	–	10.83
<b>Advisor Series</b>												
<b>Sept. 30, 2013</b>	<b>11.47</b>	–	<b>(0.12)</b>	<b>0.04</b>	<b>1.27</b>	<b>1.19</b>	–	–	–	–	–	<b>12.62</b>
Mar. 31, 2013	10.83	0.38	(0.25)	(0.01)	0.71	0.83	–	–	–	–	–	11.47
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.07)	0.02	0.87	0.82	–	–	–	–	–	10.83
<b>Series H</b>												
<b>Sept. 30, 2013</b>	<b>11.49</b>	–	<b>(0.12)</b>	<b>0.04</b>	<b>1.21</b>	<b>1.13</b>	–	–	–	–	–	<b>12.65</b>
Mar. 31, 2013 <sup>4</sup>	10.25 <sup>†</sup>	0.32	(0.15)	(0.01)	0.59	0.75	–	–	–	–	–	11.49
<b>Series D</b>												
<b>Sept. 30, 2013</b>	<b>11.58</b>	–	<b>(0.08)</b>	<b>0.04</b>	<b>1.28</b>	<b>1.24</b>	–	–	–	–	–	<b>12.80</b>
Mar. 31, 2013	10.85	0.44	(0.15)	(0.02)	0.83	1.10	–	–	–	–	–	11.58
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.04)	0.01	0.87	0.84	–	–	–	–	–	10.85
<b>Series F</b>												
<b>Sept. 30, 2013</b>	<b>11.63</b>	–	<b>(0.06)</b>	<b>0.04</b>	<b>1.28</b>	<b>1.26</b>	–	–	–	–	–	<b>12.87</b>
Mar. 31, 2013	10.86	0.52	(0.12)	(0.02)	0.98	1.36	–	–	–	–	–	11.63
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.03)	0.01	0.87	0.85	–	–	–	–	–	10.86
<b>Series I</b>												
<b>Sept. 30, 2013</b>	<b>11.64</b>	–	<b>(0.05)</b>	<b>0.04</b>	<b>1.29</b>	<b>1.28</b>	–	–	–	–	–	<b>12.89</b>
Mar. 31, 2013 <sup>4</sup>	10.31 <sup>†</sup>	0.24	(0.08)	(0.01)	0.45	0.60	–	–	–	–	–	11.64
<b>Series O</b>												
<b>Sept. 30, 2013</b>	<b>11.77</b>	–	–	<b>0.04</b>	<b>1.30</b>	<b>1.34</b>	–	–	–	–	–	<b>13.08</b>
Mar. 31, 2013	10.89	0.61	(0.01)	(0.02)	1.14	1.72	–	–	–	–	–	11.77
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.01)	0.02	0.87	0.88	–	–	–	–	–	10.89

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

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

<sup>3</sup> From January 1, 2012.

<sup>4</sup> From July 9, 2012.

<sup>†</sup> Initial offering net asset value per mutual fund share.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Ratios and Supplemental Data**

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series A</b>							
<b>Sept. 30, 2013</b>	<b>12.61</b>	<b>4 185</b>	<b>332</b>	<b>2.28</b>	<b>2.30</b>	<b>6.33</b>	<b>0.40</b>
Mar. 31, 2013	11.47	2 840	248	2.24	2.28	10.66	0.38
Mar. 31, 2012 <sup>4</sup>	10.83	263	24	2.31	2.31	11.25	0.34
<b>Advisor Series</b>							
<b>Sept. 30, 2013</b>	<b>12.62</b>	<b>222</b>	<b>18</b>	<b>2.12</b>	<b>2.14</b>	<b>6.33</b>	<b>0.40</b>
Mar. 31, 2013	11.47	242	21	2.23	2.27	10.66	0.38
Mar. 31, 2012 <sup>4</sup>	10.83	9	1	2.31	2.31	11.25	0.34
<b>Series H</b>							
<b>Sept. 30, 2013</b>	<b>12.65</b>	<b>255</b>	<b>20</b>	<b>2.03</b>	<b>2.05</b>	<b>6.33</b>	<b>0.40</b>
Mar. 31, 2013 <sup>5</sup>	11.49	1	—	2.02	2.06	10.66	0.38
<b>Series D</b>							
<b>Sept. 30, 2013</b>	<b>12.80</b>	<b>11 667</b>	<b>911</b>	<b>1.34</b>	<b>1.36</b>	<b>6.33</b>	<b>0.40</b>
Mar. 31, 2013	11.58	9 531	823	1.41	1.45	10.66	0.38
Mar. 31, 2012 <sup>4</sup>	10.85	108	10	1.46	1.46	11.25	0.34
<b>Series F</b>							
<b>Sept. 30, 2013</b>	<b>12.87</b>	<b>1 601</b>	<b>124</b>	<b>1.10</b>	<b>1.12</b>	<b>6.33</b>	<b>0.40</b>
Mar. 31, 2013	11.63	1 345	116	1.13	1.17	10.66	0.38
Mar. 31, 2012 <sup>4</sup>	10.86	44	4	1.18	1.18	11.25	0.34
<b>Series I</b>							
<b>Sept. 30, 2013</b>	<b>12.89</b>	<b>434</b>	<b>34</b>	<b>0.96</b>	<b>0.98</b>	<b>6.33</b>	<b>0.40</b>
Mar. 31, 2013 <sup>5</sup>	11.64	392	34	1.00	1.04	10.66	0.38
<b>Series O</b>							
<b>Sept. 30, 2013</b>	<b>13.08</b>	<b>3 436</b>	<b>263</b>	<b>0.12</b>	<b>0.14</b>	<b>6.33</b>	<b>0.40</b>
Mar. 31, 2013	11.77	2 610	222	0.13	0.17	10.66	0.38
Mar. 31, 2012 <sup>4</sup>	10.89	1 326	122	0.16	0.16	11.25	0.34

<sup>1</sup> The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

<sup>4</sup> From January 1, 2012.

<sup>5</sup> From July 9, 2012.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.85%	54%	46%
Advisor Series	1.85%	54%	46%
Series H	1.75%	57%	43%
Series D	1.10%	23%	77%
Series F	0.85%	–	100%
Series I	0.75%	–	100%

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

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

**PAST PERFORMANCE**

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

**Year-by-Year Returns (%)**

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year or interim period.





September 30, 2013

**PAST PERFORMANCE (cont.)**



<sup>1</sup> Inception date January 1, 2012.

<sup>2</sup> Inception date July 9, 2012.

For the 12-month periods ended March 31 and the six-month period ended September 30, 2013.

**SUMMARY OF INVESTMENT PORTFOLIO**

*(after consideration of derivative products, if any)*

*As at September 30, 2013*

**Investment Mix – Sectors**

	% of Net Asset Value
Financials	26.1
Industrials	17.0
Health Care	12.0
Telecommunication Services	11.0
Energy	9.4
Consumer Discretionary	8.5
Consumer Staples	6.4
Materials	4.7
Information Technology	2.5
Cash/Other	2.4

**Investment Mix – Countries/Regions**

	% of Net Asset Value
Europe ex. U.K.	49.4
United Kingdom	19.0
Japan	14.8
Pacific ex. Japan	11.3
Middle East	1.8
United States	0.9
Latin America	0.4
Cash/Other	2.4

**Top 25 Holdings\***

	% of Net Asset Value
The Royal Bank of Scotland Group Plc.	4.9
Sanofi	4.2
Telecom Italia S.p.A.	4.1
Novartis AG	3.9
Total S.A.	3.2
Inpex Corp.	3.0
UGL Ltd.	2.9
Aegon N.V.	2.9
Sumitomo Corp.	2.7
China Mobile (Hong Kong) Ltd.	2.5
Balfour Beatty Plc.	2.3
Royal Dutch Shell Plc.	2.3
Cash & Cash Equivalents	2.2
Shiseido Co. Ltd.	2.2
Roche Holdings AG Genussscheine	2.1
Catlin Group Ltd.	2.1
Renault S.A.	2.1
Barclays Plc.	2.0
AXA S.A.	2.0
Teva Pharmaceutical Industries Ltd. ADR	1.8
BBVA S.A.	1.7
ABB Ltd.	1.6
Thyssen Krupp AG	1.5
Baidu.com Inc. ADR	1.5
Credit Suisse Group	1.5
<b>Top 25 Holdings</b>	<b>63.2</b>

\* The Fund invests substantially all of its assets directly in the Phillips, Hager & North Overseas Equity Fund. The above are the Top 25 holdings of the Phillips, Hager & North Overseas Equity Fund.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/funds](http://www.rbcgam.com/funds).

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





INTERNATIONAL EQUITY FUND

## RBC EMERGING MARKETS EQUITY CLASS

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September 30, 2013

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

The Board of Directors of RBC Corporate Class Inc. approved this semi-annual management report of fund performance on November 7, 2013.

### **A Note on Forward-looking Statements**

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

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*This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual financial statements or the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at [www.rbcgam.com/funds](http://www.rbcgam.com/funds) or SEDAR at [www.sedar.com](http://www.sedar.com). Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.*



## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

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

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

### Results of Operations

The Fund’s net asset value was \$30 million as of September 30, 2013.

Over the past six months, the Fund’s Series A shares lost 2.0%. The Fund’s return is after the deduction of fees and expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

The Fund benefited from a preference for attractively valued sectors able to exploit strong local economic growth, as well as shying away from sectors that are more exposed to global economic growth. The Fund was underweight in the Energy and Materials sectors, which were the market’s weakest areas, but had significant exposure to Consumer Staples and Consumer Discretionary, which performed well over the period. This approach was offset somewhat during the final two months of the period, when the trend reversed.

The Fund did not seek to concentrate its exposure in any one market, and so country exposures had limited impact on relative performance. The portfolio did benefit somewhat from exposure to Nigeria and Saudi Arabia. As with sector preferences, country stances had a negative impact in the final two months of the period. A relative lack of exposure to South Korea, Taiwan and Russia was a detriment after markets in these countries performed well in August and September.

Stock selection is the principal driver of the Fund’s relative performance. The portfolio manager focuses on high-quality growth stocks trading at reasonable valuations and over the period stocks with these characteristics performed well. In particular, the Fund benefited from positions in Naspers of South Africa and China’s Baidu, which are exposed to growth in mobile Internet, as well as the banks, Pekao and Shinhan, which were trading at attractive valuations.

### Recent Developments

After a strong finish to 2012, emerging-market equities have underperformed developed markets. Weaker commodity prices, a stronger U.S. dollar, falling earnings and relatively high bond yields have been headwinds for emerging markets. Moreover, a slowing economy in China has been having a negative effect on domestic equities and stock markets in Latin America, whose commodity producers rely largely on Chinese growth.

More recently, countries most exposed to a fall in risk appetite and to rising emerging-market bond yields have also suffered, including Indonesia, Turkey, Thailand and India. Despite these challenges, longer-term macroeconomic trends are intact and emerging-market equities now offer more attractive earnings and dividend yields. The Fund will retain its bias towards high-quality stocks and domestic sectors and away from the commodity sectors.

### Related-Party Transactions

#### *Manager and Portfolio Advisor*

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund’s day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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

#### *Distributors*

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

#### *Custodian*

RBC Investor Services Trust (“RBC IS”) is the custodian and holds the assets of the Fund.

#### *Registrars*

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



***Other Related-Party Transactions***

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

***Related-Party Trading Activities***

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

***Inter-Fund Trading***

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



September 30, 2013

**FINANCIAL HIGHLIGHTS**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

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

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series A</b>												
<b>Sept. 30, 2013</b>	<b>11.85</b>	–	<b>(0.13)</b>	<b>0.03</b>	<b>(0.10)</b>	<b>(0.20)</b>	–	–	–	–	–	<b>11.62</b>
Mar. 31, 2013	10.79	0.22	(0.24)	0.03	1.46	1.47	–	–	–	–	–	11.85
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.06)	–	0.84	0.78	–	–	–	–	–	10.79
<b>Advisor Series</b>												
<b>Sept. 30, 2013</b>	<b>11.86</b>	–	<b>(0.13)</b>	<b>0.03</b>	<b>(0.10)</b>	<b>(0.20)</b>	–	–	–	–	–	<b>11.62</b>
Mar. 31, 2013	10.79	0.19	(0.25)	0.02	1.23	1.19	–	–	–	–	–	11.86
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.11)	–	0.84	0.73	–	–	–	–	–	10.79
<b>Series H</b>												
<b>Sept. 30, 2013</b>	<b>11.87</b>	–	<b>(0.11)</b>	<b>0.03</b>	<b>(0.10)</b>	<b>(0.18)</b>	–	–	–	–	–	<b>11.65</b>
Mar. 31, 2013 <sup>4</sup>	10.24 <sup>†</sup>	0.12	(0.18)	0.01	0.77	0.72	–	–	–	–	–	11.87
<b>Series D</b>												
<b>Sept. 30, 2013</b>	<b>12.00</b>	–	<b>(0.07)</b>	<b>0.03</b>	<b>(0.10)</b>	<b>(0.14)</b>	–	–	–	–	–	<b>11.82</b>
Mar. 31, 2013	10.81	0.22	(0.14)	0.03	1.43	1.54	–	–	–	–	–	12.00
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.04)	–	0.84	0.80	–	–	–	–	–	10.81
<b>Series F</b>												
<b>Sept. 30, 2013</b>	<b>12.03</b>	–	<b>(0.05)</b>	<b>0.03</b>	<b>(0.10)</b>	<b>(0.12)</b>	–	–	–	–	–	<b>11.87</b>
Mar. 31, 2013	10.83	0.23	(0.11)	0.03	1.52	1.67	–	–	–	–	–	12.03
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.08)	–	0.84	0.76	–	–	–	–	–	10.83
<b>Series I</b>												
<b>Sept. 30, 2013</b>	<b>12.04</b>	–	<b>(0.06)</b>	<b>0.03</b>	<b>(0.10)</b>	<b>(0.13)</b>	–	–	–	–	–	<b>11.88</b>
Mar. 31, 2013 <sup>4</sup>	10.31 <sup>†</sup>	0.14	(0.08)	0.02	0.90	0.98	–	–	–	–	–	12.04
<b>Series O</b>												
<b>Sept. 30, 2013</b>	<b>12.16</b>	–	–	<b>0.03</b>	<b>(0.10)</b>	<b>(0.07)</b>	–	–	–	–	–	<b>12.05</b>
Mar. 31, 2013	10.84	0.24	(0.01)	0.03	1.58	1.84	–	–	–	–	–	12.16
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.01)	–	0.84	0.83	–	–	–	–	–	10.84

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

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

<sup>3</sup> From January 1, 2012.

<sup>4</sup> From July 9, 2012.

<sup>†</sup> Initial offering net asset value per mutual fund share.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Ratios and Supplemental Data**

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series A</b>							
<b>Sept. 30, 2013</b>	<b>11.62</b>	<b>3 621</b>	<b>312</b>	<b>2.49</b>	<b>2.50</b>	<b>6.11</b>	<b>0.32</b>
Mar. 31, 2013	11.85	3 003	253	2.42	2.44	3.33	0.32
Mar. 31, 2012 <sup>4</sup>	10.79	365	34	2.51	2.51	–	0.46
<b>Advisor Series</b>							
<b>Sept. 30, 2013</b>	<b>11.62</b>	<b>382</b>	<b>33</b>	<b>2.52</b>	<b>2.53</b>	<b>6.11</b>	<b>0.32</b>
Mar. 31, 2013	11.86	221	19	2.44	2.46	3.33	0.32
Mar. 31, 2012 <sup>4</sup>	10.79	1	–	2.51	2.51	–	0.46
<b>Series H</b>							
<b>Sept. 30, 2013</b>	<b>11.65</b>	<b>423</b>	<b>36</b>	<b>2.19</b>	<b>2.20</b>	<b>6.11</b>	<b>0.32</b>
Mar. 31, 2013 <sup>5</sup>	11.87	207	17	2.15	2.17	3.33	0.32
<b>Series D</b>							
<b>Sept. 30, 2013</b>	<b>11.82</b>	<b>800</b>	<b>68</b>	<b>1.50</b>	<b>1.51</b>	<b>6.11</b>	<b>0.32</b>
Mar. 31, 2013	12.00	944	79	1.49	1.51	3.33	0.32
Mar. 31, 2012 <sup>4</sup>	10.81	110	10	1.56	1.56	–	0.46
<b>Series F</b>							
<b>Sept. 30, 2013</b>	<b>11.87</b>	<b>2 301</b>	<b>194</b>	<b>1.21</b>	<b>1.22</b>	<b>6.11</b>	<b>0.32</b>
Mar. 31, 2013	12.03	1 411	117	1.24	1.26	3.33	0.32
Mar. 31, 2012 <sup>4</sup>	10.83	2	–	1.27	1.27	–	0.46
<b>Series I</b>							
<b>Sept. 30, 2013</b>	<b>11.88</b>	<b>446</b>	<b>38</b>	<b>1.21</b>	<b>1.22</b>	<b>6.11</b>	<b>0.32</b>
Mar. 31, 2013 <sup>5</sup>	12.04	451	37	1.20	1.22	3.33	0.32
<b>Series O</b>							
<b>Sept. 30, 2013</b>	<b>12.05</b>	<b>22 483</b>	<b>1 865</b>	<b>0.31</b>	<b>0.32</b>	<b>6.11</b>	<b>0.32</b>
Mar. 31, 2013	12.16	20 358	1 674	0.32	0.34	3.33	0.32
Mar. 31, 2012 <sup>4</sup>	10.84	7 536	695	0.33	0.33	–	0.46

<sup>1</sup> The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

<sup>4</sup> From January 1, 2012.

<sup>5</sup> From July 9, 2012.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.85%	54%	46%
Advisor Series	1.85%	54%	46%
Series H	1.70%	59%	41%
Series D	1.00%	25%	75%
Series F	0.75%	–	100%
Series I	0.70%	–	100%

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

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

**PAST PERFORMANCE**

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

**Year-by-Year Returns (%)**

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year or interim period.





September 30, 2013

**PAST PERFORMANCE (cont.)**



<sup>1</sup> Inception date January 1, 2012.

<sup>2</sup> Inception date July 9, 2012.

For the 12-month periods ended March 31 and the six-month period ended September 30, 2013.

**SUMMARY OF INVESTMENT PORTFOLIO**

(after consideration of derivative products, if any)

As at September 30, 2013

**Investment Mix**

	% of Net Asset Value
Other Countries	19.0
China	12.7
South Korea	11.3
South Africa	10.8
Brazil	8.1
Hong Kong	7.9
Taiwan	7.7
India	7.6
Chile	4.5
Russia	2.8
Mexico	2.3
Turkey	2.3
Indonesia	2.0
Cash/Other	1.0

**Top 25 Holdings\***

	% of Net Asset Value
Samsung Electronics Co. Ltd.	4.3
Taiwan Semiconductor Manufacturing Co. Ltd.	3.7
China Mobile (Hong Kong) Ltd.	3.3
Housing Development Finance Corp.	3.3
South African Breweries Plc.	3.1
Petrochina Co.	2.9
Sberbank of Russia ADR	2.8
Embotelladora Andina S.A.	2.7
Public Bank Berhad	2.6
Standard Chartered Plc.	2.5
AIA Group Ltd.	2.4
Samsung Fire & Marine Insurance	2.4
Naspers Ltd.	2.3
Dragon Oil Plc.	2.3
Vale S.A. ADR	2.2
PT Astra International Tbk	2.0
Shinhan Financial Group Co. Ltd.	2.0
Clicks Group Ltd.	2.0
HCL Technologies Ltd.	2.0
Hikma Pharmaceuticals Plc.	1.9
SM Investments Corp.	1.9
Standard Foods Corp.	1.9
China Merchants Holdings Co. Ltd.	1.8
Cia Cervecerias Unidas S.A.	1.8
Samsonite International S.A.	1.8
<b>Top 25 Holdings</b>	<b>61.9</b>

\* The Fund invests substantially all of its assets directly in the RBC Emerging Markets Equity Fund. The above are the Top 25 holdings of the RBC Emerging Markets Equity Fund.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/funds](http://www.rbcgam.com/funds).

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



GLOBAL EQUITY FUND

## RBC GLOBAL RESOURCES CLASS

September 30, 2013

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

The Board of Directors of RBC Corporate Class Inc. approved this semi-annual management report of fund performance on November 7, 2013.

### A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

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## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

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

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

### Results of Operations

The Fund’s net asset value was \$1 million as of September 30, 2013.

Over the past six months, the Fund’s Series A shares gained 0.7%. The Fund’s return is after the deduction of fees and expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

Commodity prices generally stabilized in early April following significant across-the-board declines, although crude oil, gold and copper followed vastly different trajectories during the period. Oil rallied from about US\$85 a barrel in April to over US\$110 in early September, buoyed by Syrian tensions and the threat of U.S. military involvement. Gold, on the other hand, touched a multi-year low of US\$1,200 an ounce as its safe-haven appeal began to fade somewhat. Prices for copper and other industrial-linked commodities were also volatile, but ended the period nearly unchanged from levels at the start of the period. Natural-gas prices were pressured by cooler-than-normal weather and rising natural-gas production from the Marcellus Basin, a large shale deposit in eastern North America.

The Fund’s underperformance during the period was largely attributable to the poor performance of smaller-capitalization metals and mining stocks in the portfolio, including Mongolia Minerals and Ivanplats. Both stocks were negatively impacted by geopolitical events. Potash Ridge stock dropped with other fertilizer companies after a Russian venture threatened to lower potash prices by significantly boosting production. An underweight position in the relatively strong-performing chemicals area also hampered returns.

The Fund’s best performance came from overweight positions in a number of oil and gas exploration and production stocks, including EOG Resources, Pioneer Natural Resources and Caracal Energy. An overweight position in packaging makers such as Owens Illinois and Sealed Air also aided returns.

### Recent Developments

Commodity and stock prices remained volatile during the six-month period. On the geopolitical front, Middle Eastern tensions eased recently after Syria agreed to dispose of its chemical weapons and the U.S. and Iran publicly explored the possibility of discussions over Iran’s nuclear activities. The apparent easing of diplomatic tensions has reduced demand for gold equities, but crude-oil prices continue to remain above the psychologically important US\$100-per-barrel threshold due to robust global demand and still-constrained supplies following the Libyan conflict.

On the macroeconomic front, improving industrial production and manufacturing data in China, the world’s largest consumer of commodities, now appear to suggest that growth and commodity demand may be re-accelerating. As well, recent data and anecdotal reports suggest that the pace of economic decline in Europe has slowed.

The U.S. Federal Reserve’s decision in late September to postpone scaling back its US\$85 billion-a-month economic-stimulus program has been good for resource companies because it suggests that interest rates will stay low enough to sustain slow but steady economic growth. The portfolio manager expects that demand for natural resources will be supported as long as interest rates do not rise too precipitously.

### Related-Party Transactions

#### *Manager and Portfolio Advisor*

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund’s day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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

#### *Distributors*

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



***Custodian***

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

***Registrars***

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

***Other Related-Party Transactions***

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

***Related-Party Trading Activities***

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

***Inter-Fund Trading***

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



September 30, 2013

**FINANCIAL HIGHLIGHTS**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

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

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series A</b>												
<b>Sept. 30, 2013</b>	<b>8.88</b>	–	<b>(0.11)</b>	<b>(0.07)</b>	<b>0.23</b>	<b>0.05</b>	–	–	–	–	–	<b>8.94</b>
Mar. 31, 2013	9.67	–	(0.22)	(0.66)	0.05	(0.83)	–	–	–	–	–	8.88
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.06)	–	(0.28)	(0.34)	–	–	–	–	–	9.67
<b>Advisor Series</b>												
<b>Sept. 30, 2013</b>	<b>8.88</b>	–	<b>(0.11)</b>	<b>(0.07)</b>	<b>0.23</b>	<b>0.05</b>	–	–	–	–	–	<b>8.94</b>
Mar. 31, 2013	9.67	–	(0.22)	(0.70)	0.05	(0.87)	–	–	–	–	–	8.88
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.06)	–	(0.28)	(0.34)	–	–	–	–	–	9.67
<b>Series H</b>												
<b>Sept. 30, 2013</b>	<b>8.90</b>	–	<b>(0.09)</b>	<b>(0.07)</b>	<b>0.24</b>	<b>0.08</b>	–	–	–	–	–	<b>8.98</b>
Mar. 31, 2013 <sup>4</sup>	8.24 <sup>†</sup>	–	(0.14)	(0.46)	0.03	(0.57)	–	–	–	–	–	8.90
<b>Series D</b>												
<b>Sept. 30, 2013</b>	<b>8.99</b>	–	<b>(0.06)</b>	<b>(0.07)</b>	<b>0.24</b>	<b>0.11</b>	–	–	–	–	–	<b>9.10</b>
Mar. 31, 2013	9.70	–	(0.14)	(0.66)	0.05	(0.75)	–	–	–	–	–	8.99
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.03)	–	(0.28)	(0.31)	–	–	–	–	–	9.70
<b>Series F</b>												
<b>Sept. 30, 2013</b>	<b>9.02</b>	–	<b>(0.05)</b>	<b>(0.07)</b>	<b>0.23</b>	<b>0.11</b>	–	–	–	–	–	<b>9.15</b>
Mar. 31, 2013	9.70	–	(0.10)	(0.52)	0.04	(0.58)	–	–	–	–	–	9.02
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.03)	–	(0.28)	(0.31)	–	–	–	–	–	9.70
<b>Series I</b>												
<b>Sept. 30, 2013</b>	<b>9.07</b>	–	<b>(0.04)</b>	<b>(0.07)</b>	<b>0.24</b>	<b>0.13</b>	–	–	–	–	–	<b>9.21</b>
Mar. 31, 2013 <sup>4</sup>	8.29 <sup>†</sup>	–	(0.06)	(0.32)	0.02	(0.36)	–	–	–	–	–	9.07
<b>Series O</b>												
<b>Sept. 30, 2013</b>	<b>9.12</b>	–	<b>(0.01)</b>	<b>(0.07)</b>	<b>0.24</b>	<b>0.16</b>	–	–	–	–	–	<b>9.29</b>
Mar. 31, 2013	9.72	–	(0.03)	(0.65)	0.05	(0.63)	–	–	–	–	–	9.12
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	–	(0.01)	–	(0.28)	(0.29)	–	–	–	–	–	9.72

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

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

<sup>3</sup> From January 1, 2012.

<sup>4</sup> From July 9, 2012.

<sup>†</sup> Initial offering net asset value per mutual fund share.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Ratios and Supplemental Data**

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series A</b>							
<b>Sept. 30, 2013</b>	<b>8.94</b>	<b>551</b>	<b>62</b>	<b>2.26</b>	<b>2.59</b>	<b>43.49</b>	<b>0.35</b>
Mar. 31, 2013	8.88	461	52	2.25	2.48	97.50	0.32
Mar. 31, 2012 <sup>4</sup>	9.67	57	6	2.35	2.35	0.39	0.50
<b>Advisor Series</b>							
<b>Sept. 30, 2013</b>	<b>8.94</b>	<b>46</b>	<b>5</b>	<b>2.33</b>	<b>2.66</b>	<b>43.49</b>	<b>0.35</b>
Mar. 31, 2013	8.88	37	4	2.23	2.46	97.50	0.32
Mar. 31, 2012 <sup>4</sup>	9.67	8	1	2.35	2.35	0.39	0.50
<b>Series H</b>							
<b>Sept. 30, 2013</b>	<b>8.98</b>	<b>1</b>	<b>–</b>	<b>2.01</b>	<b>2.34</b>	<b>43.49</b>	<b>0.35</b>
Mar. 31, 2013 <sup>5</sup>	8.90	1	–	2.02	2.25	97.50	0.32
<b>Series D</b>							
<b>Sept. 30, 2013</b>	<b>9.10</b>	<b>89</b>	<b>10</b>	<b>1.25</b>	<b>1.58</b>	<b>43.49</b>	<b>0.35</b>
Mar. 31, 2013	8.99	98	11	1.29	1.52	97.50	0.32
Mar. 31, 2012 <sup>4</sup>	9.70	31	3	1.34	1.34	0.39	0.50
<b>Series F</b>							
<b>Sept. 30, 2013</b>	<b>9.15</b>	<b>43</b>	<b>5</b>	<b>0.97</b>	<b>1.30</b>	<b>43.49</b>	<b>0.35</b>
Mar. 31, 2013	9.02	15	2	0.98	1.21	97.50	0.32
Mar. 31, 2012 <sup>4</sup>	9.70	63	7	1.05	1.05	0.39	0.50
<b>Series I</b>							
<b>Sept. 30, 2013</b>	<b>9.21</b>	<b>1</b>	<b>–</b>	<b>0.87</b>	<b>1.20</b>	<b>43.49</b>	<b>0.35</b>
Mar. 31, 2013 <sup>5</sup>	9.07	1	–	0.86	1.09	97.50	0.32
<b>Series O</b>							
<b>Sept. 30, 2013</b>	<b>9.29</b>	<b>288</b>	<b>31</b>	<b>0.05</b>	<b>0.38</b>	<b>43.49</b>	<b>0.35</b>
Mar. 31, 2013	9.12	315	35	0.06	0.29	97.50	0.32
Mar. 31, 2012 <sup>4</sup>	9.72	144	15	0.08	0.08	0.39	0.50

<sup>1</sup> The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

<sup>4</sup> From January 1, 2012.

<sup>5</sup> From July 9, 2012.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.85%	62%	38%
Advisor Series	1.85%	62%	38%
Series H	1.75%	66%	34%
Series D	1.00%	25%	75%
Series F	0.75%	–	100%
Series I	0.60%	–	100%

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

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

**PAST PERFORMANCE**

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

**Year-by-Year Returns (%)**

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year or interim period.





September 30, 2013

**PAST PERFORMANCE (cont.)**



<sup>1</sup> Inception date January 1, 2012.

<sup>2</sup> Inception date July 9, 2012.

For the 12-month periods ended March 31 and the six-month period ended September 30, 2013.

**SUMMARY OF INVESTMENT PORTFOLIO**

*(after consideration of derivative products, if any)*

*As at September 30, 2013*

**Investment Mix – Sectors**

	% of Net Asset Value
Oil, Gas and Consumable Fuels	46.4
Chemicals	17.9
Energy Equipment and Services	14.7
Metals and Mining	14.2
Containers and Packaging	1.3
Construction Materials	1.0
Paper and Forest Products	0.5
Commercial Services and Supplies	0.2
Cash/Other	3.8

**Investment Mix – Countries/Regions**

	% of Net Asset Value
United States	60.5
Canada	21.1
United Kingdom	5.7
Europe ex. U.K	4.6
Australia	2.3
Japan	1.0
Mexico	1.0
Cash/Other	3.8

**Top 25 Holdings\***

	% of Net Asset Value
Suncor Energy Inc.	5.1
Halliburton Co.	4.7
EOG Resources Inc.	4.6
Chevron Corp.	4.0
Cash & Cash Equivalents	3.8
Anadarko Petroleum Corp.	3.6
Continental Resources Inc.	3.0
EQT Corp.	3.0
Pioneer Natural Resources Co.	2.9
Exxon Mobil Corp.	2.7
LyondellBasell Industries N.V.	2.2
Gran Tierra Energy Inc.	2.2
Concho Resources Inc.	2.1
BHP Billiton Ltd. ADR	2.0
Praxair Inc.	1.9
Cabot Oil & Gas Corp.	1.9
Caracal Energy Inc.	1.8
Western Energy Services Corp.	1.7
Monsanto Co.	1.7
Airgas Inc.	1.7
Ecolab Inc.	1.6
Celanese Corp.	1.6
Range Resources Corp.	1.5
Nucor Corp.	1.5
FMC Technologies Inc.	1.5
<b>Top 25 Holdings</b>	<b>64.3</b>

\* The Fund invests substantially all of its assets directly in the RBC Global Resources Fund. The above are the Top 25 holdings of the RBC Global Resources Fund.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/funds](http://www.rbcgam.com/funds).

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



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

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

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

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

November 7, 2013

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

**Unaudited Semi-Annual Financial Statements**

The accompanying semi-annual financial statements have not been reviewed by the external auditors of the Funds. The external auditors will be auditing the annual financial statements of the Funds in accordance with Canadian generally accepted auditing standards.



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

September 30, 2013

Number of Units	Security	Cost	Fair Value	% of Net Assets
<b>MUTUAL FUND UNITS</b>				
4 215 305	RBC Canadian Money Market Fund*	\$ 42 153	\$ 42 153	
<b>TOTAL MUTUAL FUND UNITS</b>		42 153	42 153	<b>99.6</b>
<b>TOTAL INVESTMENTS</b>		<u>\$ 42 153</u>	42 153	<b>99.6</b>
<b>OTHER NET ASSETS (LIABILITIES)</b>			170	<b>0.4</b>
<b>NET ASSETS</b>			<u>\$ 42 323</u>	<b>100.0</b>

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





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

(see note 2 in the generic notes)	September 30 2013	March 31 2013
<b>ASSETS</b>		
Investments at fair value	\$ 42 153	\$ 48 586
Cash	–	15
Due from investment dealers	75	–
Subscriptions receivable	304	851
<b>TOTAL ASSETS</b>	<b>42 532</b>	<b>49 452</b>
<b>LIABILITIES</b>		
Bank overdraft	30	–
Due to investment dealers	–	285
Redemptions payable	161	36
Accounts payable and accrued expenses	18	20
<b>TOTAL LIABILITIES</b>	<b>209</b>	<b>341</b>
<b>NET ASSETS</b>	<b>\$ 42 323</b>	<b>\$ 49 111</b>
Investments at cost	\$ 42 153	\$ 48 586
<b>NET ASSETS, END OF PERIOD</b>		
<b>SERIES A</b>	<b>\$ 24 386</b>	<b>\$ 28 770</b>
<b>ADVISOR SERIES</b>	<b>\$ 1 783</b>	<b>\$ 1 570</b>
<b>SERIES H</b>	<b>\$ 11 335</b>	<b>\$ 14 809</b>
<b>SERIES D</b>	<b>\$ 432</b>	<b>\$ 401</b>
<b>SERIES F</b>	<b>\$ 738</b>	<b>\$ 769</b>
<b>SERIES I</b>	<b>\$ 1</b>	<b>\$ 1</b>
<b>SERIES O</b>	<b>\$ 3 648</b>	<b>\$ 2 791</b>
<b>NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD</b>		
<b>SERIES A</b>	<b>\$ 10.10</b>	<b>\$ 10.07</b>
<b>ADVISOR SERIES</b>	<b>\$ 10.09</b>	<b>\$ 10.06</b>
<b>SERIES H</b>	<b>\$ 10.11</b>	<b>\$ 10.08</b>
<b>SERIES D</b>	<b>\$ 10.10</b>	<b>\$ 10.07</b>
<b>SERIES F</b>	<b>\$ 10.11</b>	<b>\$ 10.07</b>
<b>SERIES I</b>	<b>\$ 10.11</b>	<b>\$ 10.06</b>
<b>SERIES O</b>	<b>\$ 10.20</b>	<b>\$ 10.14</b>
<b>NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD</b>		
(see note 3 in the generic notes)		
<b>SERIES A</b>	<b>\$ 10.10</b>	<b>\$ 10.07</b>
<b>ADVISOR SERIES</b>	<b>\$ 10.09</b>	<b>\$ 10.06</b>
<b>SERIES H</b>	<b>\$ 10.11</b>	<b>\$ 10.08</b>
<b>SERIES D</b>	<b>\$ 10.10</b>	<b>\$ 10.07</b>
<b>SERIES F</b>	<b>\$ 10.11</b>	<b>\$ 10.07</b>
<b>SERIES I</b>	<b>\$ 10.11</b>	<b>\$ 10.06</b>
<b>SERIES O</b>	<b>\$ 10.20</b>	<b>\$ 10.14</b>

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

**Doug Coulter**  
Director

**Frank Lippa**  
Director

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

**Statements of Operations** (unaudited) (in \$000s except per mutual fund share amounts)

For the periods ended September 30 (see note 2 in the generic notes)*	2013	2012
<b>INCOME (see note 3 in the generic notes)</b>		
Interest	\$ 6	\$ 2
Other revenue	277	102
<b>TOTAL INCOME (LOSS)</b>	<b>283</b>	<b>104</b>
<b>EXPENSES (see notes – Fund Specific Information)</b>		
Management fees	92	30
Administration fees	14	5
Board of Directors fees	3	2
Board of Governors costs	1	1
GST/HST	12	3
<b>TOTAL EXPENSES</b>	<b>122</b>	<b>41</b>
Less expenses reimbursed by manager	(1)	(1)
<b>TOTAL EXPENSES NET OF REIMBURSEMENT</b>	<b>121</b>	<b>40</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>162</b>	<b>64</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
	<b>\$ 162</b>	<b>\$ 64</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
<b>SERIES A</b>	<b>\$ 79</b>	<b>\$ 31</b>
<b>ADVISOR SERIES</b>	<b>\$ 6</b>	<b>\$ 5</b>
<b>SERIES H</b>	<b>\$ 48</b>	<b>\$ 4</b>
<b>SERIES D</b>	<b>\$ 2</b>	<b>\$ 1</b>
<b>SERIES F</b>	<b>\$ 2</b>	<b>\$ 2</b>
<b>SERIES I</b>	<b>\$ –</b>	<b>\$ –</b>
<b>SERIES O</b>	<b>\$ 25</b>	<b>\$ 21</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE</b>		
<b>SERIES A</b>	<b>\$ 0.03</b>	<b>\$ 0.03</b>
<b>ADVISOR SERIES</b>	<b>\$ 0.03</b>	<b>\$ 0.03</b>
<b>SERIES H</b>	<b>\$ 0.03</b>	<b>\$ 0.01</b>
<b>SERIES D</b>	<b>\$ 0.03</b>	<b>\$ 0.03</b>
<b>SERIES F</b>	<b>\$ 0.03</b>	<b>\$ 0.04</b>
<b>SERIES I</b>	<b>\$ 0.04</b>	<b>\$ 0.01</b>
<b>SERIES O</b>	<b>\$ 0.06</b>	<b>\$ 0.07</b>

\* Fund launched January 2012; Series H and Series I launched July 2012.



**Statements of Changes in Net Assets** (unaudited) (in \$000s)

For the periods ended September 30 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 28 770	\$ 4 488	\$ 1 570	\$ 1 200	\$ 14 809	\$ –	\$ 401	\$ 81
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	79	31	6	5	48	4	2	1
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	8 947	15 033	1 016	1 881	4 376	4 304	161	189
Proceeds from reinvestment of distributions	–	–	–	–	–	–	–	–
Payments on redemption of mutual fund shares	(13 410)	(3 736)	(809)	(752)	(7 898)	(1 551)	(132)	(54)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>(4 463)</b>	<b>11 297</b>	<b>207</b>	<b>1 129</b>	<b>(3 522)</b>	<b>2 753</b>	<b>29</b>	<b>135</b>
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>(4 384)</b>	<b>11 328</b>	<b>213</b>	<b>1 134</b>	<b>(3 474)</b>	<b>2 757</b>	<b>31</b>	<b>136</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 24 386</b>	<b>\$ 15 816</b>	<b>\$ 1 783</b>	<b>\$ 2 334</b>	<b>\$ 11 335</b>	<b>\$ 2 757</b>	<b>\$ 432</b>	<b>\$ 217</b>

For the periods ended September 30 (see note 2 in the generic notes)*	Series F		Series I		Series O		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 769	\$ 677	\$ 1	\$ –	\$ 2 791	\$ 2 653	\$ 49 111	\$ 9 099
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	2	2	–	–	25	21	162	64
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	210	163	–	1	3 281	3 935	17 991	25 506
Proceeds from reinvestment of distributions	–	–	–	–	–	–	–	–
Payments on redemption of mutual fund shares	(243)	(596)	–	–	(2 449)	(4 809)	(24 941)	(11 498)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>(33)</b>	<b>(433)</b>	<b>–</b>	<b>1</b>	<b>832</b>	<b>(874)</b>	<b>(6 950)</b>	<b>14 008</b>
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>(31)</b>	<b>(431)</b>	<b>–</b>	<b>1</b>	<b>857</b>	<b>(853)</b>	<b>(6 788)</b>	<b>14 072</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 738</b>	<b>\$ 246</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 3 648</b>	<b>\$ 1 800</b>	<b>\$ 42 323</b>	<b>\$ 23 171</b>

\* Fund launched January 2012; Series H and Series I launched July 2012.



September 30, 2013

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

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

**Credit risk (%)**

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

Rating	September 30 2013	March 31 2013
R-1 (H)	70.4	73.5
R-1 (M)	20.5	14.8
R-1 (L)	9.1	11.7
Total	100.0	100.0

**Interest rate risk (%)**

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

Term to maturity	September 30 2013	March 31 2013
0 – 1 month	38.9	38.4
1 – 3 months	29.2	42.0
4 – 6 months	26.3	15.0
7 – 12 months	5.6	4.6
Total	100.0	100.0

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

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

The following is a summary of the inputs used as of September 30 and March 31, 2013 in the valuation of the Fund's financial instruments carried at fair value.

September 30, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	42 153	–	–	42 153
<b>Fixed-income</b>				
and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
<b>Total financial instruments</b>	42 153	–	–	42 153
<b>% of total portfolio</b>	100.0	–	–	100.0

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

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	48 586	–	–	48 586
Fixed-income				
and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
<b>Total financial instruments</b>	48 586	–	–	48 586
<b>% of total portfolio</b>	100.0	–	–	100.0

For the periods ended September 30 and March 31, 2013, there were no transfers of financial instruments between Level 1 and Level 2.

**Management fees (see note 6 in the generic notes)**

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

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

Series A	0.75%
Advisor Series	0.75%
Series H	0.60%
Series D	0.60%
Series F	0.50%
Series I	0.40%

**Operating expenses (see note 6 in the generic notes)**

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

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



September 30, 2013

**Initial investments (\$000s except mutual fund share amounts)**

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

	September 30 2013	March 31 2013
<b>Mutual fund shares held</b>		
Series A	50	50
Advisor Series	50	50
Series H	100	100
Series D	50	50
Series F	50	50
Series I	100	100
Series O	–	–
<b>Value of all mutual fund shares</b>	<b>\$ 4</b>	<b>\$ 4</b>

**Shareholders' equity (000s)**

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

	2013	2012
For the periods ended September 30 (see note 2 in the generic notes)		
<b>Series A</b>		
Opening mutual fund shares	2 857	449
Issued number of mutual fund shares	888	1 500
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(1 330)	(373)
Ending number of mutual fund shares	2 415	1 576
<b>Advisor Series</b>		
Opening mutual fund shares	156	120
Issued number of mutual fund shares	101	188
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(80)	(75)
Ending number of mutual fund shares	177	233
<b>Series H</b>		
Opening mutual fund shares	1 470	–
Issued number of mutual fund shares	433	429
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(782)	(155)
Ending number of mutual fund shares	1 121	274
<b>Series D</b>		
Opening mutual fund shares	40	8
Issued number of mutual fund shares	16	19
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(13)	(5)
Ending number of mutual fund shares	43	22

For the periods ended September 30  
(see note 2 in the generic notes)

	2013	2012
<b>Series F</b>		
Opening mutual fund shares	76	68
Issued number of mutual fund shares	21	16
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(24)	(59)
Ending number of mutual fund shares	73	25
<b>Series I</b>		
Opening mutual fund shares	–	–
Issued number of mutual fund shares	–	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	–
Ending number of mutual fund shares	–	–
<b>Series O</b>		
Opening mutual fund shares	275	265
Issued number of mutual fund shares	324	393
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(241)	(479)
Ending number of mutual fund shares	358	179

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

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

	September 30 2013	September 30 2012
RBC Canadian Money Market Fund	\$ 277	\$ 102
Total other revenue	\$ 277	\$ 102
Capital gains received from underlying funds	\$ –	\$ –

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



STATEMENT OF INVESTMENT PORTFOLIO (unaudited) (in \$000s)  
**RBC BOND CAPITAL CLASS**

September 30, 2013

<b>Number of Units</b>	<b>Security</b>	<b>Cost</b>	<b>Fair Value</b>	<b>% of Net Assets</b>
<b>LIMITED PARTNERSHIP UNITS</b>				
1 865 253	RBC Bond LP*	\$ 18 695	\$ 18 476	
<b>TOTAL LIMITED PARTNERSHIP UNITS</b>		<u>18 695</u>	<u>18 476</u>	<b>99.1</b>
<b>TOTAL INVESTMENTS</b>		<u>\$ 18 695</u>	<u>18 476</u>	<b>99.1</b>
<b>OTHER NET ASSETS (LIABILITIES)</b>			172	<b>0.9</b>
<b>NET ASSETS</b>			<u>\$ 18 648</u>	<b>100.0</b>

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



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

(see note 2 in the generic notes)	September 30 2013	March 31 2013
<b>ASSETS</b>		
Investments at fair value	\$ 18 476	\$ 22 517
Cash	44	6
Due from investment dealers	200	600
Subscriptions receivable	–	520
<b>TOTAL ASSETS</b>	<b>18 720</b>	<b>23 643</b>
<b>LIABILITIES</b>		
Redemptions payable	63	500
Accounts payable and accrued expenses	9	12
<b>TOTAL LIABILITIES</b>	<b>72</b>	<b>512</b>
<b>NET ASSETS</b>	<b>\$ 18 648</b>	<b>\$ 23 131</b>
Investments at cost	\$ 18 695	\$ 22 249
<b>NET ASSETS, END OF PERIOD</b>		
<b>SERIES A</b>	\$ 4 765	\$ 7 609
<b>ADVISOR SERIES</b>	\$ 695	\$ 810
<b>SERIES H</b>	\$ 2 971	\$ 4 096
<b>SERIES D</b>	\$ 104	\$ 107
<b>SERIES F</b>	\$ 706	\$ 877
<b>SERIES I</b>	\$ 1	\$ 1
<b>SERIES O</b>	\$ 9 406	\$ 9 631
<b>NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD</b>		
<b>SERIES A</b>	\$ 9.74	\$ 10.09
<b>ADVISOR SERIES</b>	\$ 9.74	\$ 10.09
<b>SERIES H</b>	\$ 9.76	\$ 10.10
<b>SERIES D</b>	\$ 9.78	\$ 10.11
<b>SERIES F</b>	\$ 9.80	\$ 10.12
<b>SERIES I</b>	\$ 9.81	\$ 10.12
<b>SERIES O</b>	\$ 9.85	\$ 10.14
<b>NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD</b> (see note 3 in the generic notes)		
<b>SERIES A</b>	\$ 9.74	\$ 10.09
<b>ADVISOR SERIES</b>	\$ 9.74	\$ 10.09
<b>SERIES H</b>	\$ 9.76	\$ 10.10
<b>SERIES D</b>	\$ 9.78	\$ 10.11
<b>SERIES F</b>	\$ 9.80	\$ 10.12
<b>SERIES I</b>	\$ 9.81	\$ 10.12
<b>SERIES O</b>	\$ 9.85	\$ 10.14

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

For the period ended September 30 (see note 2 in the generic notes)*	2013
<b>INCOME</b> (see note 3 in the generic notes)	
Interest	\$ 1
<b>TOTAL INCOME (LOSS)</b>	<b>1</b>
<b>EXPENSES</b> (see notes – Fund Specific Information)	
Management fees	54
Administration fees	4
Board of Directors fees	1
Board of Governors costs	1
GST/HST	5
<b>TOTAL EXPENSES</b>	<b>65</b>
Less expenses reimbursed by manager	(1)
<b>TOTAL EXPENSES NET OF REIMBURSEMENT</b>	<b>64</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>(63)</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>	
Net realized gain (loss) on investments	(29)
Change in unrealized gain (loss) on investments	(487)
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>(516)</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	
	\$ (579)
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	
<b>SERIES A</b>	\$ (191)
<b>ADVISOR SERIES</b>	\$ (19)
<b>SERIES H</b>	\$ (118)
<b>SERIES D</b>	\$ (3)
<b>SERIES F</b>	\$ (23)
<b>SERIES I</b>	\$ –
<b>SERIES O</b>	\$ (225)
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE</b>	
<b>SERIES A</b>	\$ (0.30)
<b>ADVISOR SERIES</b>	\$ (0.30)
<b>SERIES H</b>	\$ (0.29)
<b>SERIES D</b>	\$ (0.28)
<b>SERIES F</b>	\$ (0.27)
<b>SERIES I</b>	\$ (0.26)
<b>SERIES O</b>	\$ (0.24)

\* Fund launched October 2012.

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

**Doug Coulter**  
Director

**Frank Lippa**  
Director

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



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

For the period ended September 30 (see note 2 in the generic notes)*	Series A 2013	Advisor Series 2013	Series H 2013	Series D 2013
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 7 609	\$ 810	\$ 4 096	\$ 107
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	(191)	(19)	(118)	(3)
Early redemption fees	–	–	–	–
Proceeds from mutual fund shares issued	–	6	–	–
Proceeds from reinvestment of distributions	42	4	22	1
Payments on redemption of mutual fund shares	(2 652)	(101)	(1 006)	–
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	(2 610)	(91)	(984)	1
Distributions from net income	–	–	–	–
Distributions from net gains	(43)	(5)	(23)	(1)
Distributions from capital	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	(43)	(5)	(23)	(1)
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	(2 844)	(115)	(1 125)	(3)
<b>NET ASSETS – END OF PERIOD</b>	\$ 4 765	\$ 695	\$ 2 971	\$ 104

For the period ended September 30 (see note 2 in the generic notes)*	Series F 2013	Series I 2013	Series O 2013	Total 2013
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 877	\$ 1	\$ 9 631	\$ 23 131
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	(23)	–	(225)	(579)
Early redemption fees	–	–	–	–
Proceeds from mutual fund shares issued	–	–	–	6
Proceeds from reinvestment of distributions	5	–	55	129
Payments on redemption of mutual fund shares	(148)	–	–	(3 907)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	(143)	–	55	(3 772)
Distributions from net income	–	–	–	–
Distributions from net gains	(5)	–	(55)	(132)
Distributions from capital	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	(5)	–	(55)	(132)
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	(171)	–	(225)	(4 483)
<b>NET ASSETS – END OF PERIOD</b>	\$ 706	\$ 1	\$ 9 406	\$ 18 648

\* Fund launched October 2012.



September 30, 2013

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

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

**Credit risk (%)**

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

Rating	September 30 2013	March 31 2013
AAA	8.1	10.1
AA	50.8	47.4
A	22.1	25.7
BBB	14.0	13.9
BB	3.7	1.4
B	1.3	1.3
CCC	–	0.1
Unrated	–	0.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

**Interest rate risk (%)**

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

Term to maturity	September 30 2013	March 31 2013
Less than 1 year	0.6	0.6
1 – 5 years	45.2	40.5
5 – 10 years	30.0	29.3
> 10 years	24.2	29.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

As at September 30, 2013, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 6.2% (March 31, 2013 – 6.7%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of September 30 and March 31, 2013 in the valuation of the Fund's financial instruments carried at fair value.

September 30, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>18 476</b>	–	–	<b>18 476</b>
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>18 476</b>	–	–	<b>18 476</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

March 31, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>22 517</b>	–	–	<b>22 517</b>
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>22 517</b>	–	–	<b>22 517</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

For the periods ended September 30 and March 31, 2013, there were no transfers of financial instruments between Level 1 and Level 2.

**Management fees (see note 6 in the generic notes)**

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

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

Series A	1.00%
Advisor Series	1.00%
Series H	0.90%
Series D	0.65%
Series F	0.50%
Series I	0.40%





September 30, 2013

**Operating expenses (see note 6 in the generic notes)**

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

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

**Initial investments (\$000s except mutual fund share amounts)**

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

	September 30 2013	March 31 2013
<b>Mutual fund shares held</b>		
Series A	101	100
Advisor Series	101	100
Series H	101	100
Series D	101	100
Series F	101	100
Series I	101	100
Series O	955 360	999 400
<b>Value of all mutual fund shares</b>	<b>\$ 9 412</b>	<b>\$ 10 138</b>

**Shareholders' equity (000s)**

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

For the period ended September 30  
(see note 2 in the generic notes) **2013**

<b>Series A</b>	
Opening mutual fund shares	<b>754</b>
Issued number of mutual fund shares	–
Reinvested number of mutual fund shares	<b>4</b>
Redeemed number of mutual fund shares	<b>(269)</b>
Ending number of mutual fund shares	<b>489</b>

For the period ended September 30  
(see note 2 in the generic notes)

	<b>2013</b>
<b>Advisor Series</b>	
Opening mutual fund shares	<b>80</b>
Issued number of mutual fund shares	<b>1</b>
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	<b>(10)</b>
Ending number of mutual fund shares	<b>71</b>
<b>Series H</b>	
Opening mutual fund shares	<b>406</b>
Issued number of mutual fund shares	–
Reinvested number of mutual fund shares	<b>1</b>
Redeemed number of mutual fund shares	<b>(103)</b>
Ending number of mutual fund shares	<b>304</b>
<b>Series D</b>	
Opening mutual fund shares	<b>11</b>
Issued number of mutual fund shares	–
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	<b>11</b>
<b>Series F</b>	
Opening mutual fund shares	<b>87</b>
Issued number of mutual fund shares	–
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	<b>(15)</b>
Ending number of mutual fund shares	<b>72</b>
<b>Series I</b>	
Opening mutual fund shares	–
Issued number of mutual fund shares	–
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	–
<b>Series O</b>	
Opening mutual fund shares	<b>950</b>
Issued number of mutual fund shares	–
Reinvested number of mutual fund shares	<b>5</b>
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	<b>955</b>



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

September 30, 2013

Number of Units	Security	Cost	Fair Value	% of Net Assets
<b>LIMITED PARTNERSHIP UNITS</b>				
27 327 699	Phillips, Hager & North Total Return Bond LP*	\$ 277 856	\$ 279 426	
<b>TOTAL LIMITED PARTNERSHIP UNITS</b>		<u>277 856</u>	<u>279 426</u>	<b>98.8</b>
<b>TOTAL INVESTMENTS</b>		<u>\$ 277 856</u>	<u>279 426</u>	<b>98.8</b>
<b>OTHER NET ASSETS (LIABILITIES)</b>			3 302	<b>1.2</b>
<b>NET ASSETS</b>			<u>\$ 282 728</u>	<b>100.0</b>

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



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

(see note 2 in the generic notes)	September 30 2013	March 31 2013
<b>ASSETS</b>		
Investments at fair value	\$ 279 426	\$ 399 835
Cash	2 313	–
Due from investment dealers	2 000	6 500
Subscriptions receivable	–	1 839
<b>TOTAL ASSETS</b>	<b>283 739</b>	<b>408 174</b>
<b>LIABILITIES</b>		
Bank overdraft	–	4 203
Redemptions payable	873	4 831
Accounts payable and accrued expenses	138	218
<b>TOTAL LIABILITIES</b>	<b>1 011</b>	<b>9 252</b>
<b>NET ASSETS</b>	<b>\$ 282 728</b>	<b>\$ 398 922</b>
Investments at cost	\$ 277 856	\$ 388 908
<b>NET ASSETS, END OF PERIOD</b>		
SERIES A	\$ 49 619	\$ 77 239
ADVISOR SERIES	\$ 36 642	\$ 49 935
SERIES H	\$ 29 159	\$ 48 722
SERIES D	\$ 7 846	\$ 9 116
SERIES F	\$ 35 659	\$ 62 369
SERIES I	\$ 14 369	\$ 19 748
SERIES O	\$ 109 434	\$ 131 793
<b>NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD</b>		
SERIES A	\$ 9.90	\$ 10.30
ADVISOR SERIES	\$ 9.90	\$ 10.30
SERIES H	\$ 9.91	\$ 10.31
SERIES D	\$ 10.00	\$ 10.38
SERIES F	\$ 10.00	\$ 10.37
SERIES I	\$ 10.01	\$ 10.38
SERIES O	\$ 10.10	\$ 10.44
<b>NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD</b> (see note 3 in the generic notes)		
SERIES A	\$ 9.90	\$ 10.30
ADVISOR SERIES	\$ 9.90	\$ 10.30
SERIES H	\$ 9.91	\$ 10.31
SERIES D	\$ 10.00	\$ 10.38
SERIES F	\$ 10.00	\$ 10.37
SERIES I	\$ 10.01	\$ 10.38
SERIES O	\$ 10.10	\$ 10.44

**Statements of Operations** (unaudited) (in \$000s except per mutual fund share amounts)

For the periods ended September 30 (see note 2 in the generic notes)*	2013	2012
<b>INCOME</b> (see note 3 in the generic notes)		
Interest	\$ –	\$ 6
<b>TOTAL INCOME (LOSS)</b>	<b>–</b>	<b>6</b>
<b>EXPENSES</b> (see notes – Fund Specific Information)		
Management fees	880	527
Administration fees	43	29
Board of Directors fees	20	31
Board of Governors costs	1	1
GST/HST	102	49
Interest on bank overdraft	3	–
<b>TOTAL EXPENSES</b>	<b>1 049</b>	<b>637</b>
Less expenses reimbursed by manager	–	(1)
<b>TOTAL EXPENSES NET OF REIMBURSEMENT</b>	<b>1 049</b>	<b>636</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>(1 049)</b>	<b>(630)</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Net realized gain (loss) on investments	1 778	–
Change in unrealized gain (loss) on investments	(9 357)	6 866
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>(7 579)</b>	<b>6 866</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>		
<b>FROM OPERATIONS</b>	<b>\$ (8 628)</b>	<b>\$ 6 236</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
SERIES A	\$ (1 861)	\$ 1 270
ADVISOR SERIES	\$ (1 203)	\$ 671
SERIES H	\$ (1 130)	\$ 184
SERIES D	\$ (224)	\$ 76
SERIES F	\$ (1 068)	\$ 1 147
SERIES I	\$ (441)	\$ 59
SERIES O	\$ (2 701)	\$ 2 829
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE</b>		
SERIES A	\$ (0.29)	\$ 0.26
ADVISOR SERIES	\$ (0.29)	\$ 0.25
SERIES H	\$ (0.28)	\$ 0.10
SERIES D	\$ (0.26)	\$ 0.28
SERIES F	\$ (0.26)	\$ 0.29
SERIES I	\$ (0.26)	\$ 0.11
SERIES O	\$ (0.23)	\$ 0.32

\* Fund launched January 2012; Series H and Series I launched July 2012.

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

**Doug Coulter**  
Director

**Frank Lippa**  
Director

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



Statements of Changes in Net Assets (unaudited) (in \$000s)

For the periods ended September 30 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 77 239	\$ 28 329	\$ 49 935	\$ 15 773	\$ 48 722	\$ –	\$ 9 116	\$ 806
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	(1 861)	1 270	(1 203)	671	(1 130)	184	(224)	76
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	59	48 269	56	26 402	526	25 668	79	3 386
Proceeds from reinvestment of distributions	815	–	505	–	482	–	99	–
Payments on redemption of mutual fund shares	(25 751)	(11 798)	(12 078)	(3 900)	(18 876)	(250)	(1 118)	(285)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>(24 877)</b>	<b>36 471</b>	<b>(11 517)</b>	<b>22 502</b>	<b>(17 868)</b>	<b>25 418</b>	<b>(940)</b>	<b>3 101</b>
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	(882)	–	(573)	–	(565)	–	(106)	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>(882)</b>	<b>–</b>	<b>(573)</b>	<b>–</b>	<b>(565)</b>	<b>–</b>	<b>(106)</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>(27 620)</b>	<b>37 741</b>	<b>(13 293)</b>	<b>23 173</b>	<b>(19 563)</b>	<b>25 602</b>	<b>(1 270)</b>	<b>3 177</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 49 619</b>	<b>\$ 66 070</b>	<b>\$ 36 642</b>	<b>\$ 38 946</b>	<b>\$ 29 159</b>	<b>\$ 25 602</b>	<b>\$ 7 846</b>	<b>\$ 3 983</b>

For the periods ended September 30 (see note 2 in the generic notes)*	Series F		Series I		Series O		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 62 369	\$ 27 867	\$ 19 748	\$ –	\$ 131 793	\$ 66 433	\$ 398 922	\$ 139 208
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	(1 068)	1 147	(441)	59	(2 701)	2 829	(8 628)	6 236
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	317	30 291	–	8 142	–	48 628	1 037	190 786
Proceeds from reinvestment of distributions	520	–	141	–	289	–	2 851	–
Payments on redemption of mutual fund shares	(25 781)	(7 754)	(4 853)	(262)	(18 415)	(4 403)	(106 872)	(28 652)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>(24 944)</b>	<b>22 537</b>	<b>(4 712)</b>	<b>7 880</b>	<b>(18 126)</b>	<b>44 225</b>	<b>(102 984)</b>	<b>162 134</b>
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	(698)	–	(226)	–	(1 532)	–	(4 582)	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>(698)</b>	<b>–</b>	<b>(226)</b>	<b>–</b>	<b>(1 532)</b>	<b>–</b>	<b>(4 582)</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>(26 710)</b>	<b>23 684</b>	<b>(5 379)</b>	<b>7 939</b>	<b>(22 359)</b>	<b>47 054</b>	<b>(116 194)</b>	<b>168 370</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 35 659</b>	<b>\$ 51 551</b>	<b>\$ 14 369</b>	<b>\$ 7 939</b>	<b>\$ 109 434</b>	<b>\$ 113 487</b>	<b>\$ 282 728</b>	<b>\$ 307 578</b>

\* Fund launched January 2012; Series H and Series I launched July 2012.



September 30, 2013

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

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

**Credit risk (%)**

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

Rating	September 30 2013	March 31 2013
AAA	18.8	12.8
AA	46.7	49.6
A	20.2	25.9
BBB	10.8	9.0
BB	1.1	1.0
B	2.3	1.6
Unrated	0.1	0.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

**Interest rate risk (%)**

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

Term to maturity	September 30 2013	March 31 2013
Less than 1 year	2.1	6.1
1 – 5 years	38.2	32.6
5 – 10 years	28.9	17.7
> 10 years	30.8	43.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

As at September 30, 2013, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 6.5% (March 31, 2013 – 6.1%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of September 30 and March 31, 2013 in the valuation of the Fund's financial instruments carried at fair value.

September 30, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>279 426</b>	–	–	<b>279 426</b>
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>279 426</b>	–	–	<b>279 426</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

March 31, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>399 835</b>	–	–	<b>399 835</b>
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>399 835</b>	–	–	<b>399 835</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

For the periods ended September 30 and March 31, 2013, there were no transfers of financial instruments between Level 1 and Level 2.

**Management fees (see note 6 in the generic notes)**

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

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

Series A	1.00%
Advisor Series	1.00%
Series H	0.90%
Series D	0.50%
Series F	0.50%
Series I	0.40%



September 30, 2013

**Operating expenses (see note 6 in the generic notes)**

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

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

**Initial investments (\$000s except mutual fund share amounts)**

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

	September 30 2013	March 31 2013
<b>Mutual fund shares held</b>		
Series A	51	50
Advisor Series	51	50
Series H	99	98
Series D	51	50
Series F	51	50
Series I	99	98
<b>Value of all mutual fund shares</b>	<b>\$ 4</b>	<b>\$ 4</b>

**Shareholders' equity (000s)**

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

For the periods ended September 30  
(see note 2 in the generic notes)

	2013	2012
<b>Series A</b>		
Opening mutual fund shares	7 497	2 832
Issued number of mutual fund shares	5	4 767
Reinvested number of mutual fund shares	80	–
Redeemed number of mutual fund shares	(2 572)	(1 158)
Ending number of mutual fund shares	5 010	6 441
<b>Advisor Series</b>		
Opening mutual fund shares	4 847	1 577
Issued number of mutual fund shares	6	2 604
Reinvested number of mutual fund shares	49	–
Redeemed number of mutual fund shares	(1 201)	(384)
Ending number of mutual fund shares	3 701	3 797

For the periods ended September 30  
(see note 2 in the generic notes)

	2013	2012
<b>Series H</b>		
Opening mutual fund shares	4 726	–
Issued number of mutual fund shares	51	2 520
Reinvested number of mutual fund shares	47	–
Redeemed number of mutual fund shares	(1 883)	(24)
Ending number of mutual fund shares	2 941	2 496
<b>Series D</b>		
Opening mutual fund shares	879	80
Issued number of mutual fund shares	6	335
Reinvested number of mutual fund shares	10	–
Redeemed number of mutual fund shares	(111)	(28)
Ending number of mutual fund shares	784	387
<b>Series F</b>		
Opening mutual fund shares	6 014	2 783
Issued number of mutual fund shares	31	2 983
Reinvested number of mutual fund shares	50	–
Redeemed number of mutual fund shares	(2 528)	(760)
Ending number of mutual fund shares	3 567	5 006
<b>Series I</b>		
Opening mutual fund shares	1 903	–
Issued number of mutual fund shares	–	797
Reinvested number of mutual fund shares	14	–
Redeemed number of mutual fund shares	(481)	(26)
Ending number of mutual fund shares	1 436	771
<b>Series O</b>		
Opening mutual fund shares	12 620	6 624
Issued number of mutual fund shares	–	4 783
Reinvested number of mutual fund shares	28	–
Redeemed number of mutual fund shares	(1 808)	(432)
Ending number of mutual fund shares	10 840	10 975

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



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

September 30, 2013

Number of Units	Security	Cost	Fair Value	% of Net Assets
<b>LIMITED PARTNERSHIP UNITS</b>				
27 613 598	RBC High Yield Bond LP*	\$ 288 150	\$ 307 306	
<b>TOTAL LIMITED PARTNERSHIP UNITS</b>		288 150	307 306	<b>98.9</b>
<b>TOTAL INVESTMENTS</b>		<u>\$ 288 150</u>	<u>307 306</u>	<b>98.9</b>
<b>OTHER NET ASSETS (LIABILITIES)</b>			3 362	<b>1.1</b>
<b>NET ASSETS</b>			<u>\$ 310 668</u>	<b>100.0</b>

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



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

(see note 2 in the generic notes)	September 30 2013	March 31 2013
<b>ASSETS</b>		
Investments at fair value	\$ 307 306	\$ 386 202
Cash	2 783	–
Due from investment dealers	1 000	–
Subscriptions receivable	31	830
<b>TOTAL ASSETS</b>	<b>311 120</b>	<b>387 032</b>
<b>LIABILITIES</b>		
Bank overdraft	–	174
Redemptions payable	323	186
Accounts payable and accrued expenses	129	166
<b>TOTAL LIABILITIES</b>	<b>452</b>	<b>526</b>
<b>NET ASSETS</b>	<b>\$ 310 668</b>	<b>\$ 386 506</b>
Investments at cost	\$ 288 150	\$ 363 064
<b>NET ASSETS, END OF PERIOD</b>		
SERIES A	\$ 28 358	\$ 37 919
ADVISOR SERIES	\$ 40 372	\$ 49 483
SERIES H	\$ 15 896	\$ 19 458
SERIES D	\$ 5 165	\$ 5 892
SERIES F	\$ 20 787	\$ 29 373
SERIES I	\$ 11 720	\$ 15 732
SERIES O	\$ 188 370	\$ 228 649
<b>NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD</b>		
SERIES A	\$ 10.51	\$ 10.89
ADVISOR SERIES	\$ 10.50	\$ 10.89
SERIES H	\$ 10.53	\$ 10.90
SERIES D	\$ 10.58	\$ 10.94
SERIES F	\$ 10.61	\$ 10.96
SERIES I	\$ 10.63	\$ 10.97
SERIES O	\$ 10.76	\$ 11.07
<b>NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD</b> (see note 3 in the generic notes)		
SERIES A	\$ 10.51	\$ 10.89
ADVISOR SERIES	\$ 10.50	\$ 10.89
SERIES H	\$ 10.53	\$ 10.90
SERIES D	\$ 10.58	\$ 10.94
SERIES F	\$ 10.61	\$ 10.96
SERIES I	\$ 10.63	\$ 10.97
SERIES O	\$ 10.76	\$ 11.07

**Statements of Operations** (unaudited) (in \$000s except per mutual fund share amounts)

For the periods ended September 30 (see note 2 in the generic notes)*	2013	2012
<b>INCOME</b> (see note 3 in the generic notes)		
Interest	\$ –	\$ 1
<b>TOTAL INCOME (LOSS)</b>	<b>–</b>	<b>1</b>
<b>EXPENSES</b> (see notes – Fund Specific Information)		
Management fees	747	339
Administration fees	43	22
Board of Directors fees	20	28
Board of Governors costs	1	1
GST/HST	96	33
Interest on bank overdraft	1	–
<b>TOTAL EXPENSES</b>	<b>908</b>	<b>423</b>
Less expenses reimbursed by manager	–	(1)
<b>TOTAL EXPENSES NET OF REIMBURSEMENT</b>	<b>908</b>	<b>422</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>(908)</b>	<b>(421)</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Net realized gain (loss) on investments	4 806	–
Change in unrealized gain (loss) on investments	(3 982)	11 124
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>824</b>	<b>11 124</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>		
<b>FROM OPERATIONS</b>	<b>\$ (84)</b>	<b>\$ 10 703</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
SERIES A	\$ (152)	\$ 845
ADVISOR SERIES	\$ (222)	\$ 1 068
SERIES H	\$ (79)	\$ 58
SERIES D	\$ (11)	\$ 95
SERIES F	\$ (23)	\$ 896
SERIES I	\$ (14)	\$ 243
SERIES O	\$ 417	\$ 7 498
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE</b>		
SERIES A	\$ (0.05)	\$ 0.50
ADVISOR SERIES	\$ (0.05)	\$ 0.50
SERIES H	\$ (0.04)	\$ 0.18
SERIES D	\$ (0.02)	\$ 0.50
SERIES F	\$ (0.02)	\$ 0.54
SERIES I	\$ (0.01)	\$ 0.20
SERIES O	\$ 0.02	\$ 0.58

\* Fund launched January 2012; Series H and Series I launched July 2012.

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

**Doug Coulter**  
Director

**Frank Lippa**  
Director

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





**Statements of Changes in Net Assets** (unaudited) (in \$000s)

For the periods ended September 30 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 37 919	\$ 9 600	\$ 49 483	\$ 13 844	\$ 19 458	\$ –	\$ 5 892	\$ 490
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	(152)	845	(222)	1 068	(79)	58	(11)	95
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	104	15 787	307	18 280	418	6 168	11	2 398
Proceeds from reinvestment								
of distributions	1 112	–	1 235	–	486	–	172	–
Payments on redemption of mutual fund shares	(9 471)	(2 663)	(8 909)	(2 239)	(3 783)	–	(721)	(201)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>(8 255)</b>	<b>13 124</b>	<b>(7 367)</b>	<b>16 041</b>	<b>(2 879)</b>	<b>6 168</b>	<b>(538)</b>	<b>2 197</b>
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	(1 154)	–	(1 522)	–	(604)	–	(178)	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>(1 154)</b>	<b>–</b>	<b>(1 522)</b>	<b>–</b>	<b>(604)</b>	<b>–</b>	<b>(178)</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>(9 561)</b>	<b>13 969</b>	<b>(9 111)</b>	<b>17 109</b>	<b>(3 562)</b>	<b>6 226</b>	<b>(727)</b>	<b>2 292</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 28 358</b>	<b>\$ 23 569</b>	<b>\$ 40 372</b>	<b>\$ 30 953</b>	<b>\$ 15 896</b>	<b>\$ 6 226</b>	<b>\$ 5 165</b>	<b>\$ 2 782</b>

For the periods ended September 30 (see note 2 in the generic notes)*	Series F		Series I		Series O		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 29 373	\$ 11 822	\$ 15 732	\$ –	\$ 228 649	\$ 92 253	\$ 386 506	\$ 128 009
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	(23)	896	(14)	243	417	7 498	(84)	10 703
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	501	17 834	244	12 958	35	84 445	1 620	157 870
Proceeds from reinvestment								
of distributions	694	–	283	–	1 223	–	5 205	–
Payments on redemption of mutual fund shares	(8 898)	(9 254)	(4 041)	–	(34 980)	(6 122)	(70 803)	(20 479)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>(7 703)</b>	<b>8 580</b>	<b>(3 514)</b>	<b>12 958</b>	<b>(33 722)</b>	<b>78 323</b>	<b>(63 978)</b>	<b>137 391</b>
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	(860)	–	(484)	–	(6 974)	–	(11 776)	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>(860)</b>	<b>–</b>	<b>(484)</b>	<b>–</b>	<b>(6 974)</b>	<b>–</b>	<b>(11 776)</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>(8 586)</b>	<b>9 476</b>	<b>(4 012)</b>	<b>13 201</b>	<b>(40 279)</b>	<b>85 821</b>	<b>(75 838)</b>	<b>148 094</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 20 787</b>	<b>\$ 21 298</b>	<b>\$ 11 720</b>	<b>\$ 13 201</b>	<b>\$ 188 370</b>	<b>\$ 178 074</b>	<b>\$ 310 668</b>	<b>\$ 276 103</b>

\* Fund launched January 2012; Series H and Series I launched July 2012.



September 30, 2013

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

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

**Credit risk (%)**

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

Rating	September 30 2013	March 31 2013
A	1.8	1.2
BBB	8.2	16.5
BB	46.2	40.5
B	42.7	40.4
CCC	1.1	1.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

**Interest rate risk (%)**

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

Term to maturity	September 30 2013	March 31 2013
Less than 1 year	–	0.1
1 – 5 years	18.4	25.8
5 – 10 years	81.0	71.2
> 10 years	0.6	2.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

As at September 30, 2013, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 4.1% (March 31, 2013 – 3.5%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of September 30 and March 31, 2013 in the valuation of the Fund's financial instruments carried at fair value.

September 30, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>307 306</b>	–	–	<b>307 306</b>
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>307 306</b>	–	–	<b>307 306</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

March 31, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>386 202</b>	–	–	<b>386 202</b>
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>386 202</b>	–	–	<b>386 202</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

For the periods ended September 30 and March 31, 2013, there were no transfers of financial instruments between Level 1 and Level 2.

**Management fees (see note 6 in the generic notes)**

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

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

Series A	1.25%
Advisor Series	1.25%
Series H	1.10%
Series D	0.90%
Series F	0.75%
Series I	0.60%



September 30, 2013

**Operating expenses (see note 6 in the generic notes)**

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

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

**Initial investments (\$000s except mutual fund share amounts)**

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

	September 30 2013	March 31 2013
<b>Mutual fund shares held</b>		
Series A	52	50
Advisor Series	52	50
Series H	100	97
Series D	52	50
Series F	52	50
Series I	100	97
<b>Value of all mutual fund shares</b>	<b>\$ 4</b>	<b>\$ 4</b>

**Shareholders' equity (000s)**

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

For the periods ended September 30  
(see note 2 in the generic notes)

	2013	2012
<b>Series A</b>		
Opening mutual fund shares	3 483	948
Issued number of mutual fund shares	10	1 532
Reinvested number of mutual fund shares	104	–
Redeemed number of mutual fund shares	(898)	(256)
Ending number of mutual fund shares	2 699	2 224
<b>Advisor Series</b>		
Opening mutual fund shares	4 546	1 368
Issued number of mutual fund shares	28	1 771
Reinvested number of mutual fund shares	116	–
Redeemed number of mutual fund shares	(846)	(217)
Ending number of mutual fund shares	3 844	2 922

For the periods ended September 30  
(see note 2 in the generic notes)

	2013	2012
<b>Series H</b>		
Opening mutual fund shares	1 785	–
Issued number of mutual fund shares	39	587
Reinvested number of mutual fund shares	46	–
Redeemed number of mutual fund shares	(360)	–
Ending number of mutual fund shares	1 510	587
<b>Series D</b>		
Opening mutual fund shares	539	48
Issued number of mutual fund shares	1	234
Reinvested number of mutual fund shares	16	–
Redeemed number of mutual fund shares	(68)	(20)
Ending number of mutual fund shares	488	262
<b>Series F</b>		
Opening mutual fund shares	2 680	1 166
Issued number of mutual fund shares	47	1 726
Reinvested number of mutual fund shares	65	–
Redeemed number of mutual fund shares	(832)	(890)
Ending number of mutual fund shares	1 960	2 002
<b>Series I</b>		
Opening mutual fund shares	1 434	–
Issued number of mutual fund shares	23	1 241
Reinvested number of mutual fund shares	26	–
Redeemed number of mutual fund shares	(380)	–
Ending number of mutual fund shares	1 103	1 241
<b>Series O</b>		
Opening mutual fund shares	20 649	9 084
Issued number of mutual fund shares	3	8 148
Reinvested number of mutual fund shares	113	–
Redeemed number of mutual fund shares	(3 262)	(591)
Ending number of mutual fund shares	17 503	16 641

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



STATEMENT OF INVESTMENT PORTFOLIO (unaudited) (in \$000s)  
**PHILLIPS, HAGER & NORTH MONTHLY INCOME CLASS**

September 30, 2013

Number of Units	Security	Cost	Fair Value	% of Net Assets
<b>MUTUAL FUND UNITS</b>				
7 030 798	Phillips, Hager & North Monthly Income Fund*	\$ 77 910	\$ 77 844	
<b>TOTAL MUTUAL FUND UNITS</b>		<u>77 910</u>	<u>77 844</u>	<b>100.4</b>
<b>TOTAL INVESTMENTS</b>		<u>\$ 77 910</u>	<u>77 844</u>	<b>100.4</b>
<b>OTHER NET ASSETS (LIABILITIES)</b>			<u>(281)</u>	<b>(0.4)</b>
<b>NET ASSETS</b>			<u>\$ 77 563</u>	<b>100.0</b>

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



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

(see note 2 in the generic notes)	September 30 2013	March 31 2013
<b>ASSETS</b>		
Investments at fair value	\$ 77 844	\$ 55 711
Cash	109	497
Subscriptions receivable	325	1 419
<b>TOTAL ASSETS</b>	<b>78 278</b>	<b>57 627</b>
<b>LIABILITIES</b>		
Due to investment dealers	260	1 095
Redemptions payable	255	287
Distributions payable	90	–
Accounts payable and accrued expenses	110	81
<b>TOTAL LIABILITIES</b>	<b>715</b>	<b>1 463</b>
<b>NET ASSETS</b>	<b>\$ 77 563</b>	<b>\$ 56 164</b>

Investments at cost	\$ 77 910	\$ 54 755
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**Statements of Net Assets (cont.)** (unaudited) (in \$000s except per mutual fund share amounts)

(see note 2 in the generic notes)	September 30 2013	March 31 2013
<b>NET ASSETS, END OF PERIOD</b>		
<b>SERIES A</b>	\$ 27 010	\$ 20 548
<b>ADVISOR SERIES</b>	\$ 7 614	\$ 4 497
<b>ADVISOR T5 SERIES</b>	\$ 12 149	\$ 9 975
<b>SERIES T5</b>	\$ 13 936	\$ 8 989
<b>SERIES H</b>	\$ 10 845	\$ 7 900
<b>SERIES D</b>	\$ 3 164	\$ 2 241
<b>SERIES F</b>	\$ 884	\$ 811
<b>SERIES FT5</b>	\$ 1 337	\$ 595
<b>SERIES I</b>	\$ 624	\$ 608

<b>NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD</b>		
<b>SERIES A</b>	\$ 10.42	\$ 10.43
<b>ADVISOR SERIES</b>	\$ 10.42	\$ 10.43
<b>ADVISOR T5 SERIES</b>	\$ 9.97	\$ 10.26
<b>SERIES T5</b>	\$ 9.96	\$ 10.26
<b>SERIES H</b>	\$ 10.43	\$ 10.44
<b>SERIES D</b>	\$ 10.51	\$ 10.47
<b>SERIES F</b>	\$ 10.53	\$ 10.48
<b>SERIES FT5</b>	\$ 10.07	\$ 10.31
<b>SERIES I</b>	\$ 10.55	\$ 10.49

**NET ASSET VALUE (TRANSACTIONAL NAV)  
PER MUTUAL FUND SHARE, END OF PERIOD**  
(see note 3 in the generic notes)

<b>SERIES A</b>	\$ 10.42	\$ 10.43
<b>ADVISOR SERIES</b>	\$ 10.42	\$ 10.43
<b>ADVISOR T5 SERIES</b>	\$ 9.97	\$ 10.26
<b>SERIES T5</b>	\$ 9.96	\$ 10.26
<b>SERIES H</b>	\$ 10.43	\$ 10.44
<b>SERIES D</b>	\$ 10.51	\$ 10.47
<b>SERIES F</b>	\$ 10.53	\$ 10.48
<b>SERIES FT5</b>	\$ 10.07	\$ 10.31
<b>SERIES I</b>	\$ 10.55	\$ 10.49

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

**Doug Coulter**  
Director

**Frank Lipka**  
Director



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

For the period ended September 30  
(see note 2 in the generic notes)\*

2013

<b>INCOME</b> (see note 3 in the generic notes)	
Interest	\$ 6
Other revenue	1 787
<b>TOTAL INCOME (LOSS)</b>	<b>1 793</b>
<b>EXPENSES</b> (see notes – Fund Specific Information)	
Management fees	553
Administration fees	18
Board of Directors fees	4
Board of Governors costs	1
GST/HST	59
<b>TOTAL EXPENSES</b>	<b>635</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>1 158</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS)</b>	
<b>ON INVESTMENTS</b>	
Net realized gain (loss) on investments	(31)
Change in unrealized gain (loss) on investments	(1 022)
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>(1 053)</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	
<b>FROM OPERATIONS</b>	<b>\$ 105</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	
<b>FROM OPERATIONS</b>	
<b>SERIES A</b>	<b>\$ 21</b>
<b>ADVISOR SERIES</b>	<b>\$ 7</b>
<b>ADVISOR T5 SERIES</b>	<b>\$ (1)</b>
<b>SERIES T5</b>	<b>\$ 23</b>
<b>SERIES H</b>	<b>\$ 19</b>
<b>SERIES D</b>	<b>\$ 17</b>
<b>SERIES F</b>	<b>\$ 3</b>
<b>SERIES FT5</b>	<b>\$ 12</b>
<b>SERIES I</b>	<b>\$ 4</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	
<b>FROM OPERATIONS PER MUTUAL FUND SHARE</b>	
<b>SERIES A</b>	<b>\$ 0.08</b>
<b>ADVISOR SERIES</b>	<b>\$ 0.10</b>
<b>ADVISOR T5 SERIES</b>	<b>\$ 0.09</b>
<b>SERIES T5</b>	<b>\$ 0.08</b>
<b>SERIES H</b>	<b>\$ 0.10</b>
<b>SERIES D</b>	<b>\$ 0.12</b>
<b>SERIES F</b>	<b>\$ 0.12</b>
<b>SERIES FT5</b>	<b>\$ 0.11</b>
<b>SERIES I</b>	<b>\$ 0.12</b>

\* Fund launched October 2012.



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

For the period ended September 30 (see note 2 in the generic notes)*	Series A 2013	Advisor Series 2013	Advisor T5 Series 2013	Series T5 2013
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 20 548	\$ 4 497	\$ 9 975	\$ 8 989
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	21	7	(1)	23
Early redemption fees	–	–	–	–
Proceeds from mutual fund shares issued	11 699	4 218	3 023	6 967
Proceeds from reinvestment of distributions	–	–	33	117
Payments on redemption of mutual fund shares	(5 258)	(1 108)	(585)	(1 826)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>6 441</b>	<b>3 110</b>	<b>2 471</b>	<b>5 258</b>
Distributions from net income	–	–	(296)	(334)
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>–</b>	<b>–</b>	<b>(296)</b>	<b>(334)</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>6 462</b>	<b>3 117</b>	<b>2 174</b>	<b>4 947</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 27 010</b>	<b>\$ 7 614</b>	<b>\$ 12 149</b>	<b>\$ 13 936</b>

For the period ended September 30 (see note 2 in the generic notes)*	Series H 2013	Series D 2013	Series F 2013	Series FT5 2013
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 7 900	\$ 2 241	\$ 811	\$ 595
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	19	17	3	12
Early redemption fees	–	–	–	–
Proceeds from mutual fund shares issued	5 388	1 401	341	766
Proceeds from reinvestment of distributions	–	–	–	6
Payments on redemption of mutual fund shares	(2 462)	(495)	(271)	(13)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>2 926</b>	<b>906</b>	<b>70</b>	<b>759</b>
Distributions from net income	–	–	–	(29)
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(29)</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>2 945</b>	<b>923</b>	<b>73</b>	<b>742</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 10 845</b>	<b>\$ 3 164</b>	<b>\$ 884</b>	<b>\$ 1 337</b>

For the period ended September 30 (see note 2 in the generic notes)*	Series I 2013	Total 2013
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 608	\$ 56 164
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	4	105
Early redemption fees	–	–
Proceeds from mutual fund shares issued	12	33 815
Proceeds from reinvestment of distributions	–	156
Payments on redemption of mutual fund shares	–	(12 018)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>12</b>	<b>21 953</b>
Distributions from net income	–	(659)
Distributions from net gains	–	–
Distributions from capital	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>–</b>	<b>(659)</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>16</b>	<b>21 399</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 624</b>	<b>\$ 77 563</b>

\* Fund launched October 2012.

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



September 30, 2013

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

The Fund invests in the Phillips, Hager & North Monthly Income Fund and/or a combination of other mutual funds. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

**Credit risk (%)**

Credit-exposed securities, excluding short-term investments, comprise 44.1% (March 31, 2013 – 34.5%) of the net assets of the Fund. The table below summarizes the Phillips, Hager & North Monthly Income Fund's exposure to credit risk grouped by credit ratings as at:

Rating	September 30 2013	March 31 2013
AAA	22.8	24.6
AA	34.9	31.2
A	13.0	16.4
BBB	9.6	10.5
BB	8.9	7.7
B	10.4	9.2
CCC	0.2	0.2
Unrated	0.2	0.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

**Interest rate risk (%)**

Fixed-income and debt securities, excluding short-term investments, comprise 34.3% (March 31, 2013 – 34.5%) of the net assets of the Fund. The table below summarizes the Phillips, Hager & North Monthly Income Fund's exposure to interest rate risk by remaining term to maturity as at:

Term to maturity	September 30 2013	March 31 2013
Less than 1 year	9.5	25.5
1 – 5 years	33.9	25.0
5 – 10 years	28.9	14.8
> 10 years	27.7	34.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

As at September 30, 2013, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 2.2% (March 31, 2013 – 2.1%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

**Other price risk (% impact on net assets)**

The table below shows the impact of a 1% change in the broad-based index (noted below) on the Fund's net assets, using an 11-month historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	September 30 2013	March 31 2013
S&P/TSX Capped Composite Total Return Index	+ or - 0.3	+ or - n/a

Since historical correlation may not be representative of future correlation, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of September 30 and March 31, 2013 in the valuation of the Fund's financial instruments carried at fair value.

September 30, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>77 844</b>	–	–	<b>77 844</b>
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>77 844</b>	–	–	<b>77 844</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

March 31, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>55 711</b>	–	–	<b>55 711</b>
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>55 711</b>	–	–	<b>55 711</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

For the periods ended September 30 and March 31, 2013, there were no transfers of financial instruments between Level 1 and Level 2.





September 30, 2013

**Management fees (see note 6 in the generic notes)**

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

Series A	1.65%
Advisor Series	1.65%
Advisor T5 Series	1.65%
Series T5	1.65%
Series H	1.50%
Series D	0.90%
Series F	0.65%
Series FT5	0.65%
Series I	0.50%

**Operating expenses (see note 6 in the generic notes)**

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

Series A	0.05%
Advisor Series	0.05%
Advisor T5 Series	0.05%
Series T5	0.05%
Series H	0.05%
Series D	0.05%
Series F	0.05%
Series FT5	0.05%
Series I	0.05%

**Initial investments (\$000s except mutual fund share amounts)**

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

	September 30 2013	March 31 2013
<b>Mutual fund shares held</b>		
Advisor Series	100	100
Advisor T5 Series	105	102
Series T5	105	102
Series H	100	100
Series D	100	100
Series F	100	100
Series FT5	105	102
Series I	100	100
<b>Value of all mutual fund shares</b>	<b>\$ 8</b>	<b>\$ 8</b>

**Shareholders' equity (000s)**

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

For the period ended September 30  
(see note 2 in the generic notes)

	2013
<b>Series A</b>	
Opening mutual fund shares	1 971
Issued number of mutual fund shares	1 130
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(509)
Ending number of mutual fund shares	2 592
<b>Advisor Series</b>	
Opening mutual fund shares	431
Issued number of mutual fund shares	407
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(107)
Ending number of mutual fund shares	731
<b>Advisor T5 Series</b>	
Opening mutual fund shares	976
Issued number of mutual fund shares	298
Reinvested number of mutual fund shares	3
Redeemed number of mutual fund shares	(58)
Ending number of mutual fund shares	1 219
<b>Series T5</b>	
Opening mutual fund shares	880
Issued number of mutual fund shares	691
Reinvested number of mutual fund shares	12
Redeemed number of mutual fund shares	(184)
Ending number of mutual fund shares	1 399
<b>Series H</b>	
Opening mutual fund shares	758
Issued number of mutual fund shares	520
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(238)
Ending number of mutual fund shares	1 040
<b>Series D</b>	
Opening mutual fund shares	214
Issued number of mutual fund shares	134
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(47)
Ending number of mutual fund shares	301
<b>Series F</b>	
Opening mutual fund shares	77
Issued number of mutual fund shares	33
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(26)
Ending number of mutual fund shares	84

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



September 30, 2013

For the period ended September 30  
(see note 2 in the generic notes) **2013**

**Series FT5**

Opening mutual fund shares	<b>58</b>
Issued number of mutual fund shares	<b>75</b>
Reinvested number of mutual fund shares	<b>1</b>
Redeemed number of mutual fund shares	<b>(1)</b>
Ending number of mutual fund shares	<b>133</b>

**Series I**

Opening mutual fund shares	<b>58</b>
Issued number of mutual fund shares	<b>1</b>
Reinvested number of mutual fund shares	<b>–</b>
Redeemed number of mutual fund shares	<b>–</b>
Ending number of mutual fund shares	<b>59</b>

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

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

	<b>September 30 2013</b>
Phillips, Hager & North Monthly Income Fund	<b>\$ 1 787</b>
Total other revenue	<b>\$ 1 787</b>
Capital gains received from underlying funds	<b>\$ –</b>



STATEMENT OF INVESTMENT PORTFOLIO (unaudited) (in \$000s)  
**RBC SELECT VERY CONSERVATIVE CLASS**

September 30, 2013

Number of Units	Security	Cost	Fair Value	% of Net Assets
<b>LIMITED PARTNERSHIP UNITS</b>				
648 650	Phillips, Hager & North Total Return Bond LP*	\$ 6 721	\$ 6 632	
309 848	RBC Bond LP*	3 111	3 069	
<b>TOTAL LIMITED PARTNERSHIP UNITS</b>		<b>9 832</b>	<b>9 701</b>	<b>13.9</b>
<b>MUTUAL FUND UNITS</b>				
163 990	RBC Canadian Money Market Fund*	1 640	1 640	2.4
796 120	RBC Canadian Short-Term Income Fund*	8 722	8 629	12.4
854 971	Phillips, Hager & North Short Term Bond & Mortgage Fund*	8 716	8 627	12.4
905 905	RBC Bond Fund*	6 112	5 929	8.5
1 046 143	Phillips, Hager & North Bond Fund*	10 972	10 678	15.4
775 347	RBC Global Bond Fund*	8 418	8 274	11.9
84 598	RBC Canadian Dividend Fund*	4 423	4 624	6.6
61 305	RBC Canadian Equity Fund*	1 474	1 543	2.2
147 328	Phillips, Hager & North Canadian Equity Underlying Fund*	1 432	1 542	2.2
110 199	RBC U.S. Equity Fund*	2 763	3 058	4.4
72 391	Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund*	922	1 022	1.5
158 639	RBC European Equity Fund*	2 707	3 053	4.4
91 645	RBC Asian Equity Fund*	702	759	1.1
<b>TOTAL MUTUAL FUND UNITS</b>		<b>59 003</b>	<b>59 378</b>	<b>85.4</b>
<b>TOTAL INVESTMENTS</b>		<b>\$ 68 835</b>	<b>69 079</b>	<b>99.3</b>
<b>OTHER NET ASSETS</b>			480	0.7
<b>NET ASSETS</b>			<b>\$ 69 559</b>	<b>100.0</b>

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



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

(see note 2 in the generic notes)	September 30 2013	March 31 2013
<b>ASSETS</b>		
Investments at fair value	\$ 69 079	\$ 31 614
Cash	503	1 046
Due from investment dealers	–	230
Subscriptions receivable	218	3 591
<b>TOTAL ASSETS</b>	<b>69 800</b>	<b>36 481</b>
<b>LIABILITIES</b>		
Due to investment dealers	150	1 155
Redemptions payable	–	20
Accounts payable and accrued expenses	91	41
<b>TOTAL LIABILITIES</b>	<b>241</b>	<b>1 216</b>
<b>NET ASSETS</b>	<b>\$ 69 559</b>	<b>\$ 35 265</b>
Investments at cost	\$ 68 835	\$ 31 252
<b>NET ASSETS, END OF PERIOD</b>		
<b>SERIES A</b>	<b>\$ 61 258</b>	<b>\$ 33 739</b>
<b>ADVISOR SERIES</b>	<b>\$ 4 601</b>	<b>\$ 193</b>
<b>SERIES F</b>	<b>\$ 3 700</b>	<b>\$ 1 333</b>
<b>NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD</b>		
<b>SERIES A</b>	<b>\$ 10.28</b>	<b>\$ 10.27</b>
<b>ADVISOR SERIES</b>	<b>\$ 10.28</b>	<b>\$ 10.27</b>
<b>SERIES F</b>	<b>\$ 10.37</b>	<b>\$ 10.31</b>
<b>NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD</b> (see note 3 in the generic notes)		
<b>SERIES A</b>	<b>\$ 10.28</b>	<b>\$ 10.27</b>
<b>ADVISOR SERIES</b>	<b>\$ 10.28</b>	<b>\$ 10.27</b>
<b>SERIES F</b>	<b>\$ 10.37</b>	<b>\$ 10.31</b>

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

For the period ended September 30 (see note 2 in the generic notes)*	2013
<b>INCOME</b> (see note 3 in the generic notes)	
Interest	\$ 12
Other revenue	673
<b>TOTAL INCOME (LOSS)</b>	<b>685</b>
<b>EXPENSES</b> (see notes – Fund Specific Information)	
Management fees	407
Administration fees	15
Board of Directors fees	3
Board of Governors costs	1
GST/HST	52
<b>TOTAL EXPENSES</b>	<b>478</b>
Less expenses reimbursed by manager	(1)
<b>TOTAL EXPENSES NET OF REIMBURSEMENT</b>	<b>477</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>208</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>	
Net realized gain (loss) on investments	38
Change in unrealized gain (loss) on investments	(118)
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>(80)</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b>\$ 128</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	
<b>SERIES A</b>	<b>\$ 86</b>
<b>ADVISOR SERIES</b>	<b>\$ 17</b>
<b>SERIES F</b>	<b>\$ 25</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE</b>	
<b>SERIES A</b>	<b>\$ 0.02</b>
<b>ADVISOR SERIES</b>	<b>\$ 0.01</b>
<b>SERIES F</b>	<b>\$ 0.07</b>

\* Fund launched October 2012.

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

**Doug Coulter**  
Director

**Frank Lippa**  
Director

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



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

For the period ended September 30 (see note 2 in the generic notes)*	Series A 2013	Advisor Series 2013	Series F 2013	Total 2013
<b>NET ASSETS – BEGINNING OF PERIOD</b>	<b>\$ 33 739</b>	<b>\$ 193</b>	<b>\$ 1 333</b>	<b>\$ 35 265</b>
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	<b>86</b>	<b>17</b>	<b>25</b>	<b>128</b>
Early redemption fees	–	–	–	–
Proceeds from mutual fund shares issued	34 466	4 393	2 351	41 210
Proceeds from reinvestment of distributions	2	–	–	2
Payments on redemption of mutual fund shares	(7 033)	(2)	(9)	(7 044)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>27 435</b>	<b>4 391</b>	<b>2 342</b>	<b>34 168</b>
Distributions from net income	(2)	–	–	(2)
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>(2)</b>	<b>–</b>	<b>–</b>	<b>(2)</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>27 519</b>	<b>4 408</b>	<b>2 367</b>	<b>34 294</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 61 258</b>	<b>\$ 4 601</b>	<b>\$ 3 700</b>	<b>\$ 69 559</b>

\* Fund launched October 2012.



September 30, 2013

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

The Fund invests primarily in other mutual funds. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

**Credit risk**

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

**Interest rate risk (%)**

As at September 30, 2013, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 3.8% (March 31, 2013 – 3.6%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

**Currency risk (% of net assets)**

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk as at:

Currency	September 30 2013	March 31 2013
United States dollar	6.3	6.1
Euro	1.4	1.6
Pound sterling	1.1	1.3
Japanese yen	0.5	0.6
Swiss Franc	–	0.5
Other currencies	1.6	1.3
<b>Total</b>	<b>10.9</b>	<b>11.4</b>

As at September 30, 2013, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 0.1% (March 31, 2013 – 0.1%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

**Other price risk (% impact on net assets)**

The table below shows the impact of a 1% change in the broad-based index (noted below) on the Fund's net assets, using an 11-month historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	September 30 2013	March 31 2013
S&P/TSX Capped Composite Total Return Index	+ or - 0.2	+ or - n/a

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

Since historical correlation may not be representative of future correlation, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of September 30 and March 31, 2013 in the valuation of the Fund's financial instruments carried at fair value.

September 30, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>69 079</b>	–	–	<b>69 079</b>
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>69 079</b>	–	–	<b>69 079</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	31 614	–	–	31 614
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
<b>Total financial instruments</b>	<b>31 614</b>	–	–	<b>31 614</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

For the periods ended September 30 and March 31, 2013, there were no transfers of financial instruments between Level 1 and Level 2.

**Management fees (see note 6 in the generic notes)**

RBC GAM is the manager, trustee and portfolio advisor of the Fund. The management fee payable in respect of each series of the Fund is a variable fee and is determined on a basis such that all fees and expenses that comprise the management expense ratio ("MER"), other than the additional cost of the harmonized sales tax ("HST"), will be equal to a specified percentage of the average net asset value of each series of the Fund ("Specified Percentage"). The Specified Percentage includes the management fee, administration fee, taxes (other than the additional cost of the HST), other fund costs and any fees and expenses of the underlying funds.

The Specified Percentage for Series A and Advisor Series is 1.60% and for Series F is 0.70%.



September 30, 2013

**Operating expenses (see note 6 in the generic notes)**

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

Series A	0.05%
Advisor Series	0.05%
Series F	0.05%

**Initial investments (\$000s except mutual fund share amounts)**

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

	September 30 2013	March 31 2013
<b>Mutual fund shares held</b>		
Advisor Series	100	100
Series F	100	100
<b>Value of all mutual fund shares</b>	<b>\$ 2</b>	<b>\$ 2</b>

**Shareholders' equity (000s)**

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

For the period ended September 30  
(see note 2 in the generic notes) 2013

<b>Series A</b>	
Opening mutual fund shares	3 287
Issued number of mutual fund shares	3 360
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(688)
Ending number of mutual fund shares	5 959
<b>Advisor Series</b>	
Opening mutual fund shares	19
Issued number of mutual fund shares	428
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	447
<b>Series F</b>	
Opening mutual fund shares	129
Issued number of mutual fund shares	229
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(1)
Ending number of mutual fund shares	357

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

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

	September 30 2013
RBC Canadian Money Market Fund	\$ 9
RBC Canadian Short-Term Income Fund	113
Phillips, Hager & North Short Term Bond & Mortgage Fund	110
RBC Global Bond Fund	111
RBC Canadian Dividend Fund	63
Phillips, Hager & North Bond Fund	167
RBC Bond Fund	100
<b>Total other revenue</b>	<b>\$ 673</b>
<b>Capital gains received from underlying funds</b>	<b>\$ –</b>

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



STATEMENT OF INVESTMENT PORTFOLIO (unaudited) (in \$000s)  
**RBC SELECT CONSERVATIVE CLASS**

September 30, 2013

<b>Number of Units</b>	<b>Security</b>	<b>Cost</b>	<b>Fair Value</b>	<b>% of Net Assets</b>
<b>LIMITED PARTNERSHIP UNITS</b>				
717 949	RBC Bond LP*	\$ 7 213	\$ 7 112	
<b>TOTAL LIMITED PARTNERSHIP UNITS</b>		<b>7 213</b>	<b>7 112</b>	<b>11.2</b>
<b>MUTUAL FUND UNITS</b>				
106 709	RBC Canadian Money Market Fund*	1 067	1 067	1.7
572 021	RBC Canadian Short-Term Income Fund*	6 263	6 200	9.7
919 950	Phillips, Hager & North Bond Fund*	9 691	9 390	14.7
1 281 396	RBC Bond Fund*	8 594	8 387	13.2
581 107	RBC Global Bond Fund*	6 293	6 201	9.7
102 561	RBC Canadian Dividend Fund*	5 380	5 606	8.8
97 441	RBC Canadian Equity Fund*	2 351	2 452	3.8
233 858	Phillips, Hager & North Canadian Equity Underlying Fund*	2 282	2 447	3.8
194 496	RBC U.S. Equity Fund*	4 899	5 397	8.5
128 351	Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund*	1 639	1 811	2.8
250 688	RBC European Equity Fund*	4 292	4 824	7.6
249 035	RBC Asian Equity Fund*	1 911	2 064	3.2
<b>TOTAL MUTUAL FUND UNITS</b>		<b>54 662</b>	<b>55 846</b>	<b>87.5</b>
<b>TOTAL INVESTMENTS</b>		<b>\$ 61 875</b>	<b>62 958</b>	<b>98.7</b>
<b>OTHER NET ASSETS</b>			<b>796</b>	<b>1.3</b>
<b>NET ASSETS</b>			<b>\$ 63 754</b>	<b>100.0</b>

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





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

(see note 2 in the generic notes)	September 30 2013	March 31 2013
<b>ASSETS</b>		
Investments at fair value	\$ 62 958	\$ 33 114
Cash	943	405
Due from investment dealers	570	290
Subscriptions receivable	1 820	764
<b>TOTAL ASSETS</b>	<b>66 291</b>	<b>34 573</b>
<b>LIABILITIES</b>		
Due to investment dealers	1 640	260
Redemptions payable	805	7
Accounts payable and accrued expenses	92	47
<b>TOTAL LIABILITIES</b>	<b>2 537</b>	<b>314</b>
<b>NET ASSETS</b>	<b>\$ 63 754</b>	<b>\$ 34 259</b>
Investments at cost	\$ 61 875	\$ 32 634
<b>NET ASSETS, END OF PERIOD</b>		
<b>SERIES A</b>	<b>\$ 62 940</b>	<b>\$ 34 038</b>
<b>ADVISOR SERIES</b>	<b>\$ 210</b>	<b>\$ 53</b>
<b>SERIES F</b>	<b>\$ 604</b>	<b>\$ 168</b>
<b>NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD</b>		
<b>SERIES A</b>	<b>\$ 10.56</b>	<b>\$ 10.43</b>
<b>ADVISOR SERIES</b>	<b>\$ 10.56</b>	<b>\$ 10.43</b>
<b>SERIES F</b>	<b>\$ 10.66</b>	<b>\$ 10.48</b>
<b>NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD</b> (see note 3 in the generic notes)		
<b>SERIES A</b>	<b>\$ 10.56</b>	<b>\$ 10.43</b>
<b>ADVISOR SERIES</b>	<b>\$ 10.56</b>	<b>\$ 10.43</b>
<b>SERIES F</b>	<b>\$ 10.66</b>	<b>\$ 10.48</b>

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

For the period ended September 30 (see note 2 in the generic notes)*	2013
<b>INCOME</b> (see note 3 in the generic notes)	
Interest	\$ 10
Other revenue	507
<b>TOTAL INCOME (LOSS)</b>	<b>517</b>
<b>EXPENSES</b> (see notes – Fund Specific Information)	
Management fees	396
Administration fees	14
Board of Directors fees	3
Board of Governors costs	1
GST/HST	44
<b>TOTAL EXPENSES</b>	<b>458</b>
Less expenses reimbursed by manager	(1)
<b>TOTAL EXPENSES NET OF REIMBURSEMENT</b>	<b>457</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>60</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>	
Net realized gain (loss) on investments	24
Change in unrealized gain (loss) on investments	603
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>627</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	
	<b>\$ 687</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	
<b>SERIES A</b>	<b>\$ 669</b>
<b>ADVISOR SERIES</b>	<b>\$ 7</b>
<b>SERIES F</b>	<b>\$ 11</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE</b>	
<b>SERIES A</b>	<b>\$ 0.15</b>
<b>ADVISOR SERIES</b>	<b>\$ 0.13</b>
<b>SERIES F</b>	<b>\$ 0.21</b>

\* Fund launched October 2012.

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

**Doug Coulter**  
Director

**Frank Lippa**  
Director

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



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

For the period ended September 30 (see note 2 in the generic notes)*	Series A 2013	Advisor Series 2013	Series F 2013	Total 2013
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 34 038	\$ 53	\$ 168	\$ 34 259
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	669	7	11	687
Early redemption fees	–	–	–	–
Proceeds from mutual fund shares issued	31 923	353	425	32 701
Proceeds from reinvestment of distributions	–	–	–	–
Payments on redemption of mutual fund shares	(3 690)	(203)	–	(3 893)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	28 233	150	425	28 808
Distributions from net income	–	–	–	–
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	–	–	–	–
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	28 902	157	436	29 495
<b>NET ASSETS – END OF PERIOD</b>	\$ 62 940	\$ 210	\$ 604	\$ 63 754

\* Fund launched October 2012.



September 30, 2013

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

The Fund invests primarily in other mutual funds. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

**Credit risk**

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

**Interest rate risk (%)**

As at September 30, 2013, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 3.4% (March 31, 2013 –3.3%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

**Currency risk (% of net assets)**

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk as at:

Currency	September 30 2013	March 31 2013
United States dollar	11.5	11.5
Euro	2.2	2.4
Pound sterling	1.8	2.2
Japanese yen	1.2	1.3
Swiss franc	0.6	0.8
Hong Kong dollar	0.5	0.5
Other currencies	1.9	1.6
<b>Total</b>	<b>19.8</b>	<b>20.3</b>

As at September 30, 2013, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 0.2% (March 31, 2013 – 0.2%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

**Other price risk (% impact on net assets)**

The table below shows the impact of a 1% change in the broad-based index (noted below) on the Fund's net assets, using an 11-month historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	September 30 2013	March 31 2013
S&P/TSX Capped Composite Total Return Index	+ or - 0.3	+ or - n/a

Since historical correlation may not be representative of future correlation, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of September 30 and March 31, 2013 in the valuation of the Fund's financial instruments carried at fair value.

September 30, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	62 958	–	–	62 958
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>62 958</b>	–	–	<b>62 958</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

March 31, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	33 114	–	–	33 114
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>33 114</b>	–	–	<b>33 114</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

For the periods ended September 30 and March 31, 2013, there were no transfers of financial instruments between Level 1 and Level 2.



September 30, 2013

**Management fees (see note 6 in the generic notes)**

RBC GAM is the manager, trustee and portfolio advisor of the Fund. The management fee payable in respect of each series of the Fund is a variable fee and is determined on a basis such that all fees and expenses that comprise the management expense ratio (“MER”), other than the additional cost of the harmonized sales tax (“HST”), will be equal to a specified percentage of the average net asset value of each series of the Fund (“Specified Percentage”). The Specified Percentage includes the management fee, administration fee, taxes (other than the additional cost of the HST), other fund costs and any fees and expenses of the underlying funds.

The Specified Percentage for Series A and Advisor Series is 1.75% and for Series F is 0.75%.

**Operating expenses (see note 6 in the generic notes)**

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

Series A	0.05%
Advisor Series	0.05%
Series F	0.05%

**Initial investments (\$000s except mutual fund share amounts)**

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

	September 30 2013	March 31 2013
<b>Mutual fund shares held</b>		
Advisor Series	100	100
Series F	100	100
<b>Value of all mutual fund shares</b>	<b>\$ 2</b>	<b>\$ 2</b>

**Shareholders’ equity (000s)**

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

For the period ended September 30  
(see note 2 in the generic notes)

	2013
<b>Series A</b>	
Opening mutual fund shares	3 265
Issued number of mutual fund shares	3 046
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(352)
Ending number of mutual fund shares	5 959
<b>Advisor Series</b>	
Opening mutual fund shares	5
Issued number of mutual fund shares	34
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(19)
Ending number of mutual fund shares	20
<b>Series F</b>	
Opening mutual fund shares	16
Issued number of mutual fund shares	41
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	57

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

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

	September 30 2013
RBC Canadian Money Market Fund	\$ 5
RBC Canadian Short-Term Income Fund	78
Phillips, Hager & North Bond Fund	148
RBC Bond Fund	126
RBC Canadian Dividend Fund	71
RBC Global Bond Fund	79
Total other revenue	\$ 507
Capital gains received from underlying funds	\$ –



STATEMENT OF INVESTMENT PORTFOLIO (unaudited) (in \$000s)  
**RBC SELECT BALANCED CLASS**

September 30, 2013

Number of Units	Security	Cost	Fair Value	% of Net Assets
<b>MUTUAL FUND UNITS</b>				
27 452	RBC Canadian Money Market Fund*	\$ 275	\$ 275	0.7
1 996 003	RBC Bond Fund*	13 459	13 064	33.3
173 997	RBC Global Bond Fund*	1 879	1 857	4.7
76 341	RBC Canadian Dividend Fund*	4 032	4 172	10.6
82 888	RBC Canadian Equity Fund*	2 011	2 086	5.3
199 407	Phillips, Hager & North Canadian Equity Underlying Fund*	1 960	2 086	5.3
165 194	RBC U.S. Equity Fund*	4 234	4 584	11.7
52 140	RBC U.S. Mid-Cap Equity Fund*	1 118	1 257	3.2
132 915	Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund*	1 727	1 876	4.8
147 689	RBC European Equity Fund*	2 574	2 842	7.2
171 301	RBC Asian Equity Fund*	1 332	1 420	3.6
147 488	RBC Emerging Markets Equity Fund*	1 664	1 682	4.3
111 873	RBC Global Dividend Growth Fund*	1 128	1 230	3.1
9 619	RBC Emerging Markets Dividend Fund*	96	96	0.2
10 068	RBC Emerging Markets Small-Cap Equity Fund*	100	99	0.3
<b>TOTAL MUTUAL FUND UNITS</b>		<u>37 589</u>	<u>38 626</u>	<b>98.3</b>
<b>TOTAL INVESTMENTS</b>		<u>\$ 37 589</u>	<u>38 626</u>	<b>98.3</b>
<b>OTHER NET ASSETS</b>			681	1.7
<b>NET ASSETS</b>			<u>\$ 39 307</u>	<b>100.0</b>

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



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

(see note 2 in the generic notes)	September 30 2013	March 31 2013
<b>ASSETS</b>		
Investments at fair value	\$ 38 626	\$ 16 139
Cash	816	937
Due from investment dealers	–	15
Subscriptions receivable	737	496
<b>TOTAL ASSETS</b>	<b>40 179</b>	<b>17 587</b>
<b>LIABILITIES</b>		
Due to investment dealers	815	934
Accounts payable and accrued expenses	57	23
<b>TOTAL LIABILITIES</b>	<b>872</b>	<b>957</b>
<b>NET ASSETS</b>	<b>\$ 39 307</b>	<b>\$ 16 630</b>
Investments at cost	\$ 37 589	\$ 15 829
<b>NET ASSETS, END OF PERIOD</b>		
<b>SERIES A</b>	<b>\$ 38 954</b>	<b>\$ 16 602</b>
<b>ADVISOR SERIES</b>	<b>\$ 260</b>	<b>\$ 27</b>
<b>SERIES F</b>	<b>\$ 93</b>	<b>\$ 1</b>
<b>NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD</b>		
<b>SERIES A</b>	<b>\$ 10.88</b>	<b>\$ 10.60</b>
<b>ADVISOR SERIES</b>	<b>\$ 10.88</b>	<b>\$ 10.61</b>
<b>SERIES F</b>	<b>\$ 11.00</b>	<b>\$ 10.65</b>
<b>NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD</b> (see note 3 in the generic notes)		
<b>SERIES A</b>	<b>\$ 10.88</b>	<b>\$ 10.60</b>
<b>ADVISOR SERIES</b>	<b>\$ 10.88</b>	<b>\$ 10.61</b>
<b>SERIES F</b>	<b>\$ 11.00</b>	<b>\$ 10.65</b>

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

For the period ended September 30 (see note 2 in the generic notes)*	2013
<b>INCOME</b> (see note 3 in the generic notes)	
Interest	\$ 5
Other revenue	289
<b>TOTAL INCOME (LOSS)</b>	<b>294</b>
<b>EXPENSES</b> (see notes – Fund Specific Information)	
Management fees	236
Administration fees	8
Board of Directors fees	2
Board of Governors costs	1
GST/HST	24
<b>TOTAL EXPENSES</b>	<b>271</b>
Less expenses reimbursed by manager	(1)
<b>TOTAL EXPENSES NET OF REIMBURSEMENT</b>	<b>270</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>24</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>	
Net realized gain (loss) on investments	7
Change in unrealized gain (loss) on investments	727
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>734</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b>\$ 758</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	
<b>SERIES A</b>	<b>\$ 755</b>
<b>ADVISOR SERIES</b>	<b>\$ 3</b>
<b>SERIES F</b>	<b>\$ –</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE</b>	
<b>SERIES A</b>	<b>\$ 0.29</b>
<b>ADVISOR SERIES</b>	<b>\$ 0.26</b>
<b>SERIES F</b>	<b>\$ 0.34</b>

\* Fund launched October 2012.

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

**Doug Coulter**  
Director

**Frank Lippa**  
Director

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



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

For the period ended September 30 (see note 2 in the generic notes)*	Series A 2013	Advisor Series 2013	Series F 2013	Total 2013
<b>NET ASSETS – BEGINNING OF PERIOD</b>	<b>\$ 16 602</b>	<b>\$ 27</b>	<b>\$ 1</b>	<b>\$ 16 630</b>
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	<b>755</b>	<b>3</b>	<b>–</b>	<b>758</b>
Early redemption fees	–	–	–	–
Proceeds from mutual fund shares issued	23 432	230	92	23 754
Proceeds from reinvestment of distributions	–	–	–	–
Payments on redemption of mutual fund shares	(1 835)	–	–	(1 835)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>21 597</b>	<b>230</b>	<b>92</b>	<b>21 919</b>
Distributions from net income	–	–	–	–
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>22 352</b>	<b>233</b>	<b>92</b>	<b>22 677</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 38 954</b>	<b>\$ 260</b>	<b>\$ 93</b>	<b>\$ 39 307</b>

\* Fund launched October 2012.



September 30, 2013

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

The Fund invests primarily in other mutual funds. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

**Credit risk**

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

**Interest rate risk (%)**

As at September 30, 2013, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 2.4% (March 31, 2013 – 2.5%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

**Currency risk (% of net assets)**

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk as at:

Currency	September 30 2013	March 31 2013
United States dollar	22.0	22.6
Euro	2.4	2.6
Pound sterling	2.1	2.5
Japanese yen	1.4	1.5
Hong Kong dollar	1.4	1.4
South Korean won	0.8	0.9
Swiss franc	0.8	0.8
New Taiwan dollar	0.5	0.6
Australian dollar	0.5	0.6
South African rand	0.5	0.5
Other currencies	2.7	3.0
<b>Total</b>	<b>35.1</b>	<b>37.0</b>

As at September 30, 2013, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 0.4% (March 31, 2013 – 0.4%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

**Other price risk (% impact on net assets)**

The table below shows the impact of a 1% change in the broad-based index (noted below) on the Fund's net assets, using an 11-month historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	September 30 2013	March 31 2013
S&P/TSX Capped Composite Total Return Index	+ or - 0.4	+ or - n/a

Since historical correlation may not be representative of future correlation, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of September 30 and March 31, 2013 in the valuation of the Fund's financial instruments carried at fair value.

September 30, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>38 626</b>	–	–	<b>38 626</b>
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>38 626</b>	–	–	<b>38 626</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

March 31, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>16 139</b>	–	–	<b>16 139</b>
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>16 139</b>	–	–	<b>16 139</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

For the periods ended September 30 and March 31, 2013, there were no transfers of financial instruments between Level 1 and Level 2.





September 30, 2013

**Management fees (see note 6 in the generic notes)**

RBC GAM is the manager, trustee and portfolio advisor of the Fund. The management fee payable in respect of each series of the Fund is a variable fee and is determined on a basis such that all fees and expenses that comprise the management expense ratio (“MER”), other than the additional cost of the harmonized sales tax (“HST”), will be equal to a specified percentage of the average net asset value of each series of the Fund (“Specified Percentage”). The Specified Percentage includes the management fee, administration fee, taxes (other than the additional cost of the HST), other fund costs and any fees and expenses of the underlying funds.

The Specified Percentage for Series A and Advisor Series is 1.85% and for Series F is 0.85%.

**Operating expenses (see note 6 in the generic notes)**

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

Series A	0.05%
Advisor Series	0.05%
Series F	0.05%

**Initial investments (\$000s except mutual fund share amounts)**

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

	September 30 2013	March 31 2013
<b>Mutual fund shares held</b>		
Series A	149 903	149 903
Advisor Series	100	100
Series F	100	100
<b>Value of all mutual fund shares</b>	<b>\$ 1 633</b>	<b>\$ 1 591</b>

**Shareholders’ equity (000s)**

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

For the period ended September 30  
(see note 2 in the generic notes)

	2013
<b>Series A</b>	
Opening mutual fund shares	1 567
Issued number of mutual fund shares	2 184
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(171)
Ending number of mutual fund shares	3 580
<b>Advisor Series</b>	
Opening mutual fund shares	3
Issued number of mutual fund shares	21
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	24
<b>Series F</b>	
Opening mutual fund shares	–
Issued number of mutual fund shares	8
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	8

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

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

	September 30 2013
RBC Bond Fund	\$ 213
RBC Global Bond Fund	23
RBC Canadian Dividend Fund	52
RBC Emerging Markets Dividend Fund	1
Total other revenue	\$ 289
Capital gains received from underlying funds	\$ –



STATEMENT OF INVESTMENT PORTFOLIO (unaudited) (in \$000s)  
**RBC SELECT GROWTH CLASS**

September 30, 2013

<b>Number of Units</b>	<b>Security</b>	<b>Cost</b>	<b>Fair Value</b>	<b>% of Net Assets</b>
<b>MUTUAL FUND UNITS</b>				
1 847	RBC Canadian Money Market Fund*	\$ 18	\$ 18	0.2
152 463	RBC Bond Fund*	1 026	999	13.8
62 049	RBC Global Bond Fund*	672	662	9.1
5 654	RBC Canadian Dividend Fund*	296	309	4.3
24 471	RBC Canadian Equity Fund*	592	616	8.5
12 771	Phillips, Hager & North Canadian Growth Fund*	370	385	5.3
58 966	Phillips, Hager & North Canadian Equity Underlying Fund*	581	617	8.5
37 318	RBC U.S. Equity Fund*	938	1 035	14.3
11 070	RBC U.S. Mid-Cap Equity Fund*	232	267	3.7
29 762	Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund*	382	420	5.8
35 243	RBC European Equity Fund*	605	678	9.3
36 267	RBC Asian Equity Fund*	275	301	4.1
37 914	RBC Emerging Markets Equity Fund*	423	432	5.9
34 414	RBC Global Dividend Growth Fund*	341	378	5.2
2 007	RBC Emerging Markets Dividend Fund*	20	20	0.3
2 010	RBC Emerging Markets Small-Cap Equity Fund*	20	20	0.3
<b>TOTAL MUTUAL FUND UNITS</b>		<u>6 791</u>	<u>7 157</u>	<u>98.6</u>
<b>TOTAL INVESTMENTS</b>		<u>\$ 6 791</u>	<u>7 157</u>	<u>98.6</u>
<b>OTHER NET ASSETS</b>			104	1.4
<b>NET ASSETS</b>			<u>\$ 7 261</u>	<u>100.0</u>

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



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

(see note 2 in the generic notes)	September 30 2013	March 31 2013
<b>ASSETS</b>		
Investments at fair value	\$ 7 157	\$ 3 605
Cash	116	23
Due from investment dealers	–	47
Subscriptions receivable	70	–
<b>TOTAL ASSETS</b>	<b>7 343</b>	<b>3 675</b>
<b>LIABILITIES</b>		
Due to investment dealers	72	12
Accounts payable and accrued expenses	10	6
<b>TOTAL LIABILITIES</b>	<b>82</b>	<b>18</b>
<b>NET ASSETS</b>	<b>\$ 7 261</b>	<b>\$ 3 657</b>
Investments at cost	\$ 6 791	\$ 3 466
<b>NET ASSETS, END OF PERIOD</b>		
<b>SERIES A</b>	<b>\$ 6 943</b>	<b>\$ 3 655</b>
<b>ADVISOR SERIES</b>	<b>\$ 49</b>	<b>\$ 1</b>
<b>SERIES F</b>	<b>\$ 269</b>	<b>\$ 1</b>
<b>NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD</b>		
<b>SERIES A</b>	<b>\$ 11.10</b>	<b>\$ 10.72</b>
<b>ADVISOR SERIES</b>	<b>\$ 11.14</b>	<b>\$ 10.72</b>
<b>SERIES F</b>	<b>\$ 11.25</b>	<b>\$ 10.76</b>
<b>NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD</b> (see note 3 in the generic notes)		
<b>SERIES A</b>	<b>\$ 11.10</b>	<b>\$ 10.72</b>
<b>ADVISOR SERIES</b>	<b>\$ 11.14</b>	<b>\$ 10.72</b>
<b>SERIES F</b>	<b>\$ 11.25</b>	<b>\$ 10.76</b>

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

For the period ended September 30 (see note 2 in the generic notes)*	2013
<b>INCOME</b> (see note 3 in the generic notes)	
Interest	\$ 1
Other revenue	28
<b>TOTAL INCOME (LOSS)</b>	<b>29</b>
<b>EXPENSES</b> (see notes – Fund Specific Information)	
Management fees	45
Administration fees	2
Board of Governors costs	1
GST/HST	4
<b>TOTAL EXPENSES</b>	<b>52</b>
Less expenses reimbursed by manager	(1)
<b>TOTAL EXPENSES NET OF REIMBURSEMENT</b>	<b>51</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>(22)</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>	
Net realized gain (loss) on investments	1
Change in unrealized gain (loss) on investments	227
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>228</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	
	\$ 206
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	
<b>SERIES A</b>	\$ 201
<b>ADVISOR SERIES</b>	\$ 1
<b>SERIES F</b>	\$ 4
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE</b>	
<b>SERIES A</b>	\$ 0.44
<b>ADVISOR SERIES</b>	\$ 0.40
<b>SERIES F</b>	\$ 0.45

\* Fund launched October 2012.

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

**Doug Coulter**  
Director

**Frank Lippa**  
Director

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



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

For the period ended September 30 (see note 2 in the generic notes)*	Series A 2013	Advisor Series 2013	Series F 2013	Total 2013
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 3 655	\$ 1	\$ 1	\$ 3 657
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	201	1	4	206
Early redemption fees	–	–	–	–
Proceeds from mutual fund shares issued	3 191	47	264	3 502
Proceeds from reinvestment of distributions	–	–	–	–
Payments on redemption of mutual fund shares	(104)	–	–	(104)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>3 087</b>	<b>47</b>	<b>264</b>	<b>3 398</b>
Distributions from net income	–	–	–	–
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>3 288</b>	<b>48</b>	<b>268</b>	<b>3 604</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 6 943</b>	<b>\$ 49</b>	<b>\$ 269</b>	<b>\$ 7 261</b>

\* Fund launched October 2012.



September 30, 2013

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

The Fund invests primarily in other mutual funds. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

**Credit risk**

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

**Interest rate risk (%)**

As at September 30, 2013, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 1.4% (March 31, 2013 – 1.4%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

**Currency risk (% of net assets)**

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk as at:

Currency	September 30 2013	March 31 2013
United States dollar	27.1	27.8
Euro	3.3	3.2
Pound sterling	2.9	3.1
Japanese yen	1.9	2.2
Hong Kong dollar	1.9	1.9
South Korean won	1.0	1.2
Swiss franc	1.0	1.0
Australian dollar	0.7	0.8
New Taiwan dollar	0.7	0.8
South African rand	0.7	0.6
Indian rupee	0.5	0.5
Other currencies	3.0	3.3
<b>Total</b>	<b>44.6</b>	<b>46.4</b>

As at September 30, 2013, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 0.4% (March 31, 2013 – 0.5%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

**Other price risk (% impact on net assets)**

The table below shows the impact of a 1% change in the broad-based index (noted below) on the Fund's net assets, using an 11-month historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	September 30 2013	March 31 2013
S&P/TSX Capped Composite Total Return Index	+ or - 0.5	+ or - n/a

Since historical correlation may not be representative of future correlation, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of September 30 and March 31, 2013 in the valuation of the Fund's financial instruments carried at fair value.

September 30, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	7 157	–	–	7 157
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>7 157</b>	–	–	<b>7 157</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

March 31, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	3 605	–	–	3 605
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>3 605</b>	–	–	<b>3 605</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

For the periods ended September 30 and March 31, 2013, there were no transfers of financial instruments between Level 1 and Level 2.



September 30, 2013

**Management fees (see note 6 in the generic notes)**

RBC GAM is the manager, trustee and portfolio advisor of the Fund. The management fee payable in respect of each series of the Fund is a variable fee and is determined on a basis such that all fees and expenses that comprise the management expense ratio (“MER”), other than the additional cost of the harmonized sales tax (“HST”), will be equal to a specified percentage of the average net asset value of each series of the Fund (“Specified Percentage”). The Specified Percentage includes the management fee, administration fee, taxes (other than the additional cost of the HST), other fund costs and any fees and expenses of the underlying funds.

The Specified Percentage for Series A and Advisor Series is 1.95% and for Series F is 0.95%.

**Operating expenses (see note 6 in the generic notes)**

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

Series A	0.05%
Advisor Series	0.05%
Series F	0.05%

**Initial investments (\$000s except mutual fund share amounts)**

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

	September 30 2013	March 31 2013
<b>Mutual fund shares held</b>		
Series A	150 259	150 259
Advisor Series	100	100
Series F	100	100
<b>Value of all mutual fund shares</b>	<b>\$ 1 670</b>	<b>\$ 1 607</b>

**Shareholders’ equity (000s)**

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

For the period ended September 30  
(see note 2 in the generic notes)

	2013
<b>Series A</b>	
Opening mutual fund shares	342
Issued number of mutual fund shares	292
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(9)
Ending number of mutual fund shares	625
<b>Advisor Series</b>	
Opening mutual fund shares	–
Issued number of mutual fund shares	4
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	4
<b>Series F</b>	
Opening mutual fund shares	–
Issued number of mutual fund shares	24
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	24

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

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

	September 30 2013
RBC Bond Fund	\$ 16
RBC Global Bond Fund	8
RBC Canadian Dividend Fund	4
<b>Total other revenue</b>	<b>\$ 28</b>
Capital gains received from underlying funds	\$ –

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



STATEMENT OF INVESTMENT PORTFOLIO (unaudited) (in \$000s)  
**RBC SELECT AGGRESSIVE GROWTH CLASS**

September 30, 2013

Number of Units	Security	Cost	Fair Value	% of Net Assets
<b>MUTUAL FUND UNITS</b>				
4 349	RBC Canadian Dividend Fund*	\$ 220	\$ 238	10.0
9 237	RBC Canadian Equity Fund*	221	232	9.8
3 989	Phillips, Hager & North Canadian Growth Fund*	114	120	5.1
22 397	Phillips, Hager & North Canadian Equity Underlying Fund*	218	234	9.9
14 497	RBC U.S. Equity Fund*	345	402	17.0
6 912	RBC U.S. Mid-Cap Equity Fund*	137	167	7.0
13 415	Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund*	166	189	8.0
16 806	RBC European Equity Fund*	269	323	13.6
16 720	RBC Asian Equity Fund*	120	139	5.9
14 478	RBC Emerging Markets Equity Fund*	158	165	7.0
12 601	RBC Global Dividend Growth Fund*	116	139	5.9
504	RBC Emerging Markets Dividend Fund*	5	5	0.2
500	RBC Emerging Markets Small-Cap Equity Fund*	5	5	0.2
<b>TOTAL MUTUAL FUND UNITS</b>		2 094	2 358	99.6
<b>TOTAL INVESTMENTS</b>		\$ 2 094	2 358	99.6
<b>OTHER NET ASSETS</b>			9	0.4
<b>NET ASSETS</b>			\$ 2 367	100.0

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



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

(see note 2 in the generic notes)	September 30 2013	March 31 2013
<b>ASSETS</b>		
Investments at fair value	\$ 2 358	\$ 1 881
Cash	8	9
Subscriptions receivable	43	–
<b>TOTAL ASSETS</b>	<b>2 409</b>	<b>1 890</b>
<b>LIABILITIES</b>		
Due to investment dealers	40	–
Accounts payable and accrued expenses	2	3
<b>TOTAL LIABILITIES</b>	<b>42</b>	<b>3</b>
<b>NET ASSETS</b>	<b>\$ 2 367</b>	<b>\$ 1 887</b>
Investments at cost	\$ 2 094	\$ 1 753
<b>NET ASSETS, END OF PERIOD</b>		
<b>SERIES A</b>	<b>\$ 2 357</b>	<b>\$ 1 879</b>
<b>ADVISOR SERIES</b>	<b>\$ 9</b>	<b>\$ 7</b>
<b>SERIES F</b>	<b>\$ 1</b>	<b>\$ 1</b>
<b>NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD</b>		
<b>SERIES A</b>	<b>\$ 11.54</b>	<b>\$ 10.96</b>
<b>ADVISOR SERIES</b>	<b>\$ 11.58</b>	<b>\$ 10.96</b>
<b>SERIES F</b>	<b>\$ 11.66</b>	<b>\$ 11.01</b>
<b>NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD</b> (see note 3 in the generic notes)		
<b>SERIES A</b>	<b>\$ 11.54</b>	<b>\$ 10.96</b>
<b>ADVISOR SERIES</b>	<b>\$ 11.58</b>	<b>\$ 10.96</b>
<b>SERIES F</b>	<b>\$ 11.66</b>	<b>\$ 11.01</b>

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

For the period ended September 30 (see note 2 in the generic notes)*	2013
<b>INCOME</b> (see note 3 in the generic notes)	
Other revenue	\$ 3
<b>TOTAL INCOME (LOSS)</b>	<b>3</b>
<b>EXPENSES</b> (see notes – Fund Specific Information)	
Management fees	20
Administration fees	1
Board of Governors costs	1
GST/HST	1
<b>TOTAL EXPENSES</b>	<b>23</b>
Less expenses reimbursed by manager	(1)
<b>TOTAL EXPENSES NET OF REIMBURSEMENT</b>	<b>22</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>(19)</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>	
Net realized gain (loss) on investments	4
Change in unrealized gain (loss) on investments	136
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>140</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	
	\$ 121
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	
<b>SERIES A</b>	\$ 120
<b>ADVISOR SERIES</b>	\$ 1
<b>SERIES F</b>	\$ –
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE</b>	
<b>SERIES A</b>	\$ 0.64
<b>ADVISOR SERIES</b>	\$ 0.65
<b>SERIES F</b>	\$ 0.71

\* Fund launched October 2012.

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

**Doug Coulter**  
Director

**Frank Lippa**  
Director

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





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

For the period ended September 30 (see note 2 in the generic notes)*	Series A 2013	Advisor Series 2013	Series F 2013	Total 2013
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 1 879	\$ 7	\$ 1	\$ 1 887
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	120	1	–	121
Early redemption fees	–	–	–	–
Proceeds from mutual fund shares issued	386	1	–	387
Proceeds from reinvestment of distributions	–	–	–	–
Payments on redemption of mutual fund shares	(28)	–	–	(28)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>358</b>	<b>1</b>	<b>–</b>	<b>359</b>
Distributions from net income	–	–	–	–
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>478</b>	<b>2</b>	<b>–</b>	<b>480</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 2 357</b>	<b>\$ 9</b>	<b>\$ 1</b>	<b>\$ 2 367</b>

\* Fund launched October 2012.



September 30, 2013

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

The Fund invests primarily in other mutual funds. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

**Credit risk**

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

**Currency risk (% of net assets)**

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk as at:

Currency	September 30 2013	March 31 2013
United States dollar	33.8	35.5
Euro	4.5	4.3
Pound sterling	3.9	4.3
Hong Kong dollar	2.3	2.5
Japanese yen	2.2	2.4
Swiss franc	1.3	1.4
South Korean won	1.2	1.5
New Taiwan dollar	0.9	1.0
Australian dollar	0.8	1.0
South African rand	0.8	0.9
Swedish krona	0.6	–
Indian rupee	0.5	0.7
Brazilian real	–	0.5
Chilean peso	–	0.5
Other currencies	2.6	2.9
<b>Total</b>	<b>55.4</b>	<b>59.4</b>

As at September 30, 2013, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 0.6% (March 31, 2013 – 0.6%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

**Other price risk (% impact on net assets)**

The table below shows the impact of a 1% change in the broad-based index (noted below) on the Fund's net assets, using an 11-month historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	September 30 2013	March 31 2013
S&P/TSX Capped Composite Total Return Index	+ or - 0.7	+ or - n/a

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

Since historical correlation may not be representative of future correlation, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of September 30 and March 31, 2013 in the valuation of the Fund's financial instruments carried at fair value.

September 30, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>2 358</b>	–	–	<b>2 358</b>
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>2 358</b>	–	–	<b>2 358</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

March 31, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>1 881</b>	–	–	<b>1 881</b>
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>1 881</b>	–	–	<b>1 881</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

For the periods ended September 30 and March 31, 2013, there were no transfers of financial instruments between Level 1 and Level 2.

**Management fees (see note 6 in the generic notes)**

RBC GAM is the manager, trustee and portfolio advisor of the Fund. The management fee payable in respect of each series of the Fund is a variable fee and is determined on a basis such that all fees and expenses that comprise the management expense ratio ("MER"), other than the additional cost of the harmonized sales tax ("HST"), will be equal to a specified percentage of the average net asset value of each series of the Fund ("Specified Percentage"). The Specified Percentage includes the management fee, administration fee, taxes (other than the additional cost of the HST), other fund costs and any fees and expenses of the underlying funds.

The Specified Percentage for Series A and Advisor Series is 2.05% and for Series F is 1.05%.



September 30, 2013

**Operating expenses (see note 6 in the generic notes)**

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

Series A	0.05%
Advisor Series	0.05%
Series F	0.05%

**Initial investments (\$000s except mutual fund share amounts)**

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

	September 30 2013	March 31 2013
<b>Mutual fund shares held</b>		
Series A	150 522	150 522
Advisor Series	100	100
Series F	101	101
<b>Value of all mutual fund shares</b>	<b>\$ 1 740</b>	<b>\$ 1 644</b>

**Shareholders' equity (000s)**

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

For the period ended September 30  
(see note 2 in the generic notes)

**2013**

**Series A**

Opening mutual fund shares	172
Issued number of mutual fund shares	35
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(3)
Ending number of mutual fund shares	204

**Advisor Series**

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

**Series F**

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

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

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

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

	September 30 2013
RBC Canadian Dividend Fund	\$ 3
Total other revenue	\$ 3
Capital gains received from underlying funds	\$ –



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

September 30, 2013

Number of Units	Security	Cost	Fair Value	% of Net Assets
<b>MUTUAL FUND UNITS</b>				
1 769 294	RBC Private Canadian Dividend Pool*	\$ 56 568	\$ 60 962	
<b>TOTAL MUTUAL FUND UNITS</b>		<u>56 568</u>	<u>60 962</u>	<b>100.0</b>
<b>TOTAL INVESTMENTS</b>		<u>\$ 56 568</u>	<u>60 962</u>	<b>100.0</b>
<b>OTHER NET ASSETS (LIABILITIES)</b>			6	–
<b>NET ASSETS</b>			<u>\$ 60 968</u>	<b>100.0</b>

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



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

(see note 2 in the generic notes)	September 30 2013	March 31 2013
<b>ASSETS</b>		
Investments at fair value	\$ 60 962	\$ 51 516
Due from investment dealers	40	–
Subscriptions receivable	223	83
<b>TOTAL ASSETS</b>	<b>61 225</b>	<b>51 599</b>
<b>LIABILITIES</b>		
Bank overdraft	29	155
Due to investment dealers	100	25
Redemptions payable	75	42
Accounts payable and accrued expenses	53	48
<b>TOTAL LIABILITIES</b>	<b>257</b>	<b>270</b>
<b>NET ASSETS</b>	<b>\$ 60 968</b>	<b>\$ 51 329</b>
Investments at cost	\$ 56 568	\$ 48 257
<b>NET ASSETS, END OF PERIOD</b>		
<b>SERIES A</b>	\$ 20 898	\$ 16 519
<b>ADVISOR SERIES</b>	\$ 3 664	\$ 2 170
<b>SERIES H</b>	\$ 5 240	\$ 5 862
<b>SERIES D</b>	\$ 9 619	\$ 8 163
<b>SERIES F</b>	\$ 2 332	\$ 2 326
<b>SERIES I</b>	\$ 1 888	\$ 1 322
<b>SERIES O</b>	\$ 17 327	\$ 14 967
<b>NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD</b>		
<b>SERIES A</b>	\$ 11.34	\$ 11.13
<b>ADVISOR SERIES</b>	\$ 11.35	\$ 11.14
<b>SERIES H</b>	\$ 11.33	\$ 11.14
<b>SERIES D</b>	\$ 11.47	\$ 11.24
<b>SERIES F</b>	\$ 11.51	\$ 11.25
<b>SERIES I</b>	\$ 11.52	\$ 11.26
<b>SERIES O</b>	\$ 11.67	\$ 11.37
<b>NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD</b> (see note 3 in the generic notes)		
<b>SERIES A</b>	\$ 11.34	\$ 11.13
<b>ADVISOR SERIES</b>	\$ 11.35	\$ 11.14
<b>SERIES H</b>	\$ 11.33	\$ 11.14
<b>SERIES D</b>	\$ 11.47	\$ 11.24
<b>SERIES F</b>	\$ 11.51	\$ 11.25
<b>SERIES I</b>	\$ 11.52	\$ 11.26
<b>SERIES O</b>	\$ 11.67	\$ 11.37

**Statements of Operations** (unaudited) (in \$000s except per mutual fund share amounts)

For the periods ended September 30 (see note 2 in the generic notes)*	2013	2012
<b>INCOME</b> (see note 3 in the generic notes)		
Interest	\$ 1	\$ 1
Other revenue	881	378
<b>TOTAL INCOME (LOSS)</b>	<b>882</b>	<b>379</b>
<b>EXPENSES</b> (see notes – Fund Specific Information)		
Management fees	266	72
Administration fees	11	7
Board of Directors fees	3	3
Board of Governors costs	1	1
GST/HST	29	7
<b>TOTAL EXPENSES</b>	<b>310</b>	<b>90</b>
Less expenses reimbursed by manager	(1)	(1)
<b>TOTAL EXPENSES NET OF REIMBURSEMENT</b>	<b>309</b>	<b>89</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>573</b>	<b>290</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Net realized gain (loss) on investments	300	(13)
Change in unrealized gain (loss) on investments	1 135	328
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>1 435</b>	<b>315</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>		
<b>FROM OPERATIONS</b>	<b>\$ 2 008</b>	<b>\$ 605</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
<b>SERIES A</b>	\$ 592	\$ 153
<b>ADVISOR SERIES</b>	\$ 110	\$ 12
<b>SERIES H</b>	\$ 194	\$ 54
<b>SERIES D</b>	\$ 310	\$ 139
<b>SERIES F</b>	\$ 83	\$ 19
<b>SERIES I</b>	\$ 77	\$ 16
<b>SERIES O</b>	\$ 642	\$ 212
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE</b>		
<b>SERIES A</b>	\$ 0.35	\$ 0.27
<b>ADVISOR SERIES</b>	\$ 0.35	\$ 0.28
<b>SERIES H</b>	\$ 0.36	\$ 0.09
<b>SERIES D</b>	\$ 0.39	\$ 0.25
<b>SERIES F</b>	\$ 0.42	\$ 0.34
<b>SERIES I</b>	\$ 0.43	\$ 0.11
<b>SERIES O</b>	\$ 0.47	\$ 0.36

\* Fund launched January 2012; Series H and Series I launched July 2012.

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

**Doug Coulter**  
Director

**Frank Lippa**  
Director

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



**Statements of Changes in Net Assets** (unaudited) (in \$000s)

For the periods ended September 30 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 16 519	\$ 3 132	\$ 2 170	\$ 431	\$ 5 862	\$ –	\$ 8 163	\$ 198
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	<b>592</b>	<b>153</b>	<b>110</b>	<b>12</b>	<b>194</b>	<b>54</b>	<b>310</b>	<b>139</b>
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	6 628	6 019	1 630	634	2 199	2 745	1 961	4 615
Proceeds from reinvestment of distributions	1	–	–	–	–	–	–	–
Payments on redemption of mutual fund shares	(2 841)	(661)	(246)	(34)	(3 015)	–	(815)	(30)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>3 788</b>	<b>5 358</b>	<b>1 384</b>	<b>600</b>	<b>(816)</b>	<b>2 745</b>	<b>1 146</b>	<b>4 585</b>
Distributions from net income	(1)	–	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>(1)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>4 379</b>	<b>5 511</b>	<b>1 494</b>	<b>612</b>	<b>(622)</b>	<b>2 799</b>	<b>1 456</b>	<b>4 724</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 20 898</b>	<b>\$ 8 643</b>	<b>\$ 3 664</b>	<b>\$ 1 043</b>	<b>\$ 5 240</b>	<b>\$ 2 799</b>	<b>\$ 9 619</b>	<b>\$ 4 922</b>

For the periods ended September 30 (see note 2 in the generic notes)*	Series F		Series I		Series O		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 2 326	\$ 1 093	\$ 1 322	\$ –	\$ 14 967	\$ 5 005	\$ 51 329	\$ 9 859
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	<b>83</b>	<b>19</b>	<b>77</b>	<b>16</b>	<b>642</b>	<b>212</b>	<b>2 008</b>	<b>605</b>
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	531	865	629	1 012	3 909	6 951	17 487	22 841
Proceeds from reinvestment of distributions	–	–	–	–	–	–	1	–
Payments on redemption of mutual fund shares	(608)	(846)	(140)	–	(2 191)	(1 051)	(9 856)	(2 622)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>(77)</b>	<b>19</b>	<b>489</b>	<b>1 012</b>	<b>1 718</b>	<b>5 900</b>	<b>7 632</b>	<b>20 219</b>
Distributions from net income	–	–	–	–	–	–	(1)	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(1)</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>6</b>	<b>38</b>	<b>566</b>	<b>1 028</b>	<b>2 360</b>	<b>6 112</b>	<b>9 639</b>	<b>20 824</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 2 332</b>	<b>\$ 1 131</b>	<b>\$ 1 888</b>	<b>\$ 1 028</b>	<b>\$ 17 327</b>	<b>\$ 11 117</b>	<b>\$ 60 968</b>	<b>\$ 30 683</b>

\* Fund launched January 2012; Series H and Series I launched July 2012.



September 30, 2013

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

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

**Credit risk**

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

**Other price risk (% impact on net assets)**

The table below shows the impact of a 1% change in the broad-based index (noted below) on the Fund's net assets, using a 21-month (March 31, 2013 – 15-month) historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	September 30 2013	March 31 2013
S&P/TSX Capped Composite Total Return Index	+ or - <b>0.6</b>	+ or - <b>0.6</b>

Since historical correlation may not be representative of future correlation, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of September 30 and March 31, 2013 in the valuation of the Fund's financial instruments carried at fair value.

September 30, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>60 962</b>	–	–	<b>60 962</b>
<b>Fixed-income</b>				
and debt securities	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>60 962</b>	–	–	<b>60 962</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

March 31, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>51 516</b>	–	–	<b>51 516</b>
<b>Fixed-income</b>				
and debt securities	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>51 516</b>	–	–	<b>51 516</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

For the periods ended September 30 and March 31, 2013, there were no transfers of financial instruments between Level 1 and Level 2.

**Management fees (see note 6 in the generic notes)**

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

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

Series A	1.50%
Advisor Series	1.50%
Series H	1.45%
Series D	1.00%
Series F	0.75%
Series I	0.60%

**Operating expenses (see note 6 in the generic notes)**

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

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



September 30, 2013

**Initial investments (\$000s except mutual fund share amounts)**

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

	September 30 2013	March 31 2013
<b>Mutual fund shares held</b>		
Series A	51	51
Advisor Series	51	51
Series H	102	102
Series D	51	51
Series F	51	51
Series I	102	102
Series O	–	–
<b>Value of all mutual fund shares</b>	<b>\$ 5</b>	<b>\$ 4</b>

**Shareholders' equity (000s)**

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

For the periods ended September 30  
(see note 2 in the generic notes)

	2013	2012
<b>Series A</b>		
Opening mutual fund shares	1 500	304
Issued number of mutual fund shares	601	603
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(258)	(66)
Ending number of mutual fund shares	1 843	841
<b>Advisor Series</b>		
Opening mutual fund shares	197	42
Issued number of mutual fund shares	148	62
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(22)	(3)
Ending number of mutual fund shares	323	101
<b>Series H</b>		
Opening mutual fund shares	533	–
Issued number of mutual fund shares	201	272
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(272)	–
Ending number of mutual fund shares	462	272
<b>Series D</b>		
Opening mutual fund shares	735	19
Issued number of mutual fund shares	177	460
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(73)	(3)
Ending number of mutual fund shares	839	476

For the periods ended September 30  
(see note 2 in the generic notes)

	2013	2012
<b>Series F</b>		
Opening mutual fund shares	209	106
Issued number of mutual fund shares	48	85
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(54)	(82)
Ending number of mutual fund shares	203	109
<b>Series I</b>		
Opening mutual fund shares	119	–
Issued number of mutual fund shares	58	99
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(13)	–
Ending number of mutual fund shares	164	99
<b>Series O</b>		
Opening mutual fund shares	1 332	484
Issued number of mutual fund shares	349	689
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(196)	(105)
Ending number of mutual fund shares	1 485	1 068

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

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

	September 30 2013	September 30 2012
RBC Private Canadian Dividend Pool	\$ 881	\$ 378
Total other revenue	\$ 881	\$ 378
Capital gains received from underlying funds	\$ –	\$ –

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





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

September 30, 2013

<b>Number of Units</b>	<b>Security</b>	<b>Cost</b>	<b>Fair Value</b>	<b>% of Net Assets</b>
<b>MUTUAL FUND UNITS</b>				
484 617	RBC Private Canadian Equity Pool*	\$ 9 229	\$ 9 930	
<b>TOTAL MUTUAL FUND UNITS</b>		9 229	9 930	<b>99.1</b>
<b>TOTAL INVESTMENTS</b>		<u>\$ 9 229</u>	9 930	<b>99.1</b>
<b>OTHER NET ASSETS (LIABILITIES)</b>			87	<b>0.9</b>
<b>NET ASSETS</b>			<u>\$ 10 017</u>	<b>100.0</b>

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



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

(see note 2 in the generic notes)	September 30 2013	March 31 2013
<b>ASSETS</b>		
Investments at fair value	\$ 9 930	\$ 9 077
Cash	24	9
Subscriptions receivable	101	6
<b>TOTAL ASSETS</b>	<b>10 055</b>	<b>9 092</b>
<b>LIABILITIES</b>		
Due to investment dealers	30	40
Redemptions payable	–	31
Accounts payable and accrued expenses	8	8
<b>TOTAL LIABILITIES</b>	<b>38</b>	<b>79</b>
<b>NET ASSETS</b>	<b>\$ 10 017</b>	<b>\$ 9 013</b>
Investments at cost	\$ 9 229	\$ 8 434
<b>NET ASSETS, END OF PERIOD</b>		
<b>SERIES A</b>	<b>\$ 1 802</b>	<b>\$ 1 762</b>
<b>ADVISOR SERIES</b>	<b>\$ 697</b>	<b>\$ 566</b>
<b>SERIES H</b>	<b>\$ 222</b>	<b>\$ 218</b>
<b>SERIES D</b>	<b>\$ 3 164</b>	<b>\$ 2 913</b>
<b>SERIES F</b>	<b>\$ 560</b>	<b>\$ 375</b>
<b>SERIES I</b>	<b>\$ 1</b>	<b>\$ 1</b>
<b>SERIES O</b>	<b>\$ 3 571</b>	<b>\$ 3 178</b>
<b>NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD</b>		
<b>SERIES A</b>	<b>\$ 11.01</b>	<b>\$ 10.96</b>
<b>ADVISOR SERIES</b>	<b>\$ 11.00</b>	<b>\$ 10.96</b>
<b>SERIES H</b>	<b>\$ 11.02</b>	<b>\$ 10.97</b>
<b>SERIES D</b>	<b>\$ 11.17</b>	<b>\$ 11.08</b>
<b>SERIES F</b>	<b>\$ 11.25</b>	<b>\$ 11.11</b>
<b>SERIES I</b>	<b>\$ 11.25</b>	<b>\$ 11.13</b>
<b>SERIES O</b>	<b>\$ 11.40</b>	<b>\$ 11.23</b>
<b>NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD</b> (see note 3 in the generic notes)		
<b>SERIES A</b>	<b>\$ 11.01</b>	<b>\$ 10.96</b>
<b>ADVISOR SERIES</b>	<b>\$ 11.00</b>	<b>\$ 10.96</b>
<b>SERIES H</b>	<b>\$ 11.02</b>	<b>\$ 10.97</b>
<b>SERIES D</b>	<b>\$ 11.17</b>	<b>\$ 11.08</b>
<b>SERIES F</b>	<b>\$ 11.25</b>	<b>\$ 11.11</b>
<b>SERIES I</b>	<b>\$ 11.25</b>	<b>\$ 11.13</b>
<b>SERIES O</b>	<b>\$ 11.40</b>	<b>\$ 11.23</b>

**Statements of Operations** (unaudited) (in \$000s except per mutual fund share amounts)

For the periods ended September 30 (see note 2 in the generic notes)*	2013	2012
<b>INCOME</b> (see note 3 in the generic notes)		
Other revenue	\$ 130	\$ 72
<b>TOTAL INCOME (LOSS)</b>	<b>130</b>	<b>72</b>
<b>EXPENSES</b> (see notes – Fund Specific Information)		
Management fees	39	14
Administration fees	1	2
Board of Directors fees	1	1
Board of Governors costs	1	1
GST/HST	4	1
<b>TOTAL EXPENSES</b>	<b>46</b>	<b>19</b>
Less expenses reimbursed by manager	(1)	(1)
<b>TOTAL EXPENSES NET OF REIMBURSEMENT</b>	<b>45</b>	<b>18</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>85</b>	<b>54</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Net realized gain (loss) on investments	60	(4)
Change in unrealized gain (loss) on investments	58	168
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>118</b>	<b>164</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
	\$ 203	\$ 218
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
<b>SERIES A</b>	\$ 29	\$ 24
<b>ADVISOR SERIES</b>	\$ 6	\$ 7
<b>SERIES H</b>	\$ 4	\$ 7
<b>SERIES D</b>	\$ 69	\$ 123
<b>SERIES F</b>	\$ 13	\$ –
<b>SERIES I</b>	\$ (5)	\$ –
<b>SERIES O</b>	\$ 87	\$ 57
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE</b>		
<b>SERIES A</b>	\$ 0.18	\$ 0.47
<b>ADVISOR SERIES</b>	\$ 0.18	\$ 0.46
<b>SERIES H</b>	\$ 0.19	\$ 0.14
<b>SERIES D</b>	\$ 0.23	\$ 0.43
<b>SERIES F</b>	\$ 0.25	\$ 0.62
<b>SERIES I</b>	\$ 0.25	\$ 0.18
<b>SERIES O</b>	\$ 0.30	\$ 0.62

\* Fund launched January 2012; Series H and Series I launched July 2012.

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

**Doug Coulter**  
Director

**Frank Lippa**  
Director

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



**Statements of Changes in Net Assets** (unaudited) (in \$000s)

For the periods ended September 30 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 1 762	\$ 374	\$ 566	\$ 290	\$ 218	\$ –	\$ 2 913	\$ 35
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	29	24	6	7	4	7	69	123
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	375	867	399	283	–	201	369	2 190
Proceeds from reinvestment of distributions	–	–	–	–	–	–	–	–
Payments on redemption of mutual fund shares	(364)	(335)	(274)	(195)	–	–	(187)	(13)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	11	532	125	88	–	201	182	2 177
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	–	–	–	–	–	–	–	–
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	40	556	131	95	4	208	251	2 300
<b>NET ASSETS – END OF PERIOD</b>	\$ 1 802	\$ 930	\$ 697	\$ 385	\$ 222	\$ 208	\$ 3 164	\$ 2 335

For the periods ended September 30 (see note 2 in the generic notes)*	Series F		Series I		Series O		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 375	\$ 63	\$ 1	\$ –	\$ 3 178	\$ 1 537	\$ 9 013	\$ 2 299
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	13	–	(5)	–	87	57	203	218
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	211	14	356	1	605	803	2 315	4 359
Proceeds from reinvestment of distributions	–	–	–	–	–	–	–	–
Payments on redemption of mutual fund shares	(39)	(30)	(351)	–	(299)	(66)	(1 514)	(639)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	172	(16)	5	1	306	737	801	3 720
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	–	–	–	–	–	–	–	–
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	185	(16)	–	1	393	794	1 004	3 938
<b>NET ASSETS – END OF PERIOD</b>	\$ 560	\$ 47	\$ 1	\$ 1	\$ 3 571	\$ 2 331	\$ 10 017	\$ 6 237

\* Fund launched January 2012; Series H and Series I launched July 2012.



September 30, 2013

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

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

**Credit risk**

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

**Other price risk (% impact on net assets)**

The table below shows the impact of a 1% change in the broad-based index (noted below) on the Fund's net assets, using a 21-month (March 31, 2013 – 15-month) historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	September 30 2013	March 31 2013
S&P/TSX Capped Composite Total Return Index	+ or - <b>0.8</b>	+ or - <b>0.9</b>

Since historical correlation may not be representative of future correlation, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of September 30 and March 31, 2013 in the valuation of the Fund's financial instruments carried at fair value.

September 30, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>9 930</b>	–	–	<b>9 930</b>
<b>Fixed-income</b>				
and debt securities	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>9 930</b>	–	–	<b>9 930</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

March 31, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>9 077</b>	–	–	<b>9 077</b>
<b>Fixed-income</b>				
and debt securities	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>9 077</b>	–	–	<b>9 077</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

For the periods ended September 30 and March 31, 2013, there were no transfers of financial instruments between Level 1 and Level 2.

**Management fees (see note 6 in the generic notes)**

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

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

Series A	1.75%
Advisor Series	1.75%
Series H	1.65%
Series D	1.00%
Series F	0.75%
Series I	0.60%

**Operating expenses (see note 6 in the generic notes)**

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

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



September 30, 2013

**Initial investments (\$000s except mutual fund share amounts)**

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

	September 30 2013	March 31 2013
<b>Mutual fund shares held</b>		
Series A	51	51
Advisor Series	51	51
Series H	105	105
Series D	51	51
Series F	51	51
Series I	104	104
Series O	–	–
<b>Value of all mutual fund shares</b>	<b>\$ 5</b>	<b>\$ 4</b>

**Shareholders' equity (000s)**

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

For the periods ended September 30  
(see note 2 in the generic notes)

	2013	2012
<b>Series A</b>		
Opening mutual fund shares	163	37
Issued number of mutual fund shares	35	87
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(34)	(33)
Ending number of mutual fund shares	164	91
<b>Advisor Series</b>		
Opening mutual fund shares	52	28
Issued number of mutual fund shares	37	30
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(26)	(20)
Ending number of mutual fund shares	63	38
<b>Series H</b>		
Opening mutual fund shares	20	–
Issued number of mutual fund shares	–	20
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	–
Ending number of mutual fund shares	20	20
<b>Series D</b>		
Opening mutual fund shares	266	3
Issued number of mutual fund shares	34	225
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(17)	(1)
Ending number of mutual fund shares	283	227

For the periods ended September 30  
(see note 2 in the generic notes)

	2013	2012
<b>Series F</b>		
Opening mutual fund shares	34	6
Issued number of mutual fund shares	20	2
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(4)	(3)
Ending number of mutual fund shares	50	5
<b>Series I</b>		
Opening mutual fund shares	–	–
Issued number of mutual fund shares	32	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(32)	–
Ending number of mutual fund shares	–	–
<b>Series O</b>		
Opening mutual fund shares	286	150
Issued number of mutual fund shares	55	82
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(28)	(7)
Ending number of mutual fund shares	313	225

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

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

	September 30 2013	September 30 2012
RBC Private Canadian Equity Pool	\$ 130	\$ 72
Total other revenue	\$ 130	\$ 72
Capital gains received from underlying funds	\$ –	\$ –

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



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

September 30, 2013

<b>Number of Units</b>	<b>Security</b>	<b>Cost</b>	<b>Fair Value</b>	<b>% of Net Assets</b>
<b>MUTUAL FUND UNITS</b>				
6 048 399	RBC Canadian Equity Income Fund*	\$ 146 295	\$ 158 249	
<b>TOTAL MUTUAL FUND UNITS</b>		<u>146 295</u>	<u>158 249</u>	<b>100.0</b>
<b>TOTAL INVESTMENTS</b>		<u>\$ 146 295</u>	<u>158 249</u>	<b>100.0</b>
<b>OTHER NET ASSETS (LIABILITIES)</b>			(70)	—
<b>NET ASSETS</b>			<u>\$ 158 179</u>	<b>100.0</b>

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



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

(see note 2 in the generic notes)	September 30 2013	March 31 2013
<b>ASSETS</b>		
Investments at fair value	\$ 158 249	\$ 139 684
Cash	83	95
Due from investment dealers	200	75
Subscriptions receivable	338	1 019
<b>TOTAL ASSETS</b>	<b>158 870</b>	<b>140 873</b>
<b>LIABILITIES</b>		
Due to investment dealers	–	80
Redemptions payable	475	712
Accounts payable and accrued expenses	216	200
<b>TOTAL LIABILITIES</b>	<b>691</b>	<b>992</b>
<b>NET ASSETS</b>	<b>\$ 158 179</b>	<b>\$ 139 881</b>
Investments at cost	\$ 146 295	\$ 130 976
<b>NET ASSETS, END OF PERIOD</b>		
SERIES A	\$ 34 688	\$ 30 397
ADVISOR SERIES	\$ 54 528	\$ 50 675
SERIES H	\$ 19 088	\$ 13 871
SERIES D	\$ 10 477	\$ 9 685
SERIES F	\$ 28 459	\$ 24 302
SERIES I	\$ 9 834	\$ 9 998
SERIES O	\$ 1 105	\$ 953
<b>NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD</b>		
SERIES A	\$ 11.47	\$ 11.11
ADVISOR SERIES	\$ 11.47	\$ 11.12
SERIES H	\$ 11.50	\$ 11.13
SERIES D	\$ 11.65	\$ 11.24
SERIES F	\$ 11.70	\$ 11.28
SERIES I	\$ 11.74	\$ 11.29
SERIES O	\$ 11.89	\$ 11.40
<b>NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD</b> (see note 3 in the generic notes)		
SERIES A	\$ 11.47	\$ 11.11
ADVISOR SERIES	\$ 11.47	\$ 11.12
SERIES H	\$ 11.50	\$ 11.13
SERIES D	\$ 11.65	\$ 11.24
SERIES F	\$ 11.70	\$ 11.28
SERIES I	\$ 11.74	\$ 11.29
SERIES O	\$ 11.89	\$ 11.40

**Statements of Operations** (unaudited) (in \$000s except per mutual fund share amounts)

For the periods ended September 30 (see note 2 in the generic notes)*	2013	2012
<b>INCOME</b> (see note 3 in the generic notes)		
Interest	\$ 1	\$ 1
Other revenue	3 152	1 470
<b>TOTAL INCOME (LOSS)</b>	<b>3 153</b>	<b>1 471</b>
<b>EXPENSES</b> (see notes – Fund Specific Information)		
Management fees	1 055	450
Administration fees	75	37
Board of Directors fees	9	8
Board of Governors costs	1	1
GST/HST	119	46
<b>TOTAL EXPENSES</b>	<b>1 259</b>	<b>542</b>
Less expenses reimbursed by manager	–	(1)
<b>TOTAL EXPENSES NET OF REIMBURSEMENT</b>	<b>1 259</b>	<b>541</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>1 894</b>	<b>930</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Net realized gain (loss) on investments	332	(31)
Change in unrealized gain (loss) on investments	3 246	722
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>3 578</b>	<b>691</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
	\$ 5 472	\$ 1 621
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
SERIES A	\$ 1 147	\$ 362
ADVISOR SERIES	\$ 1 783	\$ 524
SERIES H	\$ 612	\$ 169
SERIES D	\$ 397	\$ 145
SERIES F	\$ 1 110	\$ 385
SERIES I	\$ 376	\$ 29
SERIES O	\$ 47	\$ 7
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE</b>		
SERIES A	\$ 0.38	\$ 0.25
ADVISOR SERIES	\$ 0.38	\$ 0.26
SERIES H	\$ 0.39	\$ 0.09
SERIES D	\$ 0.45	\$ 0.29
SERIES F	\$ 0.47	\$ 0.30
SERIES I	\$ 0.48	\$ 0.11
SERIES O	\$ 0.52	\$ 0.38

\* Fund launched January 2012; Series H and Series I launched July 2012.

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

**Doug Coulter**  
Director

**Frank Lippa**  
Director

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



**Statements of Changes in Net Assets** (unaudited) (in \$000s)

For the periods ended September 30 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 30 397	\$ 9 139	\$ 50 675	\$ 19 379	\$ 13 871	\$ –	\$ 9 685	\$ 1 713
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	<b>1 147</b>	<b>362</b>	<b>1 783</b>	<b>524</b>	<b>612</b>	<b>169</b>	<b>397</b>	<b>145</b>
Early redemption fees	–	–	–	–	–	–	<b>1</b>	–
Proceeds from mutual fund shares issued	<b>7 185</b>	12 360	<b>8 388</b>	18 333	<b>6 144</b>	5 130	<b>1 180</b>	4 024
Proceeds from reinvestment of distributions	–	–	–	–	–	–	–	–
Payments on redemption of mutual fund shares	<b>(4 041)</b>	(2 591)	<b>(6 318)</b>	(3 559)	<b>(1 539)</b>	–	<b>(786)</b>	(911)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>3 144</b>	9 769	<b>2 070</b>	14 774	<b>4 605</b>	5 130	<b>395</b>	3 113
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	–	–	–	–	–	–	–	–
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>4 291</b>	10 131	<b>3 853</b>	15 298	<b>5 217</b>	5 299	<b>792</b>	3 258
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 34 688</b>	\$ 19 270	<b>\$ 54 528</b>	\$ 34 677	<b>\$ 19 088</b>	\$ 5 299	<b>\$ 10 477</b>	\$ 4 971

For the periods ended September 30 (see note 2 in the generic notes)*	Series F		Series I		Series O		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 24 302	\$ 6 112	\$ 9 998	\$ –	\$ 953	\$ 952	\$ 139 881	\$ 37 295
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	<b>1 110</b>	<b>385</b>	<b>376</b>	<b>29</b>	<b>47</b>	<b>7</b>	<b>5 472</b>	<b>1 621</b>
Early redemption fees	–	–	–	–	–	–	<b>1</b>	–
Proceeds from mutual fund shares issued	<b>8 429</b>	10 668	<b>1 790</b>	2 021	<b>120</b>	270	<b>33 236</b>	52 806
Proceeds from reinvestment of distributions	<b>1</b>	–	–	–	–	–	<b>1</b>	–
Payments on redemption of mutual fund shares	<b>(5 382)</b>	(1 708)	<b>(2 330)</b>	–	<b>(15)</b>	(285)	<b>(20 411)</b>	(9 054)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>3 048</b>	8 960	<b>(540)</b>	2 021	<b>105</b>	(15)	<b>12 827</b>	43 752
Distributions from net income	<b>(1)</b>	–	–	–	–	–	<b>(1)</b>	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>(1)</b>	–	–	–	–	–	<b>(1)</b>	–
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>4 157</b>	9 345	<b>(164)</b>	2 050	<b>152</b>	(8)	<b>18 298</b>	45 373
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 28 459</b>	\$ 15 457	<b>\$ 9 834</b>	\$ 2 050	<b>\$ 1 105</b>	\$ 944	<b>\$ 158 179</b>	\$ 82 668

\* Fund launched January 2012; Series H and Series I launched July 2012.





September 30, 2013

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

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

**Credit risk**

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

**Currency risk (% of net assets)**

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

	September 30 2013	March 31 2013
Currency		
United States dollar	0.1	–
Total	0.1	–

As at September 30, 2013, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currency, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 0.0% (March 31, 2013 – 0.0%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

**Other price risk (% impact on net assets)**

The table below shows the impact of a 1% change in the broad-based index (noted below) on the Fund's net assets, using a 21-month (March 31, 2013 – 15-month) historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	September 30 2013	March 31 2013
S&P/TSX Capped Composite Total Return Index	+ or - 0.7	+ or - 0.7

Since historical correlation may not be representative of future correlation, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of September 30 and March 31, 2013 in the valuation of the Fund's financial instruments carried at fair value.

September 30, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	158 249	–	–	158 249
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	158 249	–	–	158 249
<b>% of total portfolio</b>	100.0	–	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	139 684	–	–	139 684
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	139 684	–	–	139 684
<b>% of total portfolio</b>	100.0	–	–	100.0

For the periods ended September 30 and March 31, 2013, there were no transfers of financial instruments between Level 1 and Level 2.

**Management fees (see note 6 in the generic notes)**

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

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

Series A	1.75%
Advisor Series	1.75%
Series H	1.65%
Series D	1.00%
Series F	0.75%
Series I	0.60%



September 30, 2013

**Operating expenses (see note 6 in the generic notes)**

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

Series A	0.13%
Advisor Series	0.13%
Series H	0.05%
Series D	0.08%
Series F	0.08%
Series I	0.05%
Series O	0.02%

**Initial investments (\$000s except mutual fund share amounts)**

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

	September 30 2013	March 31 2013
<b>Mutual fund shares held</b>		
Series A	50	50
Advisor Series	50	50
Series H	102	102
Series D	50	50
Series F	50	50
Series I	101	101
Series O	48	48
<b>Value of all mutual fund shares</b>	<b>\$ 5</b>	<b>\$ 5</b>

**Shareholders' equity (000s)**

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

For the periods ended September 30  
(see note 2 in the generic notes)

	2013	2012
<b>Series A</b>		
Opening mutual fund shares	2 741	887
Issued number of mutual fund shares	646	1 236
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(362)	(260)
Ending number of mutual fund shares	3 025	1 863

For the periods ended September 30  
(see note 2 in the generic notes)

	2013	2012
<b>Advisor Series</b>		
Opening mutual fund shares	4 567	1 881
Issued number of mutual fund shares	755	1 829
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(569)	(359)
Ending number of mutual fund shares	4 753	3 351
<b>Series H</b>		
Opening mutual fund shares	1 249	–
Issued number of mutual fund shares	549	512
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(138)	–
Ending number of mutual fund shares	1 660	512
<b>Series D</b>		
Opening mutual fund shares	863	166
Issued number of mutual fund shares	105	402
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(69)	(91)
Ending number of mutual fund shares	899	477
<b>Series F</b>		
Opening mutual fund shares	2 160	592
Issued number of mutual fund shares	746	1 058
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(475)	(169)
Ending number of mutual fund shares	2 431	1 481
<b>Series I</b>		
Opening mutual fund shares	887	–
Issued number of mutual fund shares	157	196
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(206)	–
Ending number of mutual fund shares	838	196
<b>Series O</b>		
Opening mutual fund shares	84	92
Issued number of mutual fund shares	10	27
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(1)	(29)
Ending number of mutual fund shares	93	90

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

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

	September 30 2013	September 30 2012
RBC Canadian Equity Income Fund	\$ 3 152	\$ 1 470
Total other revenue	\$ 3 152	\$ 1 470
Capital gains received from underlying funds	\$ –	\$ –



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

September 30, 2013

Number of Units	Security	Cost	Fair Value	% of Net Assets
<b>MUTUAL FUND UNITS</b>				
299 066	RBC Private Canadian Mid-Cap Equity Pool*	\$ 6 063	\$ 6 530	
<b>TOTAL MUTUAL FUND UNITS</b>		<u>6 063</u>	<u>6 530</u>	<b>99.8</b>
<b>TOTAL INVESTMENTS</b>		<u>\$ 6 063</u>	<u>6 530</u>	<b>99.8</b>
<b>OTHER NET ASSETS (LIABILITIES)</b>			14	<b>0.2</b>
<b>NET ASSETS</b>			<u>\$ 6 544</u>	<b>100.0</b>

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



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

(see note 2 in the generic notes)	September 30 2013	March 31 2013
<b>ASSETS</b>		
Investments at fair value	\$ 6 530	\$ 6 827
Cash	36	–
Due from investment dealers	–	350
Subscriptions receivable	10	1
<b>TOTAL ASSETS</b>	<b>6 576</b>	<b>7 178</b>
<b>LIABILITIES</b>		
Bank overdraft	–	373
Due to investment dealers	30	–
Redemptions payable	–	15
Accounts payable and accrued expenses	2	2
<b>TOTAL LIABILITIES</b>	<b>32</b>	<b>390</b>
<b>NET ASSETS</b>	<b>\$ 6 544</b>	<b>\$ 6 788</b>
Investments at cost	\$ 6 063	\$ 6 439
<b>NET ASSETS, END OF PERIOD</b>		
<b>SERIES A</b>	<b>\$ 780</b>	<b>\$ 773</b>
<b>ADVISOR SERIES</b>	<b>\$ 5</b>	<b>\$ 3</b>
<b>SERIES H</b>	<b>\$ 1</b>	<b>\$ 1</b>
<b>SERIES D</b>	<b>\$ 37</b>	<b>\$ 29</b>
<b>SERIES F</b>	<b>\$ 335</b>	<b>\$ 251</b>
<b>SERIES I</b>	<b>\$ 1</b>	<b>\$ 1</b>
<b>SERIES O</b>	<b>\$ 5 385</b>	<b>\$ 5 730</b>
<b>NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD</b>		
<b>SERIES A</b>	<b>\$ 10.75</b>	<b>\$ 10.62</b>
<b>ADVISOR SERIES</b>	<b>\$ 10.85</b>	<b>\$ 10.66</b>
<b>SERIES H</b>	<b>\$ 10.77</b>	<b>\$ 10.64</b>
<b>SERIES D</b>	<b>\$ 10.94</b>	<b>\$ 10.74</b>
<b>SERIES F</b>	<b>\$ 11.00</b>	<b>\$ 10.78</b>
<b>SERIES I</b>	<b>\$ 11.00</b>	<b>\$ 10.79</b>
<b>SERIES O</b>	<b>\$ 11.13</b>	<b>\$ 10.88</b>
<b>NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD</b> (see note 3 in the generic notes)		
<b>SERIES A</b>	<b>\$ 10.75</b>	<b>\$ 10.62</b>
<b>ADVISOR SERIES</b>	<b>\$ 10.85</b>	<b>\$ 10.66</b>
<b>SERIES H</b>	<b>\$ 10.77</b>	<b>\$ 10.64</b>
<b>SERIES D</b>	<b>\$ 10.94</b>	<b>\$ 10.74</b>
<b>SERIES F</b>	<b>\$ 11.00</b>	<b>\$ 10.78</b>
<b>SERIES I</b>	<b>\$ 11.00</b>	<b>\$ 10.79</b>
<b>SERIES O</b>	<b>\$ 11.13</b>	<b>\$ 10.88</b>

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

**Doug Coulter**  
Director

**Frank Lippa**  
Director

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

**Statements of Operations** (unaudited) (in \$000s except per mutual fund share amounts)

For the periods ended September 30 (see note 2 in the generic notes)*	2013	2012
<b>INCOME</b> (see note 3 in the generic notes)		
Other revenue	\$ 74	\$ 46
<b>TOTAL INCOME (LOSS)</b>	<b>74</b>	<b>46</b>
<b>EXPENSES</b> (see notes – Fund Specific Information)		
Management fees	9	4
Administration fees	6	2
Board of Directors fees	–	1
Board of Governors costs	1	1
GST/HST	1	–
<b>TOTAL EXPENSES</b>	<b>17</b>	<b>8</b>
Less expenses reimbursed by manager	(1)	(1)
<b>TOTAL EXPENSES NET OF REIMBURSEMENT</b>	<b>16</b>	<b>7</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>58</b>	<b>39</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Net realized gain (loss) on investments	41	(33)
Change in unrealized gain (loss) on investments	79	219
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>120</b>	<b>186</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
	\$ 178	\$ 225
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
<b>SERIES A</b>	\$ 15	\$ 32
<b>ADVISOR SERIES</b>	\$ (1)	\$ 1
<b>SERIES H</b>	\$ 7	\$ –
<b>SERIES D</b>	\$ 1	\$ –
<b>SERIES F</b>	\$ 8	\$ 2
<b>SERIES I</b>	\$ –	\$ –
<b>SERIES O</b>	\$ 148	\$ 190
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE</b>		
<b>SERIES A</b>	\$ 0.21	\$ 0.38
<b>ADVISOR SERIES</b>	\$ 0.22	\$ 0.46
<b>SERIES H</b>	\$ 0.22	\$ 0.18
<b>SERIES D</b>	\$ 0.25	\$ 0.50
<b>SERIES F</b>	\$ 0.27	\$ 0.45
<b>SERIES I</b>	\$ 0.28	\$ 0.21
<b>SERIES O</b>	\$ 0.32	\$ 0.54

\* Fund launched January 2012; Series H and Series I launched July 2012.



**Statements of Changes in Net Assets** (unaudited) (in \$000s)

For the periods ended September 30 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 773	\$ 44	\$ 3	\$ –	\$ 1	\$ –	\$ 29	\$ 3
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	15	32	(1)	1	7	–	1	–
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	41	577	3	–	200	1	20	–
Proceeds from reinvestment of distributions	–	–	–	–	–	–	–	–
Payments on redemption of mutual fund shares	(49)	(8)	–	–	(207)	–	(13)	–
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>(8)</b>	<b>569</b>	<b>3</b>	<b>–</b>	<b>(7)</b>	<b>1</b>	<b>7</b>	<b>–</b>
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>7</b>	<b>601</b>	<b>2</b>	<b>1</b>	<b>–</b>	<b>1</b>	<b>8</b>	<b>–</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 780</b>	<b>\$ 645</b>	<b>\$ 5</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 37</b>	<b>\$ 3</b>

For the periods ended September 30 (see note 2 in the generic notes)*	Series F		Series I		Series O		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 251	\$ –	\$ 1	\$ –	\$ 5 730	\$ 2 829	\$ 6 788	\$ 2 876
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	8	2	–	–	148	190	178	225
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	114	28	–	1	368	2 392	746	2 999
Proceeds from reinvestment of distributions	–	–	–	–	–	–	–	–
Payments on redemption of mutual fund shares	(38)	(1)	–	–	(861)	(1 052)	(1 168)	(1 061)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>76</b>	<b>27</b>	<b>–</b>	<b>1</b>	<b>(493)</b>	<b>1 340</b>	<b>(422)</b>	<b>1 938</b>
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>84</b>	<b>29</b>	<b>–</b>	<b>1</b>	<b>(345)</b>	<b>1 530</b>	<b>(244)</b>	<b>2 163</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 335</b>	<b>\$ 29</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 5 385</b>	<b>\$ 4 359</b>	<b>\$ 6 544</b>	<b>\$ 5 039</b>

\* Fund launched January 2012; Series H and Series I launched July 2012.



September 30, 2013

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

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

**Credit risk**

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

**Other price risk (% impact on net assets)**

The table below shows the impact of a 1% change in the broad-based index (noted below) on the Fund's net assets, using a 21-month (March 31, 2013 – 15-month) historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	September 30 2013	March 31 2013
S&P/TSX MidCap Index	+ or - 0.9	+ or - 0.9

Since historical correlation may not be representative of future correlation, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of September 30 and March 31, 2013 in the valuation of the Fund's financial instruments carried at fair value.

September 30, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	6 530	–	–	6 530
<b>Fixed-income</b>				
and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
<b>Total financial instruments</b>	6 530	–	–	6 530
<b>% of total portfolio</b>	100.0	–	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
Mutual fund units	6 827	–	–	6 827
<b>Fixed-income</b>				
and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
<b>Total financial instruments</b>	6 827	–	–	6 827
<b>% of total portfolio</b>	100.0	–	–	100.0

For the periods ended September 30 and March 31, 2013, there were no transfers of financial instruments between Level 1 and Level 2.

**Management fees (see note 6 in the generic notes)**

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

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

Series A	1.75%
Advisor Series	1.75%
Series H	1.65%
Series D	1.00%
Series F	0.75%
Series I	0.60%

**Operating expenses (see note 6 in the generic notes)**

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

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



September 30, 2013

**Initial investments (\$000s except mutual fund share amounts)**

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

	September 30 2013	March 31 2013
<b>Mutual fund shares held</b>		
Series A	50	50
Advisor Series	50	50
Series H	108	108
Series D	50	50
Series F	50	50
Series I	108	108
Series O	–	–
<b>Value of all mutual fund shares</b>	<b>\$ 5</b>	<b>\$ 4</b>

**Shareholders' equity (000s)**

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

For the periods ended September 30  
(see note 2 in the generic notes)

	2013	2012
<b>Series A</b>		
Opening mutual fund shares	73	4
Issued number of mutual fund shares	5	61
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(5)	(1)
Ending number of mutual fund shares	73	64
<b>Advisor Series</b>		
Opening mutual fund shares	–	–
Issued number of mutual fund shares	–	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	–
Ending number of mutual fund shares	–	–
<b>Series H</b>		
Opening mutual fund shares	–	–
Issued number of mutual fund shares	19	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(19)	–
Ending number of mutual fund shares	–	–
<b>Series D</b>		
Opening mutual fund shares	3	–
Issued number of mutual fund shares	1	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(1)	–
Ending number of mutual fund shares	3	–

For the periods ended September 30  
(see note 2 in the generic notes)

	2013	2012
<b>Series F</b>		
Opening mutual fund shares	23	–
Issued number of mutual fund shares	11	3
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(4)	–
Ending number of mutual fund shares	30	3
<b>Series I</b>		
Opening mutual fund shares	–	–
Issued number of mutual fund shares	–	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	–
Ending number of mutual fund shares	–	–
<b>Series O</b>		
Opening mutual fund shares	531	287
Issued number of mutual fund shares	35	253
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(82)	(111)
Ending number of mutual fund shares	484	429

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

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

	September 30 2013	September 30 2012
RBC Private Canadian Mid-Cap Equity Pool	\$ 74	\$ 46
Total other revenue	\$ 74	\$ 46
Capital gains received from underlying funds	\$ –	\$ –

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



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

September 30, 2013

<b>Number of Units</b>	<b>Security</b>	<b>Cost</b>	<b>Fair Value</b>	<b>% of Net Assets</b>
<b>MUTUAL FUND UNITS</b>				
4 734 138	RBC North American Value Fund*	\$ 84 422	\$ 92 574	
<b>TOTAL MUTUAL FUND UNITS</b>		<u>84 422</u>	<u>92 574</u>	<b>99.9</b>
<b>TOTAL INVESTMENTS</b>		<u>\$ 84 422</u>	<u>92 574</u>	<b>99.9</b>
<b>OTHER NET ASSETS (LIABILITIES)</b>			116	<b>0.1</b>
<b>NET ASSETS</b>			<u>\$ 92 690</u>	<b>100.0</b>

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





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

(see note 2 in the generic notes)	September 30 2013	March 31 2013
<b>ASSETS</b>		
Investments at fair value	\$ 92 574	\$ 52 461
Cash	24	463
Due from investment dealers	175	–
Subscriptions receivable	455	437
<b>TOTAL ASSETS</b>	<b>93 228</b>	<b>53 361</b>
<b>LIABILITIES</b>		
Due to investment dealers	150	695
Redemptions payable	257	20
Accounts payable and accrued expenses	131	79
<b>TOTAL LIABILITIES</b>	<b>538</b>	<b>794</b>
<b>NET ASSETS</b>	<b>\$ 92 690</b>	<b>\$ 52 567</b>
Investments at cost	\$ 84 422	\$ 49 079
<b>NET ASSETS, END OF PERIOD</b>		
<b>SERIES A</b>	<b>\$ 24 969</b>	<b>\$ 16 283</b>
<b>ADVISOR SERIES</b>	<b>\$ 32 333</b>	<b>\$ 18 721</b>
<b>SERIES H</b>	<b>\$ 11 339</b>	<b>\$ 6 629</b>
<b>SERIES D</b>	<b>\$ 2 099</b>	<b>\$ 1 508</b>
<b>SERIES F</b>	<b>\$ 10 758</b>	<b>\$ 5 950</b>
<b>SERIES I</b>	<b>\$ 11 191</b>	<b>\$ 3 475</b>
<b>SERIES O</b>	<b>\$ 1</b>	<b>\$ 1</b>
<b>NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD</b>		
<b>SERIES A</b>	<b>\$ 12.10</b>	<b>\$ 11.60</b>
<b>ADVISOR SERIES</b>	<b>\$ 12.10</b>	<b>\$ 11.60</b>
<b>SERIES H</b>	<b>\$ 12.14</b>	<b>\$ 11.61</b>
<b>SERIES D</b>	<b>\$ 12.28</b>	<b>\$ 11.72</b>
<b>SERIES F</b>	<b>\$ 12.34</b>	<b>\$ 11.76</b>
<b>SERIES I</b>	<b>\$ 12.38</b>	<b>\$ 11.78</b>
<b>SERIES O</b>	<b>\$ 12.52</b>	<b>\$ 11.90</b>
<b>NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD</b> (see note 3 in the generic notes)		
<b>SERIES A</b>	<b>\$ 12.10</b>	<b>\$ 11.60</b>
<b>ADVISOR SERIES</b>	<b>\$ 12.10</b>	<b>\$ 11.60</b>
<b>SERIES H</b>	<b>\$ 12.14</b>	<b>\$ 11.61</b>
<b>SERIES D</b>	<b>\$ 12.28</b>	<b>\$ 11.72</b>
<b>SERIES F</b>	<b>\$ 12.34</b>	<b>\$ 11.76</b>
<b>SERIES I</b>	<b>\$ 12.38</b>	<b>\$ 11.78</b>
<b>SERIES O</b>	<b>\$ 12.52</b>	<b>\$ 11.90</b>

**Statements of Operations** (unaudited) (in \$000s except per mutual fund share amounts)

For the periods ended September 30 (see note 2 in the generic notes)*	2013	2012
<b>INCOME</b> (see note 3 in the generic notes)		
Interest	\$ 2	\$ –
<b>TOTAL INCOME (LOSS)</b>	<b>2</b>	<b>–</b>
<b>EXPENSES</b> (see notes – Fund Specific Information)		
Management fees	548	109
Administration fees	39	9
Board of Directors fees	4	2
Board of Governors costs	1	1
GST/HST	70	11
<b>TOTAL EXPENSES</b>	<b>662</b>	<b>132</b>
Less expenses reimbursed by manager	–	(1)
<b>TOTAL EXPENSES NET OF REIMBURSEMENT</b>	<b>662</b>	<b>131</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>(660)</b>	<b>(131)</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Net realized gain (loss) on investments	128	(3)
Change in unrealized gain (loss) on investments	4 770	709
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>4 898</b>	<b>706</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
	\$ 4 238	\$ 575
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
<b>SERIES A</b>	<b>\$ 1 183</b>	<b>\$ 206</b>
<b>ADVISOR SERIES</b>	<b>\$ 1 416</b>	<b>\$ 152</b>
<b>SERIES H</b>	<b>\$ 488</b>	<b>\$ 31</b>
<b>SERIES D</b>	<b>\$ 103</b>	<b>\$ 11</b>
<b>SERIES F</b>	<b>\$ 518</b>	<b>\$ 84</b>
<b>SERIES I</b>	<b>\$ 530</b>	<b>\$ 88</b>
<b>SERIES O</b>	<b>\$ –</b>	<b>\$ 3</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE</b>		
<b>SERIES A</b>	<b>\$ 0.66</b>	<b>\$ 0.40</b>
<b>ADVISOR SERIES</b>	<b>\$ 0.65</b>	<b>\$ 0.42</b>
<b>SERIES H</b>	<b>\$ 0.68</b>	<b>\$ 0.12</b>
<b>SERIES D</b>	<b>\$ 0.73</b>	<b>\$ 0.46</b>
<b>SERIES F</b>	<b>\$ 0.74</b>	<b>\$ 0.45</b>
<b>SERIES I</b>	<b>\$ 0.74</b>	<b>\$ 0.16</b>
<b>SERIES O</b>	<b>\$ 0.82</b>	<b>\$ 0.55</b>

\* Fund launched January 2012; Series H and Series I launched July 2012.

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

**Doug Coulter**  
Director

**Frank Lippa**  
Director

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



**Statements of Changes in Net Assets** (unaudited) (in \$000s)

For the periods ended September 30 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 16 283	\$ 3 213	\$ 18 721	\$ 3 860	\$ 6 629	\$ –	\$ 1 508	\$ 187
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	<b>1 183</b>	<b>206</b>	<b>1 416</b>	<b>152</b>	<b>488</b>	<b>31</b>	<b>103</b>	<b>11</b>
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	8 953	4 414	13 740	4 306	5 232	1 470	639	228
Proceeds from reinvestment of distributions	155	–	170	–	58	–	14	–
Payments on redemption of mutual fund shares	(1 447)	(323)	(1 538)	(585)	(1 005)	–	(151)	(41)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>7 661</b>	<b>4 091</b>	<b>12 372</b>	<b>3 721</b>	<b>4 285</b>	<b>1 470</b>	<b>502</b>	<b>187</b>
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	(158)	–	(176)	–	(63)	–	(14)	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>(158)</b>	<b>–</b>	<b>(176)</b>	<b>–</b>	<b>(63)</b>	<b>–</b>	<b>(14)</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>8 686</b>	<b>4 297</b>	<b>13 612</b>	<b>3 873</b>	<b>4 710</b>	<b>1 501</b>	<b>591</b>	<b>198</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 24 969</b>	<b>\$ 7 510</b>	<b>\$ 32 333</b>	<b>\$ 7 733</b>	<b>\$ 11 339</b>	<b>\$ 1 501</b>	<b>\$ 2 099</b>	<b>\$ 385</b>

For the periods ended September 30 (see note 2 in the generic notes)*	Series F		Series I		Series O		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 5 950	\$ 1 115	\$ 3 475	\$ –	\$ 1	\$ 157	\$ 52 567	\$ 8 532
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	<b>518</b>	<b>84</b>	<b>530</b>	<b>88</b>	<b>–</b>	<b>3</b>	<b>4 238</b>	<b>575</b>
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	5 154	2 456	7 247	1 583	–	–	40 965	14 457
Proceeds from reinvestment of distributions	52	–	55	–	–	–	504	–
Payments on redemption of mutual fund shares	(856)	(292)	(58)	–	–	–	(5 055)	(1 241)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>4 350</b>	<b>2 164</b>	<b>7 244</b>	<b>1 583</b>	<b>–</b>	<b>–</b>	<b>36 414</b>	<b>13 216</b>
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	(60)	–	(58)	–	–	–	(529)	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>(60)</b>	<b>–</b>	<b>(58)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(529)</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>4 808</b>	<b>2 248</b>	<b>7 716</b>	<b>1 671</b>	<b>–</b>	<b>3</b>	<b>40 123</b>	<b>13 791</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 10 758</b>	<b>\$ 3 363</b>	<b>\$ 11 191</b>	<b>\$ 1 671</b>	<b>\$ 1</b>	<b>\$ 160</b>	<b>\$ 92 690</b>	<b>\$ 22 323</b>

\* Fund launched January 2012; Series H and Series I launched July 2012.



September 30, 2013

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

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

**Credit risk**

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

**Currency risk (% of net assets)**

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

	September 30 2013	March 31 2013
Currency		
United States dollar	23.5	23.8
Norwegian krone	0.5	–
Other currencies	–	0.7
<b>Total</b>	<b>24.0</b>	<b>24.5</b>

As at September 30, 2013, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 0.2% (March 31, 2013 – 0.2%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

**Other price risk (% impact on net assets)**

The table below shows the impact of a 1% change in the broad-based index (noted below) on the Fund's net assets, using a 21-month (March 31, 2013 – 15-month) historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	September 30 2013	March 31 2013
S&P/TSX Capped Composite Total Return Index	+ or - 0.7	+ or - 0.7

Since historical correlation may not be representative of future correlation, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of September 30 and March 31, 2013 in the valuation of the Fund's financial instruments carried at fair value.

September 30, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>92 574</b>	–	–	<b>92 574</b>
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>92 574</b>	–	–	<b>92 574</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

March 31, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>52 461</b>	–	–	<b>52 461</b>
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>52 461</b>	–	–	<b>52 461</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

For the periods ended September 30 and March 31, 2013, there were no transfers of financial instruments between Level 1 and Level 2.

**Management fees (see note 6 in the generic notes)**

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

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

Series A	1.75%
Advisor Series	1.75%
Series H	1.65%
Series D	1.00%
Series F	0.75%
Series I	0.60%



September 30, 2013

**Operating expenses (see note 6 in the generic notes)**

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

Series A	0.13%
Advisor Series	0.13%
Series H	0.05%
Series D	0.08%
Series F	0.08%
Series I	0.05%
Series O	0.02%

**Initial investments (\$000s except mutual fund share amounts)**

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

	September 30 2013	March 31 2013
<b>Mutual fund shares held</b>		
Series A	51	50
Advisor Series	51	50
Series H	102	101
Series D	51	50
Series F	51	50
Series I	101	100
Series O	48	47
<b>Value of all mutual fund shares</b>	<b>\$ 6</b>	<b>\$ 5</b>

**Shareholders' equity (000s)**

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

For the periods ended September 30  
(see note 2 in the generic notes)

	2013	2012
<b>Series A</b>		
Opening mutual fund shares	1 412	307
Issued number of mutual fund shares	759	439
Reinvested number of mutual fund shares	14	–
Redeemed number of mutual fund shares	(121)	(31)
Ending number of mutual fund shares	2 064	715

For the periods ended September 30  
(see note 2 in the generic notes)

	2013	2012
<b>Advisor Series</b>		
Opening mutual fund shares	1 624	369
Issued number of mutual fund shares	1 164	425
Reinvested number of mutual fund shares	15	–
Redeemed number of mutual fund shares	(130)	(58)
Ending number of mutual fund shares	2 673	736
<b>Series H</b>		
Opening mutual fund shares	574	–
Issued number of mutual fund shares	440	143
Reinvested number of mutual fund shares	5	–
Redeemed number of mutual fund shares	(85)	–
Ending number of mutual fund shares	934	143
<b>Series D</b>		
Opening mutual fund shares	129	18
Issued number of mutual fund shares	54	22
Reinvested number of mutual fund shares	1	–
Redeemed number of mutual fund shares	(13)	(4)
Ending number of mutual fund shares	171	36
<b>Series F</b>		
Opening mutual fund shares	509	106
Issued number of mutual fund shares	430	241
Reinvested number of mutual fund shares	5	–
Redeemed number of mutual fund shares	(72)	(30)
Ending number of mutual fund shares	872	317
<b>Series I</b>		
Opening mutual fund shares	297	–
Issued number of mutual fund shares	607	158
Reinvested number of mutual fund shares	5	–
Redeemed number of mutual fund shares	(5)	–
Ending number of mutual fund shares	904	158
<b>Series O</b>		
Opening mutual fund shares	–	15
Issued number of mutual fund shares	–	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	–
Ending number of mutual fund shares	–	15



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

September 30, 2013

<b>Number of Units</b>	<b>Security</b>	<b>Cost</b>	<b>Fair Value</b>	<b>% of Net Assets</b>
<b>MUTUAL FUND UNITS</b>				
1 806 549	RBC U.S. Dividend Fund*	\$ 33 114	\$ 35 407	
<b>TOTAL MUTUAL FUND UNITS</b>		<u>33 114</u>	<u>35 407</u>	<u>99.9</u>
<b>TOTAL INVESTMENTS</b>		<u>\$ 33 114</u>	<u>35 407</u>	<u>99.9</u>
<b>OTHER NET ASSETS (LIABILITIES)</b>			26	0.1
<b>NET ASSETS</b>			<u>\$ 35 433</u>	<u>100.0</u>

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



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

(see note 2 in the generic notes)	September 30 2013	March 31 2013
<b>ASSETS</b>		
Investments at fair value	\$ 35 407	\$ 23 113
Cash	1 268	60
Subscriptions receivable	200	589
<b>TOTAL ASSETS</b>	<b>36 875</b>	<b>23 762</b>
<b>LIABILITIES</b>		
Due to investment dealers	1 360	530
Redemptions payable	42	–
Accounts payable and accrued expenses	40	25
<b>TOTAL LIABILITIES</b>	<b>1 442</b>	<b>555</b>
<b>NET ASSETS</b>	<b>\$ 35 433</b>	<b>\$ 23 207</b>
Investments at cost	\$ 33 114	\$ 22 170
<b>NET ASSETS, END OF PERIOD</b>		
<b>SERIES A</b>	<b>\$ 8 843</b>	<b>\$ 5 683</b>
<b>ADVISOR SERIES</b>	<b>\$ 6 462</b>	<b>\$ 4 572</b>
<b>SERIES H</b>	<b>\$ 2 055</b>	<b>\$ 570</b>
<b>SERIES D</b>	<b>\$ 5 321</b>	<b>\$ 4 219</b>
<b>SERIES F</b>	<b>\$ 10 863</b>	<b>\$ 7 035</b>
<b>SERIES I</b>	<b>\$ 1 889</b>	<b>\$ 1 128</b>
<b>NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD</b>		
<b>SERIES A</b>	<b>\$ 11.59</b>	<b>\$ 10.90</b>
<b>ADVISOR SERIES</b>	<b>\$ 11.59</b>	<b>\$ 10.90</b>
<b>SERIES H</b>	<b>\$ 11.62</b>	<b>\$ 10.92</b>
<b>SERIES D</b>	<b>\$ 11.69</b>	<b>\$ 10.94</b>
<b>SERIES F</b>	<b>\$ 11.71</b>	<b>\$ 10.96</b>
<b>SERIES I</b>	<b>\$ 11.74</b>	<b>\$ 10.97</b>
<b>NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD</b> (see note 3 in the generic notes)		
<b>SERIES A</b>	<b>\$ 11.59</b>	<b>\$ 10.90</b>
<b>ADVISOR SERIES</b>	<b>\$ 11.59</b>	<b>\$ 10.90</b>
<b>SERIES H</b>	<b>\$ 11.62</b>	<b>\$ 10.92</b>
<b>SERIES D</b>	<b>\$ 11.69</b>	<b>\$ 10.94</b>
<b>SERIES F</b>	<b>\$ 11.71</b>	<b>\$ 10.96</b>
<b>SERIES I</b>	<b>\$ 11.74</b>	<b>\$ 10.97</b>

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

For the period ended September 30 (see note 2 in the generic notes)*	2013
<b>INCOME</b> (see note 3 in the generic notes)	
Other revenue	\$ 363
<b>TOTAL INCOME (LOSS)</b>	<b>363</b>
<b>EXPENSES</b> (see notes – Fund Specific Information)	
Management fees	180
Administration fees	15
Board of Directors fees	2
Board of Governors costs	1
GST/HST	16
Interest on bank overdraft	1
<b>TOTAL EXPENSES</b>	<b>215</b>
Less expenses reimbursed by manager	(1)
<b>TOTAL EXPENSES NET OF REIMBURSEMENT</b>	<b>214</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>149</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>	
Net realized gain (loss) on investments	145
Change in unrealized gain (loss) on investments	1 350
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>1 495</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	
	\$ 1 644
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	
<b>SERIES A</b>	\$ 411
<b>ADVISOR SERIES</b>	\$ 234
<b>SERIES H</b>	\$ 35
<b>SERIES D</b>	\$ 324
<b>SERIES F</b>	\$ 538
<b>SERIES I</b>	\$ 102
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE</b>	
<b>SERIES A</b>	\$ 0.61
<b>ADVISOR SERIES</b>	\$ 0.63
<b>SERIES H</b>	\$ 0.61
<b>SERIES D</b>	\$ 0.68
<b>SERIES F</b>	\$ 0.69
<b>SERIES I</b>	\$ 0.70

\* Fund launched October 2012.

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

**Doug Coulter**  
Director

**Frank Lippa**  
Director

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



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

For the period ended September 30 (see note 2 in the generic notes)*	Series A 2013	Advisor Series 2013	Series H 2013	Series D 2013
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 5 683	\$ 4 572	\$ 570	\$ 4 219
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	411	234	35	324
Early redemption fees	–	–	–	–
Proceeds from mutual fund shares issued	3 093	3 782	1 500	1 205
Proceeds from reinvestment of distributions	–	–	–	–
Payments on redemption of mutual fund shares	(344)	(2 126)	(50)	(427)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>2 749</b>	<b>1 656</b>	<b>1 450</b>	<b>778</b>
Distributions from net income	–	–	–	–
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>3 160</b>	<b>1 890</b>	<b>1 485</b>	<b>1 102</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 8 843</b>	<b>\$ 6 462</b>	<b>\$ 2 055</b>	<b>\$ 5 321</b>

For the period ended September 30 (see note 2 in the generic notes)*	Series F 2013	Series I 2013	Total 2013
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 7 035	\$ 1 128	\$ 23 207
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	538	102	1 644
Early redemption fees	–	2	2
Proceeds from mutual fund shares issued	3 488	668	13 736
Proceeds from reinvestment of distributions	–	–	–
Payments on redemption of mutual fund shares	(198)	(11)	(3 156)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>3 290</b>	<b>659</b>	<b>10 582</b>
Distributions from net income	–	–	–
Distributions from net gains	–	–	–
Distributions from capital	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>3 828</b>	<b>761</b>	<b>12 226</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 10 863</b>	<b>\$ 1 889</b>	<b>\$ 35 433</b>

\* Fund launched October 2012.



September 30, 2013

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

The Fund invests in the RBC U.S. Dividend Fund. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

**Credit risk**

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

**Currency risk (% of net assets)**

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

	September 30 2013	March 31 2013
Currency		
United States dollar	94.4	84.7
Total	94.4	84.7

As at September 30, 2013, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currency, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 0.9% (March 31, 2013 – 0.8%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

**Other price risk (% impact on net assets)**

The table below shows the impact of a 1% change in the broad-based index (noted below) on the Fund's net assets, using an 11-month historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	September 30 2013	March 31 2013
S&P Total Return Index (CAD)	+ or - 0.8	+ or - n/a

Since historical correlation may not be representative of future correlation, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of September 30 and March 31, 2013 in the valuation of the Fund's financial instruments carried at fair value.

September 30, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	35 407	–	–	35 407
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	35 407	–	–	35 407
<b>% of total portfolio</b>	100.0	–	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	23 113	–	–	23 113
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	23 113	–	–	23 113
<b>% of total portfolio</b>	100.0	–	–	100.0

For the periods ended September 30 and March 31, 2013, there were no transfers of financial instruments between Level 1 and Level 2.

**Management fees (see note 6 in the generic notes)**

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

Series A	1.75%
Advisor Series	1.75%
Series H	1.65%
Series D	1.00%
Series F	0.75%
Series I	0.60%





September 30, 2013

**Operating expenses (see note 6 in the generic notes)**

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

Series A	0.13%
Advisor Series	0.13%
Series H	0.05%
Series D	0.08%
Series F	0.08%
Series I	0.05%

**Initial investments (\$000s except mutual fund share amounts)**

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

	September 30 2013	March 31 2013
<b>Mutual fund shares held</b>		
Series A	149 500	149 500
Advisor Series	100	100
Series H	100	100
Series D	100	100
Series F	100	100
Series I	100	100
<b>Value of all mutual fund shares</b>	<b>\$ 1 739</b>	<b>\$ 1 635</b>

**Shareholders' equity (000s)**

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

For the period ended September 30  
(see note 2 in the generic notes) 2013

<b>Series A</b>	
Opening mutual fund shares	521
Issued number of mutual fund shares	272
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(30)
Ending number of mutual fund shares	763
<b>Advisor Series</b>	
Opening mutual fund shares	419
Issued number of mutual fund shares	328
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(189)
Ending number of mutual fund shares	558

For the period ended September 30  
(see note 2 in the generic notes)

	2013
<b>Series H</b>	
Opening mutual fund shares	52
Issued number of mutual fund shares	130
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(5)
Ending number of mutual fund shares	177
<b>Series D</b>	
Opening mutual fund shares	386
Issued number of mutual fund shares	106
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(37)
Ending number of mutual fund shares	455
<b>Series F</b>	
Opening mutual fund shares	642
Issued number of mutual fund shares	303
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(17)
Ending number of mutual fund shares	928
<b>Series I</b>	
Opening mutual fund shares	103
Issued number of mutual fund shares	59
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(1)
Ending number of mutual fund shares	161

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

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

	September 30 2013
RBC U.S. Dividend Fund	\$ 363
Total other revenue	\$ 363
Capital gains received from underlying funds	\$ –

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



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

September 30, 2013

Number of Units	Security	Cost	Fair Value	% of Net Assets
<b>MUTUAL FUND UNITS</b>				
1 665 057	RBC Private U.S. Equity Pool*	\$ 13 735	\$ 16 077	
<b>TOTAL MUTUAL FUND UNITS</b>		<u>13 735</u>	<u>16 077</u>	<b>99.8</b>
<b>TOTAL INVESTMENTS</b>		<u>\$ 13 735</u>	<u>16 077</u>	<b>99.8</b>
<b>OTHER NET ASSETS (LIABILITIES)</b>			25	<b>0.2</b>
<b>NET ASSETS</b>			<u>\$ 16 102</u>	<b>100.0</b>

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



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

(see note 2 in the generic notes)	September 30 2013	March 31 2013
<b>ASSETS</b>		
Investments at fair value	\$ 16 077	\$ 12 664
Cash	15	7
Due from investment dealers	10	–
Subscriptions receivable	52	3
<b>TOTAL ASSETS</b>	<b>16 154</b>	<b>12 674</b>
<b>LIABILITIES</b>		
Due to investment dealers	40	–
Redemptions payable	–	7
Accounts payable and accrued expenses	12	9
<b>TOTAL LIABILITIES</b>	<b>52</b>	<b>16</b>
<b>NET ASSETS</b>	<b>\$ 16 102</b>	<b>\$ 12 658</b>
Investments at cost	\$ 13 735	\$ 11 269
<b>NET ASSETS, END OF PERIOD</b>		
<b>SERIES A</b>	<b>\$ 4 434</b>	<b>\$ 3 391</b>
<b>ADVISOR SERIES</b>	<b>\$ 614</b>	<b>\$ 505</b>
<b>SERIES H</b>	<b>\$ 225</b>	<b>\$ 1</b>
<b>SERIES D</b>	<b>\$ 2 296</b>	<b>\$ 1 799</b>
<b>SERIES F</b>	<b>\$ 611</b>	<b>\$ 488</b>
<b>SERIES I</b>	<b>\$ 1</b>	<b>\$ 1</b>
<b>SERIES O</b>	<b>\$ 7 921</b>	<b>\$ 6 473</b>
<b>NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD</b>		
<b>SERIES A</b>	<b>\$ 12.73</b>	<b>\$ 11.83</b>
<b>ADVISOR SERIES</b>	<b>\$ 12.73</b>	<b>\$ 11.83</b>
<b>SERIES H</b>	<b>\$ 12.78</b>	<b>\$ 11.85</b>
<b>SERIES D</b>	<b>\$ 12.93</b>	<b>\$ 11.96</b>
<b>SERIES F</b>	<b>\$ 12.99</b>	<b>\$ 12.00</b>
<b>SERIES I</b>	<b>\$ 13.03</b>	<b>\$ 12.02</b>
<b>SERIES O</b>	<b>\$ 13.19</b>	<b>\$ 12.13</b>
<b>NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD</b> (see note 3 in the generic notes)		
<b>SERIES A</b>	<b>\$ 12.73</b>	<b>\$ 11.83</b>
<b>ADVISOR SERIES</b>	<b>\$ 12.73</b>	<b>\$ 11.83</b>
<b>SERIES H</b>	<b>\$ 12.78</b>	<b>\$ 11.85</b>
<b>SERIES D</b>	<b>\$ 12.93</b>	<b>\$ 11.96</b>
<b>SERIES F</b>	<b>\$ 12.99</b>	<b>\$ 12.00</b>
<b>SERIES I</b>	<b>\$ 13.03</b>	<b>\$ 12.02</b>
<b>SERIES O</b>	<b>\$ 13.19</b>	<b>\$ 12.13</b>

**Statements of Operations** (unaudited) (in \$000s except per mutual fund share amounts)

For the periods ended September 30 (see note 2 in the generic notes)*	2013	2012
<b>INCOME (see note 3 in the generic notes)</b>		
Other revenue	\$ 112	\$ 56
<b>TOTAL INCOME (LOSS)</b>	<b>112</b>	<b>56</b>
<b>EXPENSES (see notes – Fund Specific Information)</b>		
Management fees	53	16
Administration fees	6	2
Board of Directors fees	1	1
Board of Governors costs	1	1
GST/HST	7	2
<b>TOTAL EXPENSES</b>	<b>68</b>	<b>22</b>
Less expenses reimbursed by manager	(1)	(1)
<b>TOTAL EXPENSES NET OF REIMBURSEMENT</b>	<b>67</b>	<b>21</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>45</b>	<b>35</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Net realized gain (loss) on investments	145	2
Change in unrealized gain (loss) on investments	947	74
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>1 092</b>	<b>76</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
	\$ 1 137	\$ 111
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
<b>SERIES A</b>	<b>\$ 297</b>	<b>\$ 31</b>
<b>ADVISOR SERIES</b>	<b>\$ 41</b>	<b>\$ 2</b>
<b>SERIES H</b>	<b>\$ (1)</b>	<b>\$ –</b>
<b>SERIES D</b>	<b>\$ 161</b>	<b>\$ 28</b>
<b>SERIES F</b>	<b>\$ 41</b>	<b>\$ 4</b>
<b>SERIES I</b>	<b>\$ –</b>	<b>\$ –</b>
<b>SERIES O</b>	<b>\$ 598</b>	<b>\$ 46</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE</b>		
<b>SERIES A</b>	<b>\$ 0.90</b>	<b>\$ 0.09</b>
<b>ADVISOR SERIES</b>	<b>\$ 0.90</b>	<b>\$ 0.12</b>
<b>SERIES H</b>	<b>\$ 0.86</b>	<b>\$ 0.05</b>
<b>SERIES D</b>	<b>\$ 0.98</b>	<b>\$ 0.15</b>
<b>SERIES F</b>	<b>\$ 0.99</b>	<b>\$ 0.18</b>
<b>SERIES I</b>	<b>\$ 1.02</b>	<b>\$ 0.07</b>
<b>SERIES O</b>	<b>\$ 1.06</b>	<b>\$ 0.24</b>

\* Fund launched January 2012; Series H and Series I launched July 2012.

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

**Doug Coulter**  
Director

**Frank Lippa**  
Director

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



**Statements of Changes in Net Assets** (unaudited) (in \$000s)

For the periods ended September 30 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 3 391	\$ 384	\$ 505	\$ 77	\$ 1	\$ –	\$ 1 799	\$ 59
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	297	31	41	2	(1)	–	161	28
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	1 166	1 916	108	101	225	1	564	1 118
Proceeds from reinvestment of distributions	–	–	–	–	–	–	–	–
Payments on redemption of mutual fund shares	(420)	(78)	(40)	–	–	–	(228)	(13)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	746	1 838	68	101	225	1	336	1 105
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	–	–	–	–	–	–	–	–
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	1 043	1 869	109	103	224	1	497	1 133
<b>NET ASSETS – END OF PERIOD</b>	\$ 4 434	\$ 2 253	\$ 614	\$ 180	\$ 225	\$ 1	\$ 2 296	\$ 1 192

For the periods ended September 30 (see note 2 in the generic notes)*	Series F		Series I		Series O		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 488	\$ 80	\$ 1	\$ –	\$ 6 473	\$ 2 999	\$ 12 658	\$ 3 599
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	41	4	–	–	598	46	1 137	111
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	127	152	–	1	1 408	1 677	3 598	4 966
Proceeds from reinvestment of distributions	–	–	–	–	–	–	–	–
Payments on redemption of mutual fund shares	(45)	(9)	–	–	(558)	(293)	(1 291)	(393)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	82	143	–	1	850	1 384	2 307	4 573
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	–	–	–	–	–	–	–	–
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	123	147	–	1	1 448	1 430	3 444	4 684
<b>NET ASSETS – END OF PERIOD</b>	\$ 611	\$ 227	\$ 1	\$ 1	\$ 7 921	\$ 4 429	\$ 16 102	\$ 8 283

\* Fund launched January 2012; Series H and Series I launched July 2012.



September 30, 2013

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

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

**Credit risk**

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

**Currency risk (% of net assets)**

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

	September 30 2013	March 31 2013
Currency		
United States dollar	89.8	92.1
<b>Total</b>	<b>89.8</b>	<b>92.1</b>

As at September 30, 2013, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currency, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 0.9% (March 31, 2013 – 0.9%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

**Other price risk (% impact on net assets)**

The table below shows the impact of a 1% change in the broad-based index (noted below) on the Fund's net assets, using a 21-month (March 31, 2013 – 15-month) historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	September 30 2013	March 31 2013
S&P 500 Total Return Index (CAD)	+ or - 1.0	+ or - 1.0

Since historical correlation may not be representative of future correlation, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of September 30 and March 31, 2013 in the valuation of the Fund's financial instruments carried at fair value.

September 30, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>16 077</b>	–	–	<b>16 077</b>
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>16 077</b>	–	–	<b>16 077</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

March 31, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>12 664</b>	–	–	<b>12 664</b>
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>12 664</b>	–	–	<b>12 664</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

For the periods ended September 30 and March 31, 2013, there were no transfers of financial instruments between Level 1 and Level 2.

**Management fees (see note 6 in the generic notes)**

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

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

Series A	1.75%
Advisor Series	1.75%
Series H	1.65%
Series D	1.00%
Series F	0.75%
Series I	0.60%



September 30, 2013

**Operating expenses (see note 6 in the generic notes)**

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

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

**Initial investments (\$000s except mutual fund share amounts)**

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

	September 30 2013	March 31 2013
<b>Mutual fund shares held</b>		
Series A	50	50
Advisor Series	50	50
Series H	97	97
Series D	50	50
Series F	50	50
Series I	96	96
Series O	–	–
<b>Value of all mutual fund shares</b>	<b>\$ 5</b>	<b>\$ 5</b>

**Shareholders' equity (000s)**

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

	2013	2012
<b>Series A</b>		
Opening mutual fund shares	287	36
Issued number of mutual fund shares	95	184
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(34)	(8)
Ending number of mutual fund shares	348	212

For the periods ended September 30  
(see note 2 in the generic notes)

	2013	2012
<b>Advisor Series</b>		
Opening mutual fund shares	43	7
Issued number of mutual fund shares	8	10
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(3)	–
Ending number of mutual fund shares	48	17
<b>Series H</b>		
Opening mutual fund shares	–	–
Issued number of mutual fund shares	18	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	–
Ending number of mutual fund shares	18	–
<b>Series D</b>		
Opening mutual fund shares	150	5
Issued number of mutual fund shares	46	107
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(18)	(1)
Ending number of mutual fund shares	178	111
<b>Series F</b>		
Opening mutual fund shares	41	7
Issued number of mutual fund shares	10	15
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(4)	(1)
Ending number of mutual fund shares	47	21
<b>Series I</b>		
Opening mutual fund shares	–	–
Issued number of mutual fund shares	–	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	–
Ending number of mutual fund shares	–	–
<b>Series O</b>		
Opening mutual fund shares	534	278
Issued number of mutual fund shares	112	161
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(45)	(28)
Ending number of mutual fund shares	601	411

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

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

	September 30 2013	September 30 2012
RBC Private U.S. Equity Pool	\$ 112	\$ 56
Total other revenue	\$ 112	\$ 56
Capital gains received from underlying funds	\$ –	\$ –



STATEMENT OF INVESTMENT PORTFOLIO (unaudited) (in \$000s)  
**PHILLIPS, HAGER & NORTH**  
**U.S. MULTI-STYLE ALL-CAP EQUITY CLASS**

September 30, 2013

<b>Number of Units</b>	<b>Security</b>	<b>Cost</b>	<b>Fair Value</b>	<b>% of Net Assets</b>
<b>MUTUAL FUND UNITS</b>				
1 183 827	Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund*	\$ 14 629	\$ 16 707	
<b>TOTAL MUTUAL FUND UNITS</b>		<u>14 629</u>	<u>16 707</u>	<b>100.0</b>
<b>TOTAL INVESTMENTS</b>		<u>\$ 14 629</u>	<u>16 707</u>	<b>100.0</b>
<b>OTHER NET ASSETS (LIABILITIES)</b>			8	—
<b>NET ASSETS</b>			<u>\$ 16 715</u>	<b>100.0</b>

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



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

(see note 2 in the generic notes)	September 30 2013	March 31 2013
<b>ASSETS</b>		
Investments at fair value	\$ 16 707	\$ 11 671
Cash	69	13
Due from investment dealers	50	–
Subscriptions receivable	30	15
<b>TOTAL ASSETS</b>	<b>16 856</b>	<b>11 699</b>
<b>LIABILITIES</b>		
Due to investment dealers	50	15
Redemptions payable	69	7
Accounts payable and accrued expenses	22	14
<b>TOTAL LIABILITIES</b>	<b>141</b>	<b>36</b>
<b>NET ASSETS</b>	<b>\$ 16 715</b>	<b>\$ 11 663</b>
Investments at cost	\$ 14 629	\$ 10 899
<b>NET ASSETS, END OF PERIOD</b>		
<b>SERIES A</b>	\$ 6 129	\$ 4 480
<b>ADVISOR SERIES</b>	\$ 172	\$ 124
<b>SERIES H</b>	\$ 840	\$ 444
<b>SERIES D</b>	\$ 6 826	\$ 5 428
<b>SERIES F</b>	\$ 2 231	\$ 901
<b>SERIES I</b>	\$ 252	\$ 229
<b>SERIES O</b>	\$ 265	\$ 57
<b>NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD</b>		
<b>SERIES A</b>	\$ 12.66	\$ 11.87
<b>ADVISOR SERIES</b>	\$ 12.66	\$ 11.87
<b>SERIES H</b>	\$ 12.69	\$ 11.88
<b>SERIES D</b>	\$ 12.85	\$ 11.99
<b>SERIES F</b>	\$ 12.91	\$ 12.04
<b>SERIES I</b>	\$ 12.94	\$ 12.05
<b>SERIES O</b>	\$ 13.09	\$ 12.16
<b>NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD</b> (see note 3 in the generic notes)		
<b>SERIES A</b>	\$ 12.66	\$ 11.87
<b>ADVISOR SERIES</b>	\$ 12.66	\$ 11.87
<b>SERIES H</b>	\$ 12.69	\$ 11.88
<b>SERIES D</b>	\$ 12.85	\$ 11.99
<b>SERIES F</b>	\$ 12.91	\$ 12.04
<b>SERIES I</b>	\$ 12.94	\$ 12.05
<b>SERIES O</b>	\$ 13.09	\$ 12.16

**Statements of Operations** (unaudited) (in \$000s except per mutual fund share amounts)

For the periods ended September 30 (see note 2 in the generic notes)*	2013	2012
<b>EXPENSES (see notes – Fund Specific Information)</b>		
Management fees	\$ 93	\$ 25
Administration fees	6	2
Board of Directors fees	1	1
Board of Governors costs	1	1
GST/HST	10	2
<b>TOTAL EXPENSES</b>	<b>111</b>	<b>31</b>
Less expenses reimbursed by manager	(1)	(1)
<b>TOTAL EXPENSES NET OF REIMBURSEMENT</b>	<b>110</b>	<b>30</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>(110)</b>	<b>(30)</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Net realized gain (loss) on investments	80	1
Change in unrealized gain (loss) on investments	1 306	110
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>1 386</b>	<b>111</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
	\$ 1 276	\$ 81
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
<b>SERIES A</b>	\$ 476	\$ 12
<b>ADVISOR SERIES</b>	\$ 14	\$ (6)
<b>SERIES H</b>	\$ 53	\$ 3
<b>SERIES D</b>	\$ 551	\$ 68
<b>SERIES F</b>	\$ 139	\$ –
<b>SERIES I</b>	\$ 23	\$ –
<b>SERIES O</b>	\$ 20	\$ 4
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE</b>		
<b>SERIES A</b>	\$ 1.05	\$ 0.19
<b>ADVISOR SERIES</b>	\$ 1.06	\$ 0.30
<b>SERIES H</b>	\$ 1.06	\$ 0.06
<b>SERIES D</b>	\$ 1.12	\$ 0.19
<b>SERIES F</b>	\$ 1.12	\$ 0.26
<b>SERIES I</b>	\$ 1.16	\$ 0.08
<b>SERIES O</b>	\$ 1.19	\$ 0.33

\* Fund launched January 2012; Series H and Series I launched July 2012.

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

**Doug Coulter**  
Director

**Frank Lippa**  
Director

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





Statements of Changes in Net Assets (unaudited) (in \$000s)

For the periods ended September 30 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 4 480	\$ 614	\$ 124	\$ 239	\$ 444	\$ –	\$ 5 428	\$ 122
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	476	12	14	(6)	53	3	551	68
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	1 909	2 088	147	39	570	201	1 073	3 077
Proceeds from reinvestment of distributions	104	–	3	–	10	–	123	–
Payments on redemption of mutual fund shares	(735)	(378)	(113)	(200)	(222)	–	(219)	(115)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>1 278</b>	<b>1 710</b>	<b>37</b>	<b>(161)</b>	<b>358</b>	<b>201</b>	<b>977</b>	<b>2 962</b>
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	(105)	–	(3)	–	(15)	–	(130)	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>(105)</b>	<b>–</b>	<b>(3)</b>	<b>–</b>	<b>(15)</b>	<b>–</b>	<b>(130)</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>1 649</b>	<b>1 722</b>	<b>48</b>	<b>(167)</b>	<b>396</b>	<b>204</b>	<b>1 398</b>	<b>3 030</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 6 129</b>	<b>\$ 2 336</b>	<b>\$ 172</b>	<b>\$ 72</b>	<b>\$ 840</b>	<b>\$ 204</b>	<b>\$ 6 826</b>	<b>\$ 3 152</b>

For the periods ended September 30 (see note 2 in the generic notes)*	Series F		Series I		Series O		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 901	\$ 1	\$ 229	\$ –	\$ 57	\$ 173	\$ 11 663	\$ 1 149
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	139	–	23	–	20	4	1 276	81
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	1 226	334	–	1	188	60	5 113	5 800
Proceeds from reinvestment of distributions	2	–	5	–	1	–	248	–
Payments on redemption of mutual fund shares	(15)	–	–	–	–	–	(1 304)	(693)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>1 213</b>	<b>334</b>	<b>5</b>	<b>1</b>	<b>189</b>	<b>60</b>	<b>4 057</b>	<b>5 107</b>
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	(22)	–	(5)	–	(1)	–	(281)	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>(22)</b>	<b>–</b>	<b>(5)</b>	<b>–</b>	<b>(1)</b>	<b>–</b>	<b>(281)</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>1 330</b>	<b>334</b>	<b>23</b>	<b>1</b>	<b>208</b>	<b>64</b>	<b>5 052</b>	<b>5 188</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 2 231</b>	<b>\$ 335</b>	<b>\$ 252</b>	<b>\$ 1</b>	<b>\$ 265</b>	<b>\$ 237</b>	<b>\$ 16 715</b>	<b>\$ 6 337</b>

\* Fund launched January 2012; Series H and Series I launched July 2012.



September 30, 2013

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

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

**Credit risk**

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

**Currency risk (% of net assets)**

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

	September 30 2013	March 31 2013
Currency		
United States dollar	99.8	99.7
<b>Total</b>	<b>99.8</b>	<b>99.7</b>

As at September 30, 2013, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currency, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 1.0% (March 31, 2013 – 1.0%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

**Other price risk (% impact on net assets)**

The table below shows the impact of a 1% change in the broad-based index (noted below) on the Fund's net assets, using a 21-month (March 31, 2013 – 15-month) historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	September 30 2013	March 31 2013
Russell 3000 Total Return Index (CAD)	+ or - 1.0	+ or - 0.9

Since historical correlation may not be representative of future correlation, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of September 30 and March 31, 2013 in the valuation of the Fund's financial instruments carried at fair value.

September 30, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>16 707</b>	–	–	<b>16 707</b>
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>16 707</b>	–	–	<b>16 707</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

March 31, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>11 671</b>	–	–	<b>11 671</b>
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>11 671</b>	–	–	<b>11 671</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

For the periods ended September 30 and March 31, 2013, there were no transfers of financial instruments between Level 1 and Level 2.

**Management fees (see note 6 in the generic notes)**

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

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

Series A	1.75%
Advisor Series	1.75%
Series H	1.60%
Series D	1.00%
Series F	0.75%
Series I	0.60%



September 30, 2013

**Operating expenses (see note 6 in the generic notes)**

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

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

**Initial investments (\$000s except mutual fund share amounts)**

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

	September 30 2013	March 31 2013
<b>Mutual fund shares held</b>		
Series A	51	50
Advisor Series	51	50
Series H	99	97
Series D	51	50
Series F	51	50
Series I	99	96
Series O	49	48
<b>Value of all mutual fund shares</b>	<b>\$ 6</b>	<b>\$ 5</b>

**Shareholders' equity (000s)**

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

	2013	2012
<b>Series A</b>		
Opening mutual fund shares	377	58
Issued number of mutual fund shares	157	201
Reinvested number of mutual fund shares	9	–
Redeemed number of mutual fund shares	(59)	(36)
Ending number of mutual fund shares	484	223

For the periods ended September 30  
(see note 2 in the generic notes)

	2013	2012
<b>Advisor Series</b>		
Opening mutual fund shares	10	22
Issued number of mutual fund shares	13	4
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(9)	(19)
Ending number of mutual fund shares	14	7
<b>Series H</b>		
Opening mutual fund shares	37	–
Issued number of mutual fund shares	46	19
Reinvested number of mutual fund shares	1	–
Redeemed number of mutual fund shares	(18)	–
Ending number of mutual fund shares	66	19
<b>Series D</b>		
Opening mutual fund shares	453	11
Issued number of mutual fund shares	86	299
Reinvested number of mutual fund shares	10	–
Redeemed number of mutual fund shares	(18)	(11)
Ending number of mutual fund shares	531	299
<b>Series F</b>		
Opening mutual fund shares	75	–
Issued number of mutual fund shares	99	32
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(1)	–
Ending number of mutual fund shares	173	32
<b>Series I</b>		
Opening mutual fund shares	19	–
Issued number of mutual fund shares	–	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	–
Ending number of mutual fund shares	19	–
<b>Series O</b>		
Opening mutual fund shares	5	16
Issued number of mutual fund shares	15	6
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	–
Ending number of mutual fund shares	20	22



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

September 30, 2013

<b>Number of Units</b>	<b>Security</b>	<b>Cost</b>	<b>Fair Value</b>	<b>% of Net Assets</b>
<b>MUTUAL FUND UNITS</b>				
2 063 069	Phillips, Hager & North Overseas Equity Fund*	\$ 18 977	\$ 21 744	
<b>TOTAL MUTUAL FUND UNITS</b>		<u>18 977</u>	<u>21 744</u>	<u>99.7</u>
<b>TOTAL INVESTMENTS</b>		<u>\$ 18 977</u>	<u>21 744</u>	<u>99.7</u>
<b>OTHER NET ASSETS (LIABILITIES)</b>			56	0.3
<b>NET ASSETS</b>			<u>\$ 21 800</u>	<u>100.0</u>

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



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

(see note 2 in the generic notes)	September 30 2013	March 31 2013
<b>ASSETS</b>		
Investments at fair value	\$ 21 744	\$ 16 947
Cash	–	27
Due from investment dealers	75	–
Subscriptions receivable	54	34
<b>TOTAL ASSETS</b>	<b>21 873</b>	<b>17 008</b>
<b>LIABILITIES</b>		
Bank overdraft	31	–
Due to investment dealers	–	30
Redemptions payable	20	–
Accounts payable and accrued expenses	22	17
<b>TOTAL LIABILITIES</b>	<b>73</b>	<b>47</b>
<b>NET ASSETS</b>	<b>\$ 21 800</b>	<b>\$ 16 961</b>
Investments at cost	\$ 18 977	\$ 16 229
<b>NET ASSETS, END OF PERIOD</b>		
<b>SERIES A</b>	<b>\$ 4 185</b>	<b>\$ 2 840</b>
<b>ADVISOR SERIES</b>	<b>\$ 222</b>	<b>\$ 242</b>
<b>SERIES H</b>	<b>\$ 255</b>	<b>\$ 1</b>
<b>SERIES D</b>	<b>\$ 11 667</b>	<b>\$ 9 531</b>
<b>SERIES F</b>	<b>\$ 1 601</b>	<b>\$ 1 345</b>
<b>SERIES I</b>	<b>\$ 434</b>	<b>\$ 392</b>
<b>SERIES O</b>	<b>\$ 3 436</b>	<b>\$ 2 610</b>
<b>NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD</b>		
<b>SERIES A</b>	<b>\$ 12.61</b>	<b>\$ 11.47</b>
<b>ADVISOR SERIES</b>	<b>\$ 12.62</b>	<b>\$ 11.47</b>
<b>SERIES H</b>	<b>\$ 12.65</b>	<b>\$ 11.49</b>
<b>SERIES D</b>	<b>\$ 12.80</b>	<b>\$ 11.58</b>
<b>SERIES F</b>	<b>\$ 12.87</b>	<b>\$ 11.63</b>
<b>SERIES I</b>	<b>\$ 12.89</b>	<b>\$ 11.64</b>
<b>SERIES O</b>	<b>\$ 13.08</b>	<b>\$ 11.77</b>
<b>NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD</b> (see note 3 in the generic notes)		
<b>SERIES A</b>	<b>\$ 12.61</b>	<b>\$ 11.47</b>
<b>ADVISOR SERIES</b>	<b>\$ 12.62</b>	<b>\$ 11.47</b>
<b>SERIES H</b>	<b>\$ 12.65</b>	<b>\$ 11.49</b>
<b>SERIES D</b>	<b>\$ 12.80</b>	<b>\$ 11.58</b>
<b>SERIES F</b>	<b>\$ 12.87</b>	<b>\$ 11.63</b>
<b>SERIES I</b>	<b>\$ 12.89</b>	<b>\$ 11.64</b>
<b>SERIES O</b>	<b>\$ 13.08</b>	<b>\$ 11.77</b>

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

**Doug Coulter**  
Director

**Frank Lippa**  
Director

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

**Statements of Operations** (unaudited) (in \$000s except per mutual fund share amounts)

For the periods ended September 30 (see note 2 in the generic notes)*	2013	2012
<b>EXPENSES (see notes – Fund Specific Information)</b>		
Management fees	\$ 102	\$ 20
Administration fees	7	3
Board of Directors fees	1	1
Board of Governors costs	1	1
GST/HST	9	2
<b>TOTAL EXPENSES</b>	<b>120</b>	<b>27</b>
Less expenses reimbursed by manager	(1)	(1)
<b>TOTAL EXPENSES NET OF REIMBURSEMENT</b>	<b>119</b>	<b>26</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>(119)</b>	<b>(26)</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Net realized gain (loss) on investments	67	(21)
Change in unrealized gain (loss) on investments	2 049	240
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>2 116</b>	<b>219</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
	<b>\$ 1 997</b>	<b>\$ 193</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
<b>SERIES A</b>	<b>\$ 347</b>	<b>\$ 26</b>
<b>ADVISOR SERIES</b>	<b>\$ 26</b>	<b>\$ 2</b>
<b>SERIES H</b>	<b>\$ 17</b>	<b>\$ –</b>
<b>SERIES D</b>	<b>\$ 1 076</b>	<b>\$ 167</b>
<b>SERIES F</b>	<b>\$ 157</b>	<b>\$ 13</b>
<b>SERIES I</b>	<b>\$ 42</b>	<b>\$ –</b>
<b>SERIES O</b>	<b>\$ 332</b>	<b>\$ (15)</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE</b>		
<b>SERIES A</b>	<b>\$ 1.17</b>	<b>\$ 0.36</b>
<b>ADVISOR SERIES</b>	<b>\$ 1.19</b>	<b>\$ 0.33</b>
<b>SERIES H</b>	<b>\$ 1.13</b>	<b>\$ 0.12</b>
<b>SERIES D</b>	<b>\$ 1.24</b>	<b>\$ 0.38</b>
<b>SERIES F</b>	<b>\$ 1.26</b>	<b>\$ 0.47</b>
<b>SERIES I</b>	<b>\$ 1.28</b>	<b>\$ 0.15</b>
<b>SERIES O</b>	<b>\$ 1.34</b>	<b>\$ 0.56</b>

\* Fund launched January 2012; Series H and Series I launched July 2012.



Statements of Changes in Net Assets (unaudited) (in \$000s)

For the periods ended September 30 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 2 840	\$ 263	\$ 242	\$ 9	\$ 1	\$ –	\$ 9 531	\$ 108
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	<b>347</b>	<b>26</b>	<b>26</b>	<b>2</b>	<b>17</b>	<b>–</b>	<b>1 076</b>	<b>167</b>
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	1 361	921	227	86	240	1	1 580	4 058
Proceeds from reinvestment of distributions	–	–	–	–	–	–	–	–
Payments on redemption of mutual fund shares	(363)	(6)	(273)	–	(3)	–	(520)	(57)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>998</b>	<b>915</b>	<b>(46)</b>	<b>86</b>	<b>237</b>	<b>1</b>	<b>1 060</b>	<b>4 001</b>
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>1 345</b>	<b>941</b>	<b>(20)</b>	<b>88</b>	<b>254</b>	<b>1</b>	<b>2 136</b>	<b>4 168</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 4 185</b>	<b>\$ 1 204</b>	<b>\$ 222</b>	<b>\$ 97</b>	<b>\$ 255</b>	<b>\$ 1</b>	<b>\$ 11 667</b>	<b>\$ 4 276</b>

For the periods ended September 30 (see note 2 in the generic notes)*	Series F		Series I		Series O		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 1 345	\$ 44	\$ 392	\$ –	\$ 2 610	\$ 1 326	\$ 16 961	\$ 1 750
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	<b>157</b>	<b>13</b>	<b>42</b>	<b>–</b>	<b>332</b>	<b>(15)</b>	<b>1 997</b>	<b>193</b>
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	260	767	–	1	676	806	4 344	6 640
Proceeds from reinvestment of distributions	–	–	–	–	–	–	–	–
Payments on redemption of mutual fund shares	(161)	(1)	–	–	(182)	(732)	(1 502)	(796)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>99</b>	<b>766</b>	<b>–</b>	<b>1</b>	<b>494</b>	<b>74</b>	<b>2 842</b>	<b>5 844</b>
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>256</b>	<b>779</b>	<b>42</b>	<b>1</b>	<b>826</b>	<b>59</b>	<b>4 839</b>	<b>6 037</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 1 601</b>	<b>\$ 823</b>	<b>\$ 434</b>	<b>\$ 1</b>	<b>\$ 3 436</b>	<b>\$ 1 385</b>	<b>\$ 21 800</b>	<b>\$ 7 787</b>

\* Fund launched January 2012; Series H and Series I launched July 2012.



September 30, 2013

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

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

**Credit risk**

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

**Currency risk (% of net assets)**

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

Currency	September 30 2013	March 31 2013
Euro	40.4	29.5
Pound sterling	17.0	13.6
Japanese yen	14.8	16.4
Swiss franc	10.8	13.9
United States dollar	5.0	8.1
Hong Kong dollar	3.8	5.9
Australian dollar	3.4	3.0
Singapore dollar	1.4	4.2
Swedish krona	0.5	–
South Korean won	0.5	0.5
Brazilian real	–	1.2
Indian rupee	–	0.3
Other currencies	0.4	–
<b>Total</b>	<b>98.0</b>	<b>96.6</b>

As at September 30, 2013, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 1.0% (March 31, 2013 – 1.0%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

**Other price risk (% impact on net assets)**

The table below shows the impact of a 1% change in the broad-based index (noted below) on the Fund's net assets, using a 21-month (March 31, 2013 – 15-month) historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	September 30 2013	March 31 2013
MSCI EAFE Total Return Net Index (CAD)	+ or - 0.9	+ or - 0.9

Since historical correlation may not be representative of future correlation, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of September 30 and March 31, 2013 in the valuation of the Fund's financial instruments carried at fair value.

September 30, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	21 744	–	–	21 744
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>21 744</b>	–	–	<b>21 744</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

March 31, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	16 947	–	–	16 947
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>16 947</b>	–	–	<b>16 947</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

For the periods ended September 30 and March 31, 2013, there were no transfers of financial instruments between Level 1 and Level 2.



September 30, 2013

**Management fees (see note 6 in the generic notes)**

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

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

Series A	1.85%
Advisor Series	1.85%
Series H	1.75%
Series D	1.10%
Series F	0.85%
Series I	0.75%

**Operating expenses (see note 6 in the generic notes)**

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

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

**Initial investments (\$000s except mutual fund share amounts)**

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

	September 30 2013	March 31 2013
<b>Mutual fund shares held</b>		
Series A	50	50
Advisor Series	50	50
Series H	98	98
Series D	50	50
Series F	50	50
Series I	97	97
Series O	–	–
<b>Value of all mutual fund shares</b>	<b>\$ 5</b>	<b>\$ 5</b>

**Shareholders' equity (000s)**

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

For the periods ended September 30  
(see note 2 in the generic notes)

	2013	2012
<b>Series A</b>		
Opening mutual fund shares	248	24
Issued number of mutual fund shares	114	89
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(30)	(1)
Ending number of mutual fund shares	332	112
<b>Advisor Series</b>		
Opening mutual fund shares	21	1
Issued number of mutual fund shares	20	8
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(23)	–
Ending number of mutual fund shares	18	9
<b>Series H</b>		
Opening mutual fund shares	–	–
Issued number of mutual fund shares	20	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	–
Ending number of mutual fund shares	20	–
<b>Series D</b>		
Opening mutual fund shares	823	10
Issued number of mutual fund shares	132	393
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(44)	(6)
Ending number of mutual fund shares	911	397
<b>Series F</b>		
Opening mutual fund shares	116	4
Issued number of mutual fund shares	21	72
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(13)	–
Ending number of mutual fund shares	124	76
<b>Series I</b>		
Opening mutual fund shares	34	–
Issued number of mutual fund shares	–	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	–
Ending number of mutual fund shares	34	–
<b>Series O</b>		
Opening mutual fund shares	222	122
Issued number of mutual fund shares	56	77
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(15)	(72)
Ending number of mutual fund shares	263	127

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





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

September 30, 2013

<b>Number of Units</b>	<b>Security</b>	<b>Cost</b>	<b>Fair Value</b>	<b>% of Net Assets</b>
<b>MUTUAL FUND UNITS</b>				
2 669 907	RBC Emerging Markets Equity Fund*	\$ 28 175	\$ 30 450	
<b>TOTAL MUTUAL FUND UNITS</b>		<u>28 175</u>	<u>30 450</u>	<b>100.0</b>
<b>TOTAL INVESTMENTS</b>		<u>\$ 28 175</u>	<u>30 450</u>	<b>100.0</b>
<b>OTHER NET ASSETS (LIABILITIES)</b>			6	–
<b>NET ASSETS</b>			<u>\$ 30 456</u>	<b>100.0</b>

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



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

	September 30 2013	March 31 2013
<b>ASSETS</b>		
Investments at fair value	\$ 30 450	\$ 26 609
Cash	23	–
Due from investment dealers	25	40
Subscriptions receivable	101	32
<b>TOTAL ASSETS</b>	<b>30 599</b>	<b>26 681</b>
<b>LIABILITIES</b>		
Bank overdraft	–	59
Redemptions payable	132	19
Accounts payable and accrued expenses	11	8
<b>TOTAL LIABILITIES</b>	<b>143</b>	<b>86</b>
<b>NET ASSETS</b>	<b>\$ 30 456</b>	<b>\$ 26 595</b>
Investments at cost	\$ 28 175	\$ 24 087
<b>NET ASSETS, END OF PERIOD</b>		
SERIES A	\$ 3 621	\$ 3 003
ADVISOR SERIES	\$ 382	\$ 221
SERIES H	\$ 423	\$ 207
SERIES D	\$ 800	\$ 944
SERIES F	\$ 2 301	\$ 1 411
SERIES I	\$ 446	\$ 451
SERIES O	\$ 22 483	\$ 20 358
<b>NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD</b>		
SERIES A	\$ 11.62	\$ 11.85
ADVISOR SERIES	\$ 11.62	\$ 11.86
SERIES H	\$ 11.65	\$ 11.87
SERIES D	\$ 11.82	\$ 12.00
SERIES F	\$ 11.87	\$ 12.03
SERIES I	\$ 11.88	\$ 12.04
SERIES O	\$ 12.05	\$ 12.16
<b>NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD</b> (see note 3 in the generic notes)		
SERIES A	\$ 11.62	\$ 11.85
ADVISOR SERIES	\$ 11.62	\$ 11.86
SERIES H	\$ 11.65	\$ 11.87
SERIES D	\$ 11.82	\$ 12.00
SERIES F	\$ 11.87	\$ 12.03
SERIES I	\$ 11.88	\$ 12.04
SERIES O	\$ 12.05	\$ 12.16

**Statements of Operations** (unaudited) (in \$000s except per mutual fund share amounts)

For the periods ended September 30 (see note 2 in the generic notes)*	2013	2012
<b>EXPENSES (see notes – Fund Specific Information)</b>		
Management fees	\$ 50	\$ 10
Administration fees	9	2
Board of Directors fees	2	1
Board of Governors costs	1	1
GST/HST	6	1
<b>TOTAL EXPENSES</b>	<b>68</b>	<b>15</b>
Less expenses reimbursed by manager	(1)	(1)
<b>TOTAL EXPENSES NET OF REIMBURSEMENT</b>	<b>67</b>	<b>14</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>(67)</b>	<b>(14)</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Net realized gain (loss) on investments	63	–
Change in unrealized gain (loss) on investments	(247)	318
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>(184)</b>	<b>318</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
	\$ (251)	\$ 304
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
SERIES A	\$ (52)	\$ 35
ADVISOR SERIES	\$ (6)	\$ 1
SERIES H	\$ (7)	\$ –
SERIES D	\$ (10)	\$ 14
SERIES F	\$ 2	\$ 6
SERIES I	\$ (5)	\$ 8
SERIES O	\$ (173)	\$ 240
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE</b>		
SERIES A	\$ (0.20)	\$ 0.16
ADVISOR SERIES	\$ (0.20)	\$ 0.14
SERIES H	\$ (0.18)	\$ 0.06
SERIES D	\$ (0.14)	\$ 0.22
SERIES F	\$ (0.12)	\$ 0.25
SERIES I	\$ (0.13)	\$ 0.08
SERIES O	\$ (0.07)	\$ 0.31

\* Fund launched January 2012; Series H and Series I launched July 2012.

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

**Doug Coulter**  
Director

**Frank Lippa**  
Director

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



**Statements of Changes in Net Assets** (unaudited) (in \$000s)

For the periods ended September 30 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 3 003	\$ 365	\$ 221	\$ 1	\$ 207	\$ –	\$ 944	\$ 110
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	(52)	35	(6)	1	(7)	–	(10)	14
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	996	902	233	39	223	1	181	334
Proceeds from reinvestment of distributions	–	–	–	–	–	–	–	–
Payments on redemption of mutual fund shares	(326)	(32)	(66)	–	–	–	(315)	(29)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>670</b>	<b>870</b>	<b>167</b>	<b>39</b>	<b>223</b>	<b>1</b>	<b>(134)</b>	<b>305</b>
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>618</b>	<b>905</b>	<b>161</b>	<b>40</b>	<b>216</b>	<b>1</b>	<b>(144)</b>	<b>319</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 3 621</b>	<b>\$ 1 270</b>	<b>\$ 382</b>	<b>\$ 41</b>	<b>\$ 423</b>	<b>\$ 1</b>	<b>\$ 800</b>	<b>\$ 429</b>

For the periods ended September 30 (see note 2 in the generic notes)*	Series F		Series I		Series O		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 1 411	\$ 2	\$ 451	\$ –	\$ 20 358	\$ 7 536	\$ 26 595	\$ 8 014
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	2	6	(5)	8	(173)	240	(251)	304
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	1 061	438	100	201	3 323	5 232	6 117	7 147
Proceeds from reinvestment of distributions	–	–	–	–	–	–	–	–
Payments on redemption of mutual fund shares	(173)	(2)	(100)	–	(1 025)	(207)	(2 005)	(270)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>888</b>	<b>436</b>	<b>–</b>	<b>201</b>	<b>2 298</b>	<b>5 025</b>	<b>4 112</b>	<b>6 877</b>
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>890</b>	<b>442</b>	<b>(5)</b>	<b>209</b>	<b>2 125</b>	<b>5 265</b>	<b>3 861</b>	<b>7 181</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 2 301</b>	<b>\$ 444</b>	<b>\$ 446</b>	<b>\$ 209</b>	<b>\$ 22 483</b>	<b>\$ 12 801</b>	<b>\$ 30 456</b>	<b>\$ 15 195</b>

\* Fund launched January 2012; Series H and Series I launched July 2012.



September 30, 2013

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

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

**Credit risk**

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

**Currency risk (% of net assets)**

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

Currency	September 30 2013	March 31 2013
Hong Kong dollar	19.2	16.9
United States dollar	13.0	16.5
South Korean won	11.3	11.4
South African rand	10.8	9.1
Taiwan dollar	8.1	7.1
Indian rupee	7.6	7.7
Chilean peso	4.5	4.7
Pound sterling	4.3	3.9
Brazilian real	4.2	4.9
Malaysian ringgit	3.9	2.5
Mexican peso	2.3	3.3
Turkish new lira	2.3	2.6
Thailand baht	2.1	2.4
Indonesian rupiah	2.0	3.0
Philippine peso	1.9	2.2
Polish zloty	1.7	0.6
Nigeria naira	0.7	1.0
<b>Total</b>	<b>99.9</b>	<b>99.8</b>

As at September 30, 2013, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 1.0% (March 31, 2013 – 1.0%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

**Other price risk (% impact on net assets)**

The table below shows the impact of a 1% change in the broad-based index (noted below) on the Fund's net assets, using a 21-month (March 31, 2013 – 15-month) historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	September 30 2013	March 31 2013
MSCI Emerging Markets Total Return Net Index (CAD)	+ or - 0.7	+ or - 0.7

Since historical correlation may not be representative of future correlation, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of September 30 and March 31, 2013 in the valuation of the Fund's financial instruments carried at fair value.

September 30, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	30 450	–	–	30 450
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>30 450</b>	–	–	<b>30 450</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

March 31, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	26 609	–	–	26 609
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>26 609</b>	–	–	<b>26 609</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

For the periods ended September 30 and March 31, 2013, there were no transfers of financial instruments between Level 1 and Level 2.



September 30, 2013

**Management fees (see note 6 in the generic notes)**

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

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

Series A	1.85%
Advisor Series	1.85%
Series H	1.70%
Series D	1.00%
Series F	0.75%
Series I	0.70%

**Operating expenses (see note 6 in the generic notes)**

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

Series A	0.10%
Advisor Series	0.10%
Series H	0.10%
Series D	0.10%
Series F	0.10%
Series I	0.10%
Series O	0.02%

**Initial investments (\$000s except mutual fund share amounts)**

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

	September 30 2013	March 31 2013
<b>Mutual fund shares held</b>		
Series A	50	50
Advisor Series	50	50
Series H	98	98
Series D	50	50
Series F	50	50
Series I	97	97
Series O	–	–
<b>Value of all mutual fund shares</b>	<b>\$ 5</b>	<b>\$ 5</b>

**Shareholders' equity (000s)**

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

For the periods ended September 30  
(see note 2 in the generic notes)

	2013	2012
<b>Series A</b>		
Opening mutual fund shares	253	34
Issued number of mutual fund shares	88	88
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(29)	(3)
Ending number of mutual fund shares	312	119
<b>Advisor Series</b>		
Opening mutual fund shares	19	–
Issued number of mutual fund shares	20	4
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(6)	–
Ending number of mutual fund shares	33	4
<b>Series H</b>		
Opening mutual fund shares	17	–
Issued number of mutual fund shares	19	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	–
Ending number of mutual fund shares	36	–
<b>Series D</b>		
Opening mutual fund shares	79	10
Issued number of mutual fund shares	16	33
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(27)	(3)
Ending number of mutual fund shares	68	40
<b>Series F</b>		
Opening mutual fund shares	117	–
Issued number of mutual fund shares	92	41
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(15)	–
Ending number of mutual fund shares	194	41
<b>Series I</b>		
Opening mutual fund shares	37	–
Issued number of mutual fund shares	9	19
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(8)	–
Ending number of mutual fund shares	38	19
<b>Series O</b>		
Opening mutual fund shares	1 674	695
Issued number of mutual fund shares	279	506
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(88)	(20)
Ending number of mutual fund shares	1 865	1 181

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



STATEMENT OF INVESTMENT PORTFOLIO (unaudited) (in \$000s)  
**RBC GLOBAL RESOURCES CLASS**

September 30, 2013

<b>Number of Units</b>	<b>Security</b>	<b>Cost</b>	<b>Fair Value</b>	<b>% of Net Assets</b>
<b>MUTUAL FUND UNITS</b>				
31 495	RBC Global Resources Fund*	\$ 1 004	\$ 1 019	
<b>TOTAL MUTUAL FUND UNITS</b>		<u>1 004</u>	<u>1 019</u>	<b>100.0</b>
<b>TOTAL INVESTMENTS</b>		<u>\$ 1 004</u>	<u>1 019</u>	<b>100.0</b>
<b>OTHER NET ASSETS (LIABILITIES)</b>			<u>-</u>	<u>-</u>
<b>NET ASSETS</b>			<u>\$ 1 019</u>	<b>100.0</b>

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



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

(see note 2 in the generic notes)	September 30 2013	March 31 2013
<b>ASSETS</b>		
Investments at fair value	\$ 1 019	\$ 927
Cash	–	12
Due from investment dealers	8	–
<b>TOTAL ASSETS</b>	<b>1 027</b>	<b>939</b>
<b>LIABILITIES</b>		
Bank overdraft	5	–
Due to investment dealers	–	10
Redemptions payable	2	–
Accounts payable and accrued expenses	1	1
<b>TOTAL LIABILITIES</b>	<b>8</b>	<b>11</b>
<b>NET ASSETS</b>	<b>\$ 1 019</b>	<b>\$ 928</b>
<b>Investments at cost</b>		
Investments at cost	\$ 1 004	\$ 937
<b>NET ASSETS, END OF PERIOD</b>		
<b>SERIES A</b>	<b>\$ 551</b>	<b>\$ 461</b>
<b>ADVISOR SERIES</b>	<b>\$ 46</b>	<b>\$ 37</b>
<b>SERIES H</b>	<b>\$ 1</b>	<b>\$ 1</b>
<b>SERIES D</b>	<b>\$ 89</b>	<b>\$ 98</b>
<b>SERIES F</b>	<b>\$ 43</b>	<b>\$ 15</b>
<b>SERIES I</b>	<b>\$ 1</b>	<b>\$ 1</b>
<b>SERIES O</b>	<b>\$ 288</b>	<b>\$ 315</b>
<b>NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD</b>		
<b>SERIES A</b>	<b>\$ 8.94</b>	<b>\$ 8.88</b>
<b>ADVISOR SERIES</b>	<b>\$ 8.94</b>	<b>\$ 8.88</b>
<b>SERIES H</b>	<b>\$ 8.98</b>	<b>\$ 8.90</b>
<b>SERIES D</b>	<b>\$ 9.10</b>	<b>\$ 8.99</b>
<b>SERIES F</b>	<b>\$ 9.15</b>	<b>\$ 9.02</b>
<b>SERIES I</b>	<b>\$ 9.21</b>	<b>\$ 9.07</b>
<b>SERIES O</b>	<b>\$ 9.29</b>	<b>\$ 9.12</b>
<b>NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD</b> (see note 3 in the generic notes)		
<b>SERIES A</b>	<b>\$ 8.94</b>	<b>\$ 8.88</b>
<b>ADVISOR SERIES</b>	<b>\$ 8.94</b>	<b>\$ 8.88</b>
<b>SERIES H</b>	<b>\$ 8.98</b>	<b>\$ 8.90</b>
<b>SERIES D</b>	<b>\$ 9.10</b>	<b>\$ 8.99</b>
<b>SERIES F</b>	<b>\$ 9.15</b>	<b>\$ 9.02</b>
<b>SERIES I</b>	<b>\$ 9.21</b>	<b>\$ 9.07</b>
<b>SERIES O</b>	<b>\$ 9.29</b>	<b>\$ 9.12</b>

**Statements of Operations** (unaudited) (in \$000s except per mutual fund share amounts)

For the periods ended September 30 (see note 2 in the generic notes)*	2013	2012
<b>EXPENSES (see notes – Fund Specific Information)</b>		
Management fees	\$ 5	\$ 6
Administration fees	1	2
Board of Governors costs	1	1
GST/HST	1	–
<b>TOTAL EXPENSES</b>	<b>8</b>	<b>9</b>
Less expenses reimbursed by manager	(1)	(1)
<b>TOTAL EXPENSES NET OF REIMBURSEMENT</b>	<b>7</b>	<b>8</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>(7)</b>	<b>(8)</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>		
Net realized gain (loss) on investments	(8)	(18)
Change in unrealized gain (loss) on investments	25	(69)
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>17</b>	<b>(87)</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
	<b>\$ 10</b>	<b>\$ (95)</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>		
<b>SERIES A</b>	<b>\$ 6</b>	<b>\$ (1)</b>
<b>ADVISOR SERIES</b>	<b>\$ 1</b>	<b>\$ (1)</b>
<b>SERIES H</b>	<b>\$ –</b>	<b>\$ –</b>
<b>SERIES D</b>	<b>\$ (3)</b>	<b>\$ (2)</b>
<b>SERIES F</b>	<b>\$ 2</b>	<b>\$ (118)</b>
<b>SERIES I</b>	<b>\$ –</b>	<b>\$ 34</b>
<b>SERIES O</b>	<b>\$ 4</b>	<b>\$ (7)</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE</b>		
<b>SERIES A</b>	<b>\$ 0.05</b>	<b>\$ (0.68)</b>
<b>ADVISOR SERIES</b>	<b>\$ 0.05</b>	<b>\$ (0.66)</b>
<b>SERIES H</b>	<b>\$ 0.08</b>	<b>\$ (0.25)</b>
<b>SERIES D</b>	<b>\$ 0.11</b>	<b>\$ (0.59)</b>
<b>SERIES F</b>	<b>\$ 0.11</b>	<b>\$ (0.57)</b>
<b>SERIES I</b>	<b>\$ 0.13</b>	<b>\$ (0.23)</b>
<b>SERIES O</b>	<b>\$ 0.16</b>	<b>\$ (0.55)</b>

\* Fund launched January 2012; Series H and Series I launched July 2012.

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

**Doug Coulter**  
Director

**Frank Lippa**  
Director

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



**Statements of Changes in Net Assets** (unaudited) (in \$000s)

For the periods ended September 30 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 461	\$ 57	\$ 37	\$ 8	\$ 1	\$ –	\$ 98	\$ 31
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	6	(1)	1	(1)	–	–	(3)	(2)
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	142	251	15	10	–	1	49	35
Proceeds from reinvestment of distributions	–	–	–	–	–	–	–	–
Payments on redemption of mutual fund shares	(58)	(11)	(7)	(5)	–	–	(55)	(1)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>84</b>	<b>240</b>	<b>8</b>	<b>5</b>	<b>–</b>	<b>1</b>	<b>(6)</b>	<b>34</b>
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>90</b>	<b>239</b>	<b>9</b>	<b>4</b>	<b>–</b>	<b>1</b>	<b>(9)</b>	<b>32</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 551</b>	<b>\$ 296</b>	<b>\$ 46</b>	<b>\$ 12</b>	<b>\$ 1</b>	<b>\$ 1</b>	<b>\$ 89</b>	<b>\$ 63</b>

For the periods ended September 30 (see note 2 in the generic notes)*	Series F		Series I		Series O		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	\$ 15	\$ 63	\$ 1	\$ –	\$ 315	\$ 144	\$ 928	\$ 303
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	2	(118)	–	34	4	(7)	10	(95)
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	26	1 243	–	998	–	139	232	2 677
Proceeds from reinvestment of distributions	–	–	–	–	–	–	–	–
Payments on redemption of mutual fund shares	–	(1 188)	–	–	(31)	–	(151)	(1 205)
<b>TOTAL MUTUAL FUND SHARE TRANSACTIONS</b>	<b>26</b>	<b>55</b>	<b>–</b>	<b>998</b>	<b>(31)</b>	<b>139</b>	<b>81</b>	<b>1 472</b>
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>28</b>	<b>(63)</b>	<b>–</b>	<b>1 032</b>	<b>(27)</b>	<b>132</b>	<b>91</b>	<b>1 377</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 43</b>	<b>\$ –</b>	<b>\$ 1</b>	<b>\$ 1 032</b>	<b>\$ 288</b>	<b>\$ 276</b>	<b>\$ 1 019</b>	<b>\$ 1 680</b>

\* Fund launched January 2012; Series H and Series I launched July 2012.





September 30, 2013

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

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

**Currency risk (% of net assets)**

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

	September 30 2013	March 31 2013
Currency		
United States dollar	51.6	40.8
Pound sterling	3.8	3.4
Euro	0.8	1.2
Japanese yen	0.8	–
Swedish krona	0.8	0.5
Danish krone	–	0.6
Other currencies	0.1	0.6
<b>Total</b>	<b>57.8</b>	<b>47.1</b>

As at September 30, 2013, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 0.6% (March 31, 2013 – 0.5%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

**Other price risk (% impact on net assets)**

The table below shows the impact of a 1% change in the broad-based index (noted below) on the Fund's net assets, using a 21-month (March 31, 2013 – 15-month) historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	September 30 2013	March 31 2013
MSCI World Total Return Net Index (CAD)	+ or - 0.8	+ or - 0.9

Since historical correlation may not be representative of future correlation, actual results could differ from this sensitivity analysis and the difference could be material.

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

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

The following is a summary of the inputs used as of September 30 and March 31, 2013 in the valuation of the Fund's financial instruments carried at fair value.

September 30, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>1 019</b>	–	–	<b>1 019</b>
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>1 019</b>	–	–	<b>1 019</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

March 31, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	927	–	–	927
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>927</b>	–	–	<b>927</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

For the periods ended September 30 and March 31, 2013, there were no transfers of financial instruments between Level 1 and Level 2.

**Management fees (see note 6 in the generic notes)**

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

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

Series A	1.85%
Advisor Series	1.85%
Series H	1.75%
Series D	1.00%
Series F	0.75%
Series I	0.60%



September 30, 2013

**Operating expenses (see note 6 in the generic notes)**

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

Series A	0.18%
Advisor Series	0.18%
Series H	0.13%
Series D	0.13%
Series F	0.13%
Series I	0.13%
Series O	0.02%

**Initial investments (\$000s except mutual fund share amounts)**

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

	September 30 2013	March 31 2013
<b>Mutual fund shares held</b>		
Series A	50	50
Advisor Series	50	50
Series H	121	121
Series D	50	50
Series F	50	50
Series I	121	121
Series O	15 000	15 000
<b>Value of all mutual fund shares</b>	<b>\$ 143</b>	<b>\$ 141</b>

**Shareholders' equity (000s)**

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

	2013	2012
<b>Series A</b>		
Opening mutual fund shares	52	6
Issued number of mutual fund shares	17	29
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(7)	(1)
Ending number of mutual fund shares	62	34

For the periods ended September 30  
(see note 2 in the generic notes)

	2013	2012
<b>Advisor Series</b>		
Opening mutual fund shares	4	1
Issued number of mutual fund shares	2	1
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(1)	(1)
Ending number of mutual fund shares	5	1
<b>Series H</b>		
Opening mutual fund shares	–	–
Issued number of mutual fund shares	–	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	–
Ending number of mutual fund shares	–	–
<b>Series D</b>		
Opening mutual fund shares	11	3
Issued number of mutual fund shares	6	4
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(7)	–
Ending number of mutual fund shares	10	7
<b>Series F</b>		
Opening mutual fund shares	2	7
Issued number of mutual fund shares	3	132
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	(139)
Ending number of mutual fund shares	5	–
<b>Series I</b>		
Opening mutual fund shares	–	–
Issued number of mutual fund shares	–	117
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	–
Ending number of mutual fund shares	–	117
<b>Series O</b>		
Opening mutual fund shares	35	15
Issued number of mutual fund shares	(1)	16
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(3)	–
Ending number of mutual fund shares	31	31



## 1. The Funds

The mutual funds (“Fund” or “Funds”) are classes of mutual fund shares of RBC Corporate Class Inc. (the “Corporation”). The Corporation is a mutual fund corporation incorporated under the laws of Canada by articles of incorporation dated July 8, 2011. RBC GAM is the manager and portfolio advisor of the Funds.

The Funds may issue an unlimited number of mutual fund shares in some or all of Series A, Advisor Series, Advisor Series T5, Series T5, Series H, Series D, Series F, Series FT5, Series I and Series O.

Series A and Series T5 mutual fund shares have no sales charges and are available to all investors. Series T5 shareholders receive regular monthly distributions.

Advisor Series and Advisor T5 Series mutual fund shares are available to all investors with an initial sales charge or low-load sales charge option. Under the initial sales charge option, investors pay a sales commission ranging from 0% to 5% of the amount invested. Under the low-load sales charge option, investors do not pay a commission. Advisor T5 Series shareholders receive regular monthly distributions, but a sales charge of 2.0% will be charged if you redeem your mutual fund shares within two years of buying them. The charge is based on the original cost of your mutual fund shares and how long you held them. We deduct the charge from the value of the mutual fund shares you redeem.

Series H mutual fund shares have no sales charges, have lower fees than Series A mutual fund shares and are only available to investors who invest and maintain the required minimum balance.

Series D mutual fund shares have no sales charges and have lower fees than Series A mutual fund shares. Series D mutual fund shares are only available to investors who have accounts with RBC Direct Investing Inc. or Phillips, Hager & North Investment Funds Ltd.

Series F and Series FT5 mutual fund shares have no sales charges and have lower fees than Series A mutual fund shares. Series F mutual fund shares are only available to investors who have accounts with dealers who have signed a fee-based agreement with RBC GAM. Series FT5 shareholders receive regular monthly distributions.

Series I mutual fund shares have no sales charges, have lower fees than Series F mutual fund shares and 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 RBC GAM.

Series O mutual fund shares have no management fees. Series O shareholders pay a negotiated fee directly to RBC GAM.

## 2. Financial year/period

The information provided in these financial statements and notes thereto is for the six-month period ended September 30, 2013 and 2012, or as at September 30, 2013 and March 31, 2013. In the year a Fund or series is established, “period” represents the period from inception to March 31 of that fiscal year.

## 3. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”), which include estimates and assumptions made by management that may affect the reported amounts of assets (primarily valuation of investments), liabilities, income and expenses during the reported period. Actual results may differ from estimates. The significant accounting policies of the Funds are as follows:

**Valuation of Investments** In accordance with the Canadian Institute of Chartered Accountants (“CICA”) Handbook Section 3862, *Financial Instruments – Disclosures*, the Funds’ financial instruments are measured at fair value using a three-tier hierarchy based on inputs used to value the Funds’ investments and derivatives. The hierarchy of inputs is summarized below:

*Level 1* – quoted prices (unadjusted) in active markets for identical assets or liabilities;

*Level 2* – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

*Level 3* – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Changes in valuation methods may result in transfers into or out of an investment’s assigned level.

The three-tier hierarchy of investments and derivatives is included in “Notes to Financial Statements – Fund Specific Information.”

Investments are recorded at fair value, which is determined as follows:

*Mutual Fund Share Valuation* – Mutual fund shares or limited partnership units of Funds are valued at their respective transactional NAV per mutual fund share received from fund companies on the relevant valuation dates.



September 30, 2013

**Valuation of Series** A different net asset value is calculated for each series of mutual fund shares of a Fund. The net asset value of a particular series of mutual fund shares is computed by calculating the value of the series' proportionate share of the assets and liabilities of the Fund common to all series less the liabilities of the Fund attributable only to that series. Expenses directly attributable to a series are charged to that series. Other expenses are allocated proportionately to each series based upon the relative net asset value of each series. Expenses are accrued daily.

**Investment Transactions** Investment transactions are accounted for as of the trade date. The period change in the difference between fair value and average cost of securities represents unrealized gains and losses. The basis of determining the cost of portfolio assets, and realized and unrealized gains and losses on investments, is average cost.

**Income Recognition** Interest income is recognized on an accrual basis. "Other revenue" includes income earned by a Fund from investments in underlying funds.

**Increase (Decrease) in Net Assets from Operations Per Mutual Fund Share** Increase (decrease) in net assets from operations per mutual fund share in the Statements of Operations represents the increase (decrease) in net assets from operations by series, divided by the average mutual fund shares outstanding per series during the period.

**Early Redemption Fees** Early redemption fees (short-term trading fees) are paid directly to a Fund and are designed to deter excessive trading and its associated costs. With the exception of money market funds, a Fund may apply a fee of 2% of the current value of mutual fund shares if the shareholder redeems or switches out mutual fund shares within seven days of purchasing or previously switching into a Fund.

#### 4. Financial instrument risk and capital management

RBC GAM is responsible for managing each Fund's capital, which is its net assets and consists primarily of its financial instruments.

A Fund's investment activities expose it to a variety of financial risks. RBC GAM seeks to minimize potential adverse effects of these risks on a Fund's performance by employing professional, experienced portfolio advisors, daily monitoring of the Fund's holdings and market events, diversifying its investment portfolio within the constraints of its investment objectives, and, in some cases, periodically hedging certain risk exposures through the use of derivatives. To assist in managing risks, RBC GAM also uses internal guidelines,

maintains a governance structure that oversees each Fund's investment activities and monitors compliance with the Fund's investment strategies, internal guidelines and securities regulations.

##### **Liquidity risk**

Liquidity risk is the possibility that investments in a Fund cannot be readily converted into cash when required. A Fund is exposed to daily cash redemptions of redeemable mutual fund shares. Liquidity risk is managed by investing the majority of a Fund's assets in investments that are traded in an active market and that can be readily disposed. In accordance with securities regulations, a Fund must maintain at least 90% of its assets in liquid investments. In addition, a Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions.

##### **Credit risk**

Credit risk is the risk that a loss could arise from a security issuer or counterparty not being able to meet its financial obligations. The carrying amount of investments and other assets represents the maximum credit risk exposure as disclosed in a Fund's Statements of Net Assets. The fair value of fixed-income and debt securities includes a consideration of the credit worthiness of the debt issuer. Credit risk exposure to over-the-counter derivative instruments is based on a Fund's unrealized gain on the contractual obligations with the counterparty. RBC GAM monitors each Fund's credit exposure and counterparty ratings daily.

##### **Interest rate risk**

Interest rate risk is the risk that the fair value of a Fund's interest-bearing investments will fluctuate due to changes in market interest rates. The value of fixed-income and debt securities, such as bonds, debentures, mortgages, or other income-producing securities, is affected by interest rates. Generally, the value of these securities increases if interest rates fall and decreases if interest rates rise.

##### **Currency risk**

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of a Fund, will fluctuate due to changes in foreign exchange rates. The value of investments denominated in a currency other than Canadian dollars is affected by changes in the value of the Canadian dollar or a Fund's functional currency, in relation to the value of the currency in which the investment is denominated. When the value of the Canadian



dollar falls in relation to foreign currencies, then the value of foreign investments rises. When the value of the Canadian dollar rises, the value of foreign investments falls.

#### **Other price risk**

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment.

### **5. Taxes**

The Corporation qualifies as a mutual fund corporation under the *Income Tax Act* (Canada) and is subject to tax on the amount of its taxable income in each taxation year, ending March 31.

Each Fund represents a class of mutual fund shares of the Corporation. All classes of the mutual fund shares of the Corporation are combined as a single legal entity for tax purposes in computing the net income (loss) and net capital gains (losses). Net losses of one class may be used to offset net gains of another class to reduce the net income or net gain of the Corporation as a whole.

Taxable dividends received from taxable Canadian corporations are subject to a tax of 33 $\frac{1}{3}$ %. Such taxes are fully refundable upon payment of taxable dividends to its shareholders on a basis of \$1 for every \$3 of dividends paid. Any such tax paid is reported as an amount receivable until recovered through the payment to shareholders of dividends out of net investment income. Interest income and foreign dividends, net of applicable expense, are taxed at full corporate rates applicable to mutual fund corporations with credits, subject to certain limitations for foreign taxes paid. All tax on net realized taxable capital gains is refundable when the gains are distributed to shareholders as capital gains dividends or through redemption of shares at the request of shareholders. Income taxes, if any, are allocated to the classes of shares of the Corporation on a fair and reasonable basis.

Temporary differences between the tax basis of assets and liabilities and their carrying amounts may be either taxable or deductible. Taxable temporary differences give rise to future income tax liabilities and deductible temporary differences give rise to future income tax assets. When the fair value of investments is greater than its tax basis, a future income tax liability arises and the future tax liability is offset by refundable taxes generated by future payments of capital

gains dividends. When the fair value of investments is less than its tax basis, a future income tax asset arises and due to the uncertainty of such future income tax assets ultimately being realized, a full valuation allowance is applied to offset the asset. Any unused capital and non-capital losses represent future tax assets to the Funds for which a full valuation allowance has been established such that no net benefit has been recorded by the Funds.

For the taxation year ended March 31, 2013, the Corporation has no capital losses and non-capital losses to carry forward.

### **6. Administrative and other related-party transactions**

#### **Manager and Portfolio Advisor**

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Funds. RBC GAM is responsible for the Funds' day-to-day operations, provides investment advice and portfolio management services to the Funds and appoints distributors for the Funds. RBC GAM is paid a management fee by the Funds as compensation for its services. No management fees are paid by the Funds with respect to Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

The Funds pay a fixed administration fee to RBC GAM. RBC GAM in turn pays certain operating expenses of the Funds. These expenses include regulatory filing fees and other day-to-day operating expenses including, but not limited to, recordkeeping, accounting and fund valuation costs, custody fees, audit and legal fees and the costs of preparing and distributing annual and semi-annual reports, prospectuses, statements and investor communications.

Notwithstanding the fixed administration fee, the Funds also pay certain operating expenses directly, including the costs related to the Board of Directors of the Corporation, the Board of Governors ("BoG") of the Funds and the trustees of the Corporate Class Trust (the holders of the Common Shares of the Corporation), the cost of any new government or regulatory requirements introduced and any borrowing costs (collectively, *other fund costs*), and taxes (including, but not limited to, GST/HST). Other fund costs will be allocated among each series of mutual fund shares of a Fund in accordance with the services used. RBC GAM may, in some years and in certain cases, absorb a portion of operating expenses. The decision to absorb the operating expenses is reviewed annually and determined at the discretion of RBC GAM, without notice to shareholders.





September 30, 2013

Certain Funds may invest directly or indirectly in units of other funds managed by RBC GAM or its affiliates.

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

#### **Distributors**

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

#### **Custodian**

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Funds.

#### **Registrars**

RBC IS and RBC GAM are the registrars of the Funds and keep records of who owns the mutual fund shares of the Funds.

#### **Brokerage**

The Funds have established standard brokerage agreements at market rates with related-party brokerages.

#### **Other Related-Party Transactions**

Pursuant to applicable securities legislation, the Funds relied on the standing instructions from the BoG in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

##### *Related-Party Trading Activities*

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

##### *Inter-Fund Trading*

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Funds, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Funds. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.

## **7. Future accounting changes**

### ***International Financial Reporting Standards***

The Funds will be required to adopt the International Financial Reporting Standards ("IFRS") beginning in their fiscal 2015 year. In preparation to meet the requirements, RBC GAM has taken the following steps in managing the transition to IFRS:

- (a) established a committee for the development and implementation of a transition plan and to provide oversight of the transition to IFRS;
- (b) commenced activities to identify key issues and the likely impacts resulting from the adoption of IFRS; and
- (c) initiated analysis to reconfigure accounting systems used by the Funds.

The key elements of the plan currently include the disclosures of the quantitative impact, if any, in the comparative 2014 financial statements and the preparation of the 2015 financial statements in accordance with IFRS.

Since IFRS standards are constantly evolving, the major qualitative impacts based on standards approved to date are the addition of a cash flow statement and the impact of classification of puttable instruments, the mutual fund shares of the Fund, as a liability or as an equity.

Regardless of the financial statement impacts, RBC GAM has presently determined that there will be no quantitative impact to the transactional NAV of each series as a result of the changeover to IFRS.



The advisory Board of Governors of the RBC Funds was established in 1994 specifically to provide advice to the fund manager regarding conflicts of interest in mutual fund management.

On December 1, 2006, the Board of Governors and RBC Global Asset Management Inc. completed the regulatory requirements necessary to allow the RBC Funds to be the first to take full advantage of the benefits of independent fund governance provided by National Instrument 81-107. Building on its long history of leadership in fund governance, RBC Global Asset Management Inc. established the Board of Governors as the independent review committee of the RBC Funds. All of the members of the Board of Governors are independent of RBC Global Asset Management Inc. and RBC Financial Group.

In its capacity as the independent review committee, the Board of Governors provides input on conflict of interest matters in respect of RBC Global Asset Management Inc. and the RBC Corporate Class Funds. At least once per year, the Board of Governors reviews and assesses the adequacy and effectiveness of the fund manager's policies and procedures relating to conflict of interest matters.

The Board of Governors is responsible for reviewing and assessing the independence of its members, the compensation of its members, and the effectiveness of the Board of Governors, its subcommittees and its members. In order to effectively manage its workload, the Board of Governors has three subcommittees: the Financial Advisory Committee, the Investment Conflicts Committee and the Governance Committee.

The Board of Governors has also been asked by RBC Global Asset Management Inc. to maintain its important role of providing advice on other issues relating to the management of the RBC Corporate Class Funds. This includes the role of the Financial Advisory Committee of the Board of Governors to provide advice concerning financial reporting, the audit process and financial internal controls.

The annual report of the Board of Governors describing its activities as the independent review committee of the RBC Corporate Class Funds is available on the website at [www.rbcgam.com/funds](http://www.rbcgam.com/funds) and on SEDAR at [www.sedar.com](http://www.sedar.com).

If you have any questions or comments about the Board of Governors or its committees, please let us know by contacting Judy Cotte, Secretary to the Board of Governors, at the address below.

**Lloyd R. McGinnis, OC, PEng**  
Chair of the Board of Governors

**Board of Governors**  
Attention: Judy Cotte  
RBC Global Asset Management Inc.  
P.O. Box 7500, Station A  
Toronto, Ontario M5W 1P9

## Board of Governors

**Lloyd R. McGinnis**  
**Chair of the Board of Governors**  
Director, Airport Site Development  
Winnipeg Airports Authority

**Michael G. Thorley<sup>1,4</sup>**  
**Vice Chair of the Board of Governors**  
Retired Lawyer  
Toronto, Ontario

**Selwyn B. Kossuth<sup>1,3</sup>**  
Financial Consultant  
Mississauga, Ontario

**Charles F. Macfarlane<sup>1,3</sup>**  
Corporate Director  
Toronto, Ontario

**Linda S. Petch<sup>1,3</sup>**  
Principal  
Linda S. Petch Governance Services  
Victoria, British Columbia

**Élaine Cousineau Phénix<sup>5</sup>**  
President  
Phénix Capital Inc.  
Montreal, Quebec

**Mary C. Ritchie<sup>2,3</sup>**  
President  
Richford Holdings Ltd.  
Edmonton, Alberta

**Joseph P. Shannon<sup>6</sup>**  
President  
Atlantic Corporation  
Port Hawkesbury, Nova Scotia

**James W. Yuel<sup>6</sup>**  
Chair  
PIC Investment Group Inc.  
Saskatoon, Saskatchewan

- <sup>1</sup> Member of the Financial Advisory Committee
- <sup>2</sup> Chair of the Financial Advisory Committee
- <sup>3</sup> Member of the Investment Conflicts Committee
- <sup>4</sup> Chair of the Investment Conflicts Committee
- <sup>5</sup> Chair of the Governance Committee
- <sup>6</sup> Member of the Governance Committee



FIXED-INCOME FUND

## RBC BOND LP

September 30, 2013

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

The Board of Directors of RBC Corporate Class GP Inc. approved this semi-annual management report of fund performance on November 7, 2013.

### A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

*This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual financial statements or the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at [www.rbcgam.com/funds](http://www.rbcgam.com/funds) or SEDAR at [www.sedar.com](http://www.sedar.com). Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.*





September 30, 2013

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

The Fund seeks to provide long-term total returns consisting of income and moderate capital growth through exposure primarily to high-quality fixed-income securities issued by Canadian governments and corporations. The Fund may also invest in similar securities outside of Canada.

To achieve its investment objective, the Fund enters into one or more forward contracts to gain exposure to the performance of the RBC Bond Trust (the "reference fund"). The Fund may also invest in fixed-income securities or units of the reference fund. The return of the Fund will depend on the return of the reference fund. The portfolio manager of the reference fund uses a disciplined approach to assess opportunities linked to the overall direction of interest rates in Canada, the U.S. and other major economies; expected changes in interest-rate spreads between different segments of the bond market; and anticipated changes in interest-rate spreads associated with a change in individual credit ratings or quality perceptions.

### Results of Operations

The Fund was launched on October 31, 2012, and its net asset value was \$29 million as of September 30, 2013. Investment performance is not provided for a fund that has been available for less than one year.

### Recent Developments

The U.S. Federal Reserve's surprise decision in mid-September to delay a reduction in economic stimulus suggests that policymakers are awaiting additional improvement in the economy before proceeding. The portfolio manager still believes that yields will continue to rise, albeit at a slower pace than previously expected.

The volatility in fixed-income markets has caused some short-term losses but provided opportunities for the Fund to accumulate attractively priced assets. With bond yields expected to increase gradually over the next year, the portfolio manager will be adjusting the portfolio's holdings to protect against losses tied to interest-rate sensitivity. Assuming that economic conditions in the U.S. and Canada do not deteriorate, corporate and emerging-market bonds should outperform government bonds over the next year. The Fund will maintain a preference for non-government bonds, with diversified investments and currency trading expected to enhance returns.

As set out above, the Fund enters into forward agreements to gain exposure to the investment returns of the reference fund, which returns are treated as capital gains instead of income for tax purposes (the "tax treatment").

The Canadian government's 2013 federal budget included a proposal to eliminate the capital gains tax treatment associated with such forward agreements. Based on grandfathering rules announced by the Department of Finance on July 11, 2013, RBC GAM expects that the 2013 budget proposal will not affect the tax treatment of the forward agreements used by the Fund prior to 2015, provided the forward agreements stay within certain growth limits and settle prior to 2015. During the transition period, the Fund is expected to continue to operate in the same manner as prior to the budget announcement and the forward agreements should continue to receive the same tax treatment they received prior to the budget announcement.

Effective April 2, 2013, mutual fund shares of the RBC Bond Capital Class (which holds units of the Fund) and units of the Fund were no longer available for purchase by investors.

### Related-Party Transactions

#### *Manager, Portfolio Advisor and Principal Distributor*

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, portfolio advisor and principal distributor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations and provides investment advice and portfolio management services to the Fund. Unitholders pay a negotiated fee directly to RBC GAM as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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

#### *Custodian*

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

#### *Registrar*

RBC IS is the registrar of the Fund and keeps records of who owns the units of the Fund.



September 30, 2013

***Other Related-Party Transactions***

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

***Related-Party Trading Activities***

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

***Inter-Fund Trading***

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



September 30, 2013

**FINANCIAL HIGHLIGHTS**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Underlying Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

**Change in Net Assets Per Unit (\$)**

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series 0</b>												
<b>Sept. 30, 2013</b>	<b>10.14</b>	—	—	<b>(0.32)</b>	<b>0.08</b>	<b>(0.24)</b>	—	—	—	—	—	<b>9.91</b>
<b>Mar. 31, 2013<sup>3</sup></b>	<b>10.00<sup>†</sup></b>	—	—	<b>0.13</b>	<b>0.06</b>	<b>0.19</b>	—	—	—	—	—	<b>10.14</b>

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

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

<sup>3</sup> From October 31, 2012.

<sup>†</sup> Initial offering net asset value per unit.

**Ratios and Supplemental Data**

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series 0</b>							
<b>Sept. 30, 2013</b>	<b>9.91</b>	<b>28 656</b>	<b>2 893</b>	<b>0.03</b>	<b>0.03</b>	<b>1 140.91</b>	—
<b>Mar. 31, 2013<sup>4</sup></b>	<b>10.14</b>	<b>34 569</b>	<b>3 410</b>	<b>0.02</b>	<b>0.02</b>	<b>474.34</b>	—

<sup>1</sup> The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

<sup>4</sup> From October 31, 2012.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager and portfolio advisor of the Fund.

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

**PAST PERFORMANCE**

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

**SUMMARY OF INVESTMENT PORTFOLIO**

*(after consideration of derivative products, if any)*

*As at September 30, 2013*

**Investment Mix**

	% of Net Asset Value
Corporate Bonds	43.6
Provincial/Municipal Bonds	40.0
Federal Bonds	5.8
High Yield Bonds	2.7
Emerging Market Bonds	2.5
Foreign Bonds	2.1
Cash/Other	3.3

**Top 25 Holdings\***

	% of Net Asset Value
<b>Long Positions</b>	
Province of Ontario 2.850% Jun 2 23	3.9
Province of Ontario 1.900% Sep 8 17	2.7
Province of Ontario 4.200% Jun 2 20	2.4
Cash & Cash Equivalents	2.2
Province of Ontario 4.650% Jun 2 41	2.2
Canada Housing Trust No. 1 3.350% Dec 15 20	2.0
Province of Ontario 3.500% Jun 2 43	2.0
Province of Ontario 6.500% Mar 8 29	1.9
Province of Quebec 3.000% Sep 1 23	1.8
Province of Ontario 3.150% Jun 2 22	1.6
Province of Ontario 4.600% Jun 2 39	1.5
Province of Ontario 2.100% Sep 8 18	1.4
Province of Ontario 4.400% Jun 2 19	1.3
Province of Quebec 5.000% Dec 1 41	1.2
Province of Ontario 4.000% Jun 2 21	1.2
Province of Ontario 4.300% Mar 8 17	1.2
Province of Ontario 4.700% Jun 2 37	1.1
Government of Canada 1.500% Jun 1 23	1.0
Canadian Imperial Bank of Commerce 2.220% Mar 7 18	1.0
BlueBay Emerging Markets Corporate Bond Fund	0.9
Canada Housing Trust No. 1 2.650% Mar 15 22	0.9
Province of Quebec 4.250% Dec 1 43	0.9
Government of Canada 3.500% Jun 1 20	0.8
<b>Total</b>	<b>37.1</b>
<b>Short Positions</b>	
United States 10-Year Note Future, December 2013	(4.5)
United States 5-Year Note Future, December 2013	(1.6)
<b>Total</b>	<b>(6.1)</b>

\* The Fund obtains exposure to the RBC Bond Trust by entering into one or more forward contracts. The above are the Top 25 holdings of the RBC Bond Trust.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/funds](http://www.rbcgam.com/funds).

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



FIXED-INCOME FUND

**PHILLIPS, HAGER & NORTH  
TOTAL RETURN BOND LP**

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September 30, 2013

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

The Board of Directors of RBC Corporate Class GP Inc. approved this semi-annual management report of fund performance on November 7, 2013.

**A Note on Forward-looking Statements**

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

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*This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual financial statements or the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at [www.rbcgam.com/funds](http://www.rbcgam.com/funds) or SEDAR at [www.sedar.com](http://www.sedar.com). Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.*



## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

The Fund seeks to provide stability of capital through exposure primarily to a well-diversified portfolio of fixed-income securities issued by Canadian governments and corporations.

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

### Results of Operations

The Fund's net asset value was \$286 million as of September 30, 2013.

Over the past six months, the Fund's units lost 2.2%. The Fund's return is after the deduction of fees and expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for information on the returns.

The Fund began the period positioned such that it would be less susceptible to the negative effect of rising interest rates on bond prices. Rates did, in fact, rise substantially, after the U.S. Federal Reserve suggested that it might begin as early as the fall to scale back bond purchases aimed at stimulating the economy. The Fund's relative performance benefited from this strategy and somewhat offset the outright decline in bond prices caused by the rapid rise in rates.

The Fund was overweight both provincial and corporate bonds during the period and these preferences were good for relative performance. The portfolio manager traded between provincial bonds and government-backed securities issued by Canada Housing Trust based on the relative attractiveness of their yields and this tactic aided returns. Premiums on provincial yields have been grinding higher over the past two years, creating compelling yield levels for a relatively low-risk area of the market.

The premium on corporate yields has taken the opposite tack over the past two years, with yields falling relative to benchmark bonds as corporate earnings rose and default rates remained low. Nonetheless, corporate yields have still not fully recovered from the 2008/2009 financial crisis and remain attractive compared to historic levels. The portfolio manager increased the Fund's overall corporate allocation during the period. In the area of high-yield bonds, the Fund's allocation rose to 4% from 3%. High-yield bonds have been strong performers and provide a meaningful boost to the Fund's yield. The portfolio manager's corporate and high-yield strategies were the biggest contributors to relative outperformance.

Portfolio turnover is normally high for the Fund because its strategy involves the frequent renewal of forwards contracts.

### Recent Developments

Interest rates increased substantially this spring and summer, catching up with the higher rates implied by steady, if not spectacular, economic growth. The increase in yields made longer-term fixed-income assets more attractive and brought rates closer to fair value, and the portfolio manager used this opportunity to increase the Fund's average term to maturity.

Provincial bond premiums remain at their highest since the 2009 financial crisis and corporate bonds are attractively priced given current levels of earnings and economic growth. The portfolio manager is cognizant of increasing merger and acquisition activity (Loblaw's proposed purchase of Shoppers Drug Mart, for example) and is therefore reducing exposure to companies that would take on higher levels of debt to finance transactions.

Rising interest rates, while detrimental to short-term performance, are a healthy and welcome development for bond markets over the long run. The Fund's yield is well above the Bank of Canada's 2% inflation target, putting the Fund in a better position to generate levels of income that will preserve investors' purchasing power.

As set out above, the Fund enters into forward agreements to gain exposure to the investment returns of the reference fund, which returns are treated as capital gains instead of income for tax purposes (the "tax treatment").



The Canadian government's 2013 federal budget included a proposal to eliminate the capital gains tax treatment associated with such forward agreements. Based on grandfathering rules announced by the Department of Finance on July 11, 2013, RBC GAM expects that the 2013 budget proposal will not affect the tax treatment of the forward agreements used by the Fund prior to 2015, provided the forward agreements stay within certain growth limits and settle prior to 2015. During the transition period, the Fund is expected to continue to operate in the same manner as prior to the budget announcement and the forward agreements should continue to receive the same tax treatment they received prior to the budget announcement.

Effective April 2, 2013, mutual fund shares of the Phillips, Hager & North Total Return Bond Capital Class (which holds units of the Fund) and units of the Fund were no longer available for purchase by investors.

#### **Related-Party Transactions**

##### ***Manager, Portfolio Advisor and Principal Distributor***

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, portfolio advisor and principal distributor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations and provides investment advice and portfolio management services to the Fund. Unitholders pay a negotiated fee directly to RBC GAM as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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

##### ***Custodian***

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

##### ***Registrar***

RBC IS is the registrar of the Fund and keeps records of who owns the units of the Fund.

#### ***Other Related-Party Transactions***

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

##### ***Related-Party Trading Activities***

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

##### ***Inter-Fund Trading***

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



September 30, 2013

**FINANCIAL HIGHLIGHTS**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Underlying Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

**Change in Net Assets Per Unit (\$)**

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series 0</b>												
<b>Sept. 30, 2013</b>	<b>10.45</b>	—	—	<b>(0.32)</b>	<b>0.10</b>	<b>(0.22)</b>	—	—	—	—	—	<b>10.23</b>
Mar. 31, 2013	10.03	—	—	0.34	0.02	0.36	—	—	—	—	—	10.44
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	—	(0.01)	0.04	0.01	0.04	—	—	—	—	—	10.03

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

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

<sup>3</sup> From January 1, 2012.

<sup>†</sup> Initial offering net asset value per unit.

**Ratios and Supplemental Data**

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series 0</b>							
<b>Sept. 30, 2013</b>	<b>10.23</b>	<b>286 058</b>	<b>27 976</b>	<b>0.02</b>	<b>0.02</b>	<b>1 254.87</b>	—
Mar. 31, 2013	10.45	407 030	38 998	0.02	0.02	1 201.46	—
Mar. 31, 2012 <sup>4</sup>	10.03	137 626	13 720	0.02	0.02	192.10	—

<sup>1</sup> The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

<sup>4</sup> From January 1, 2012.





September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager and portfolio advisor of the Fund.

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

**PAST PERFORMANCE**

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

**Year-by-Year Returns (%)**

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year or interim period.



<sup>1</sup> Inception date January 1, 2012.

For the 12-month periods ended March 31 and the six-month period ended September 30, 2013.

**SUMMARY OF INVESTMENT PORTFOLIO**

(after consideration of derivative products, if any)

As at September 30, 2013

**Investment Mix**

	% of Net Asset Value
Corporate Bonds	44.4
Provincial/Municipal Bonds	30.0
Federal Bonds	14.1
High Yield Bonds	4.0
Foreign Bonds	2.7
Cash/Other	4.8

**Top 25 Holdings\***

	% of Net Asset Value
Province of Ontario 7.600% Jun 2 27	5.3
Phillips, Hager & North High Yield Bond Fund	4.3
Province of Ontario 3.150% Jun 2 22	4.0
Province of Ontario 5.600% Jun 2 35	3.7
Canada Housing Trust No. 1 4.100% Dec 15 18	3.1
Canada Housing Trust No. 1 3.800% Jun 15 21	2.5
Canada Housing Trust No. 1 1.750% Jun 15 18	2.4
Province of Ontario 8.100% Sep 8 23	2.3
Canada Housing Trust No. 1 2.050% Jun 15 18	2.3
Province of Ontario 2.850% Jun 2 23	2.1
Province of Ontario 4.600% Jun 2 39	2.1
Bank of Nova Scotia 6.000% Oct 3 18	1.7
Province of Ontario 4.650% Jun 2 41	1.5
Royal Bank of Canada 2.680% Dec 8 16	1.4
Cash & Cash Equivalents	1.3
Province of Quebec 6.250% Jun 1 32	1.3
Government of Canada 4.250% Dec 1 21	1.2
Cards II Trust 1.984% Jan 15 16	1.2
Ontario Electricity Financial Corp. 8.250% Jun 22 26	1.1
Province of Ontario 8.500% Dec 2 25	1.1
Canadian Imperial Bank of Commerce 1.750% Jun 1 16	1.0
Province of Ontario 6.500% Mar 8 29	1.0
Bank of Montreal 2.240% Dec 11 17	1.0
Royal Bank of Canada 2.580% Apr 13 17	1.0
Province of Ontario 5.850% Mar 8 33	1.0
<b>Top 25 Holdings</b>	<b>50.9</b>

\* The Fund obtains exposure to the Phillips, Hager & North Total Return Bond Trust by entering into one or more forward contracts. The above are the Top 25 holdings of the Phillips, Hager & North Total Return Bond Trust.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/funds](http://www.rbcgam.com/funds).

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



FIXED-INCOME FUND

## RBC HIGH YIELD BOND LP

September 30, 2013

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

The Board of Directors of RBC Corporate Class GP Inc. approved this semi-annual management report of fund performance on November 7, 2013.

### A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

*This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual financial statements or the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at [www.rbcgam.com/funds](http://www.rbcgam.com/funds) or SEDAR at [www.sedar.com](http://www.sedar.com). Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.*



## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

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

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

### Results of Operations

The Fund's net asset value was \$307 million as of September 30, 2013.

Over the past six months, the Fund's units gained 0.3%. The Fund's return is after the deduction of fees and expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for information on returns.

For much of the six-month period, fixed-income returns were hurt by rising U.S. government-bond yields, as a long period of historically low interest rates came to an end. While demand for income, coupled with strong corporate earnings, had supported the high-yield market, yields on higher-yielding securities began to rise in May, following the trend of government bonds. The overall increase in yields came as policymakers at the U.S. Federal Reserve ("Fed") signaled that they would reduce monetary stimulus sooner than expected if warranted by faster U.S. economic growth. Once the volatility in government yields subsided, high-yield bond prices recovered somewhat and outperformed government and investment-grade bonds amid a generally favourable macroeconomic environment.

The Fund's cash levels were higher than normal in early April. As yields started to rise in May and June and bond prices started to fall, the portfolio manager took advantage of the increased volatility by selling some of the Fund's higher-quality Canadian investment grade names and used the proceeds to buy lower-rated U.S. corporate bonds, which had fallen in price. The portfolio manager was of the view that the currently strong fundamentals underpinning the high-yield bond market would reassert themselves and allow lower-quality bonds to outperform government bonds once volatility in the government bond market subsided. This is, in fact, what happened.

Portfolio turnover is normally high for the Fund because its strategy involves the frequent renewal of forwards contracts.

### Recent Developments

Bond prices have been climbing since the Fed unexpectedly delayed reducing stimulus measures in late September. The reluctance of policymakers to scale back stimulus suggests that they will remain consistent in this regard until the U.S. economy begins to grow faster. However, the low-growth environment should be favourable for corporate bonds as long as company earnings remain strong and corporate-default rates well below historical averages. Yields on high-yield bonds continue to be attractive relative to other fixed-income assets and the portfolio manager continues to look for opportunities to add attractively valued corporate bonds to the Fund.

As set out above, the Fund enters into forward agreements to gain exposure to the investment returns of the reference fund, which returns are treated as capital gains instead of income for tax purposes (the "tax treatment").

The Canadian government's 2013 federal budget included a proposal to eliminate the capital gains tax treatment associated with such forward agreements. Based on grandfathering rules announced by the Department of Finance on July 11, 2013, RBC GAM expects that the 2013 budget proposal will not affect the tax treatment of the forward agreements used by the Fund prior to 2015, provided the forward agreements stay within certain growth limits and settle prior to 2015. During the transition period, the Fund is expected to continue to operate in the same manner as prior to the budget announcement and the forward agreements should continue to receive the same tax treatment they received prior to the budget announcement.

Effective April 2, 2013, mutual fund shares of the RBC High Yield Bond Capital Class (which holds units of the Fund) and units of the Fund were no longer available for purchase by investors.

### Related-Party Transactions

#### *Manager, Portfolio Advisor and Principal Distributor*

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, portfolio advisor and principal distributor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations and provides investment advice and portfolio management services to the Fund. Unitholders pay a negotiated fee directly to RBC GAM as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.



September 30, 2013

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

***Custodian***

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

***Registrar***

RBC IS is the registrar of the Fund and keeps records of who owns the units of the Fund.

***Other Related-Party Transactions***

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

***Related-Party Trading Activities***

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

***Inter-Fund Trading***

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



September 30, 2013

**FINANCIAL HIGHLIGHTS**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Underlying Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

**Change in Net Assets Per Unit (\$)**

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series 0</b>												
<b>Sept. 30, 2013</b>	<b>11.10</b>	—	—	<b>0.01</b>	<b>0.04</b>	<b>0.05</b>	—	—	—	—	—	<b>11.13</b>
Mar. 31, 2013	10.17	—	—	0.88	0.01	0.89	—	—	—	—	—	11.08
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	—	(0.01)	0.10	0.03	0.12	—	—	—	—	—	10.17

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

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

<sup>3</sup> From January 1, 2012.

<sup>†</sup> Initial offering net asset value per unit.

**Ratios and Supplemental Data**

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series 0</b>							
<b>Sept. 30, 2013</b>	<b>11.13</b>	<b>307 307</b>	<b>27 614</b>	<b>0.02</b>	<b>0.02</b>	<b>1 242.68</b>	—
Mar. 31, 2013	11.10	385 621	34 797	0.02	0.02	1 196.78	—
Mar. 31, 2012 <sup>4</sup>	10.17	126 986	12 486	0.02	0.02	203.54	—

<sup>1</sup> The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

<sup>4</sup> From January 1, 2012.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager and portfolio advisor of the Fund.

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

**PAST PERFORMANCE**

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

**Year-by-Year Returns (%)**

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year or interim period.



<sup>1</sup> Inception date January 1, 2012.

For the 12-month periods ended March 31 and the six-month period ended September 30, 2013.

**SUMMARY OF INVESTMENT PORTFOLIO**

(after consideration of derivative products, if any)

As at September 30, 2013

**Investment Mix**

	% of Net Asset Value
United States	66.3
Canada	18.8
Luxembourg	3.1
Japan	1.0
Singapore	0.8
Netherlands	0.7
United Kingdom	0.7
Australia	0.7
Spain	0.3
Cash/Other	7.6

**Top 25 Holdings\***

	% of Net Asset Value
Cash & Cash Equivalents	6.6
DISH DBS Corp. 7.875% Sep 1 19	1.9
Ball Corp. 5.750% May 15 21	1.9
Videotron Ltd. 6.875% Jul 15 21	1.8
ArcelorMittal USD 9.850% Jun 1 19	1.8
Concho Resources Inc. 7.000% Jan 15 21	1.7
MetroPCS Wireless Inc. 6.625% Apr 1 23	1.7
The AES Corp. 8.000% Oct 15 17	1.7
Rite Aid Corp. 8.000% Aug 15 20	1.6
Smithfield Foods Inc. 6.625% Aug 15 22	1.6
Softbank Corp. USD 4.500% Apr 15 20	1.6
NRG Energy Inc. 7.875% May 15 21	1.6
Quebecor Media Inc. 7.375% Jan 15 21	1.5
Hawk Acquisition Sub Inc. 4.250% Oct 15 20	1.5
Intelsat Jackson Holdings S.A. USD 7.250% Apr 1 19	1.4
Reynolds Group Issuer Inc. 6.875% Feb 15 21	1.4
Qwest Corp. 6.750% Dec 1 21	1.3
Continental Resources Inc. 7.125% Apr 1 21	1.3
Ford Credit Canada Ltd. 7.500% Aug 18 15	1.3
Bombardier Inc. USD 7.750% Mar 15 20	1.3
Access Midstream Partners LP 4.875% May 15 23	1.3
Denbury Resources Inc. 8.250% Feb 15 20	1.2
Prestige Brands Inc. 8.250% Apr 1 18	1.2
Beazer Homes USA Inc. 6.625% Apr 15 18	1.2
HDTFS Inc. 6.250% Oct 15 22	1.2
<b>Top 25 Holdings</b>	<b>42.6</b>

\* The Fund obtains exposure to the RBC High Yield Bond Trust by entering into one or more forward contracts. The above are the Top 25 holdings of the RBC High Yield Bond Trust.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/funds](http://www.rbcgam.com/funds).

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



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

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

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

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

November 7, 2013

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

**Unaudited Semi-Annual Financial Statements**

The accompanying semi-annual financial statements have not been reviewed by the external auditors of the Funds. The external auditors will be auditing the annual financial statements of the Funds in accordance with Canadian generally accepted auditing standards.



STATEMENT OF INVESTMENT PORTFOLIO (unaudited) (in \$000s)  
**RBC BOND LP**

September 30, 2013

Holdings	Security	Cost	Fair Value	% of Net Assets
<b>CANADIAN EQUITIES</b>				
<b>Consumer Discretionary</b>				
65 319	Thomson Corp.	\$ 2 353	\$ 2 353	
39 903	Tim Hortons Inc.	2 355	2 383	
		4 708	4 736	<b>16.5</b>
<b>Consumer Staples</b>				
48 750	Saputo Group Inc.	2 355	2 382	
		2 355	2 382	<b>8.3</b>
<b>Energy</b>				
76 828	Cenovus Energy Inc.	2 358	2 362	
129 005	Encana Corp.	2 355	2 296	
63 407	Suncor Energy Inc.	2 355	2 336	
		7 068	6 994	<b>24.4</b>
<b>Financials</b>				
131 817	Manulife Financial Corporation	2 354	2 246	
70 037	Sun Life Financial Inc.	2 353	2 304	
		4 707	4 550	<b>15.9</b>
<b>Industrials</b>				
473 567	Bombardier Inc., Class B	2 373	2 268	
		2 373	2 268	<b>7.9</b>
<b>Materials</b>				
84 248	Agnico Eagle Mines Ltd.	2 351	2 298	
124 114	Barrick Gold Corp.	2 352	2 378	
93 646	Silver Wheaton Corp.	2 354	2 390	
		7 057	7 066	<b>24.7</b>
<b>TOTAL INVESTMENTS</b>				
		28 268	27 996	<b>97.7</b>
<b>UNREALIZED GAIN ON FORWARD CONTRACTS (SCHEDULE A)</b>				
		–	638	<b>2.2</b>
<b>TOTAL PORTFOLIO</b>				
		\$ 28 268	28 634	<b>99.9</b>
<b>OTHER NET ASSETS</b>				
			22	<b>0.1</b>
<b>NET ASSETS</b>				
		\$ 28 656		<b>100.0</b>

**SCHEDULE A**

**Forward Contracts**

As part of its investment strategy, the Fund has entered into a forward agreement under which it will swap its portfolio of Canadian securities in return for exposure to an investment in units of the reference fund. As a consequence of this forward contract, the Fund will forgo any benefits of an increase in the value of the Canadian securities.

Notional Number of Units	Reference Fund	Expiration Date	Counterparty	Counterparty Rating	Contracted Value	Unrealized Gain (Loss)
2 899 892	RBC Bond Trust*	17-Oct-13	Canadian Imperial Bank of Commerce	AA-	\$ 28 268	\$ 638

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

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





**Statements of Net Assets** (unaudited) (in \$000s except per unit amounts)

(see note 2 in the generic notes)	September 30 2013	March 31 2013
<b>ASSETS</b>		
Investments at fair value	\$ 27 996	\$ 33 997
Cash	22	496
Due from investment dealers	200	–
Subscriptions receivable	–	195
Unrealized gain on forward contracts	638	482
<b>TOTAL ASSETS</b>	<b>28 856</b>	<b>35 170</b>
<b>LIABILITIES</b>		
Redemptions payable	200	600
Accounts payable and accrued expenses	–	1
<b>TOTAL LIABILITIES</b>	<b>200</b>	<b>601</b>
<b>NET ASSETS</b>	<b>\$ 28 656</b>	<b>\$ 34 569</b>
Investments at cost	\$ 28 268	\$ 34 375
<b>NET ASSETS, END OF PERIOD</b>		
<b>SERIES 0</b>	<b>\$ 28 656</b>	<b>\$ 34 569</b>
<b>NET ASSETS PER UNIT, END OF PERIOD</b>		
<b>SERIES 0</b>	<b>\$ 9.91</b>	<b>\$ 10.14</b>
<b>NET ASSET VALUE (TRANSACTIONAL NAV)</b>		
<b>PER UNIT, END OF PERIOD</b>		
(see note 3 in the generic notes)		
<b>SERIES 0</b>	<b>\$ 9.91</b>	<b>\$ 10.14</b>

**Statement of Operations** (unaudited) (in \$000s except per unit amounts)

For the period ended September 30 (see note 2 in the generic notes)*	2013
<b>EXPENSES (see notes – Fund Specific Information)</b>	
Administration fees	\$ 3
Board of Governors costs	1
<b>TOTAL EXPENSES</b>	<b>4</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>(4)</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS)</b>	
<b>ON INVESTMENTS</b>	
Net realized gain (loss) on investments	(1 016)
Change in unrealized gain (loss) on investments	106
Change in unrealized gain (loss) in value of forward contracts	156
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>(754)</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	
<b>FROM OPERATIONS</b>	<b>\$ (758)</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	
<b>FROM OPERATIONS</b>	
<b>SERIES 0</b>	<b>\$ (758)</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	
<b>FROM OPERATIONS PER UNIT</b>	
<b>SERIES 0</b>	<b>\$ (0.24)</b>

\* Fund launched October 2012.

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

**Doug Coulter**  
Director

**Frank Lipa**  
Director

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



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

For the period ended September 30 (see note 2 in the generic notes)*	Series 0 2013
<b>NET ASSETS – BEGINNING OF PERIOD</b>	<b>\$ 34 569</b>
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	<b>(758)</b>
Early redemption fees	–
Proceeds from units issued	640
Proceeds from reinvestment of distributions	–
Payments on redemption of units	(5 795)
<b>TOTAL UNIT TRANSACTIONS</b>	<b>(5 155)</b>
Distributions from net income	–
Distributions from net gains	–
Distributions from capital	–
<b>TOTAL DISTRIBUTIONS</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>(5 913)</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 28 656</b>

\* Fund launched October 2012.



September 30, 2013

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

The Fund's exposure to financial instrument risk is based on the RBC Bond Trust as the Fund enters into a forward contract which indirectly attempts to replicate the return of the RBC Bond Trust.

**Credit risk (%)**

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

Rating	September 30 2013	March 31 2013
AAA	8.1	10.1
AA	50.8	47.4
A	22.1	25.7
BBB	14.0	13.9
BB	3.7	1.4
B	1.3	1.3
CCC	–	0.1
Unrated	–	0.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

**Interest rate risk (%)**

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

Term to maturity	September 30 2013	March 31 2013
Less than 1 year	0.6	0.6
1 – 5 years	45.2	40.5
5 – 10 years	30.0	29.3
> 10 years	24.2	29.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

As at September 30, 2013, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 6.2% (March 31, 2013 – 6.7%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of September 30 and March 31, 2013 in the valuation of the Fund's financial instruments carried at fair value.

September 30, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	<b>27 996</b>	–	–	<b>27 996</b>
<b>Mutual fund units</b>	–	–	–	–
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	<b>638</b>	–	<b>638</b>
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>27 996</b>	<b>638</b>	–	<b>28 634</b>
<b>% of total portfolio</b>	<b>97.8</b>	<b>2.2</b>	–	<b>100.0</b>

March 31, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	<b>33 997</b>	–	–	<b>33 997</b>
<b>Mutual fund units</b>	–	–	–	–
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	<b>482</b>	–	<b>482</b>
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>33 997</b>	<b>482</b>	–	<b>34 479</b>
<b>% of total portfolio</b>	<b>98.6</b>	<b>1.4</b>	–	<b>100.0</b>

For the periods ended September 30 and March 31, 2013, there were no transfers of financial instruments between Level 1 and Level 2.

**Management fees (see note 6 in the generic notes)**

No management fees are payable by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

**Operating expenses (see note 6 in the generic notes)**

The administration fee payable by Series O of the Fund is calculated at the following annual percentage, before GST/HST, of the daily net asset value of Series O of the Fund.

Series O	0.02%
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September 30, 2013

**Unitholders' equity (000s)**

The unitholders' equity of the Fund includes amounts representing units, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of units available for issue. Units are purchased and redeemed at the transactional NAV per unit.

For the period ended September 30  
(see note 2 in the generic notes)

**2013**

**Series 0**

Opening units	<b>3 410</b>
Issued number of units	<b>63</b>
Reinvested number of units	–
Redeemed number of units	<b>(580)</b>
Ending number of units	<b>2 893</b>



STATEMENT OF INVESTMENT PORTFOLIO (unaudited) (in \$000s)  
**PHILLIPS, HAGER & NORTH TOTAL RETURN BOND LP**

September 30, 2013

Holdings	Security	Cost	Fair Value	% of Net Assets
<b>CANADIAN EQUITIES</b>				
<b>Consumer Discretionary</b>				
124 409	Thomson Corp.	\$ 4 481	\$ 4 481	
76 002	Tim Hortons Inc.	4 485	4 539	
		8 966	9 020	<b>3.2</b>
<b>Consumer Staples</b>				
92 852	Saputo Group Inc.	4 485	4 538	
		4 485	4 538	<b>1.6</b>
<b>Energy</b>				
493 868	Canadian Natural Resources Ltd.	16 180	15 987	
800 709	Cenovus Energy Inc.	24 608	24 613	
1 345 993	Encana Corp.	24 611	23 958	
662 030	Suncor Energy Inc.	24 609	24 383	
		90 008	88 941	<b>31.0</b>
<b>Financials</b>				
1 377 208	Manulife Financial Corporation	24 608	23 468	
477 385	Power Corporation of Canada	14 150	13 882	
732 717	Sun Life Financial Inc.	24 613	24 106	
		63 371	61 456	<b>21.5</b>
<b>Industrials</b>				
4 918 827	Bombardier Inc., Class B	24 643	23 561	
195 342	Canadian National Railway Co.	20 124	20 388	
		44 767	43 949	<b>15.4</b>

Holdings	Security	Cost	Fair Value	% of Net Assets
<b>Materials</b>				
160 465	Agnico Eagle Mines Ltd.	\$ 4 477	\$ 4 376	
236 396	Barrick Gold Corp.	4 480	4 529	
178 457	Silver Wheaton Corp.	4 486	4 554	
711 099	Teck Resources Ltd., Class B	20 124	19 648	
		33 567	33 107	<b>11.6</b>
<b>Telecommunication Services</b>				
462 623	BCE Inc.	20 124	20 342	
382 968	Rogers Communications Inc., Class B	16 621	16 954	
		36 745	37 296	<b>13.0</b>
<b>TOTAL INVESTMENTS</b>				
		281 909	278 307	<b>97.3</b>
<b>UNREALIZED GAIN ON FORWARD CONTRACTS (SCHEDULE A)</b>				
		–	7 707	<b>2.7</b>
<b>TOTAL PORTFOLIO</b>				
		\$ 281 909	286 014	<b>100.0</b>
<b>OTHER NET ASSETS</b>				
			44	–
<b>NET ASSETS</b>				
			\$ 286 058	<b>100.0</b>

**SCHEDULE A**

**Forward Contracts**

As part of its investment strategy, the Fund has entered into a forward agreement under which it will swap its portfolio of Canadian securities in return for exposure to an investment in units of the reference fund. As a consequence of this forward contract, the Fund will forgo any benefits of an increase in the value of the Canadian securities.

Notional Number of Units	Reference Fund	Expiration Date	Counterparty	Counterparty Rating	Contracted Value	Unrealized Gain (Loss)
5 432 724	PH&N Total Return Bond Trust*	17-Oct-13	Canadian Imperial Bank of Commerce	AA-	\$ 53 842	\$ 1 263
23 012 182	PH&N Total Return Bond Trust*	17-Oct-13	Toronto-Dominion Bank	AA-	228 067	6 444
<b>Total</b>						<b>\$ 7 707</b>

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



**Statements of Net Assets** (unaudited) (in \$000s except per unit amounts)

(see note 2 in the generic notes)	September 30 2013	March 31 2013
<b>ASSETS</b>		
Investments at fair value	\$ 278 307	\$ 408 624
Cash	49	176
Due from investment dealers	2 000	6 100
Subscriptions receivable	–	270
Unrealized gain on forward contracts	7 707	–
<b>TOTAL ASSETS</b>	<b>288 063</b>	<b>415 170</b>
<b>LIABILITIES</b>		
Redemptions payable	2 000	6 500
Unrealized loss on forward contracts	–	1 634
Accounts payable and accrued expenses	5	6
<b>TOTAL LIABILITIES</b>	<b>2 005</b>	<b>8 140</b>
<b>NET ASSETS</b>	<b>\$ 286 058</b>	<b>\$ 407 030</b>
Investments at cost	\$ 281 909	\$ 406 254
<b>NET ASSETS, END OF PERIOD</b>		
<b>SERIES 0</b>	<b>\$ 286 058</b>	<b>\$ 407 030</b>
<b>NET ASSETS PER UNIT, END OF PERIOD</b>		
<b>SERIES 0</b>	<b>\$ 10.23</b>	<b>\$ 10.44</b>
<b>NET ASSET VALUE (TRANSACTIONAL NAV)</b>		
<b>PER UNIT, END OF PERIOD</b>		
(see note 3 in the generic notes)		
<b>SERIES 0</b>	<b>\$ 10.23</b>	<b>\$ 10.45</b>

**Statements of Operations** (unaudited) (in \$000s except per unit amounts)

For the periods ended September 30 (see note 2 in the generic notes)*	2013	2012
<b>EXPENSES (see notes – Fund Specific Information)</b>		
Administration fees	\$ 35	\$ 24
Board of Governors costs	1	1
<b>TOTAL EXPENSES</b>	<b>36</b>	<b>25</b>
Less expenses reimbursed by manager	–	(1)
<b>TOTAL EXPENSES NET OF REIMBURSEMENT</b>	<b>36</b>	<b>24</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>(36)</b>	<b>(24)</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS)</b>		
<b>ON INVESTMENTS</b>		
Net realized gain (loss) on investments	(10 475)	3 136
Change in unrealized gain (loss) on investments	(5 972)	(14 501)
Change in unrealized gain (loss) in value of forward contracts	9 341	18 248
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>(7 106)</b>	<b>6 883</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>		
<b>FROM OPERATIONS</b>	<b>\$ (7 142)</b>	<b>\$ 6 859</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>		
<b>FROM OPERATIONS</b>		
<b>SERIES 0</b>	<b>\$ (7 142)</b>	<b>\$ 6 859</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>		
<b>FROM OPERATIONS PER UNIT</b>		
<b>SERIES 0</b>	<b>\$ (0.22)</b>	<b>\$ 0.33</b>

\* Fund launched January 2012.

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

**Doug Coulter**  
Director

**Frank Lipa**  
Director

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



**Statements of Changes in Net Assets** (unaudited) (in \$000s)

For the periods ended September 30 (see note 2 in the generic notes)*	Series 0	
	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	<b>\$ 407 030</b>	<b>\$ 137 623</b>
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	<b>(7 142)</b>	<b>6 859</b>
Early redemption fees	–	–
Proceeds from units issued	<b>525</b>	161 693
Proceeds from reinvestment of distributions	–	–
Payments on redemption of units	<b>(114 355)</b>	–
<b>TOTAL UNIT TRANSACTIONS</b>	<b>(113 830)</b>	161 693
Distributions from net income	–	–
Distributions from net gains	–	–
Distributions from capital	–	–
<b>TOTAL DISTRIBUTIONS</b>	–	–
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>(120 972)</b>	168 552
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 286 058</b>	<b>\$ 306 175</b>

\* Fund launched January 2012.



September 30, 2013

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

The Fund's exposure to financial instrument risk is based on the Phillips, Hager & North Total Return Bond Trust as the Fund enters into a forward contract which indirectly attempts to replicate the return of the Phillips, Hager & North Total Return Bond Trust.

**Credit risk (%)**

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

Rating	September 30 2013	March 31 2013
AAA	18.8	12.8
AA	46.7	49.6
A	20.2	25.9
BBB	10.8	9.0
BB	1.1	1.0
B	2.3	1.6
Unrated	0.1	0.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

**Interest rate risk (%)**

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

Term to maturity	September 30 2013	March 31 2013
Less than 1 year	2.1	6.1
1 – 5 years	38.2	32.6
5 – 10 years	28.9	17.7
> 10 years	30.8	43.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

As at September 30, 2013, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 6.5% (March 31, 2013 – 6.1%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of September 30 and March 31, 2013 in the valuation of the Fund's financial instruments carried at fair value.

September 30, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	<b>278 307</b>	–	–	<b>278 307</b>
Mutual fund units	–	–	–	–
<b>Fixed-income and debt securities</b>	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	7 707	–	7 707
Derivatives – liabilities	–	–	–	–
<b>Total financial instruments</b>	<b>278 307</b>	<b>7 707</b>	–	<b>286 014</b>
<b>% of total portfolio</b>	<b>97.3</b>	<b>2.7</b>	–	<b>100.0</b>

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	408 624	–	–	408 624
Mutual fund units	–	–	–	–
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	(1 634)	–	(1 634)
<b>Total financial instruments</b>	<b>408 624</b>	<b>(1 634)</b>	–	<b>406 990</b>
<b>% of total portfolio</b>	<b>100.4</b>	<b>(0.4)</b>	–	<b>100.0</b>

For the periods ended September 30 and March 31, 2013, there were no transfers of financial instruments between Level 1 and Level 2.

**Management fees (see note 6 in the generic notes)**

No management fees are payable by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

**Operating expenses (see note 6 in the generic notes)**

The administration fee payable by Series O of the Fund is calculated at the following annual percentage, before GST/HST, of the daily net asset value of Series O of the Fund.

Series O	0.02%
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September 30, 2013

### Unitholders' equity (000s)

The unitholders' equity of the Fund includes amounts representing units, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of units available for issue. Units are purchased and redeemed at the transactional NAV per unit.

For the periods ended September 30  
(see note 2 in the generic notes)

	2013	2012
<b>Series 0</b>		
Opening units	38 998	13 720
Issued number of units	49	15 870
Reinvested number of units	–	–
Redeemed number of units	(11 071)	–
Ending number of units	27 976	29 590



STATEMENT OF INVESTMENT PORTFOLIO (unaudited) (in \$000s)  
**RBC HIGH YIELD BOND LP**

September 30, 2013

Holdings	Security	Cost	Fair Value	% of Net Assets
<b>CANADIAN EQUITIES</b>				
<b>Consumer Discretionary</b>				
158 085	Thomson Corp.	\$ 5 694	\$ 5 694	
96 575	Tim Hortons Inc.	5 699	5 767	
		11 393	11 461	<b>3.7</b>
<b>Consumer Staples</b>				
117 985	Saputo Group Inc.	5 699	5 766	
		5 699	5 766	<b>1.9</b>
<b>Energy</b>				
609 169	Canadian Natural Resources Ltd.	20 023	19 720	
837 514	Cenovus Energy Inc.	25 725	25 746	
1 406 996	Encana Corp.	25 725	25 045	
691 431	Suncor Energy Inc.	25 723	25 465	
		97 196	95 976	<b>31.2</b>
<b>Financials</b>				
1 436 406	Manulife Financial Corporation	25 721	24 476	
575 114	Power Corporation of Canada	17 041	16 724	
765 554	Sun Life Financial Inc.	25 723	25 187	
		68 485	66 387	<b>21.6</b>
<b>Industrials</b>				
5 119 092	Bombardier Inc., Class B	25 766	24 520	
194 270	Canadian National Railway Co.	20 023	20 276	
		45 789	44 796	<b>14.6</b>

Holdings	Security	Cost	Fair Value	% of Net Assets
<b>Materials</b>				
203 901	Agnico Eagle Mines Ltd.	\$ 5 689	\$ 5 560	
300 385	Barrick Gold Corp.	5 692	5 755	
226 813	Silver Wheaton Corp.	5 702	5 788	
709 044	Teck Resources Ltd., Class B	20 023	19 591	
		37 106	36 694	<b>12.0</b>
<b>Telecommunication Services</b>				
459 885	BCE Inc.	20 023	20 221	
460 731	Rogers Communications Inc., Class B	20 023	20 397	
		40 046	40 618	<b>13.2</b>
<b>TOTAL INVESTMENTS</b>				
		305 714	301 698	<b>98.2</b>
<b>UNREALIZED GAIN ON FORWARD CONTRACTS (SCHEDULE A)</b>				
		–	5 533	<b>1.8</b>
<b>TOTAL PORTFOLIO</b>				
		\$ 305 714	307 231	<b>100.0</b>
<b>OTHER NET ASSETS</b>				
			76	–
<b>NET ASSETS</b>				
			\$ 307 307	<b>100.0</b>

**SCHEDULE A**

**Forward Contracts**

As part of its investment strategy, the Fund has entered into a forward agreement under which it will swap its portfolio of Canadian securities in return for exposure to an investment in units of the reference fund. As a consequence of this forward contract, the Fund will forgo any benefits of an increase in the value of the Canadian securities.

Notional Number of Units	Reference Fund	Expiration Date	Counterparty	Counterparty Rating	Contracted Value	Unrealized Gain (Loss)
6 456 744	RBC High Yield Bond Trust*	17-Oct-13	Canadian Imperial Bank of Commerce	AA-	\$ 68 416	\$ 1 007
22 394 851	RBC High Yield Bond Trust*	17-Oct-13	Toronto-Dominion Bank	AA-	237 298	4 526
Total						\$ 5 533

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



**Statements of Net Assets** (unaudited) (in \$000s except per unit amounts)

(see note 2 in the generic notes)	September 30 2013	March 31 2013
<b>ASSETS</b>		
Investments at fair value	\$ 301 698	\$ 387 143
Cash	81	41
Due from investment dealers	1 000	–
Unrealized gain on forward contracts	5 533	–
<b>TOTAL ASSETS</b>	<b>308 312</b>	<b>387 184</b>
<b>LIABILITIES</b>		
Redemptions payable	1 000	–
Unrealized loss on forward contracts	–	1 557
Accounts payable and accrued expenses	5	6
<b>TOTAL LIABILITIES</b>	<b>1 005</b>	<b>1 563</b>
<b>NET ASSETS</b>	<b>\$ 307 307</b>	<b>\$ 385 621</b>
Investments at cost	\$ 305 714	\$ 385 237
<b>NET ASSETS, END OF PERIOD</b>		
<b>SERIES 0</b>	<b>\$ 307 307</b>	<b>\$ 385 621</b>
<b>NET ASSETS PER UNIT, END OF PERIOD</b>		
<b>SERIES 0</b>	<b>\$ 11.13</b>	<b>\$ 11.08</b>
<b>NET ASSET VALUE (TRANSACTIONAL NAV)</b>		
<b>PER UNIT, END OF PERIOD</b>		
(see note 3 in the generic notes)		
<b>SERIES 0</b>	<b>\$ 11.13</b>	<b>\$ 11.10</b>

**Statements of Operations** (unaudited) (in \$000s except per unit amounts)

For the periods ended September 30 (see note 2 in the generic notes)*	2013	2012
<b>EXPENSES (see notes – Fund Specific Information)</b>		
Administration fees	\$ 35	\$ 21
Board of Governors costs	1	1
Interest on bank overdraft	1	–
<b>TOTAL EXPENSES</b>	<b>37</b>	<b>22</b>
Less expenses reimbursed by manager	–	(1)
<b>TOTAL EXPENSES NET OF REIMBURSEMENT</b>	<b>37</b>	<b>21</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>(37)</b>	<b>(21)</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS)</b>		
<b>ON INVESTMENTS</b>		
Net realized gain (loss) on investments	275	11 704
Change in unrealized gain (loss) on investments	(5 922)	(13 648)
Change in unrealized gain (loss) in value of forward contracts	7 090	13 082
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>1 443</b>	<b>11 138</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>		
<b>FROM OPERATIONS</b>	<b>\$ 1 406</b>	<b>\$ 11 117</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>		
<b>FROM OPERATIONS</b>		
<b>SERIES 0</b>	<b>\$ 1 406</b>	<b>\$ 11 117</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>		
<b>FROM OPERATIONS PER UNIT</b>		
<b>SERIES 0</b>	<b>\$ 0.05</b>	<b>\$ 0.58</b>

\* Fund launched January 2012.

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

**Doug Coulter**  
Director

**Frank Lipa**  
Director

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



**Statements of Changes in Net Assets** (unaudited) (in \$000s)

For the periods ended September 30 (see note 2 in the generic notes)*	Series 0	
	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	<b>\$ 385 621</b>	<b>\$ 126 983</b>
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	<b>1 406</b>	<b>11 117</b>
Early redemption fees	–	–
Proceeds from units issued	<b>625</b>	136 081
Proceeds from reinvestment of distributions	–	–
Payments on redemption of units	<b>(80 345)</b>	–
<b>TOTAL UNIT TRANSACTIONS</b>	<b>(79 720)</b>	<b>136 081</b>
Distributions from net income	–	–
Distributions from net gains	–	–
Distributions from capital	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>–</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>(78 314)</b>	<b>147 198</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 307 307</b>	<b>\$ 274 181</b>

\* Fund launched January 2012.



September 30, 2013

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

The Fund's exposure to financial instrument risk is based on the RBC High Yield Bond Trust as the Fund enters into a forward contract which indirectly attempts to replicate the return of the RBC High Yield Bond Trust.

**Credit risk (%)**

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

Rating	September 30 2013	March 31 2013
A	1.8	1.2
BBB	8.2	16.5
BB	46.2	40.5
B	42.7	40.4
CCC	1.1	1.4
Total	100.0	100.0

**Interest rate risk (%)**

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

Term to maturity	September 30 2013	March 31 2013
Less than 1 year	–	0.1
1 – 5 years	18.4	25.8
5 – 10 years	81.0	71.2
> 10 years	0.6	2.9
Total	100.0	100.0

As at September 30, 2013, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 4.1% (March 31, 2013 – 3.5%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of September 30 and March 31, 2013 in the valuation of the Fund's financial instruments carried at fair value.

September 30, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	<b>301 698</b>	–	–	<b>301 698</b>
Mutual fund units	–	–	–	–
<b>Fixed-income and debt securities</b>	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	5 533	–	5 533
Derivatives – liabilities	–	–	–	–
<b>Total financial instruments</b>	<b>301 698</b>	<b>5 533</b>	–	<b>307 231</b>
<b>% of total portfolio</b>	<b>98.2</b>	<b>1.8</b>	–	<b>100.0</b>

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	387 143	–	–	387 143
Mutual fund units	–	–	–	–
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	(1 557)	–	(1 557)
<b>Total financial instruments</b>	<b>387 143</b>	<b>(1 557)</b>	–	<b>385 586</b>
<b>% of total portfolio</b>	<b>100.4</b>	<b>(0.4)</b>	–	<b>100.0</b>

For the periods ended September 30 and March 31, 2013, there were no transfers of financial instruments between Level 1 and Level 2.

**Management fees (see note 6 in the generic notes)**

No management fees are payable by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

**Operating expenses (see note 6 in the generic notes)**

The administration fee payable by Series O of the Fund is calculated at the following annual percentage, before GST/HST, of the daily net asset value of Series O of the Fund.

Series O	0.02%
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September 30, 2013

### Unitholders' equity (000s)

The unitholders' equity of the Fund includes amounts representing units, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of units available for issue. Units are purchased and redeemed at the transactional NAV per unit.

For the periods ended September 30  
(see note 2 in the generic notes)

	2013	2012
<b>Series 0</b>		
Opening units	34 797	12 486
Issued number of units	56	13 086
Reinvested number of units	–	–
Redeemed number of units	(7 239)	–
Ending number of units	27 614	25 572



## 1. The Funds

The mutual funds (“Fund” or “Funds”) are limited partnerships formed under the laws of the Province of Ontario and governed by a Limited Partnership Agreement. RBC GAM is the manager and portfolio advisor of the Funds.

The Funds may issue an unlimited number of Series O units.

Series O units have no management fees. Series O unitholders pay a negotiated fee directly to RBC GAM.

## 2. Financial year/period

The information provided in these financial statements and notes thereto is for the six-month period ended September 30, 2013 and 2012, or as at September 30, 2013 and March 31, 2013. In the year a Fund or series is established, “period” represents the period from inception to March 31 of that fiscal year.

## 3. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”), which include estimates and assumptions made by management that may affect the reported amounts of assets (primarily valuation of investments), liabilities, income and expenses during the reported period. Actual results may differ from estimates. The significant accounting policies of the Funds are as follows:

**Valuation of Investments** The valuation methods used to calculate the daily net asset value to transact units of the Funds (“transactional NAV”), as described in the Funds’ Annual Information Form, are not identical to the GAAP accounting policies used to determine the financial statement net assets (“net assets”) described below. The primary difference between net assets and transactional NAV relates to valuation of actively traded securities at bid prices for net assets and at last sale prices for transactional NAV.

In accordance with the Canadian Institute of Chartered Accountants (“CICA”) Handbook Section 3862, *Financial Instruments – Disclosures*, the Funds’ financial instruments are measured at fair value using a three-tier hierarchy based on inputs used to value the Funds’ investments and derivatives. The hierarchy of inputs is summarized below:

*Level 1* – quoted prices (unadjusted) in active markets for identical assets or liabilities;

*Level 2* – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

*Level 3* – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Changes in valuation methods may result in transfers into or out of an investment’s assigned level.

The three-tier hierarchy of investments and derivatives is included in “Notes to Financial Statements – Fund Specific Information.”

Investments are recorded at fair value, which is determined as follows:

*Equities* – Common shares are valued at the closing bid price recorded by the security exchange on which the security is principally traded.

*Forward Contracts* – The Funds have entered into forward agreements in order to earn the economic return of the reference funds. The value of the forward contract is calculated by subtracting the fair value of the total investments of the Fund from the fair value of the notional units of the reference fund on the valuation date. Any gain or loss at the close of business on each valuation date is recorded in the Statements of Operations. The net receivable/payable on forward contracts is recorded separately in the Statements of Net Assets.

*Mutual Fund Unit Valuation* – Units of Funds are valued at their respective transactional NAV per unit received from fund companies on the relevant valuation dates.

*Fair Valuation of Investments (including unlisted securities)* – If the valuation methods described above are not appropriate, RBC GAM will estimate the fair value of an investment using established fair valuation procedures, such as consideration of public information, broker quotes, valuation models, fundamental analysis, matrix pricing, discounts from market prices of similar securities or discounts applied due to restrictions on the disposition of securities, and external fair value service providers.



Procedures are in place to determine the fair value of foreign securities traded in countries outside North America daily, to avoid stale prices and to take into account, among other things, any significant events occurring after the close of a foreign market. This fair valuation process takes into account the last quoted price of the security and adjusts the price based on inputs such as related indices, changes in foreign markets and American Depositary Receipts (“ADR”) prices. These securities are classified as Level 2.

**Valuation of Series** The net asset value of a particular series of units is computed by calculating the value of the series’ proportionate share of the assets and liabilities of the Fund common to all series less the liabilities of the Fund attributable only to that series. Expenses directly attributable to a series are charged to that series. Other expenses are allocated proportionately to each series based upon the relative net asset value of each series. Expenses are accrued daily.

**Investment Transactions** Investment transactions are accounted for as of the trade date. The period change in the difference between fair value and average cost of securities represents unrealized gains and losses. The basis of determining the cost of portfolio assets, and realized and unrealized gains and losses on investments, is average cost.

**Income Recognition** Dividend income is recognized on the ex-dividend date and interest income is recognized on an accrual basis.

**Increase (Decrease) in Net Assets from Operations Per Unit** Increase (decrease) in net assets from operations per unit in the Statements of Operations represents the increase (decrease) in net assets from operations by series, divided by the average units outstanding per series during the period.

**Early Redemption Fees** Early redemption fees (short-term trading fees) are paid directly to a Fund and are designed to deter excessive trading and its associated costs. With the exception of money market funds, a Fund may apply a fee of 2% of the current value of units if the unitholder redeems or switches out units within seven days of purchasing or previously switching into a Fund.

#### 4. Financial instrument risk and capital management

RBC GAM is responsible for managing each Fund’s capital, which is its net assets and consists primarily of its financial instruments.

A Fund’s investment activities expose it to a variety of financial risks. RBC GAM seeks to minimize potential adverse effects of these risks on a Fund’s performance by employing professional, experienced portfolio advisors, daily monitoring of the Fund’s holdings and market events, diversifying its investment portfolio within the constraints of its investment objectives, and, in some cases, periodically hedging certain risk exposures through the use of derivatives. To assist in managing risks, RBC GAM also uses internal guidelines, maintains a governance structure that oversees each Fund’s investment activities and monitors compliance with the Fund’s investment strategies, internal guidelines and securities regulations.

##### **Liquidity risk**

Liquidity risk is the possibility that investments in a Fund cannot be readily converted into cash when required. A Fund is exposed to daily cash redemptions of redeemable units. Liquidity risk is managed by investing the majority of a Fund’s assets in investments that are traded in an active market and that can be readily disposed. In accordance with securities regulations, a Fund must maintain at least 90% of its assets in liquid investments. In addition, a Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions.

##### **Credit risk**

Credit risk is the risk that a loss could arise from a security issuer or counterparty not being able to meet its financial obligations. The carrying amount of investments and other assets represents the maximum credit risk exposure as disclosed in a Fund’s Statements of Net Assets. The fair value of fixed-income and debt securities includes a consideration of the credit worthiness of the debt issuer. Credit risk exposure to over-the-counter derivative instruments is based on a Fund’s unrealized gain on the contractual obligations with the counterparty. RBC GAM monitors each Fund’s credit exposure and counterparty ratings daily.





### **Interest rate risk**

Interest rate risk is the risk that the fair value of a Fund's interest-bearing investments will fluctuate due to changes in market interest rates. The value of fixed-income and debt securities, such as bonds, debentures, mortgages or other income-producing securities, is affected by interest rates. Generally, the value of these securities increases if interest rates fall and decreases if interest rates rise.

### **Currency risk**

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of a Fund, will fluctuate due to changes in foreign exchange rates. The value of investments denominated in a currency other than Canadian dollars is affected by changes in the value of the Canadian dollar or a Fund's functional currency, in relation to the value of the currency in which the investment is denominated. When the value of the Canadian dollar falls in relation to foreign currencies, then the value of foreign investments rises. When the value of the Canadian dollar rises, the value of foreign investments falls.

### **Other price risk**

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment.

## **5. Taxes**

The Fund is a limited partnership and will not be subject to income tax on its income or gains. Instead, the income or loss, and any net capital gains or capital losses of a Fund will be computed as if the Fund were a separate person and each investor in the Fund will be treated as earning its share of the income, loss, capital gains and capital losses of the Fund for the fiscal year, whether or not the investor receives any distributions from the Fund. Accordingly, an investor will be treated as earning its share of any dividends from taxable Canadian corporations, capital gains or losses, and foreign source income on which foreign tax has been paid, as well as any other types of income or losses realized by the Fund.

## **6. Administrative and other related-party transactions**

### **General Partner, Manager, Portfolio Advisor and Principal Distributor**

The general partner of the Funds is RBC Corporate Class GP Inc. (the "General Partner"). Under the Limited Partnership Agreement, the General Partner is entitled to 0.01% of the net income of a Fund (up to a maximum of \$3,000 per year) and 0.01% of the net loss of a Fund. The General Partner of the Funds has delegated the responsibility for the direction of all day-to-day business, operations and affairs of the Funds to RBC GAM pursuant to a Master Management Agreement.

RBC GAM is the manager, portfolio advisor and principal distributor of the Funds. RBC GAM is responsible for the Funds' day-to-day operations, holds title to the Funds' property on behalf of its unitholders, and provides investment advice and portfolio management services to the Funds. RBC GAM is paid a management fee by the Funds as compensation for its services. No management fees are paid by the Funds with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

The Funds pay a fixed administration fee to RBC GAM. RBC GAM in turn pays certain operating expenses of the Funds. These expenses include regulatory filing fees and other day-to-day operating expenses including, but not limited to, recordkeeping, accounting and fund valuation costs, custody fees, audit and legal fees and the costs of preparing and distributing annual and semi-annual reports, prospectuses, statements and investor communications.

Notwithstanding the fixed administration fee, the Funds also pay certain operating expenses directly, including the costs related to the Board of Governors ("BoG") of the Funds and the cost of any new government or regulatory requirements introduced and any borrowing costs (collectively, *other fund costs*), and taxes (including, but not limited to, GST/HST). Other fund costs will be allocated among each series of units of a fund in accordance with the services used. RBC GAM may, in some years and in certain cases, absorb a portion of operating expenses. The decision to absorb the operating expenses is reviewed annually and determined at the discretion of RBC GAM, without notice to unitholders.

Certain Funds may invest directly or indirectly in units of other funds managed by RBC GAM or its affiliates.



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

**Custodian**

RBC Investor Services Trust (“RBC IS”) is the custodian and holds the assets of the Funds.

**Registrar**

RBC IS is the registrar of the Funds and keeps records of who owns the units of the Funds.

**Brokerage**

The Funds have established standard brokerage agreements at market rates with related-party brokerages.

**Other Related-Party Transactions**

Pursuant to applicable securities legislation, the Funds relied on the standing instructions from the BoG in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

*Related-Party Trading Activities*

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

*Inter-Fund Trading*

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or

associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Funds, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Funds. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.

**7. Future accounting changes**

***International Financial Reporting Standards***

The Funds will be required to adopt the International Financial Reporting Standards (“IFRS”) beginning in their fiscal 2015 year. In preparation to meet the requirements, RBC GAM has taken the following steps in managing the transition to IFRS:

- (a) established a committee for the development and implementation of a transition plan and to provide oversight of the transition to IFRS;
- (b) commenced activities to identify key issues and the likely impacts resulting from the adoption of IFRS; and
- (c) initiated analysis to reconfigure accounting systems used by the Funds.

The key elements of the plan currently include the disclosures of the quantitative impact, if any, in the comparative 2014 financial statements and the preparation of the 2015 financial statements in accordance with IFRS.

Since IFRS standards are constantly evolving, the major qualitative impacts based on standards approved to date are the addition of a cash flow statement and the impact of classification of puttable instruments, the units of the Fund, as a liability or as an equity.

Regardless of the financial statement impacts, RBC GAM has presently determined that there will be no quantitative impact to the transactional NAV of each series as a result of the changeover to IFRS.



The advisory Board of Governors of the RBC Funds was established in 1994 specifically to provide advice to the fund manager regarding conflicts of interest in mutual fund management.

On December 1, 2006, the Board of Governors and RBC Global Asset Management Inc. completed the regulatory requirements necessary to allow the RBC Funds to be the first to take full advantage of the benefits of independent fund governance provided by National Instrument 81-107. Building on its long history of leadership in fund governance, RBC Global Asset Management Inc. established the Board of Governors as the independent review committee of the RBC Funds. All of the members of the Board of Governors are independent of RBC Global Asset Management Inc. and RBC Financial Group.

In its capacity as the independent review committee, the Board of Governors provides input on conflict of interest matters in respect of RBC Global Asset Management Inc. and the RBC Underlying Funds. At least once per year, the Board of Governors reviews and assesses the adequacy and effectiveness of the fund manager's policies and procedures relating to conflict of interest matters.

The Board of Governors is responsible for reviewing and assessing the independence of its members, the compensation of its members, and the effectiveness of the Board of Governors, its subcommittees and its members. In order to effectively manage its workload, the Board of Governors has three subcommittees: the Financial Advisory Committee, the Investment Conflicts Committee and the Governance Committee.

The Board of Governors has also been asked by RBC Global Asset Management Inc. to maintain its important role of providing advice on other issues relating to the management of the RBC Underlying Funds. This includes the role of the Financial Advisory Committee of the Board of Governors to provide advice concerning financial reporting, the audit process and financial internal controls.

The annual report of the Board of Governors describing its activities as the independent review committee of the RBC Corporate Class Funds and RBC Underlying Funds is available on the website at [www.rbcgam.com/funds](http://www.rbcgam.com/funds) and on SEDAR at [www.sedar.com](http://www.sedar.com).

If you have any questions or comments about the Board of Governors or its committees, please let us know by contacting Judy Cotte, Secretary to the Board of Governors, at the address below.

**Lloyd R. McGinnis, OC, PEng**

Chair of the Board of Governors

**Board of Governors**

Attention: Judy Cotte  
RBC Global Asset Management Inc.  
P.O. Box 7500, Station A  
Toronto, Ontario M5W 1P9

## Board of Governors

**Lloyd R. McGinnis**

**Chair of the Board of Governors**

Director, Airport Site Development  
Winnipeg Airports Authority

**Michael G. Thorley<sup>1,4</sup>**

**Vice Chair of the Board of Governors**

Retired Lawyer  
Toronto, Ontario

**Selwyn B. Kossuth<sup>1,3</sup>**

Financial Consultant  
Mississauga, Ontario

**Charles F. Macfarlane<sup>1,3</sup>**

Corporate Director  
Toronto, Ontario

**Linda S. Petch<sup>1,3</sup>**

Principal  
Linda S. Petch Governance Services  
Victoria, British Columbia

**Élaine Cousineau Phénix<sup>5</sup>**

President  
Phénix Capital Inc.  
Montreal, Quebec

**Mary C. Ritchie<sup>2,3</sup>**

President  
Richford Holdings Ltd.  
Edmonton, Alberta

**Joseph P. Shannon<sup>6</sup>**

President  
Atlantic Corporation  
Port Hawkesbury, Nova Scotia

**James W. Yuel<sup>6</sup>**

Chair  
PIC Investment Group Inc.  
Saskatoon, Saskatchewan

- <sup>1</sup> Member of the Financial Advisory Committee
- <sup>2</sup> Chair of the Financial Advisory Committee
- <sup>3</sup> Member of the Investment Conflicts Committee
- <sup>4</sup> Chair of the Investment Conflicts Committee
- <sup>5</sup> Chair of the Governance Committee
- <sup>6</sup> Member of the Governance Committee



FIXED-INCOME TRUST

## RBC BOND TRUST

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September 30, 2013

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

The Board of Directors of RBC Global Asset Management Inc. approved this semi-annual management report of fund performance on November 7, 2013.

### A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

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*This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual financial statements or the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at [www.rbcgam.com/funds](http://www.rbcgam.com/funds) or SEDAR at [www.sedar.com](http://www.sedar.com). Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.*



September 30, 2013

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

The Fund seeks to provide long-term total returns consisting of income and moderate capital growth by investing primarily in high-quality fixed-income securities issued by Canadian governments and corporations. The Fund may also provide exposure to similar securities outside of Canada.

To achieve the investment objective of the Fund, the portfolio manager uses a disciplined approach to assess opportunities linked to the overall direction of interest rates in Canada, the U.S. and other major economies; expected changes in interest-rate spreads between different segments of the bond market; and anticipated changes in interest-rate spreads associated with a change in individual credit ratings or quality perceptions.

### Results of Operations

The Fund was launched on October 31, 2012, and its net asset value was \$29 million as of September 30, 2013. Investment performance is not provided for a fund that has been available for less than one year.

### Recent Developments

The U.S. Federal Reserve's surprise decision in mid-September to delay a reduction in economic stimulus suggests that policymakers are awaiting additional improvement in the economy before proceeding. The portfolio manager still believes that yields will continue to rise, albeit at a slower pace than previously expected.

The volatility in fixed-income markets has caused some short-term losses but provided opportunities for the Fund to accumulate attractively priced assets. With bond yields expected to increase gradually over the next year, the portfolio manager will be adjusting the portfolio's holdings to protect against losses tied to interest-rate sensitivity. Assuming that economic conditions in the U.S. and Canada do not deteriorate, corporate and emerging-market bonds should outperform government bonds over the next year. The Fund will maintain a preference for non-government bonds, with diversified investments and currency trading expected to enhance returns.

### Related-Party Transactions

#### *Manager, Trustee, Portfolio Advisor and Principal Distributor*

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee, portfolio advisor and principal distributor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, holds title to the Fund's property on behalf of its unitholders, and provides investment advice and portfolio management services to the Fund. Unitholders pay a negotiated fee directly to RBC GAM as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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

#### *Custodian*

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

#### *Registrar*

RBC IS is the registrar of the Fund and keeps records of who owns the units of the Fund.

#### *Other Related-Party Transactions*

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

#### *Related-Party Trading Activities*

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

#### *Inter-Fund Trading*

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



September 30, 2013

**FINANCIAL HIGHLIGHTS**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

**Change in Net Assets Per Unit (\$)**

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>						Annual Distributions <sup>2</sup>				Net Assets End of Year/Period
		Total	Realized		Unrealized		From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	
		Revenue (Loss)	Total Expenses	Gains (Losses)	Gains (Losses)	Total						
<b>Series 0</b>												
<b>Sept. 30, 2013</b>	<b>10.10</b>	<b>0.19</b>	—	<b>(0.05)</b>	<b>(0.36)</b>	<b>(0.22)</b>	—	—	—	—	—	<b>9.88</b>
<b>Mar. 31, 2013<sup>3</sup></b>	<b>10.00<sup>†</sup></b>	<b>0.15</b>	—	<b>0.01</b>	<b>0.03</b>	<b>0.19</b>	<b>(0.06)</b>	—	—	—	<b>(0.06)</b>	<b>10.09</b>

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

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

<sup>3</sup> From October 31, 2012.

<sup>†</sup> Initial offering net asset value per unit.

**Ratios and Supplemental Data**

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series 0</b>							
<b>Sept. 30, 2013</b>	<b>9.89</b>	<b>28 657</b>	<b>2 900</b>	<b>0.04</b>	<b>0.04</b>	<b>31.72</b>	—
<b>Mar. 31, 2013<sup>4</sup></b>	<b>10.10</b>	<b>34 467</b>	<b>3 415</b>	<b>0.03</b>	<b>0.03</b>	<b>5.66</b>	—

<sup>1</sup> The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

<sup>4</sup> From October 31, 2012.





September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager, trustee and portfolio advisor of the Fund.

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

**PAST PERFORMANCE**

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

**SUMMARY OF INVESTMENT PORTFOLIO**

*(after consideration of derivative products, if any)*

*As at September 30, 2013*

**Investment Mix**

	% of Net Asset Value
Corporate Bonds	43.6
Provincial/Municipal Bonds	40.0
Federal Bonds	5.8
High Yield Bonds	2.7
Emerging Market Bonds	2.5
Foreign Bonds	2.1
Cash/Other	3.3

**Top 25 Holdings**

	% of Net Asset Value
<b>Long Positions</b>	
Province of Ontario 2.850% Jun 2 23	3.9
Province of Ontario 1.900% Sep 8 17	2.7
Province of Ontario 4.200% Jun 2 20	2.4
Cash & Cash Equivalents	2.2
Province of Ontario 4.650% Jun 2 41	2.2
Canada Housing Trust No. 1 3.350% Dec 15 20	2.0
Province of Ontario 3.500% Jun 2 43	2.0
Province of Ontario 6.500% Mar 8 29	1.9
Province of Quebec 3.000% Sep 1 23	1.8
Province of Ontario 3.150% Jun 2 22	1.6
Province of Ontario 4.600% Jun 2 39	1.5
Province of Ontario 2.100% Sep 8 18	1.4
Province of Ontario 4.400% Jun 2 19	1.3
Province of Quebec 5.000% Dec 1 41	1.2
Province of Ontario 4.000% Jun 2 21	1.2
Province of Ontario 4.300% Mar 8 17	1.2
Province of Ontario 4.700% Jun 2 37	1.1
Government of Canada 1.500% Jun 1 23	1.0
Canadian Imperial Bank of Commerce 2.220% Mar 7 18	1.0
BlueBay Emerging Markets Corporate Bond Fund	0.9
Canada Housing Trust No. 1 2.650% Mar 15 22	0.9
Province of Quebec 4.250% Dec 1 43	0.9
Government of Canada 3.500% Jun 1 20	0.8
<b>Total</b>	<b>37.1</b>
<b>Short Positions</b>	
United States 10-Year Note Future, December 2013	(4.5)
United States 5-Year Note Future, December 2013	(1.6)
<b>Total</b>	<b>(6.1)</b>

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/funds](http://www.rbcgam.com/funds).



FIXED-INCOME TRUST

**PHILLIPS, HAGER & NORTH  
TOTAL RETURN BOND TRUST**

September 30, 2013

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

The Board of Directors of RBC Global Asset Management Inc. approved this semi-annual management report of fund performance on November 7, 2013.

**A Note on Forward-looking Statements**

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

*This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual financial statements or the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at [www.rbcgam.com/funds](http://www.rbcgam.com/funds) or SEDAR at [www.sedar.com](http://www.sedar.com). Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.*





## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

The Fund seeks to generate interest income and provide stability of capital by investing primarily in a well-diversified portfolio of fixed-income securities issued by Canadian governments and corporations.

To achieve its investment objective, the Fund invests primarily in medium- to high-quality corporate bonds and government bonds of Canadian issuers and may also invest in securities of U.S. and other foreign issuers. The Fund may also invest in Canadian asset-backed commercial paper to enhance its return. The average term to maturity of the portfolio is managed within strict guidelines, and typically falls between seven and 12 years.

### Results of Operations

The Fund's net asset value was \$286 million as of September 30, 2013.

Over the past six months, the Fund's units lost 1.9%. The Fund's return is after the deduction of fees and expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for information on returns.

The Fund began the period positioned such that it would be less susceptible to the negative effect of rising interest rates on bond prices. Rates did, in fact, rise substantially after the U.S. Federal Reserve suggested that it might begin as early as the fall to scale back bond purchases aimed at stimulating the economy. The Fund's relative performance benefited from this strategy and somewhat offset the outright decline in bond prices caused by the rapid rise in rates.

The Fund was overweight both provincial and corporate bonds during the period and these preferences were good for relative performance. The portfolio manager traded between provincial bonds and government-backed securities issued by Canada Housing Trust based on the relative attractiveness of their yields and this tactic aided returns. Premiums on provincial yields have been grinding higher over the past two years, creating compelling yield levels for a relatively low-risk area of the market.

The premium on corporate yields has taken the opposite tack over the past two years, with yields falling relative to benchmark bonds as corporate earnings rose and default rates remained low. Nonetheless, corporate yields have still not fully recovered from the 2008/2009 financial crisis and remain attractive compared to historic levels. The portfolio manager increased the Fund's overall corporate allocation during the period. In the area of high-yield bonds, the Fund's allocation rose to 4% from 3%. High-yield bonds have been strong performers and provide a meaningful boost to the Fund's yield. The portfolio manager's corporate and high-yield strategies were the biggest contributors to relative outperformance.

Portfolio turnover for the Fund is normally high as the portfolio manager attempts to generate better returns through active fund management.

### Recent Developments

Interest rates increased substantially this spring and summer, catching up with the higher rates implied by steady, if not spectacular, economic growth. The increase in yields made longer-term fixed-income assets more attractive and brought rates closer to fair value and the portfolio manager used this opportunity to increase the Fund's average term to maturity.

Provincial bond premiums remain at their highest levels since the 2009 financial crisis and corporate bonds are attractively priced given current levels of earnings and economic growth. The portfolio manager is cognizant of increasing merger and acquisition activity (Loblaw's proposed purchase of Shoppers Drug Mart, for example) and is therefore reducing exposure to companies that would take on higher levels of debt to finance transactions.

Rising interest rates, while detrimental to short-term performance, are a healthy and welcome development for bond markets over the long run. The Fund's yield is well above the Bank of Canada's 2% inflation target, putting the Fund in a better position to generate levels of income that will preserve investors' purchasing power.

### Related-Party Transactions

#### *Manager, Trustee, Portfolio Advisor and Principal Distributor*

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee, portfolio advisor and principal distributor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, holds title to the Fund's property on behalf of its unitholders, and provides investment advice and portfolio management services to the Fund. Unitholders pay a negotiated fee directly to RBC GAM as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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#### *Registrar*

RBC IS is the registrar of the Fund and keeps records of who owns the units of the Fund.



***Other Related-Party Transactions***

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

***Related-Party Trading Activities***

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

***Inter-Fund Trading***

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



September 30, 2013

**FINANCIAL HIGHLIGHTS**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

**Change in Net Assets Per Unit (\$)**

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series 0</b>												
<b>Sept. 30, 2013</b>	<b>10.26</b>	<b>0.18</b>	—	<b>(0.13)</b>	<b>(0.25)</b>	<b>(0.20)</b>	—	—	—	—	—	<b>10.06</b>
Mar. 31, 2013	10.03	0.37	—	0.04	0.02	0.43	(0.25)	—	—	—	(0.25)	10.25
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.09	—	—	(0.06)	0.03	—	—	—	—	—	10.03

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

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

<sup>3</sup> From January 1, 2012.

<sup>†</sup> Initial offering net asset value per unit.

**Ratios and Supplemental Data**

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series 0</b>							
<b>Sept. 30, 2013</b>	<b>10.07</b>	<b>286 030</b>	<b>28 445</b>	<b>0.02</b>	<b>0.02</b>	<b>331.25</b>	—
Mar. 31, 2013	10.26	407 500	39 730	0.02	0.02	272.53	—
Mar. 31, 2012 <sup>4</sup>	10.04	137 659	13 708	0.02	0.02	32.02	—

<sup>1</sup> The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

<sup>4</sup> From January 1, 2012.



September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager, trustee and portfolio advisor of the Fund.

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

**PAST PERFORMANCE**

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

**Year-by-Year Returns (%)**

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year or interim period.



<sup>1</sup> Inception date January 1, 2012.

For the 12-month periods ended March 31 and the six-month period ended September 30, 2013.

**SUMMARY OF INVESTMENT PORTFOLIO**

*(after consideration of derivative products, if any)*

*As at September 30, 2013*

**Investment Mix**

	% of Net Asset Value
Corporate Bonds	44.4
Provincial/Municipal Bonds	30.0
Federal Bonds	14.1
High Yield Bonds	4.0
Foreign Bonds	2.7
Cash/Other	4.8

**Top 25 Holdings**

	% of Net Asset Value
Province of Ontario 7.600% Jun 2 27	5.3
Phillips, Hager & North High Yield Bond Fund	4.3
Province of Ontario 3.150% Jun 2 22	4.0
Province of Ontario 5.600% Jun 2 35	3.7
Canada Housing Trust No. 1 4.100% Dec 15 18	3.1
Canada Housing Trust No. 1 3.800% Jun 15 21	2.5
Canada Housing Trust No. 1 1.750% Jun 15 18	2.4
Province of Ontario 8.100% Sep 8 23	2.3
Canada Housing Trust No. 1 2.050% Jun 15 18	2.3
Province of Ontario 2.850% Jun 2 23	2.1
Province of Ontario 4.600% Jun 2 39	2.1
Bank of Nova Scotia 6.000% Oct 3 18	1.7
Province of Ontario 4.650% Jun 2 41	1.5
Royal Bank of Canada 2.680% Dec 8 16	1.4
Cash & Cash Equivalents	1.3
Province of Quebec 6.250% Jun 1 32	1.3
Government of Canada 4.250% Dec 1 21	1.2
Cards II Trust 1.984% Jan 15 16	1.2
Ontario Electricity Financial Corp. 8.250% Jun 22 26	1.1
Province of Ontario 8.500% Dec 2 25	1.1
Canadian Imperial Bank of Commerce 1.750% Jun 1 16	1.0
Province of Ontario 6.500% Mar 8 29	1.0
Bank of Montreal 2.240% Dec 11 17	1.0
Royal Bank of Canada 2.580% Apr 13 17	1.0
Province of Ontario 5.850% Mar 8 33	1.0
<b>Top 25 Holdings</b>	<b>50.9</b>

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/funds](http://www.rbcgam.com/funds).



FIXED-INCOME TRUST

## RBC HIGH YIELD BOND TRUST

September 30, 2013

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

The Board of Directors of RBC Global Asset Management Inc. approved this semi-annual management report of fund performance on November 7, 2013.

### A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

*This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual financial statements or the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at [www.rbcgam.com/funds](http://www.rbcgam.com/funds) or SEDAR at [www.sedar.com](http://www.sedar.com). Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.*



September 30, 2013

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

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

To achieve its investment objective, the Fund invests primarily in debt securities rated from BBB to B by Standard & Poor's or an equivalent credit-rating company. The portfolio manager employs a value-focused philosophy, striving to invest in quality companies having stable to improving credit profiles, which are considered undervalued.

### Results of Operations

The Fund's net asset value was \$308 million as of September 30, 2013.

Over the past six months, the Fund's units gained 0.5%. The Fund's return is after the deduction of fees and expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for information on returns.

For much of the six-month period, fixed-income returns were hurt by rising U.S. government-bond yields, as a long period of historically low interest rates came to an end. While demand for income, coupled with strong corporate earnings, had supported the high-yield market, yields on higher-yielding securities began to rise in May, following the trend of government bonds. The overall increase in yields came as policymakers at the U.S. Federal Reserve ("Fed") signaled that they would reduce monetary stimulus sooner than expected if warranted by faster U.S. economic growth. Once the volatility in government yields subsided, high-yield bond prices recovered somewhat and outperformed government and investment-grade bonds amid a generally favourable macroeconomic environment.

The Fund's cash levels were higher than normal in early April. As yields started to rise in May and June and bond prices started to fall, the portfolio manager took advantage of the increased volatility by selling some of the Fund's higher-quality Canadian investment-grade names and used the proceeds to buy lower-rated U.S. corporate bonds, which had fallen in price. The portfolio manager was of the view that the currently strong fundamentals underpinning the high-yield bond market would reassert themselves and allow lower-quality bonds to outperform government bonds once volatility in the government bond market subsided. This is, in fact, what happened.

### Recent Developments

Bond prices have been climbing since the Fed unexpectedly delayed reducing stimulus measures in late September. The reluctance of policymakers to scale back stimulus suggests that they will remain consistent in this regard until the U.S. economy begins to grow faster. However, the low-growth environment should be favourable for corporate bonds as long as company earnings remain strong and corporate-default rates well below historical averages. Yields on high-yield bonds continue to be attractive relative to other fixed-income assets and the portfolio manager continues to look for opportunities to add attractively valued corporate bonds to the Fund.

### Related-Party Transactions

#### *Manager, Trustee, Portfolio Advisor and Principal Distributor*

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee, portfolio advisor and principal distributor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, holds title to the Fund's property on behalf of its unitholders, and provides investment advice and portfolio management services to the Fund. Unitholders pay a negotiated fee directly to RBC GAM as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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

#### *Custodian*

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

#### *Registrar*

RBC IS is the registrar of the Fund and keeps records of who owns the units of the Fund.



September 30, 2013

***Other Related-Party Transactions***

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

***Related-Party Trading Activities***

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

***Inter-Fund Trading***

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



September 30, 2013

**FINANCIAL HIGHLIGHTS**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past six months (noted by September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

**Change in Net Assets Per Unit (\$)**

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
<b>Series 0</b>												
<b>Sept. 30, 2013</b>	<b>10.60</b>	<b>0.33</b>	—	<b>(0.11)</b>	<b>(0.16)</b>	<b>0.06</b>	—	—	—	—	—	<b>10.62</b>
Mar. 31, 2013	10.17	0.65	—	(0.08)	0.35	0.92	(0.56)	—	—	—	(0.56)	10.57
Mar. 31, 2012 <sup>3</sup>	10.00 <sup>†</sup>	0.14	—	0.05	(0.15)	0.04	—	—	—	—	—	10.17

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

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

<sup>3</sup> From January 1, 2012.

<sup>†</sup> Initial offering net asset value per unit.

**Ratios and Supplemental Data**

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series 0</b>							
<b>Sept. 30, 2013</b>	<b>10.66</b>	<b>306 431</b>	<b>28 852</b>	<b>0.02</b>	<b>0.02</b>	<b>77.33</b>	—
Mar. 31, 2013	10.60	385 177	36 435	0.02	0.02	64.24	—
Mar. 31, 2012 <sup>4</sup>	10.18	127 013	12 475	0.02	0.02	9.65	—

<sup>1</sup> The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

<sup>2</sup> The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

<sup>4</sup> From January 1, 2012.





September 30, 2013

**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager, trustee and portfolio advisor of the Fund.

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

**PAST PERFORMANCE**

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

**Year-by-Year Returns (%)**

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year or interim period.



<sup>1</sup> Inception date January 1, 2012.

For the 12-month periods ended March 31 and the six-month period ended September 30, 2013.

**SUMMARY OF INVESTMENT PORTFOLIO**

(after consideration of derivative products, if any)

As at September 30, 2013

**Investment Mix**

	% of Net Asset Value
United States	66.3
Canada	18.8
Luxembourg	3.1
Japan	1.0
Singapore	0.8
Netherlands	0.7
United Kingdom	0.7
Australia	0.7
Spain	0.3
Cash/Other	7.6

**Top 25 Holdings**

	% of Net Asset Value
Cash & Cash Equivalents	6.6
DISH DBS Corp. 7.875% Sep 1 19	1.9
Ball Corp. 5.750% May 15 21	1.9
Videotron Ltd. 6.875% Jul 15 21	1.8
ArcelorMittal USD 9.850% Jun 1 19	1.8
Concho Resources Inc. 7.000% Jan 15 21	1.7
MetroPCS Wireless Inc. 6.625% Apr 1 23	1.7
The AES Corp. 8.000% Oct 15 17	1.7
Rite Aid Corp. 8.000% Aug 15 20	1.6
Smithfield Foods Inc. 6.625% Aug 15 22	1.6
Softbank Corp. USD 4.500% Apr 15 20	1.6
NRG Energy Inc. 7.875% May 15 21	1.6
Quebecor Media Inc. 7.375% Jan 15 21	1.5
Hawk Acquisition Sub Inc. 4.250% Oct 15 20	1.5
Intelsat Jackson Holdings S.A. USD 7.250% Apr 1 19	1.4
Reynolds Group Issuer Inc. 6.875% Feb 15 21	1.4
Qwest Corp. 6.750% Dec 1 21	1.3
Continental Resources Inc. 7.125% Apr 1 21	1.3
Ford Credit Canada Ltd. 7.500% Aug 18 15	1.3
Bombardier Inc. USD 7.750% Mar 15 20	1.3
Access Midstream Partners LP 4.875% May 15 23	1.3
Denbury Resources Inc. 8.250% Feb 15 20	1.2
Prestige Brands Inc. 8.250% Apr 1 18	1.2
Beazer Homes USA Inc. 6.625% Apr 15 18	1.2
HDTFS Inc. 6.250% Oct 15 22	1.2
<b>Top 25 Holdings</b>	<b>42.6</b>

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at [www.rbcgam.com/funds](http://www.rbcgam.com/funds).



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

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

Although the Board of Directors of RBC GAM is solely responsible for approving the financial statements and overseeing management's financial reporting responsibilities, the Financial Advisory Committee of the Board of Governors provides advice to RBC GAM concerning financial reporting, the audit process and internal controls. Please see *The Role of the Board of Governors* at the end of this report.

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

November 7, 2013

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

**Unaudited Semi-Annual Financial Statements**

The accompanying semi-annual financial statements have not been reviewed by the external auditors of the Funds. The external auditors will be auditing the annual financial statements of the Funds in accordance with Canadian generally accepted auditing standards.



STATEMENT OF INVESTMENT PORTFOLIO (unaudited) (in \$000s)

**RBC BOND TRUST**

September 30, 2013

Holdings	Security	Cost	Fair Value	% of Net Assets
<b>MUTUAL FUND UNITS</b>				
25 774	BlueBay Emerging Markets Corporate Bond Fund*	\$ 280	\$ 259	
45 657	RBC Emerging Markets Bond Fund*	470	445	
74 100	RBC High Yield Bond Fund*	811	787	
<b>TOTAL MUTUAL FUND UNITS</b>		<b>1 561</b>	<b>1 491</b>	<b>5.2</b>

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>BONDS</b>						
<b>CANADIAN BONDS</b>						
<b>CORPORATE</b>						
\$ 75	407 International Inc.	3.870	24-Nov-17	\$ 80	\$ 79	
50	407 International Inc.	5.750	14-Feb-36	61	57	
25	407 International Inc.	4.450	15-Nov-41	27	24	
50	Alimentation Couche Tard Inc.	2.861	01-Nov-17	50	49	
25	AltaGas Ltd.	4.600	15-Jan-18	27	27	
50	AltaGas Ltd.	3.720	28-Sep-21	51	50	
25	AltaLink LP	2.978	28-Nov-22	25	24	
140	American Express Canada Credit Corp.	3.600	03-Jun-16	147	145	
100	Bank of Montreal	1.890	05-Oct-15	100	100	
150	Bank of Montreal	3.490	10-Jun-16	157	155	
150	Bank of Montreal	2.960	02-Aug-16	155	153	
175	Bank of Montreal	2.390	12-Jul-17	176	174	
155	Bank of Montreal	2.240	11-Dec-17	153	152	
75	Bank of Montreal	4.870	22-Apr-20	80	78	
25	Bank of Montreal	5.100	21-Apr-21	27	27	
25	Bank of Montreal	6.170	28-Mar-23	29	28	
25	Bank of Montreal	4.609	10-Sep-25	28	27	
210	Bank of Nova Scotia	2.740	01-Dec-16	216	213	
275	Bank of Nova Scotia	2.598	27-Feb-17	279	277	
160	Bank of Nova Scotia	2.370	11-Jan-18	160	158	
150	Bank of Nova Scotia	2.242	22-Mar-18	150	147	
75	Bank of Nova Scotia	6.650	22-Jan-21	85	82	
30	bcIMC Realty Corp.	2.650	29-Jun-17	31	30	
50	bcIMC Realty Corp.	2.960	07-Mar-19	51	50	
85	Bell Aliant Regional Communications LP	6.290	17-Feb-15	92	90	
100	Bell Aliant Regional Communications LP	5.410	26-Sep-16	109	108	
50	Bell Canada	3.600	02-Dec-15	52	52	
50	Bell Canada	5.000	15-Feb-17	55	54	
125	Bell Canada	4.400	16-Mar-18	136	132	
50	Bell Canada	3.500	10-Sep-18	50	51	
25	Bell Canada	3.250	17-Jun-20	25	24	
50	Bell Canada	4.950	19-May-21	56	54	
50	Bell Canada	3.350	22-Mar-23	50	46	
100	Bell Canada	6.100	16-Mar-35	122	111	
50	BMW Canada Inc.	2.640	10-Aug-15	51	51	
25	Brookfield Renewable Power Inc.	6.132	30-Nov-16	28	27	
50	Brookfield Renewable Power Inc.	5.140	13-Oct-20	56	53	
75	Caisse Centrale Desjardins	2.281	17-Oct-16	75	75	
75	Caisse Centrale Desjardins	3.502	05-Oct-17	79	77	
25	Canada Safeway Ltd.	3.000	31-Mar-14	25	25	
65	Canadian Credit Card Trust	3.444	24-Jul-15	68	67	

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



September 30, 2013

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>CORPORATE (cont.)</b>						
\$ 25	Canadian Credit Card Trust	1.596	24-Sep-15	\$ 25	\$ 25	
150	Canadian Imperial Bank of Commerce	1.750	01-Jun-16	150	149	
145	Canadian Imperial Bank of Commerce	2.650	08-Nov-16	148	147	
280	Canadian Imperial Bank of Commerce	2.350	18-Oct-17	280	277	
200	Canadian Imperial Bank of Commerce	2.220	07-Mar-18	199	196	
150	Canadian Imperial Bank of Commerce	4.110	30-Apr-20	157	155	
25	Canadian Pacific Railway Ltd.	5.100	14-Jan-22	28	27	
25	Canadian Pacific Railway Ltd.	6.450	17-Nov-39	31	30	
25	Canadian Tire Corp. Ltd.	4.950	01-Jun-15	27	26	
50	Canadian Tire Corp. Ltd.	5.650	01-Jun-16	56	54	
50	Canadian Western Bank	2.570	04-Nov-14	51	50	
80	Canadian Western Bank	3.049	18-Jan-17	82	81	
25	Canadian Western Bank	2.531	22-Mar-18	25	25	
25	Capital Desjardins Inc.	5.187	05-May-20	29	28	
100	Capital Power LP	4.600	01-Dec-15	104	104	
50	Cards II Trust	1.984	15-Jan-16	51	50	
40	Cards II Trust	3.333	15-May-16	42	41	
25	CU Inc.	5.563	26-May-28	31	29	
25	Daimler Canada Finance Inc.	3.280	15-Sep-16	26	26	
50	Emera Inc.	2.960	13-Dec-16	51	51	
25	Emera Inc.	4.830	02-Dec-19	28	27	
50	Enbridge Gas Distribution Inc.	5.210	25-Feb-36	61	55	
75	Enbridge Inc.	5.170	19-May-16	83	81	
25	Enbridge Income Fund Holdings Inc.	5.250	22-Dec-14	26	26	
50	Enbridge Income Fund Holdings Inc.	2.920	14-Dec-17	50	50	
25	Encana Corp.	5.800	18-Jan-18	29	28	
25	EnerCare Solutions Inc.	4.300	30-Nov-17	25	26	
25	EPCOR Utilities Inc.	5.800	31-Jan-18	29	28	
55	Fairfax Financial Holdings Ltd.	6.400	25-May-21	60	59	
25	Ford Auto Securitization Trust	2.347	15-Apr-17	25	25	
125	Ford Credit Canada Ltd.	4.875	08-Feb-17	134	132	
50	Ford Credit Canada Ltd.	3.320	19-Dec-17	50	50	
75	GE Capital Canada Funding Co.	4.240	08-Jun-15	79	78	
50	GE Capital Canada Funding Co.	5.100	01-Jun-16	55	54	
50	GE Capital Canada Funding Co.	5.530	17-Aug-17	57	55	
100	GE Capital Canada Funding Co.	5.680	10-Sep-19	117	113	
25	GE Capital Canada Funding Co.	5.730	22-Oct-37	31	29	
50	Genworth MI Canada Inc.	4.590	15-Dec-15	52	51	
65	Genworth MI Canada Inc.	5.680	15-Jun-20	72	69	
50	George Weston Ltd.	3.780	25-Oct-16	52	52	
50	Great-West Lifeco Finance Delaware LP	5.691	21-Jun-67	55	55	
25	Great-West Lifeco Inc.	6.140	21-Mar-18	29	28	
50	Great-West Lifeco Inc.	4.650	13-Aug-20	56	54	
50	Great-West Lifeco Inc.	6.740	24-Nov-31	63	62	
25	Greater Toronto Airports Authority	4.700	15-Feb-16	27	27	
50	Greater Toronto Airports Authority	5.960	20-Nov-19	61	58	
75	Greater Toronto Airports Authority	6.980	15-Oct-32	107	98	
100	Greater Toronto Airports Authority	6.470	02-Feb-34	137	125	
50	Greater Toronto Airports Authority	5.630	07-Jun-40	64	58	
105	HSBC Bank Canada	2.572	23-Nov-15	107	106	
50	HSBC Bank Canada	2.901	13-Jan-17	51	51	
155	HSBC Bank Canada	3.558	04-Oct-17	164	160	
30	HSBC Bank Canada	2.938	14-Jan-20	30	29	
25	HSBC Bank Canada	4.800	10-Apr-22	27	27	
50	Hydro One Inc.	2.950	11-Sep-15	52	51	
105	Hydro One Inc.	5.360	20-May-36	128	117	
25	Industrial Alliance Insurance Financial Services Inc.	4.750	14-Dec-21	27	26	

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



September 30, 2013

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>CORPORATE (cont.)</b>						
\$ 25	Inter Pipeline Ltd.	4.967	02-Feb-21	\$ 28	\$ 27	
25	Loblaw Companies Ltd.	3.748	12-Mar-19	25	25	
25	Loblaw Companies Ltd.	5.220	18-Jun-20	29	27	
25	Loblaw Companies Ltd.	6.450	09-Feb-28	28	28	
50	Loblaw Companies Ltd.	6.050	09-Jun-34	56	52	
75	Loblaw Companies Ltd.	5.900	18-Jan-36	82	77	
75	Manulife Financial Corporation	4.896	02-Jun-14	78	77	
75	Manulife Financial Corporation	5.161	26-Jun-15	80	79	
35	Manulife Financial Corporation	5.505	26-Jun-18	39	39	
50	Master Credit Card Trust	3.502	21-May-16	53	52	
110	Master Credit Card Trust	2.626	21-Jan-17	113	111	
25	Merrill Lynch Canada Finance Co.	5.000	18-Feb-14	26	25	
25	Molson Coors Capital Finance ULC	5.000	22-Sep-15	27	26	
125	National Bank of Canada	4.030	26-May-15	132	130	
75	National Bank of Canada	3.580	26-Apr-16	79	78	
125	National Bank of Canada	2.702	15-Dec-16	128	126	
50	National Bank of Canada	2.689	21-Aug-17	51	50	
25	National Bank of Canada	4.700	02-Nov-20	27	26	
25	NAV Canada	4.713	24-Feb-16	27	27	
25	NAV Canada	4.397	18-Feb-21	28	27	
25	NBC Capital Trust	5.329	30-Jun-56	27	27	
50	Nova Scotia Power Inc.	5.610	15-Jun-40	62	57	
25	Nova Scotia Power Inc.	4.150	06-Mar-42	26	23	
35	Pembina Pipeline Corp.	4.890	29-Mar-21	39	38	
75	Penske Truck Leasing Canada Inc.	3.650	01-Feb-18	77	75	
50	RBC Capital Trust*	4.870	31-Dec-15	54	53	
50	Reliance LP	4.574	15-Mar-17	50	52	
25	Rogers Communications Inc.	5.800	26-May-16	28	27	
50	Rogers Communications Inc.	5.380	04-Nov-19	57	55	
35	Rogers Communications Inc.	4.700	29-Sep-20	38	37	
75	Rogers Communications Inc.	5.340	22-Mar-21	86	82	
100	Rogers Communications Inc.	6.110	25-Aug-40	117	109	
250	Royal Bank of Canada*	3.360	11-Jan-16	261	258	
25	Royal Bank of Canada*	3.030	26-Jul-16	26	26	
110	Royal Bank of Canada*	2.680	08-Dec-16	112	111	
210	Royal Bank of Canada*	2.580	13-Apr-17	213	211	
240	Royal Bank of Canada*	2.364	21-Sep-17	242	238	
125	Royal Bank of Canada*	2.260	12-Mar-18	125	122	
75	Royal Bank of Canada*	2.980	07-May-19	77	75	
115	Royal Bank of Canada*	4.350	15-Jun-20	121	119	
25	Scotiabank Capital Trust	7.802	30-Jun-08	32	30	
75	Shaw Communications Inc.	5.700	02-Mar-17	83	82	
65	Shaw Communications Inc.	5.650	01-Oct-19	73	72	
50	Shaw Communications Inc.	6.750	09-Nov-39	55	55	
40	Sun Life Financial Inc.	5.700	02-Jul-19	46	45	
110	Sun Life Financial Inc.	4.800	23-Nov-35	116	115	
25	Sun Life Financial Inc.	5.400	29-May-42	26	26	
50	Suncor Energy Inc.	5.390	26-Mar-37	59	53	
25	TELUS Corp.	5.950	15-Apr-15	27	27	
50	TELUS Corp.	3.650	25-May-16	53	52	
75	TELUS Corp.	5.050	23-Jul-20	85	82	
25	TELUS Corp.	3.350	15-Mar-23	25	23	
50	TELUS Corp.	4.400	01-Apr-43	50	44	
50	Teranet Holdings LP	3.531	16-Dec-15	52	51	
25	Teranet Holdings LP	4.807	16-Dec-20	28	26	
50	Teranet Holdings LP	5.754	17-Dec-40	55	52	
50	Terasen Gas Inc.	5.900	26-Feb-35	65	59	

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



September 30, 2013

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>CORPORATE (cont.)</b>						
\$ 75	Thomson Reuters Corp.	6.000	31-Mar-16	\$ 84	\$ 82	
25	Thomson Reuters Corp.	4.350	30-Sep-20	27	26	
105	Toronto-Dominion Bank	4.970	30-Oct-15	113	111	
250	Toronto-Dominion Bank	4.779	14-Dec-16	272	267	
245	Toronto-Dominion Bank	2.171	02-Apr-18	245	240	
50	TransCanada PipeLines Ltd.	4.650	03-Oct-16	55	54	
25	TransCanada PipeLines Ltd.	3.690	19-Jul-23	25	25	
50	TransCanada PipeLines Ltd.	5.650	20-Jun-29	61	56	
40	TransCanada PipeLines Ltd.	4.550	15-Nov-41	43	39	
25	Union Gas Ltd.	5.350	27-Apr-18	29	28	
50	Union Gas Ltd.	5.200	23-Jul-40	61	54	
30	Viterra Inc.	6.406	16-Feb-21	33	33	
30	VW Credit Canada Inc.	3.600	01-Feb-16	31	31	
75	Wells Fargo Financial Canada Corp.	4.380	30-Jun-15	80	78	
100	Wells Fargo Financial Canada Corp.	2.774	09-Feb-17	102	101	
100	Wells Fargo Financial Canada Corp.	2.944	25-Jul-19	101	99	
35	Westcoast Energy Inc.	5.600	16-Jan-19	40	39	
25	Westcoast Energy Inc.	3.883	28-Oct-21	27	25	
50	Westcoast Energy Inc.	3.120	05-Dec-22	50	47	
50	Westcoast Energy Inc.	6.750	15-Dec-27	67	61	
				12 817	12 488	43.6
<b>FEDERAL</b>						
208	Canada Housing Trust No. 1	3.350	15-Dec-20	227	217	
355	Canada Housing Trust No. 1	2.650	15-Mar-22	366	349	
380	Canada Housing Trust No. 1	2.350	15-Sep-23	374	357	
68	Government of Canada	4.250	01-Dec-21	96	88	
252	Government of Canada	4.000	01-Jun-41	333	296	
62	Government of Canada	1.500	01-Dec-44	80	67	
260	Government of Canada	3.500	01-Dec-45	314	281	
				1 790	1 655	5.8
<b>PROVINCIAL/MUNICIPAL</b>						
146	Province of British Columbia	5.700	18-Jun-29	194	179	
74	Province of New Brunswick	4.500	02-Jun-20	84	81	
24	Province of New Brunswick	4.800	03-Jun-41	29	26	
21	Province of Nova Scotia	6.600	01-Dec-31	30	28	
770	Province of Ontario	1.900	08-Sep-17	771	766	
1 850	Province of Ontario	2.100	08-Sep-18	1 853	1 828	
350	Province of Ontario	4.400	02-Jun-19	396	383	
570	Province of Ontario	4.200	02-Jun-20	640	617	
770	Province of Ontario	3.150	02-Jun-22	794	763	
1 625	Province of Ontario	2.850	02-Jun-23	1 594	1 548	
330	Province of Ontario	6.500	08-Mar-29	465	430	
700	Province of Ontario	5.600	02-Jun-35	918	855	
555	Province of Ontario	4.600	02-Jun-39	660	600	
400	Province of Ontario	4.650	02-Jun-41	490	437	
475	Province of Ontario	3.500	02-Jun-43	478	429	
20	Province of Ontario	3.450	02-Jun-45	19	18	
274	Province of Quebec	4.500	01-Dec-17	306	300	
840	Province of Quebec	3.500	01-Dec-22	880	845	
300	Province of Quebec	3.000	01-Sep-23	295	286	
120	Province of Quebec	5.750	01-Dec-36	157	147	
290	Province of Quebec	5.000	01-Dec-38	352	325	
340	Province of Quebec	5.000	01-Dec-41	426	384	
175	Province of Quebec	4.250	01-Dec-43	193	177	
				12 024	11 452	40.0
<b>TOTAL CANADIAN BONDS</b>				26 631	25 595	89.4

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



September 30, 2013

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>FOREIGN BONDS</b>						
<b>UNITED STATES</b>						
\$ 100	Ball Corp.	5.750	15-May-21	\$ 108	\$ 109	
100	Concho Resources Inc.	7.000	15-Jan-21	110	113	
50	Fidelity National Information Services Inc.	5.000	15-Mar-22	53	52	
100	HCA Inc.	7.250	15-Sep-20	110	112	
100	Range Resources Corp.	6.750	01-Aug-20	109	111	
100	Wynn Las Vegas LLC Corp.	7.750	15-Aug-20	113	116	
				603	613	<b>2.1</b>
<b>TOTAL FOREIGN BONDS</b>						
				603	613	<b>2.1</b>
<b>TOTAL BONDS</b>						
				27 234	26 208	<b>91.5</b>
<b>SHORT-TERM INVESTMENTS†</b>						
				899	899	<b>3.1</b>
<b>TOTAL INVESTMENTS</b>						
				29 694	28 598	<b>99.8</b>
<b>UNREALIZED GAIN (LOSS) ON FUTURES CONTRACTS (SCHEDULE A)</b>						
				–	(23)	<b>(0.1)</b>
<b>UNREALIZED GAIN ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE B)</b>						
				–	14	<b>–</b>
<b>TOTAL PORTFOLIO</b>						
				\$ 29 694	28 589	<b>99.7</b>
<b>OTHER NET ASSETS</b>						
					68	<b>0.3</b>
<b>NET ASSETS</b>						
					\$ 28 657	<b>100.0</b>

\* Investment in related party (see note 7 in the generic notes).

† Short-term investments, which may be made up of treasury bills, commercial paper, term deposits and discount notes, earn interest at a rate of 1.00% and mature between October 1, 2013 and January 16, 2014.

**SCHEDULE A**

**Futures Contracts**

Number of Contracts	Contracted Value	Unrealized Gain (Loss)
(2)	United States 5-Year Note Future, December 2013	
	Contracts at USD 119.69 per contract	\$ (251) \$ (3)
(12)	United States 10-Year Note Future, December 2013	
	Contracts at USD 124.80 per contract	(1 562) (20)
<b>TOTAL FUTURES</b>	\$ (1 813)	\$ (23)

\$50 000 Government of Canada Treasury Bills are held as collateral by counterparties with respect to the above futures contracts.

**SCHEDULE B**

**Foreign Exchange Contracts**

Contracts	Maturity Date	Unrealized Gain (Loss)
Bought CAD 57 Sold MXN 727 @ 0.0783	01-Oct-13	\$ –
Bought CAD 72 Sold USD 70 @ 1.0310	01-Oct-13	–
Bought MXN 15 Sold CAD 1 @ 0.0788	01-Oct-13	–
Bought MXN 291 Sold CAD 23 @ 0.0788	01-Oct-13	–
Bought MXN 369 Sold CAD 30 @ 0.0804	01-Oct-13	(1)
Bought MXN 52 Sold CAD 4 @ 0.0789	01-Oct-13	–
Bought USD 12 Sold CAD 12 @ 0.9712	02-Oct-13	–
Bought CAD 130 Sold USD 124 @ 1.0539	10-Oct-13	3
Bought USD 13 Sold CAD 14 @ 1.0584	10-Oct-13	–
Bought CAD 31 Sold KRW 32 816 @ 0.0010	15-Oct-13	–
Bought KRW 32 816 Sold CAD 30 @ 0.0009	15-Oct-13	1
Bought RUB 2 073 Sold CAD 64 @ 0.0310	15-Oct-13	1
Bought AUD 11 Sold CAD 11 @ 0.9553	17-Oct-13	–
Bought CAD 11 Sold AUD 11 @ 0.9597	17-Oct-13	–
Bought BRL 68 Sold CAD 30 @ 0.4464	18-Oct-13	1
Bought CAD 32 Sold BRL 70 @ 0.4625	18-Oct-13	–
Bought CAD 162 Sold USD 154 @ 1.0528	22-Oct-13	3
Bought USD 10 Sold CAD 10 @ 1.0317	22-Oct-13	–
Bought USD 12 Sold CAD 12 @ 1.0296	22-Oct-13	–
Bought USD 22 Sold CAD 23 @ 1.0308	22-Oct-13	–
Bought USD 87 Sold CAD 90 @ 1.0364	22-Oct-13	(1)
Bought CAD 581 Sold USD 563 @ 1.0317	23-Oct-13	1
Bought USD 6 Sold CAD 6 @ 1.0326	24-Oct-13	–
Bought CAD 93 Sold USD 90 @ 1.0298	28-Oct-13	–
Bought CAD 135 Sold USD 129 @ 1.0471	29-Oct-13	2
Bought USD 36 Sold CAD 37 @ 1.0233	29-Oct-13	–
Bought USD 64 Sold CAD 66 @ 1.0282	29-Oct-13	–
Bought USD 73 Sold CAD 75 @ 1.0321	29-Oct-13	–

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



September 30, 2013

**SCHEDULE B (cont.)**

**Foreign Exchange Contracts**

<b>Contracts</b>	<b>Maturity Date</b>	<b>Unrealized Gain (Loss)</b>
Bought USD 77 Sold CAD 79 @ 1.0280	29-Oct-13	\$ -
Bought CAD 143 Sold USD 137 @ 1.0410	30-Oct-13	1
Bought CAD 6 Sold USD 6 @ 1.0406	30-Oct-13	-
Bought USD 10 Sold CAD 10 @ 1.0345	30-Oct-13	-
Bought USD 70 Sold CAD 72 @ 1.0318	30-Oct-13	-
Bought USD 5 Sold CAD 5 @ 1.0283	01-Nov-13	-
Bought CAD 3 Sold USD 3 @ 1.0531	04-Nov-13	-
Bought CAD 6 Sold USD 6 @ 1.0324	04-Nov-13	-
Bought USD 116 Sold CAD 121 @ 1.0369	04-Nov-13	(1)
Bought BRL 67 Sold CAD 29 @ 0.4347	05-Nov-13	2
Bought USD 20 Sold CAD 21 @ 1.0363	05-Nov-13	-
Bought USD 29 Sold CAD 30 @ 1.0344	05-Nov-13	-
Bought USD 30 Sold CAD 31 @ 1.0319	05-Nov-13	-
Bought CAD 23 Sold USD 22 @ 1.0317	06-Nov-13	-
Bought USD 5 Sold CAD 5 @ 1.0366	12-Nov-13	-
Bought CAD 17 Sold USD 16 @ 1.0370	18-Nov-13	-
Bought USD 213 Sold CAD 221 @ 1.0379	18-Nov-13	(1)
Bought USD 50 Sold CAD 52 @ 1.0361	18-Nov-13	-
Bought USD 69 Sold CAD 71 @ 1.0336	18-Nov-13	-
Bought NOK 164 Sold CAD 28 @ 0.1708	20-Nov-13	-
Bought CAD 174 Sold USD 168 @ 1.0355	21-Nov-13	1
Bought CAD 11 Sold USD 11 @ 1.0293	25-Nov-13	-
Bought CAD 65 Sold USD 62 @ 1.0472	25-Nov-13	1
Bought MXN 727 Sold CAD 57 @ 0.0780	02-Dec-13	-
Bought USD 20 Sold CAD 21 @ 1.0307	02-Dec-13	-
Bought USD 92 Sold CAD 95 @ 1.0303	02-Dec-13	-
Bought TRY 54 Sold CAD 27 @ 0.5029	05-Dec-13	-
Bought CAD 48 Sold USD 46 @ 1.0330	09-Dec-13	-
Bought USD 22 Sold CAD 23 @ 1.0334	13-Dec-13	-
Bought CAD 140 Sold USD 135 @ 1.0392	16-Dec-13	1
Bought CAD 7 Sold USD 6 @ 1.0341	17-Dec-13	-
Bought USD 189 Sold CAD 195 @ 1.0343	17-Dec-13	-
Bought CAD 8 Sold USD 7 @ 1.0342	19-Dec-13	-
Bought CAD 46 Sold USD 44 @ 1.0364	20-Dec-13	-
Bought PHP 1 251 Sold CAD 30 @ 0.0241	23-Dec-13	-
<b>TOTAL FOREIGN EXCHANGE</b>		<b>\$ 14</b>

All counterparties have a credit rating of at least A.





**Statements of Net Assets** (unaudited) (in \$000s except per unit amounts)

(see note 2 in the generic notes)	September 30 2013	March 31 2013
<b>ASSETS</b>		
Investments at fair value	\$ 28 598	\$ 34 364
Cash	–	9
Due from investment dealers	102	292
Futures contracts margin receivable	22	–
Unrealized gain on foreign exchange contracts	14	2
Dividends receivable, interest accrued and other assets	246	298
<b>TOTAL ASSETS</b>	<b>28 982</b>	<b>34 965</b>
<b>LIABILITIES</b>		
Bank overdraft	7	–
Due to investment dealers	95	492
Redemptions payable	200	–
Unrealized loss on futures contracts	23	5
Accounts payable and accrued expenses	–	1
<b>TOTAL LIABILITIES</b>	<b>325</b>	<b>498</b>
<b>NET ASSETS</b>	<b>\$ 28 657</b>	<b>\$ 34 467</b>
Investments at cost	\$ 29 694	\$ 34 310
<b>NET ASSETS, END OF PERIOD</b>		
<b>SERIES 0</b>	<b>\$ 28 657</b>	<b>\$ 34 467</b>
<b>NET ASSETS PER UNIT, END OF PERIOD</b>		
<b>SERIES 0</b>	<b>\$ 9.88</b>	<b>\$ 10.09</b>
<b>NET ASSET VALUE (TRANSACTIONAL NAV) PER UNIT, END OF PERIOD</b> (see note 3 in the generic notes)		
<b>SERIES 0</b>	<b>\$ 9.89</b>	<b>\$ 10.10</b>

**Statement of Operations** (unaudited) (in \$000s except per unit amounts)

For the period ended September 30 (see note 2 in the generic notes)*	2013
<b>INCOME (see note 3 in the generic notes)</b>	
Interest	\$ 522
Net gain (loss) from futures contracts	45
Other revenue	43
Securities lending revenue (see note 6 in the generic notes)	1
<b>TOTAL INCOME (LOSS)</b>	<b>611</b>
<b>EXPENSES (see notes – Fund Specific Information)</b>	
Administration fees	3
Board of Governors costs	1
<b>TOTAL EXPENSES</b>	<b>4</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>607</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>	
Net realized gain (loss) on investments	(156)
Net gain (loss) on foreign currencies and other net assets	2
Change in unrealized gain (loss) on investments	(1 138)
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>(1 292)</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	
	<b>\$ (685)</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS SERIES 0</b>	
	<b>\$ (685)</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER UNIT SERIES 0</b>	
	<b>\$ (0.22)</b>

\* Fund launched October 2012.

Approved by the Board of Directors of RBC Global Asset Management Inc.

**John S. Montalbano**  
Director

**Doug Coulter**  
Director

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



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

For the period ended September 30 (see note 2 in the generic notes)*	Series 0 2013
<b>NET ASSETS – BEGINNING OF PERIOD</b>	<b>\$ 34 467</b>
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	<b>(685)</b>
Early redemption fees	–
Proceeds from units issued	–
Proceeds from reinvestment of distributions	–
Payments on redemption of units	(5 125)
<b>TOTAL UNIT TRANSACTIONS</b>	<b>(5 125)</b>
Distributions from net income	–
Distributions from net gains	–
Distributions from capital	–
<b>TOTAL DISTRIBUTIONS</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>(5 810)</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 28 657</b>

\* Fund launched October 2012.



September 30, 2013

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

**Credit risk (%)**

The table below summarizes the Fund's credit risk exposure grouped by credit ratings as at:

Rating	September 30 2013	March 31 2013
AAA	8.1	10.1
AA	50.8	47.4
A	22.1	25.7
BBB	14.0	13.9
BB	3.7	1.4
B	1.3	1.3
CCC	–	0.1
Unrated	–	0.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

**Interest rate risk (%)**

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

Term to maturity	September 30 2013	March 31 2013
Less than 1 year	0.6	0.6
1 – 5 years	45.2	40.5
5 – 10 years	30.0	29.3
> 10 years	24.2	29.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

As at September 30, 2013, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 6.2% (March 31, 2013 – 6.7%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of September 30 and March 31, 2013 in the valuation of the Fund's financial instruments carried at fair value.

September 30, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>1 491</b>	–	–	<b>1 491</b>
<b>Fixed-income and debt securities</b>	–	<b>26 208</b>	–	<b>26 208</b>
<b>Short-term investments</b>	–	<b>899</b>	–	<b>899</b>
<b>Derivatives – assets</b>	–	<b>14</b>	–	<b>14</b>
<b>Derivatives – liabilities</b>	<b>(23)</b>	–	–	<b>(23)</b>
<b>Total financial instruments</b>	<b>1 468</b>	<b>27 121</b>	–	<b>28 589</b>
<b>% of total portfolio</b>	<b>5.1</b>	<b>94.9</b>	–	<b>100.0</b>

March 31, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>1 627</b>	–	–	<b>1 627</b>
<b>Fixed-income and debt securities</b>	–	<b>31 278</b>	–	<b>31 278</b>
<b>Short-term investments</b>	–	<b>1 459</b>	–	<b>1 459</b>
<b>Derivatives – assets</b>	–	<b>2</b>	–	<b>2</b>
<b>Derivatives – liabilities</b>	<b>(5)</b>	–	–	<b>(5)</b>
<b>Total financial instruments</b>	<b>1 622</b>	<b>32 739</b>	–	<b>34 361</b>
<b>% of total portfolio</b>	<b>4.7</b>	<b>95.3</b>	–	<b>100.0</b>

For the periods ended September 30 and March 31, 2013, there were no transfers of financial instruments between Level 1 and Level 2.

**Management fees (see note 7 in the generic notes)**

No management fees are payable by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

**Operating expenses (see note 7 in the generic notes)**

The administration fee payable by Series O of the Fund is calculated at the following annual percentage, before GST/HST, of the daily net asset value of Series O of the Fund.

Series O	0.02%
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September 30, 2013

**Unitholders' equity (000s)**

The unitholders' equity of the Fund includes amounts representing units, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of units available for issue. Units are purchased and redeemed at the transactional NAV per unit.

For the period ended September 30  
(see note 2 in the generic notes) 2013

<b>Series 0</b>	
Opening units	3 415
Issued number of units	–
Reinvested number of units	–
Redeemed number of units	(515)
Ending number of units	2 900

**Securities lending revenue (\$000s)  
(see note 6 in the generic notes)**

Fair value of securities on loan and collateral received as at:

	September 30 2013	
Fair value of securities loaned	\$	1 554
Fair value of collateral received	\$	1 585

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

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

	September 30 2013	
BlueBay Emerging Markets		
Corporate Bond Fund	\$	6
RBC Emerging Markets Bond Fund		12
RBC High Yield Bond Fund		25
Total other revenue	\$	43
Capital gains received from underlying funds	\$	–



STATEMENT OF INVESTMENT PORTFOLIO (unaudited) (in \$000s)  
**PHILLIPS, HAGER & NORTH TOTAL RETURN BOND TRUST**

September 30, 2013

Holdings	Security	Cost	Fair Value	% of Net Assets
<b>MUTUAL FUND UNITS</b>				
991 718	Phillips, Hager & North High Yield Bond Fund*	\$ 11 581	\$ 11 463	
<b>TOTAL MUTUAL FUND UNITS</b>		<b>11 581</b>	<b>11 463</b>	<b>4.0</b>

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>AUSTRALIA BONDS</b>						
\$ 510	BHP Billiton Finance Ltd. CAD	3.230	15-May-23	\$ 510	\$ 476	
685	Brookfield Infrastructure Finance Pty Ltd. CAD	3.455	10-Oct-17	685	688	
<b>TOTAL AUSTRALIA BONDS</b>				<b>1 195</b>	<b>1 164</b>	<b>0.4</b>

**CANADIAN BONDS**

**CORPORATE**

1 000	407 International Inc.	5.960	03-Dec-35	1 301	1 198	
620	407 International Inc.	4.450	15-Nov-41	655	606	
230	Aéroports de Montréal	5.472	16-Apr-40	289	261	
484	Alliance Pipeline LP	7.181	30-Jun-23	578	569	
362	Alliance Pipeline LP	5.546	31-Dec-23	403	392	
139	Alliance Pipeline LP	6.765	31-Dec-25	168	161	
371	Alliance Pipeline LP	7.217	31-Dec-25	462	439	
270	AltaLink Investments LP	5.207	16-Dec-16	295	289	
526	AltaLink Investments LP	3.674	05-Jun-19	528	528	
645	AltaLink Investments LP	3.265	05-Jun-20	647	622	
335	AltaLink LP	3.621	17-Sep-20	335	342	
260	AltaLink LP	5.381	26-Mar-40	333	291	
1 009	Bank of Montreal	1.620	23-Mar-15	1 009	1 010	
497	Bank of Montreal	1.890	05-Oct-15	498	497	
635	Bank of Montreal	3.490	10-Jun-16	666	658	
1 225	Bank of Montreal	2.390	12-Jul-17	1 244	1 221	
1 970	Bank of Montreal	2.240	11-Dec-17	1 956	1 937	
1 050	Bank of Nova Scotia	3.610	22-Feb-16	1 100	1 089	
1 375	Bank of Nova Scotia	1.800	09-May-16	1 372	1 365	
2 475	Bank of Nova Scotia	2.740	01-Dec-16	2 518	2 507	
600	Bank of Nova Scotia	2.598	27-Feb-17	605	605	
1 115	Bank of Nova Scotia	4.100	08-Jun-17	1 187	1 180	
1 572	Bank of Nova Scotia	2.242	22-Mar-18	1 557	1 539	
65	Bank of Nova Scotia	2.750	13-Aug-18	65	65	
3 560	Bank of Nova Scotia	6.000	03-Oct-18	3 762	3 560	
240	Bank of Nova Scotia	3.036	18-Oct-24	240	236	
380	bcIMC Realty Corp.	2.790	02-Aug-18	380	379	
655	bcIMC Realty Corp.	3.510	29-Jun-22	666	646	
705	Bell Aliant Regional Communications LP	6.290	17-Feb-15	772	744	
75	Bell Aliant Regional Communications LP	5.520	26-Feb-19	84	82	
280	Bell Aliant Regional Communications LP	3.540	12-Jun-20	280	274	
300	Bell Canada	4.400	16-Mar-18	324	317	
1 365	Bell Canada	3.250	17-Jun-20	1 360	1 333	
614	Bell Canada	3.350	22-Mar-23	607	570	
235	Bell Canada	4.700	11-Sep-23	235	241	
245	Bell Canada	7.300	23-Feb-32	321	303	
760	Bow Centre Street LP	3.797	13-Jun-23	760	732	
415	Brookfield Asset Management Inc.	5.300	01-Mar-21	444	445	
795	Brookfield Asset Management Inc.	5.950	14-Jun-35	777	783	
255	Brookfield Renewable Power Inc.	6.132	30-Nov-16	284	280	
838	BRP Finance ULC	4.790	07-Feb-22	863	862	

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



September 30, 2013

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>CORPORATE (cont.)</b>						
\$ 1 310	Canadian Credit Card Trust	1.596	24-Sep-15	\$ 1 310	\$ 1 305	
1 245	Canadian Imperial Bank of Commerce	3.100	02-Mar-15	1 281	1 270	
750	Canadian Imperial Bank of Commerce	3.400	14-Jan-16	782	773	
4 730	Canadian Imperial Bank of Commerce	1.750	01-Jun-16	4 708	4 686	
4 543	Canadian Imperial Bank of Commerce	2.650	08-Nov-16	4 609	4 591	
2 030	Canadian Imperial Bank of Commerce	2.220	07-Mar-18	1 999	1 986	
300	Canadian Utilities Ltd.	3.122	09-Nov-22	300	286	
75	Canadian Utilities Ltd.	9.400	01-May-23	116	108	
170	Cards II Trust	3.096	15-Sep-15	175	174	
3 806	Cards II Trust	1.984	15-Jan-16	3 813	3 813	
110	Cards II Trust	3.333	15-May-16	114	114	
900	Caterpillar Financial Services Ltd.	2.200	01-Jun-15	905	906	
430	Caterpillar Financial Services Ltd.	2.630	01-Jun-17	434	433	
605	Caterpillar Financial Services Ltd.	2.290	01-Jun-18	605	592	
240	Centre Street Trust	3.690	14-Jun-21	240	231	
1 815	CU Inc.	6.145	22-Nov-17	2 195	2 073	
1 295	CU Inc.	6.800	13-Aug-19	1 640	1 563	
385	CU Inc.	5.896	20-Nov-34	498	455	
496	CU Inc.	5.556	30-Oct-37	631	568	
170	CU Inc.	5.580	26-May-38	216	196	
257	CU Inc.	6.500	07-Mar-39	370	332	
598	CU Inc.	3.805	10-Sep-42	595	526	
210	CU Inc.	4.722	09-Sep-43	210	216	
587	Eagle Credit Card Trust	2.849	17-Oct-18	587	587	
1 285	Emera Inc.	4.100	20-Oct-14	1 342	1 316	
975	Emera Inc.	2.960	13-Dec-16	992	990	
165	Enbridge Gas Distribution Inc.	6.160	16-Dec-33	220	199	
100	Enbridge Inc.	5.000	09-Aug-16	111	108	
1 285	Enbridge Inc.	4.770	02-Sep-19	1 448	1 390	
590	Enbridge Inc.	4.530	09-Mar-20	659	628	
610	Enbridge Inc.	4.260	01-Feb-21	654	636	
685	Enbridge Inc.	3.940	30-Jun-23	685	679	
255	Enbridge Income Fund Holdings Inc.	2.920	14-Dec-17	255	254	
335	Enbridge Pipelines Inc.	3.790	17-Aug-23	335	337	
500	Enbridge Pipelines Inc.	8.200	15-Feb-24	733	680	
225	Enbridge Pipelines Inc.	5.350	10-Nov-39	282	252	
295	Enbridge Pipelines Inc.	5.330	06-Apr-40	363	330	
210	Enbridge Pipelines Inc.	4.550	17-Aug-43	210	210	
230	Encana Corp.	5.800	18-Jan-18	257	255	
375	Enersource Corp.	4.521	29-Apr-21	415	403	
80	Enersource Corp.	5.297	29-Apr-41	100	88	
850	Enmax Corp.	6.150	19-Jun-18	970	948	
195	FortisBC Energy Inc.	5.900	26-Feb-35	254	230	
95	FortisBC Energy Inc.	4.250	09-Dec-41	104	90	
305	Gaz Metropolitan Inc.	5.450	12-Jul-21	367	347	
1 365	Genesis Trust II	2.295	15-Feb-17	1 365	1 365	
550	Golden Credit Card Trust	3.824	15-May-15	579	569	
1 601	Golden Credit Card Trust	3.510	15-May-16	1 673	1 662	
230	Greater Toronto Airports Authority	7.100	04-Jun-31	320	300	
1 296	Hollis Receivables Term Trust II	2.235	26-Sep-16	1 296	1 305	
235	Horizon Holdings Inc.	3.033	25-Jul-22	235	222	
1 625	HSBC Bank Canada	3.860	21-May-15	1 709	1 678	
2 240	HSBC Bank Canada	2.572	23-Nov-15	2 252	2 268	
255	Hydro One Inc.	4.640	03-Mar-16	277	272	
508	Hydro One Inc.	6.350	31-Jan-34	681	629	
105	Hydro One Inc.	6.030	03-Mar-39	144	128	
220	Hydro One Inc.	6.590	22-Apr-43	318	291	

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



September 30, 2013

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>CORPORATE (cont.)</b>						
\$ 100	Inter Pipeline Ltd.	3.839	30-Jul-18	\$ 104	\$ 103	
130	John Deere Canada Funding Inc.	1.950	14-Jan-16	130	130	
195	John Deere Canada Funding Inc.	1.950	12-Apr-17	195	193	
195	John Deere Canada Funding Inc.	2.650	16-Jul-18	195	194	
245	Loblaw Companies Ltd.	5.220	18-Jun-20	263	266	
1 615	Loblaw Companies Ltd.	4.860	12-Sep-23	1 619	1 656	
330	Loblaw Companies Ltd.	6.500	22-Jan-29	372	365	
415	Lower Mattagami Energy LP	2.228	23-Oct-17	415	410	
323	Lower Mattagami Energy LP	4.331	18-May-21	357	342	
400	Maple Leaf Sports & Entertainment Ltd.	4.940	30-Jun-23	400	396	
620	Molson Coors Capital Finance ULC	5.000	22-Sep-15	670	654	
510	North Battleford Power LP	4.958	31-Dec-32	510	525	
2 574	National Bank of Canada	2.231	30-Jan-15	2 594	2 594	
310	National Bank of Canada	4.030	26-May-15	328	321	
1 210	National Bank of Canada	2.050	11-Jan-16	1 210	1 211	
200	National Bank of Canada	2.794	09-Aug-18	200	200	
445	NAV Canada	1.949	19-Apr-18	445	433	
329	Nova Scotia Power Inc.	6.950	25-Aug-33	469	426	
385	OMERS Realty Corp.	3.203	24-Jul-20	385	382	
534	OPB Finance Trust	2.900	24-May-23	534	506	
375	OPB Finance Trust	3.890	04-Jul-42	375	338	
135	Pembina Pipeline Corp.	4.890	29-Mar-21	151	145	
430	Pembina Pipeline Corp.	3.770	24-Oct-22	432	420	
360	Pembina Pipeline Corp.	4.750	30-Apr-43	359	339	
920	Rogers Communications Inc.	6.680	04-Nov-39	1 105	1 069	
10	Rogers Communications Inc.	6.560	22-Mar-41	12	11	
1 654	Royal Bank of Canada*	2.070	17-Jun-16	1 654	1 652	
1 947	Royal Bank of Canada*	2.680	08-Dec-16	1 977	1 970	
452	Royal Bank of Canada*	3.660	25-Jan-17	478	471	
4 452	Royal Bank of Canada*	2.580	13-Apr-17	4 501	4 478	
1 210	Royal Bank of Canada*	2.364	21-Sep-17	1 210	1 200	
1 703	Royal Bank of Canada*	2.260	12-Mar-18	1 704	1 668	
445	SEC LP and Arci Ltd.	5.188	29-Aug-33	445	454	
1 148	Shaw Communications Inc.	6.750	09-Nov-39	1 222	1 274	
65	Sobeys Inc.	3.520	08-Aug-18	65	65	
845	Sobeys Inc.	4.700	08-Aug-23	842	845	
350	Sobeys Inc.	5.790	06-Oct-36	358	346	
205	Sun Life Capital Trust II	5.863	31-Dec-19	213	229	
20	Sun Life Financial Inc.	5.590	30-Jan-23	21	22	
385	TELUS Corp.	3.350	01-Apr-24	369	354	
205	TELUS Corp.	4.400	01-Apr-43	205	182	
2 365	Teranet Holdings LP	4.807	16-Dec-20	2 585	2 494	
375	Teranet Holdings LP	5.754	17-Dec-40	409	386	
10	Terasen Gas Inc.	6.500	01-May-34	14	13	
80	Terasen Gas Inc.	6.000	02-Oct-37	108	96	
5	Terasen Gas Inc.	6.550	24-Feb-39	7	6	
1 230	Thomson Reuters Corp.	6.000	31-Mar-16	1 393	1 341	
632	Thomson Reuters Corp.	4.350	30-Sep-20	689	661	
635	Tim Hortons Inc.	4.200	01-Jun-17	659	664	
580	TMX Group Ltd.	3.253	03-Oct-18	580	583	
345	TMX Group Ltd.	4.461	03-Oct-23	345	347	
800	Toronto Hydro Corp.	3.540	18-Nov-21	832	806	
570	Toronto Hydro Corp.	2.910	10-Apr-23	570	534	
2 028	Toronto-Dominion Bank	2.433	15-Aug-17	2 023	2 023	
1 330	Toronto-Dominion Bank	2.171	02-Apr-18	1 330	1 302	
160	TransAlta Corp.	6.450	29-May-14	172	164	
700	TransCanada PipeLines Ltd.	7.340	18-Jul-28	974	902	

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



September 30, 2013

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>CORPORATE (cont.)</b>						
\$ 235	Union Gas Ltd.	7.900	24-Feb-14	\$ 263	\$ 241	
150	Union Gas Ltd.	4.640	30-Jun-16	165	160	
100	Union Gas Ltd.	8.750	03-Aug-18	133	125	
500	Union Gas Ltd.	4.850	25-Apr-22	579	542	
440	Union Gas Ltd.	3.790	10-Jul-23	440	437	
60	Union Gas Ltd.	8.650	10-Nov-25	90	85	
350	Union Gas Ltd.	6.050	02-Sep-38	467	422	
328	Veresen Inc.	3.950	14-Mar-17	331	338	
475	Veresen Inc.	4.000	22-Nov-18	481	484	
520	Wells Fargo Financial Canada Corp.	4.330	06-Dec-13	540	523	
95	Westcoast Energy Inc.	3.280	15-Jan-16	98	98	
45	Westcoast Energy Inc.	4.570	02-Jul-20	48	48	
800	Westcoast Energy Inc.	3.883	28-Oct-21	854	810	
300	Westcoast Energy Inc.	4.791	28-Oct-41	325	298	
1 010	Winnipeg Airport Authority Inc.	4.569	20-Nov-19	1 140	1 090	
210	Winnipeg Airport Authority Inc.	3.039	14-Apr-23	210	198	
				129 815	127 061	<b>44.4</b>
<b>FEDERAL</b>						
6 384	Canada Housing Trust No. 1	1.750	15-Jun-18	6 301	6 280	
7 975	Canada Housing Trust No. 1	2.050	15-Jun-18	7 949	7 951	
7 903	Canada Housing Trust No. 1	4.100	15-Dec-18	8 754	8 627	
1 287	Canada Housing Trust No. 1	3.350	15-Dec-20	1 327	1 346	
6 432	Canada Housing Trust No. 1	3.800	15-Jun-21	7 067	6 911	
1 347	Canada Housing Trust No. 1	2.400	15-Dec-22	1 309	1 286	
2 175	Government of Canada	2.000	01-Dec-14	2 197	2 199	
1 220	Government of Canada	1.250	01-Mar-18	1 186	1 192	
2 550	Government of Canada	4.250	01-Dec-21	3 371	3 296	
677	Government of Canada	2.750	01-Jun-22	690	693	
372	Government of Canada	4.000	01-Jun-41	427	436	
				40 578	40 217	<b>14.1</b>
<b>PROVINCIAL/MUNICIPAL</b>						
88	Municipal Finance Authority of British Columbia	3.350	01-Jun-22	88	88	
615	Ontario Electricity Financial Corp.	8.250	22-Jun-26	958	890	
173	Province of New Brunswick	2.850	02-Jun-23	172	164	
951	Province of New Brunswick	4.800	03-Jun-41	1 153	1 046	
367	Province of New Brunswick	3.550	03-Jun-43	366	328	
10 483	Province of Ontario	3.150	02-Jun-22	10 423	10 387	
5 648	Province of Ontario	2.850	02-Jun-23	5 319	5 380	
4 828	Province of Ontario	8.100	08-Sep-23	6 973	6 691	
1 640	Province of Ontario	8.500	02-Dec-25	2 597	2 406	
759	Province of Ontario	8.000	02-Jun-26	1 135	1 083	
10 111	Province of Ontario	7.600	02-Jun-27	15 270	14 212	
2 095	Province of Ontario	6.500	08-Mar-29	2 806	2 730	
2 584	Province of Ontario	6.200	02-Jun-31	3 590	3 309	
2 097	Province of Ontario	5.850	08-Mar-33	2 749	2 609	
8 178	Province of Ontario	5.600	02-Jun-35	10 483	9 983	
933	Province of Ontario	4.700	02-Jun-37	993	1 020	
5 110	Province of Ontario	4.600	02-Jun-39	6 085	5 525	
4 202	Province of Ontario	4.650	02-Jun-41	4 991	4 593	
1 109	Province of Ontario	3.500	02-Jun-43	1 103	1 001	
1 096	Province of Ontario	3.450	02-Jun-45	969	978	
2 684	Province of Ontario Residual Strip	0.000	02-Jun-41	1 000	851	
157	Province of Quebec	9.375	16-Jan-23	239	230	
845	Province of Quebec	3.000	01-Sep-23	804	807	
1 858	Province of Quebec	6.000	01-Oct-29	2 482	2 294	
2 708	Province of Quebec	6.250	01-Jun-32	3 739	3 453	

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





September 30, 2013

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>PROVINCIAL/MUNICIPAL (cont.)</b>						
\$ 1 978	Province of Quebec	5.750	01-Dec-36	\$ 2 636	\$ 2 430	
80	Province of Quebec	5.000	01-Dec-41	88	90	
1 668	Province of Quebec Residual Strip	0.000	01-Dec-41	588	500	
614	TransLink	3.800	02-Nov-20	660	638	
				90 459	85 716	<b>30.0</b>
<b>TOTAL CANADIAN BONDS</b>				<b>260 852</b>	<b>252 994</b>	<b>88.5</b>
<b>UNITED KINGDOM BONDS</b>						
2 050	National Grid Electricity Transmission Plc. CAD	2.730	20-Sep-17	2 066	2 047	
390	National Grid Electricity Transmission Plc. CAD	2.900	26-Nov-19	390	382	
<b>TOTAL UNITED KINGDOM BONDS</b>				<b>2 456</b>	<b>2 429</b>	<b>0.9</b>
<b>UNITED STATES BONDS</b>						
1 090	Anheuser-Busch InBev Finance Inc. CAD	2.375	25-Jan-18	1 087	1 079	
185	Anheuser-Busch InBev Finance Inc. CAD	3.375	25-Jan-23	184	179	
1 685	Anheuser-Busch InBev Worldwide Inc. CAD	3.650	15-Jan-16	1 766	1 748	
1 105	JPMorgan Chase & Co. CAD	2.920	19-Sep-17	1 116	1 104	
<b>TOTAL UNITED STATES BONDS</b>				<b>4 153</b>	<b>4 110</b>	<b>1.4</b>
<b>TOTAL BONDS</b>				<b>268 656</b>	<b>260 697</b>	<b>91.2</b>
<b>SHORT-TERM INVESTMENTS†</b>				<b>7 738</b>	<b>7 738</b>	<b>2.7</b>
<b>TOTAL INVESTMENTS</b>				<b>\$ 287 975</b>	<b>279 898</b>	<b>97.9</b>
<b>OTHER NET ASSETS</b>					<b>6 132</b>	<b>2.1</b>
<b>NET ASSETS</b>					<b>\$ 286 030</b>	<b>100.0</b>

\* Investment in related party (see note 7 in the generic notes).

† Short-term investments, which may be made up of treasury bills, commercial paper, term deposits and discount notes, earn interest at rates ranging from 1.10% to 1.23% and mature between October 1, 2013 and October 28, 2013.



**Statements of Net Assets** (unaudited) (in \$000s except per unit amounts)

(see note 2 in the generic notes)	September 30 2013	March 31 2013
<b>ASSETS</b>		
Investments at fair value	\$ 279 898	\$ 399 850
Cash	13	93
Due from investment dealers	19 145	26 237
Dividends receivable, interest accrued and other assets	2 766	3 684
<b>TOTAL ASSETS</b>	<b>301 822</b>	<b>429 864</b>
<b>LIABILITIES</b>		
Due to investment dealers	13 787	16 256
Redemptions payable	2 000	6 100
Accounts payable and accrued expenses	5	8
<b>TOTAL LIABILITIES</b>	<b>15 792</b>	<b>22 364</b>
<b>NET ASSETS</b>	<b>\$ 286 030</b>	<b>\$ 407 500</b>
Investments at cost	\$ 287 975	\$ 399 583
<b>NET ASSETS, END OF PERIOD</b>		
<b>SERIES 0</b>	<b>\$ 286 030</b>	<b>\$ 407 500</b>
<b>NET ASSETS PER UNIT, END OF PERIOD</b>		
<b>SERIES 0</b>	<b>\$ 10.06</b>	<b>\$ 10.25</b>
<b>NET ASSET VALUE (TRANSACTIONAL NAV)</b>		
<b>PER UNIT, END OF PERIOD</b>		
(see note 3 in the generic notes)		
<b>SERIES 0</b>	<b>\$ 10.07</b>	<b>\$ 10.26</b>

**Statements of Operations** (unaudited) (in \$000s except per unit amounts)

For the periods ended September 30 (see note 2 in the generic notes)*	2013	2012
<b>INCOME (see note 3 in the generic notes)</b>		
Interest	\$ 5 677	\$ 3 831
Other revenue	349	230
<b>TOTAL INCOME (LOSS)</b>	<b>6 026</b>	<b>4 061</b>
<b>EXPENSES (see notes – Fund Specific Information)</b>		
Administration fees	34	23
Board of Governors costs	1	1
GST/HST	4	3
<b>TOTAL EXPENSES</b>	<b>39</b>	<b>27</b>
Less expenses reimbursed by manager	–	(1)
<b>TOTAL EXPENSES NET OF REIMBURSEMENT</b>	<b>39</b>	<b>26</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>5 987</b>	<b>4 035</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS)</b>		
<b>ON INVESTMENTS</b>		
Net realized gain (loss) on investments	(4 513)	549
Change in unrealized gain (loss) on investments	(8 344)	2 740
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>(12 857)</b>	<b>3 289</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>		
<b>FROM OPERATIONS</b>	<b>\$ (6 870)</b>	<b>\$ 7 324</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>		
<b>FROM OPERATIONS</b>		
<b>SERIES 0</b>	<b>\$ (6 870)</b>	<b>\$ 7 324</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>		
<b>FROM OPERATIONS PER UNIT</b>		
<b>SERIES 0</b>	<b>\$ (0.20)</b>	<b>\$ 0.35</b>

\* Fund launched January 2012.

Approved by the Board of Directors of RBC Global Asset Management Inc.

**John S. Montalbano**  
Director

**Doug Coulter**  
Director

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



**Statements of Changes in Net Assets** (unaudited) (in \$000s)

For the periods ended September 30 (see note 2 in the generic notes)*	Series 0	
	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	<b>\$ 407 500</b>	<b>\$ 137 500</b>
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	<b>(6 870)</b>	<b>7 324</b>
Early redemption fees	–	–
Proceeds from units issued	–	161 250
Proceeds from reinvestment of distributions	–	–
Payments on redemption of units	<b>(114 600)</b>	–
<b>TOTAL UNIT TRANSACTIONS</b>	<b>(114 600)</b>	<b>161 250</b>
Distributions from net income	–	–
Distributions from net gains	–	–
Distributions from capital	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>–</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>(121 470)</b>	<b>168 574</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 286 030</b>	<b>\$ 306 074</b>

\* Fund launched January 2012.



September 30, 2013

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

**Credit risk (%)**

The table below summarizes the Fund's credit risk exposure grouped by credit ratings as at:

Rating	September 30 2013	March 31 2013
AAA	18.8	12.8
AA	46.7	49.6
A	20.2	25.9
BBB	10.8	9.0
BB	1.1	1.0
B	2.3	1.6
Unrated	0.1	0.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

**Interest rate risk (%)**

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

Term to maturity	September 30 2013	March 31 2013
Less than 1 year	2.1	6.1
1 – 5 years	38.2	32.6
5 – 10 years	28.9	17.7
> 10 years	30.8	43.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

As at September 30, 2013, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 6.5% (March 31, 2013 – 6.1%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of September 30 and March 31, 2013 in the valuation of the Fund's financial instruments carried at fair value.

September 30, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>11 463</b>	–	–	<b>11 463</b>
<b>Fixed-income and debt securities</b>	–	<b>260 697</b>	–	<b>260 697</b>
<b>Short-term investments</b>	–	<b>7 738</b>	–	<b>7 738</b>
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>11 463</b>	<b>268 435</b>	–	<b>279 898</b>
<b>% of total portfolio</b>	<b>4.1</b>	<b>95.9</b>	–	<b>100.0</b>

March 31, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	<b>12 367</b>	–	–	<b>12 367</b>
<b>Fixed-income and debt securities</b>	–	<b>316 873</b>	–	<b>316 873</b>
<b>Short-term investments</b>	–	<b>70 610</b>	–	<b>70 610</b>
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	<b>12 367</b>	<b>387 483</b>	–	<b>399 850</b>
<b>% of total portfolio</b>	<b>3.1</b>	<b>96.9</b>	–	<b>100.0</b>

For the periods ended September 30 and March 31, 2013, there were no transfers of financial instruments between Level 1 and Level 2.

**Management fees (see note 7 in the generic notes)**

No management fees are payable by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

**Operating expenses (see note 7 in the generic notes)**

The administration fee payable by Series O of the Fund is calculated at the following annual percentage, before GST/HST, of the daily net asset value of Series O of the Fund.

Series O	0.02%
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**Unitholders' equity (000s)**

The unitholders' equity of the Fund includes amounts representing units, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of units available for issue. Units are purchased and redeemed at the transactional NAV per unit.

For the periods ended September 30  
(see note 2 in the generic notes)

	2013	2012
<b>Series 0</b>		
Opening units	39 730	13 708
Issued number of units	–	15 786
Reinvested number of units	–	–
Redeemed number of units	(11 285)	–
Ending number of units	28 445	29 494

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

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

	September 30 2013	September 30 2012
Phillips, Hager & North Total Return Bond Fund	\$ 349	\$ 230
Total other revenue	\$ 349	\$ 230
Capital gains received from underlying funds	\$ –	\$ –



STATEMENT OF INVESTMENT PORTFOLIO (unaudited) (in \$000s)  
**RBC HIGH YIELD BOND TRUST**

September 30, 2013

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>BONDS</b>						
<b>Australia</b>						
\$ 1 000	FMG Resources (August 2006) Pty Ltd. USD	7.000	01-Nov-15	\$ 1 060	\$ 1 061	
1 000	FMG Resources (August 2006) Pty Ltd. USD	8.250	01-Nov-19	1 078	1 110	
				2 138	2 171	<b>0.7</b>
<b>Canada</b>						
4 200	Baytex Energy Corp.	6.625	19-Jul-22	4 384	4 323	
1 000	Bell Aliant Regional Communications LP	4.880	26-Apr-18	1 068	1 067	
4 050	Bombardier Inc. USD	7.750	15-Mar-20	4 598	4 713	
3 900	Corus Entertainment Inc.	4.250	11-Feb-20	3 900	3 699	
1 800	EnerCare Solutions Inc.	4.600	03-Feb-20	1 799	1 836	
3 545	Fairfax Financial Holdings Ltd.	7.500	19-Aug-19	4 019	4 064	
100	Fairfax Financial Holdings Ltd.	6.400	25-May-21	105	108	
4 350	Ford Credit Canada Ltd.	7.500	18-Aug-15	4 880	4 736	
2 450	Great Canadian Gaming Corp.	6.625	25-Jul-22	2 492	2 487	
2 250	Great-West Lifeco Finance Delaware LP	5.691	21-Jun-67	2 393	2 463	
2 050	HudBay Minerals Inc. USD	9.500	01-Oct-20	2 074	2 117	
2 800	Mattamy Group Corp.	6.875	15-Nov-20	2 813	2 762	
2 500	New Gold Inc. USD	7.000	15-Apr-20	2 577	2 653	
1 345	Newalta Corp.	7.750	14-Nov-19	1 461	1 425	
4 450	Quebecor Media Inc.	7.375	15-Jan-21	4 688	4 782	
1 750	Reliance LP	5.187	15-Mar-19	1 750	1 825	
1 000	Shaw Communications Inc.	5.650	01-Oct-19	1 113	1 102	
2 500	Trinidad Drilling Ltd. USD	7.875	15-Jan-19	2 695	2 717	
3 000	Vermilion Energy Inc.	6.500	10-Feb-16	3 177	3 088	
5 200	Videotron Ltd.	6.875	15-Jul-21	5 669	5 648	
				57 655	57 615	<b>18.8</b>
<b>Japan</b>						
3 000	Softbank Corp. USD	4.500	15-Apr-20	3 133	2 970	
				3 133	2 970	<b>1.0</b>
<b>Luxembourg</b>						
3 950	ArcelorMittal USD	9.850	01-Jun-19	4 906	5 005	
4 000	Intelsat Jackson Holdings S.A. USD	7.250	01-Apr-19	4 224	4 409	
				9 130	9 414	<b>3.1</b>
<b>Netherlands</b>						
1 450	OI European Group BV EUR	4.875	31-Mar-21	1 930	2 061	
				1 930	2 061	<b>0.7</b>
<b>Singapore</b>						
2 500	Flextronics International Ltd. USD	4.625	15-Feb-20	2 569	2 498	
				2 569	2 498	<b>0.8</b>
<b>Spain</b>						
1 000	Gestamp Funding Luxembourg S.A. USD	5.625	31-May-20	1 013	1 025	
				1 013	1 025	<b>0.3</b>
<b>United Kingdom</b>						
2 000	Ineos Finance Plc. USD	8.375	15-Feb-19	2 271	2 271	
				2 271	2 271	<b>0.7</b>

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



September 30, 2013

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>United States</b>						
\$ 2 250	Access Midstream Partners LP	4.875	15-May-23	\$ 2 266	\$ 2 179	
2 139	American Axle & Manufacturing Holdings, Inc.	9.250	15-Jan-17	2 397	2 352	
400	American Axle & Manufacturing Holdings, Inc.	7.750	15-Nov-19	431	459	
3 000	Ameristar Casinos Inc.	7.500	15-Apr-21	3 186	3 361	
4 500	Ball Corp.	5.750	15-May-21	4 833	4 890	
4 000	Beazer Homes USA Inc.	6.625	15-Apr-18	4 161	4 326	
2 750	Berry Plastics Corp.	9.750	15-Jan-21	3 130	3 272	
979	Brunswick Corp.	4.625	15-May-21	968	942	
2 500	Carmike Cinemas Inc.	7.375	15-May-19	2 687	2 775	
3 650	CCO Holdings LLC	7.375	01-Jun-20	4 018	4 061	
2 000	CCO Holdings LLC	6.500	30-Apr-21	2 112	2 101	
1 545	Cedar Fair LP	9.125	01-Aug-18	1 748	1 745	
900	Chaparral Energy Inc.	8.250	01-Sep-21	1 017	978	
1 000	Chaparral Energy Inc.	7.625	15-Nov-22	1 122	1 046	
3 000	Choice Hotels International Inc.	5.750	01-Jul-22	3 226	3 198	
1 700	Cinemark USA Inc.	4.875	01-Jun-23	1 746	1 611	
1 012	Clearwater Paper Corp.	7.125	01-Nov-18	1 130	1 121	
3 000	Community Health Systems Inc.	5.125	15-Aug-18	3 058	3 144	
3 750	Concho Resources Inc.	7.000	15-Jan-21	4 119	4 230	
2 830	Continental Resources Inc.	7.125	01-Apr-21	3 298	3 258	
3 250	CSC Holdings LLC	6.750	15-Nov-21	3 535	3 582	
1 750	D.R. Horton Inc.	5.750	15-Aug-23	1 817	1 816	
3 500	Delphi Corp.	6.125	15-May-21	3 882	3 939	
4 230	Denbury Resources Inc.	8.250	15-Feb-20	4 726	4 782	
170	Denbury Resources Inc.	6.375	15-Aug-21	193	186	
4 500	DISH DBS Corp.	7.875	01-Sep-19	5 153	5 284	
1 000	Frontier Communications Corp.	8.500	15-Apr-20	1 104	1 138	
2 000	Frontier Communications Corp.	7.125	15-Jan-23	2 096	2 055	
2 250	Gibson Energy Inc.	7.000	15-Jul-20	2 219	2 326	
585	Graphic Packaging International Inc.	7.875	01-Oct-18	663	657	
3 000	Great-West Life & Annuity Insurance Co.	7.153	16-May-46	3 073	3 121	
3 500	Hawk Acquisition Sub Inc.	4.250	15-Oct-20	3 565	3 439	
1 375	HCA Inc.	7.875	15-Feb-20	1 526	1 527	
2 025	HCA Inc.	5.875	15-Mar-22	2 175	2 149	
2 250	HCA Inc.	4.750	01-May-23	2 343	2 182	
3 225	HDTFS Inc.	6.250	15-Oct-22	3 321	3 430	
1 125	Hilton Worldwide Finance Corp.	5.625	15-Oct-21	1 168	1 162	
3 000	Ingles Markets Inc.	5.750	15-Jun-23	3 106	2 982	
950	Lear Corp.	7.875	15-Mar-18	1 038	1 035	
750	Levi Strauss & Co.	7.625	15-May-20	850	832	
4 750	MetroPCS Wireless Inc.	6.625	01-Apr-23	4 959	4 905	
525	Mobile Mini Inc.	7.875	01-Dec-20	587	588	
150	NCR Corp.	4.625	15-Feb-21	149	145	
3 000	NCR Corp.	5.000	15-Jul-22	3 027	2 874	
5 000	NRG Energy Inc.	7.875	15-May-21	5 358	5 511	
500	Oasis Petroleum Inc.	6.875	15-Mar-22	517	543	
1 325	Owens-Brockway Glass Container Inc.	7.375	15-May-16	1 500	1 535	
3 500	Prestige Brands Inc.	8.250	01-Apr-18	3 887	3 831	
2 250	Qwest Corp.	6.500	01-Jun-17	2 561	2 613	
2 650	Qwest Corp.	6.750	01-Dec-21	3 051	2 933	
1 900	Range Resources Corp.	8.000	15-May-19	2 092	2 102	
2 000	Range Resources Corp.	6.750	01-Aug-20	2 179	2 220	
600	Range Resources Corp.	5.750	01-Jun-21	666	649	
1 350	Reynolds Group Issuer Inc.	7.125	15-Apr-19	1 443	1 478	
4 000	Reynolds Group Issuer Inc.	6.875	15-Feb-21	4 410	4 399	
3 750	Rite Aid Corp.	8.000	15-Aug-20	4 267	4 317	
500	Seagate HDD Cayman USD	7.000	01-Nov-21	572	561	

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



September 30, 2013

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>United States (cont.)</b>						
\$ 1 500	Seagate HDD Cayman USD	4.750	01-Jun-23	\$ 1 526	\$ 1 487	
3 775	Service Corp. International	7.625	01-Oct-18	4 349	4 404	
4 500	Smithfield Foods Inc.	6.625	15-Aug-22	4 772	4 780	
3 000	Sonic Automotive Inc.	7.000	15-Jul-22	3 242	3 307	
1 350	Sonic Automotive Inc.	5.000	15-May-23	1 376	1 272	
1 950	Spirit Aerosystems Inc.	6.750	15-Dec-20	2 112	2 104	
1 250	Sprint Capital Corp.	6.875	15-Nov-28	1 263	1 149	
2 300	Sprint Corp.	7.875	15-Sep-23	2 418	2 417	
2 750	Sprint Nextel Corp.	9.000	15-Nov-18	3 474	3 321	
1 000	Sprint Nextel Corp.	6.000	15-Nov-22	1 059	948	
1 750	Standard Pacific Corp.	8.375	15-Jan-21	2 145	2 028	
2 000	Stater Bros. Holdings Inc.	7.375	15-Nov-18	2 156	2 179	
350	Targa Resources Partners LP	6.875	01-Feb-21	390	385	
650	Targa Resources Partners LP	4.250	15-Nov-23	655	606	
2 500	Tempur Sealy International Inc.	6.875	15-Dec-20	2 620	2 691	
1 325	Tenet Healthcare Corp.	6.250	01-Nov-18	1 465	1 457	
3 175	Tenet Healthcare Corp.	4.750	01-Jun-20	3 226	3 148	
4 000	The AES Corp.	8.000	15-Oct-17	4 582	4 738	
450	The Hertz Corp.	5.875	15-Oct-20	446	477	
3 800	Toll Brothers Finance Corp.	5.875	15-Feb-22	4 097	4 002	
1 025	Toys "R" Us Property Co.	8.500	01-Dec-17	1 089	1 106	
3 000	Unit Corp.	6.625	15-May-21	3 231	3 168	
2 825	United Rentals North America Inc.	5.750	15-Jul-18	2 930	3 056	
1 950	United Rentals North America Inc.	7.375	15-May-20	2 086	2 164	
1 500	Whiting Petroleum Corp.	5.750	15-Mar-21	1 556	1 588	
1 485	Windstream Corp.	7.750	01-Oct-21	1 605	1 579	
3 125	Wynn Las Vegas LLC Corp.	7.750	15-Aug-20	3 473	3 613	
				202 774	203 051	66.3
<b>TOTAL BONDS</b>				282 613	283 076	92.4
<b>SHORT-TERM INVESTMENTS*</b>						
9 210	Bank of Nova Scotia			9 202	9 202	
7 290	Canadian Imperial Bank of Commerce			7 284	7 284	
670	National Bank of Canada			669	669	
<b>TOTAL SHORT-TERM INVESTMENTS</b>				17 155	17 155	5.6
<b>TOTAL INVESTMENTS</b>				299 768	300 231	98.0
<b>UNREALIZED GAIN ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE A)</b>				–	2 546	0.8
<b>TOTAL PORTFOLIO</b>				\$ 299 768	302 777	98.8
<b>OTHER NET ASSETS</b>					3 654	1.2
<b>NET ASSETS</b>					\$ 306 431	100.0

\* Short-term investments, which may be made up of treasury bills, commercial paper, term deposits and discount notes, and are grouped by issuer, earn interest at rates ranging from 1.11% to 1.14% and mature between October 7, 2013 and October 31, 2013.





September 30, 2013

**SCHEDULE A**

**Foreign Exchange Contracts**

Contracts	Maturity Date	Unrealized Gain (Loss)
Bought CAD 401 Sold USD 389 @ 1.0320	01-Oct-13	\$ 1
Bought CAD 5 159 Sold USD 4 900 @ 1.0528	01-Oct-13	111
Bought USD 100 Sold CAD 105 @ 1.0523	01-Oct-13	(2)
Bought USD 4 400 Sold CAD 4 532 @ 1.0301	01-Oct-13	–
Bought USD 400 Sold CAD 411 @ 1.0287	01-Oct-13	1
Bought USD 600 Sold CAD 625 @ 1.0423	03-Oct-13	(7)
Bought USD 453 Sold CAD 467 @ 1.0298	04-Oct-13	–
Bought USD 681 Sold CAD 700 @ 1.0286	04-Oct-13	1
Bought CAD 3 826 Sold USD 3 680 @ 1.0397	08-Oct-13	35
Bought CAD 630 Sold USD 600 @ 1.0505	08-Oct-13	12
Bought CAD 536 Sold USD 510 @ 1.0519	10-Oct-13	11
Bought CAD 7 118 Sold USD 6 754 @ 1.0539	10-Oct-13	159
Bought USD 5 500 Sold CAD 5 688 @ 1.0342	10-Oct-13	(22)
Bought USD 500 Sold CAD 516 @ 1.0324	10-Oct-13	(1)
Bought CAD 2 552 Sold USD 2 450 @ 1.0417	11-Oct-13	28
Bought CAD 3 339 Sold USD 3 162 @ 1.0559	16-Oct-13	80
Bought CAD 104 Sold USD 100 @ 1.0409	18-Oct-13	1
Bought CAD 4 160 Sold USD 4 000 @ 1.0400	18-Oct-13	38
Bought CAD 11 177 Sold USD 10 702 @ 1.0444	21-Oct-13	148
Bought CAD 9 528 Sold USD 9 235 @ 1.0317	23-Oct-13	10
Bought USD 420 Sold CAD 432 @ 1.0297	23-Oct-13	–
Bought CAD 279 Sold USD 270 @ 1.0332	24-Oct-13	1
Bought CAD 3 777 Sold USD 3 665 @ 1.0306	24-Oct-13	–
Bought CAD 9 937 Sold USD 9 623 @ 1.0327	25-Oct-13	19
Bought CAD 5 823 Sold USD 5 655 @ 1.0298	28-Oct-13	(6)
Bought CAD 7 736 Sold USD 7 508 @ 1.0304	28-Oct-13	(3)
Bought CAD 316 Sold USD 300 @ 1.0542	30-Oct-13	7
Bought CAD 5 701 Sold USD 5 476 @ 1.0410	30-Oct-13	56
Bought CAD 527 Sold USD 500 @ 1.0539	30-Oct-13	12
Bought CAD 676 Sold USD 650 @ 1.0406	30-Oct-13	6
Bought CAD 731 Sold USD 710 @ 1.0292	01-Nov-13	(1)
Bought CAD 927 Sold USD 900 @ 1.0304	01-Nov-13	–
Bought USD 1 000 Sold CAD 1 035 @ 1.0354	01-Nov-13	(5)
Bought USD 450 Sold CAD 469 @ 1.0423	01-Nov-13	(5)
Bought USD 6 790 Sold CAD 6 982 @ 1.0283	01-Nov-13	17
Bought CAD 8 263 Sold USD 8 028 @ 1.0293	04-Nov-13	(13)
Bought CAD 11 156 Sold USD 10 614 @ 1.0510	05-Nov-13	213
Bought CAD 7 082 Sold USD 6 854 @ 1.0332	05-Nov-13	16
Bought USD 503 Sold CAD 519 @ 1.0319	05-Nov-13	–
Bought USD 534 Sold CAD 552 @ 1.0344	05-Nov-13	(2)
Bought CAD 3 183 Sold USD 3 085 @ 1.0317	06-Nov-13	2
Bought CAD 15 031 Sold USD 14 399 @ 1.0439	07-Nov-13	185
Bought CAD 6 247 Sold USD 6 000 @ 1.0412	07-Nov-13	61
Bought CAD 1 133 Sold USD 1 100 @ 1.0296	12-Nov-13	(2)
Bought CAD 10 397 Sold USD 10 078 @ 1.0317	12-Nov-13	5
Bought CAD 2 436 Sold USD 2 328 @ 1.0465	12-Nov-13	36
Bought CAD 2 590 Sold USD 2 500 @ 1.0358	12-Nov-13	12
Bought CAD 421 Sold USD 400 @ 1.0524	12-Nov-13	8
Bought USD 1 169 Sold CAD 1 212 @ 1.0366	12-Nov-13	(6)
Bought CAD 10 365 Sold USD 10 000 @ 1.0365	14-Nov-13	53
Bought CAD 528 Sold EUR 385 @ 1.3726	15-Nov-13	(9)
Bought USD 1 000 Sold CAD 1 034 @ 1.0336	18-Nov-13	(2)
Bought USD 490 Sold CAD 501 @ 1.0231	18-Nov-13	4
Bought USD 510 Sold CAD 522 @ 1.0238	18-Nov-13	4

**SCHEDULE A (cont.)**

**Foreign Exchange Contracts**

Contracts	Maturity Date	Unrealized Gain (Loss)
Bought CAD 10 342 Sold USD 10 000 @ 1.0342	19-Nov-13	\$ 29
Bought CAD 11 023 Sold USD 10 645 @ 1.0355	21-Nov-13	44
Bought USD 400 Sold CAD 413 @ 1.0334	21-Nov-13	(1)
Bought CAD 6 984 Sold USD 6 630 @ 1.0535	22-Nov-13	146
Bought CAD 14 210 Sold USD 13 570 @ 1.0472	25-Nov-13	213
Bought CAD 2 109 Sold USD 2 000 @ 1.0545	27-Nov-13	46
Bought CAD 588 Sold USD 564 @ 1.0421	29-Nov-13	6
Bought CAD 7 390 Sold USD 7 000 @ 1.0558	03-Dec-13	169
Bought CAD 2 598 Sold USD 2 470 @ 1.0518	04-Dec-13	50
Bought CAD 28 Sold EUR 20 @ 1.3819	05-Dec-13	–
Bought CAD 3 896 Sold USD 3 737 @ 1.0424	05-Dec-13	40
Bought CAD 9 888 Sold USD 9 377 @ 1.0546	05-Dec-13	214
Bought CAD 2 532 Sold USD 2 410 @ 1.0506	06-Dec-13	45
Bought CAD 10 547 Sold USD 10 000 @ 1.0547	09-Dec-13	228
Bought CAD 609 Sold EUR 437 @ 1.3946	09-Dec-13	(1)
Bought CAD 4 540 Sold USD 4 400 @ 1.0318	10-Dec-13	–
Bought CAD 840 Sold EUR 610 @ 1.3764	11-Dec-13	(12)
Bought CAD 7 746 Sold USD 7 456 @ 1.0390	12-Dec-13	52
Bought CAD 2 068 Sold USD 2 000 @ 1.0342	19-Dec-13	4
Bought CAD 5 329 Sold USD 5 157 @ 1.0334	23-Dec-13	7
<b>TOTAL FOREIGN EXCHANGE</b>		<b>\$ 2 546</b>

All counterparties have a credit rating of at least A.

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



**Statements of Net Assets** (unaudited) (in \$000s except per unit amounts)

(see note 2 in the generic notes)	September 30 2013	March 31 2013
<b>ASSETS</b>		
Investments at fair value	\$ 300 231	\$ 378 393
Cash	102	9
Due from investment dealers	797	504
Unrealized gain on foreign exchange contracts	2 546	21
Dividends receivable, interest accrued and other assets	5 345	6 805
<b>TOTAL ASSETS</b>	<b>309 021</b>	<b>385 732</b>
<b>LIABILITIES</b>		
Due to investment dealers	1 584	548
Redemptions payable	1 000	–
Accounts payable and accrued expenses	6	7
<b>TOTAL LIABILITIES</b>	<b>2 590</b>	<b>555</b>
<b>NET ASSETS</b>	<b>\$ 306 431</b>	<b>\$ 385 177</b>
Investments at cost	\$ 299 768	\$ 370 370
<b>NET ASSETS, END OF PERIOD</b>		
<b>SERIES 0</b>	<b>\$ 306 431</b>	<b>\$ 385 177</b>
<b>NET ASSETS PER UNIT, END OF PERIOD</b>		
<b>SERIES 0</b>	<b>\$ 10.62</b>	<b>\$ 10.57</b>
<b>NET ASSET VALUE (TRANSACTIONAL NAV)</b>		
<b>PER UNIT, END OF PERIOD</b>		
(see note 3 in the generic notes)		
<b>SERIES 0</b>	<b>\$ 10.66</b>	<b>\$ 10.60</b>

**Statements of Operations** (unaudited) (in \$000s except per unit amounts)

For the periods ended September 30 (see note 2 in the generic notes)*	2013	2012
<b>INCOME (see note 3 in the generic notes)</b>		
Interest	\$ 10 522	\$ 6 377
Securities lending revenue		
(see note 6 in the generic notes)	1	–
<b>TOTAL INCOME (LOSS)</b>	<b>10 523</b>	<b>6 377</b>
<b>EXPENSES (see notes – Fund Specific Information)</b>		
Administration fees	34	19
Board of Governors costs	1	1
GST/HST	4	3
<b>TOTAL EXPENSES</b>	<b>39</b>	<b>23</b>
Less expenses reimbursed by manager	–	(1)
<b>TOTAL EXPENSES NET OF REIMBURSEMENT</b>	<b>39</b>	<b>22</b>
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>10 484</b>	<b>6 355</b>
<b>REALIZED AND UNREALIZED GAIN (LOSS)</b>		
<b>ON INVESTMENTS</b>		
Net realized gain (loss) on investments	1 841	565
Net gain (loss) on foreign currencies and other net assets	(5 536)	3 165
Change in unrealized gain (loss) on investments	(5 035)	1 154
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>(8 730)</b>	<b>4 884</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>		
<b>FROM OPERATIONS</b>	<b>\$ 1 754</b>	<b>\$ 11 239</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>		
<b>FROM OPERATIONS</b>		
<b>SERIES 0</b>	<b>\$ 1 754</b>	<b>\$ 11 239</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>		
<b>FROM OPERATIONS PER UNIT</b>		
<b>SERIES 0</b>	<b>\$ 0.06</b>	<b>\$ 0.58</b>

\* Fund launched January 2012.

Approved by the Board of Directors of RBC Global Asset Management Inc.

**John S. Montalbano**  
Director

**Doug Coulter**  
Director

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



**Statements of Changes in Net Assets** (unaudited) (in \$000s)

For the periods ended September 30 (see note 2 in the generic notes)*	Series 0	
	2013	2012
<b>NET ASSETS – BEGINNING OF PERIOD</b>	<b>\$ 385 177</b>	<b>\$ 126 536</b>
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	<b>1 754</b>	<b>11 239</b>
Early redemption fees	–	–
Proceeds from units issued	–	135 675
Proceeds from reinvestment of distributions	–	–
Payments on redemption of units	(80 500)	–
<b>TOTAL UNIT TRANSACTIONS</b>	<b>(80 500)</b>	<b>135 675</b>
Distributions from net income	–	–
Distributions from net gains	–	–
Distributions from capital	–	–
<b>TOTAL DISTRIBUTIONS</b>	<b>–</b>	<b>–</b>
<b>TOTAL INCREASE (DECREASE) IN NET ASSETS</b>	<b>(78 746)</b>	<b>146 914</b>
<b>NET ASSETS – END OF PERIOD</b>	<b>\$ 306 431</b>	<b>\$ 273 450</b>

\* Fund launched January 2012.



September 30, 2013

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

**Credit risk (%)**

The table below summarizes the Fund's credit risk exposure grouped by credit ratings as at:

Rating	September 30 2013	March 31 2013
A	1.8	1.2
BBB	8.2	16.5
BB	46.2	40.5
B	42.7	40.4
CCC	1.1	1.4
Total	100.0	100.0

**Interest rate risk (%)**

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

Term to maturity	September 30 2013	March 31 2013
Less than 1 year	–	0.1
1 – 5 years	18.4	25.8
5 – 10 years	81.0	71.2
> 10 years	0.6	2.9
Total	100.0	100.0

As at September 30, 2013, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 4.1% (March 31, 2013 – 3.5%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of September 30 and March 31, 2013 in the valuation of the Fund's financial instruments carried at fair value.

September 30, 2013	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Mutual fund units</b>	–	–	–	–
<b>Fixed-income and debt securities</b>	–	283 076	–	283 076
<b>Short-term investments</b>	–	17 155	–	17 155
<b>Derivatives – assets</b>	–	2 546	–	2 546
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	–	302 777	–	302 777
<b>% of total portfolio</b>	–	100.0	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	–	–	–	–
Fixed-income and debt securities	–	354 868	–	354 868
Short-term investments	–	23 525	–	23 525
Derivatives – assets	–	21	–	21
Derivatives – liabilities	–	–	–	–
<b>Total financial instruments</b>	–	378 414	–	378 414
<b>% of total portfolio</b>	–	100.0	–	100.0

For the periods ended September 30 and March 31, 2013, there were no transfers of financial instruments between Level 1 and Level 2.

**Management fees (see note 7 in the generic notes)**

No management fees are payable by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

**Operating expenses (see note 7 in the generic notes)**

The administration fee payable by Series O of the Fund is calculated at the following annual percentage, before GST/HST, of the daily net asset value of Series O of the Fund.

Series O	0.02%
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September 30, 2013

**Unitholders' equity (000s)**

The unitholders' equity of the Fund includes amounts representing units, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of units available for issue. Units are purchased and redeemed at the transactional NAV per unit.

For the periods ended September 30  
(see note 2 in the generic notes)

	2013	2012
<b>Series 0</b>		
Opening units	36 435	12 475
Issued number of units	–	13 015
Reinvested number of units	–	–
Redeemed number of units	(7 583)	–
Ending number of units	28 852	25 490

**Securities lending revenue (\$000s)  
(see note 6 in the generic notes)**

Fair value of securities on loan and collateral received as at:

	September 30 2013	September 30 2012
Fair value of securities loaned	\$ 1 446	\$ –
Fair value of collateral received	\$ 1 475	\$ –

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



## 1. The Funds

The mutual funds (“Fund” or “Funds”) are open-ended mutual fund trusts governed by the laws of the Province of Ontario and governed by a Master Declaration of Trust. RBC GAM is the manager, trustee and portfolio advisor of the Funds.

The Funds may issue an unlimited number of Series O units.

Series O units have no management fees. Series O unitholders pay a negotiated fee directly to RBC GAM.

## 2. Financial year/period

The information provided in these financial statements and notes thereto is for the six-month period ended September 30, 2013 and 2012, or as at September 30, 2013 and March 31, 2013. In the year a Fund or series is established, “period” represents the period from inception to March 31 of that fiscal year.

## 3. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”), which include estimates and assumptions made by management that may affect the reported amounts of assets (primarily valuation of investments), liabilities, income and expenses during the reported period. Actual results may differ from estimates. The significant accounting policies of the Funds are as follows:

**Valuation of Investments** The valuation methods used to calculate the daily net asset value to transact units of the Funds (“transactional NAV”), as described in the Funds’ Annual Information Form, are not identical to the GAAP accounting policies used to determine the financial statement net assets (“net assets”) described below. The primary difference between net assets and transactional NAV relates to valuation of actively traded securities at bid prices for net assets and at last sale prices for transactional NAV.

In accordance with the Canadian Institute of Chartered Accountants (“CICA”) Handbook Section 3862, *Financial Instruments – Disclosures*, the Funds’ financial instruments are measured at fair value using a three-tier hierarchy based on inputs used to value the Funds’ investments and derivatives. The hierarchy of inputs is summarized below:

*Level 1* – quoted prices (unadjusted) in active markets for identical assets or liabilities;

*Level 2* – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

*Level 3* – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Changes in valuation methods may result in transfers into or out of an investment’s assigned level.

The three-tier hierarchy of investments and derivatives is included in “Notes to Financial Statements – Fund Specific Information.”

Investments are recorded at fair value, which is determined as follows:

*Fixed-Income and Debt Securities* – Bonds, mortgage-backed securities, loans and debentures are valued at the closing bid price quoted by major dealers in such securities.

*Short-Term Investments* – Short-term investments are valued at their cost including applicable foreign exchange translations. This value, together with accrued interest, approximates fair value using closing bid prices.

*Forward Contracts* – Forward contracts are valued at the gain or loss that would arise as a result of closing the position at the valuation date. Any gain or loss at the close of business on each valuation date is recorded in the Statements of Operations. The net receivable/payable on forward contracts is recorded separately in the Statements of Net Assets. Realized gain (loss) on foreign exchange contracts is included in “Net gain (loss) on foreign currencies and other net assets” in the Statements of Operations.

*Mutual Fund Unit Valuation* – Units of Funds are valued at their respective transactional NAV per unit received from fund companies on the relevant valuation dates.

*Fair Valuation of Investments (including unlisted securities)* – If the valuation methods described above are not appropriate, RBC GAM will estimate the fair value of an investment using established fair valuation procedures, such as consideration of public information, broker quotes, valuation models, fundamental analysis, matrix pricing, discounts from market prices of similar securities or discounts applied due to restrictions on the disposition of securities, and external fair value service providers.



**Foreign Exchange** The value of investments and other assets and liabilities in foreign currencies is translated into Canadian dollars at the rate of exchange on each valuation date. Purchases and sales of investments, income and expenses are translated at the rate of exchange prevailing on the respective dates of such transactions. Realized foreign exchange gains/losses are included in “Net gain (loss) on foreign currencies and other net assets” in the Statements of Operations.

**Valuation of Series** The net asset value of a particular series of units is computed by calculating the value of the series’ proportionate share of the assets and liabilities of the Fund common to all series less the liabilities of the Fund attributable only to that series. Expenses directly attributable to a series are charged to that series. Other expenses are allocated proportionately to each series based upon the relative net asset value of each series. Expenses are accrued daily.

**Investment Transactions** Investment transactions are accounted for as of the trade date. Transaction costs, such as brokerage commissions, incurred by the Funds are recorded in the Statements of Operations for the period. The period change in the difference between fair value and average cost of securities represents unrealized gains and losses. The basis of determining the cost of portfolio assets, and realized and unrealized gains and losses on investments, is average cost.

**Income Recognition** Interest income is recognized on an accrual basis. “Other revenue” includes income earned by a Fund from investments in underlying funds.

**Increase (Decrease) in Net Assets from Operations Per Unit** Increase (decrease) in net assets from operations per unit in the Statements of Operations represents the increase (decrease) in net assets from operations by series, divided by the average units outstanding per series during the period.

**Early Redemption Fees** Early redemption fees (short-term trading fees) are paid directly to a Fund and are designed to deter excessive trading and its associated costs. With the exception of money market funds, a Fund may apply a fee of 2% of the current value of units if the unitholder redeems or switches out units within seven days of purchasing or previously switching into a Fund.

**Foreign Currencies** The following is a list of abbreviations used in the Statement of Investment Portfolio:

AUD – Australian Dollar	NOK – Norwegian Krone
BRL – Brazilian Real	PHP – Philippine Peso
CAD – Canadian Dollar	RUB – Russian Rouble
EUR – Euro	TRY – Turkish New Lira
KRW – South Korean Won	USD – United States Dollar
MXN – Mexican Peso	

#### 4. Financial instrument risk and capital management

RBC GAM is responsible for managing each Fund’s capital, which is its net assets and consists primarily of its financial instruments.

A Fund’s investment activities expose it to a variety of financial risks. RBC GAM seeks to minimize potential adverse effects of these risks on a Fund’s performance by employing professional, experienced portfolio advisors, daily monitoring of the Fund’s holdings and market events, diversifying its investment portfolio within the constraints of its investment objectives, and, in some cases, periodically hedging certain risk exposures through the use of derivatives. To assist in managing risks, RBC GAM also uses internal guidelines, maintains a governance structure that oversees each Fund’s investment activities and monitors compliance with the Fund’s investment strategies, internal guidelines and securities regulations.

##### **Liquidity risk**

Liquidity risk is the possibility that investments in a Fund cannot be readily converted into cash when required. A Fund is exposed to daily cash redemptions of redeemable units. Liquidity risk is managed by investing the majority of a Fund’s assets in investments that are traded in an active market and that can be readily disposed. In accordance with securities regulations, a Fund must maintain at least 90% of its assets in liquid investments. In addition, a Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions.

##### **Credit risk**

Credit risk is the risk that a loss could arise from a security issuer or counterparty not being able to meet its financial obligations. The carrying amount of investments and other assets represents the maximum credit risk exposure as disclosed in a Fund’s Statements of Net Assets. The fair value of fixed-income and debt securities includes a consideration of the credit worthiness of the debt issuer. Credit risk exposure to over-the-counter derivative instruments is based





on a Fund's unrealized gain on the contractual obligations with the counterparty. Credit risk exposure is mitigated for those Funds participating in a securities lending program (see note 6). RBC GAM monitors each Fund's credit exposure and counterparty ratings daily.

#### **Interest rate risk**

Interest rate risk is the risk that the fair value of a Fund's interest-bearing investments will fluctuate due to changes in market interest rates. The value of fixed-income and debt securities, such as bonds, debentures, mortgages or other income-producing securities is affected by interest rates. Generally, the value of these securities increases if interest rates fall and decreases if interest rates rise.

#### **Currency risk**

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of a Fund, will fluctuate due to changes in foreign exchange rates. The value of investments denominated in a currency other than Canadian dollars is affected by changes in the value of the Canadian dollar or a Fund's functional currency, in relation to the value of the currency in which the investment is denominated. When the value of the Canadian dollar falls in relation to foreign currencies, then the value of foreign investments rises. When the value of the Canadian dollar rises, the value of foreign investments falls.

#### **Other price risk**

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment.

### **5. Taxes**

In general, the Funds are subject to income tax, however, no income tax is payable on net income and/or capital gains which are distributed to unitholders. As the Fund will distribute all of its income, there is no provision for taxes in the financial statements. Non-capital losses may be carried forward to reduce future taxable income for up to 20 years. The Funds have no capital or non-capital losses to carry forward.

### **6. Securities lending**

Certain of the Funds lend portfolio securities from time to time in order to earn additional income. Income from securities lending is included in the Statements of Operations of a Fund. Each such Fund will have entered into a securities lending program with its custodian, RBC Investor Services Trust ("RBC IS"). The aggregate market value of all securities loaned by a Fund cannot exceed 50% of the assets of a Fund. The Fund receives collateral, with an approved credit rating of at least A, of at least 102% of the value of securities on loan. The Fund is indemnified by RBC IS for any collateral credit or market loss. As such, the credit risk associated with securities lending is considered minimal.

### **7. Administrative and other related-party transactions**

#### **Manager, Trustee, Portfolio Advisor and Principal Distributor**

RBC GAM is the manager, trustee, portfolio advisor and principal distributor of the Funds. RBC GAM is responsible for the Funds' day-to-day operations, holds title to the Funds' property on behalf of its unitholders, and provides investment advice and portfolio management services to the Funds. RBC GAM is paid a management fee by the Funds as compensation for its services. No management fees are paid by the Funds with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

The Funds pay a fixed administration fee to RBC GAM. RBC GAM in turn pays certain operating expenses of the Funds. These expenses include regulatory filing fees and other day-to-day operating expenses including, but not limited to, recordkeeping, accounting and fund valuation costs, custody fees, audit and legal fees and the costs of preparing and distributing annual and semi-annual reports, prospectuses, statements and investor communications.

Notwithstanding the fixed administration fee, the Funds also pay certain operating expenses directly, including the costs related to the Board of Governors ("BoG") of the Funds and the cost of any new government or regulatory requirements introduced and any borrowing costs (collectively, *other fund costs*), and taxes (including, but not limited to, GST/HST). Other fund costs will be allocated among each series of units of a fund in accordance with the services used. RBC GAM may, in some years and in certain cases, absorb a portion of operating expenses. The decision to absorb the operating expenses is reviewed annually and determined at the discretion of RBC GAM, without notice to unitholders.





Certain Funds may invest in units of other funds managed by RBC GAM or its affiliates.

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

**Custodian**

RBC IS is the custodian and holds the assets of the Funds.

**Registrar**

RBC IS is the registrar of the Funds and keeps records of who owns the units of the Funds.

**Brokerage**

The Funds have established standard brokerage agreements at market rates with related-party brokerages.

**Other Related-Party Transactions**

Pursuant to applicable securities legislation, the Funds relied on the standing instructions from the BoG in its capacity as the Independent Review Committee with respect to one or more of the following transactions:

**Related-Party Trading Activities**

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

**Inter-Fund Trading**

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the BoG of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the

portfolio manager, uninfluenced by considerations other than the best interests of the Funds, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Funds. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.

**8. Future accounting changes**

**International Financial Reporting Standards**

The Funds will be required to adopt the International Financial Reporting Standards (“IFRS”) beginning in their fiscal 2015 year. In preparation to meet the requirements, RBC GAM has taken the following steps in managing the transition to IFRS:

- (a) established a committee for the development and implementation of a transition plan and to provide oversight of the transition to IFRS;
- (b) commenced activities to identify key issues and the likely impacts resulting from the adoption of IFRS; and
- (c) initiated analysis to reconfigure accounting systems used by the Funds.

The key elements of the plan currently include the disclosures of the quantitative impact, if any, in the comparative 2014 financial statements and the preparation of the 2015 financial statements in accordance with IFRS.

Since IFRS standards are constantly evolving, the major qualitative impacts based on standards approved to date are the addition of a cash flow statement and the impact of classification of puttable instruments, the units of the Fund, as a liability or as an equity.

Regardless of the financial statement impacts, RBC GAM has presently determined that there will be no quantitative impact to the transactional NAV of each series as a result of the changeover to IFRS.



The advisory Board of Governors of the RBC Funds was established in 1994 specifically to provide advice to the fund manager regarding conflicts of interest in mutual fund management.

On December 1, 2006, the Board of Governors and RBC Global Asset Management Inc. completed the regulatory requirements necessary to allow the RBC Funds to be the first to take full advantage of the benefits of independent fund governance provided by National Instrument 81-107. Building on its long history of leadership in fund governance, RBC Global Asset Management Inc. established the Board of Governors as the independent review committee of the RBC Funds. All of the members of the Board of Governors are independent of RBC Global Asset Management Inc. and RBC Financial Group.

In its capacity as the independent review committee, the Board of Governors provides input on conflict of interest matters in respect of RBC Global Asset Management Inc. and the RBC Funds. At least once per year, the Board of Governors reviews and assesses the adequacy and effectiveness of the fund manager's policies and procedures relating to conflict of interest matters.

The Board of Governors is responsible for reviewing and assessing the independence of its members, the compensation of its members, and the effectiveness of the Board of Governors, its subcommittees and its members. In order to effectively manage its workload, the Board of Governors has three subcommittees: the Financial Advisory Committee, the Investment Conflicts Committee and the Governance Committee.

The Board of Governors has also been asked by RBC Global Asset Management Inc. to maintain its important role of providing advice on other issues relating to the management of the RBC Funds. This includes the role of the Financial Advisory Committee of the Board of Governors to provide advice concerning financial reporting, the audit process and financial internal controls.

The annual report of the Board of Governors describing its activities as the independent review committee of the RBC Funds is available on the website at [www.rbcgam.com/funds](http://www.rbcgam.com/funds) and on SEDAR at [www.sedar.com](http://www.sedar.com).

If you have any questions or comments about the Board of Governors or its committees, please let us know by contacting Judy Cotte, Secretary to the Board of Governors, at the address below.

**Lloyd R. McGinnis, OC, PEng**  
Chair of the Board of Governors

**Board of Governors**  
Attention: Judy Cotte  
RBC Global Asset Management Inc.  
P.O. Box 7500, Station A  
Toronto, Ontario M5W 1P9

## Board of Governors

**Lloyd R. McGinnis**  
**Chair of the Board of Governors**  
Director, Airport Site Development  
Winnipeg Airports Authority

**Michael G. Thorley<sup>1,4</sup>**  
**Vice Chair of the Board of Governors**  
Retired Lawyer  
Toronto, Ontario

**Selwyn B. Kossuth<sup>1,3</sup>**  
Financial Consultant  
Mississauga, Ontario

**Charles F. Macfarlane<sup>1,3</sup>**  
Corporate Director  
Toronto, Ontario

**Linda S. Petch<sup>1,3</sup>**  
Principal  
Linda S. Petch Governance Services  
Victoria, British Columbia

**Élaine Cousineau Phénix<sup>5</sup>**  
President  
Phénix Capital Inc.  
Montreal, Quebec

**Mary C. Ritchie<sup>2,3</sup>**  
President  
Richford Holdings Ltd.  
Edmonton, Alberta

**Joseph P. Shannon<sup>6</sup>**  
President  
Atlantic Corporation  
Port Hawkesbury, Nova Scotia

**James W. Yuel<sup>6</sup>**  
Chair  
PIC Investment Group Inc.  
Saskatoon, Saskatchewan

- <sup>1</sup> Member of the Financial Advisory Committee
- <sup>2</sup> Chair of the Financial Advisory Committee
- <sup>3</sup> Member of the Investment Conflicts Committee
- <sup>4</sup> Chair of the Investment Conflicts Committee
- <sup>5</sup> Chair of the Governance Committee
- <sup>6</sup> Member of the Governance Committee



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If you have questions regarding your mutual fund holdings, you can contact us using the following options:

**By Phone**

Toll-Free: **1-800-463-FUND (3863)**  
Dealers: **1-800-662-0652**

**On the Internet**

Visit our website at: **[www.rbcgam.com/funds](http://www.rbcgam.com/funds)**  
Email us at: **[funds.investments@rbc.com](mailto:funds.investments@rbc.com)**

**By Mail**

For general mutual fund enquiries, write to:

**RBC Funds Customer Service  
P.O. Box 6001, Station A  
Montréal, Québec H3C 3A9**



**RBC Global  
Asset Management**