



Global Asset
Management

RBC FUNDS AND RBC PRIVATE POOLS

2016

**Interim Management
Report of Fund
Performance**



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MONEY MARKET FUND

RBC CANADIAN T-BILL FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide current income and liquidity consistent with short-term money-market interest rates while preserving the value of the investment.

The Fund is invested primarily in short-term government debt securities with a maximum term of 365 days. Investments include Government of Canada Treasury bills, notes guaranteed by the federal government, provincial Treasury bills, floating-rate notes and short-term bank deposits.

Results of Operations

The Fund's net asset value was \$385 million as of June 30, 2016.

As of June 30, 2016, the current yields were 0.2% for Series A units and 0.2% for Series D units.

Over the past six months, the Fund's Series A units gained 0.1%. 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 any other series, which may vary because of differences in management fees and expenses. In response to an extremely low interest rate environment and to support the yield to unitholders, the management fees of some series of the Fund have been temporarily reduced by RBC GAM. The decision to temporarily reduce management fees is determined at the discretion of RBC GAM.

Canadian economic growth was held back during the first half of 2016 by falling energy prices and Alberta wildfires that reduced oil production. While the weakening Canadian dollar boosted non-oil exports in Ontario and Quebec, they fell short of the gains needed to totally offset the reduction of oil exports. Employment was generally firm, but better in the eastern provinces than in the western ones. Housing continued to support growth overall, although the gains were centred in Vancouver and Toronto. Inflation quickened somewhat, reaching the highest levels of any industrialized country, but short of the Bank of Canada's (the "BOC") target. With global growth weak, some major central banks implemented negative interest rates whereby investors essentially pay for the security of holding government bonds. The BOC left benchmark rates unchanged, judging that a planned federal stimulus plan would be sufficient for now to promote economic growth.

The portfolio manager maintained the Fund's average term to maturity through this period at a higher-than-normal level, as expectations that rates would remain unchanged afforded opportunities for the Fund to invest in longer-dated securities generating higher yields. The Fund's asset allocation was little changed, with the

Fund concentrated in higher-yielding provincial paper owing to its extra yield with no appreciable decline in liquidity. Canadian T-bills continued to be unattractive, and with little chance of higher rates, this was unlikely to change. With the U.S. Federal Reserve retreating from its stated intention to raise interest rates twice more in 2016, especially after Britain voted to leave the EU in June, policy in Canada is firmly on the sidelines.

Recent Developments

Canadian monetary policy currently reflects a weak economy with little momentum. The BOC appears to believe that the process of the economy adjusting to lower energy prices continues, and that the effect will be slower growth for longer. Projections for global economic growth continue to be reduced and, as a result, the portfolio manager believes that Canadian benchmark interest rates will remain unchanged well into 2017. Accordingly, the Fund will be focused on a combination of higher-yielding provincial paper, bolstered by occasional investments in longer-term government maturities with higher yields.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A and Series D units.

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 units of the Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

		Increase (Decrease) from Operations ¹					Annual Distributions ²						
For the Year/ Period Ended	Net Assets Beginning 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	Total	Net Assets End of Year/Period	
Series A													
June 30, 2016	10.00	0.03	(0.02)	—	—	0.01	(0.01)	—	—	—	(0.01)	10.00	
Dec. 31, 2015	10.00	0.08	(0.05)	—	—	0.03	(0.03)	—	—	—	(0.03)	10.00	
Dec. 31, 2014	10.00	0.10	(0.05)	—	—	0.05	(0.05)	—	—	—	(0.05)	10.00	
Dec. 31, 2013	10.00	0.11	(0.05)	—	—	0.06	(0.05)	—	—	—	(0.05)	10.00	
Dec. 31, 2012	10.00	0.07	(0.05)	—	—	0.02	(0.06)	—	—	—	(0.06)	10.00	
Dec. 31, 2011	10.00	0.12	(0.05)	—	—	0.07	(0.07)	—	—	—	(0.07)	10.00	
Series D													
June 30, 2016	10.00	0.03	(0.02)	—	—	0.01	(0.01)	—	—	—	(0.01)	10.00	
Dec. 31, 2015	10.00	0.08	(0.05)	—	—	0.03	(0.03)	—	—	—	(0.03)	10.00	
Dec. 31, 2014	10.00	0.10	(0.05)	—	—	0.05	(0.05)	—	—	—	(0.05)	10.00	
Dec. 31, 2013	10.00	0.11	(0.06)	—	—	0.05	(0.05)	—	—	—	(0.05)	10.00	
Dec. 31, 2012	10.00	0.07	(0.05)	—	—	0.02	(0.06)	—	—	—	(0.06)	10.00	
Dec. 31, 2011	10.00	0.12	(0.05)	—	—	0.07	(0.07)	—	—	—	(0.07)	10.00	

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	10.00	330 268	33 027	0.44	0.44	n/a	—
Dec. 31, 2015	10.00	342 970	34 297	0.52	0.52	n/a	—
Dec. 31, 2014	10.00	395 252	39 525	0.55	0.55	n/a	—
Dec. 31, 2013	10.00	475 213	47 521	0.55	0.55	n/a	—
Dec. 31, 2012	10.00	575 024	57 502	0.52	0.52	n/a	—
Dec. 31, 2011	10.00	696 676	69 668	0.47	0.47	n/a	—
Series D							
June 30, 2016	10.00	54 528	5 453	0.44	0.44	n/a	—
Dec. 31, 2015	10.00	55 230	5 523	0.52	0.52	n/a	—
Dec. 31, 2014	10.00	58 871	5 887	0.55	0.55	n/a	—
Dec. 31, 2013	10.00	68 099	6 810	0.55	0.55	n/a	—
Dec. 31, 2012	10.00	75 553	7 555	0.52	0.52	n/a	—
Dec. 31, 2011	10.00	95 845	9 585	0.47	0.47	n/a	—

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

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

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

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	up to 0.75%	33%	67%
Series D	up to 0.60%	17%	83%

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

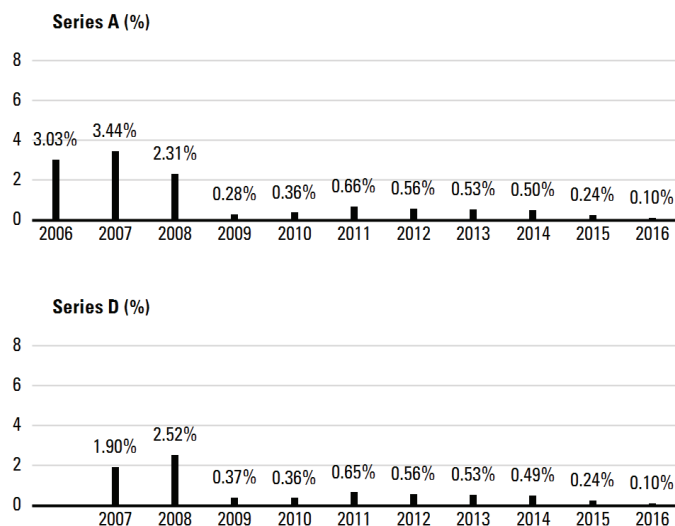


PAST PERFORMANCE

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.



Series D units have been available for sale to unitholders since July 3, 2007.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Provincial Obligations	85.7
Federal Obligations	12.4
Term Deposits	1.9

Top 25 Holdings*

	% of Net Asset Value
Government of Canada Treasury Bills 0.583% Nov 3 2016	12.4
Province of New Brunswick 0.653% Jul 21 2016	9.5
Province of Manitoba 0.622% Aug 24 2016	8.9
Province of Nova Scotia 0.629% Sep 9 2016	7.7
Province of Quebec 0.639% Sep 9 2016	5.0
Province of New Brunswick 0.639% Sep 6 2016	4.7
Province of Quebec 0.660% Sep 2 2016	4.4
Province of Ontario 0.737% Mar 8 2017	4.2
Province of Alberta 0.666% Sep 1 2016	3.9
Province of Ontario 0.641% Aug 17 2016	3.9
Province of Alberta 0.730% Apr 5 2017	3.6
Province of Manitoba 0.605% Jul 27 2016	3.2
Province of Alberta 0.628% Aug 25 2016	3.2
Province of Alberta 0.700% Dec 23 2016	3.1
Province of Nova Scotia 0.654% Aug 18 2016	3.0
Province of Alberta 0.632% Aug 30 2016	2.9
Province of Newfoundland and Labrador 0.671% Sep 15 2016	2.6
Province of Quebec 0.659% Nov 4 2016	2.6
Province of Ontario 0.570% Jul 27 2016	2.6
Financement-Québec 0.803% Jul 25 2016	2.0
Canadian Imperial Bank of Commerce 0.500% Jul 4 2016	1.9
Province of Ontario 0.867% Sep 22 2016	1.8
Province of Manitoba 1.044% Jul 4 2016	1.8
Province of Ontario 0.642% Aug 24 2016	1.1
Total	100.0

* 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.



MONEY MARKET FUND

RBC CANADIAN MONEY MARKET FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

A Note on Forward-looking Statements

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MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide current income and liquidity consistent with short-term money-market interest rates while preserving the value of the investment.

The Fund is invested primarily in high-quality short-term government- and corporate-debt securities with a maximum term of 365 days. The Fund's corporate-debt holdings are deemed by major debt-rating agencies to be suitable for conservative investors. The 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 \$1.7 billion as of June 30, 2016.

As of June 30, 2016, the current yields were 0.3% for Series A units, 0.4% for Series F units, 0.3% for Advisor Series units, 0.9% for Series O units and 0.3% for Series D units.

Over the past six months, the Fund's Series A units gained 0.2%. 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 any other series, which may vary because of differences in management fees and expenses. In response to an extremely low interest rate environment and to support the yield to unitholders, the management fees of some series of the Fund have been temporarily reduced by RBC GAM. The decision to temporarily reduce management fees is determined at the discretion of RBC GAM.

Canadian economic growth was held back during the first half of 2016 by falling energy prices and Alberta wildfires that reduced oil production. While the weakening Canadian dollar boosted non-oil exports in Ontario and Quebec, they fell short of the gains needed to totally offset oil exports. Employment was generally firm, but better in the eastern provinces than in the western ones. Housing continued to support growth overall, although the gains were centred in Vancouver and Toronto. Inflation quickened somewhat, reaching the highest levels of any industrialized country, but still short of the Bank of Canada's (the "BOC") target. With global growth weak, some major central banks implemented negative interest rates whereby bondholders essentially pay for the assurance of holding government securities. The BOC left benchmark rates unchanged, judging that a planned federal stimulus plan would be sufficient for now to promote economic growth.

The portfolio manager maintained the Fund's average term to maturity through the period at a higher-than-normal level, as expectations that rates would remain unchanged afforded opportunities for the Fund to invest in longer-dated securities generating higher yields. The Fund's asset allocation was little changed, as higher-yielding asset-backed commercial paper continued to provide attractive opportunities. Holdings of commercial paper increased, making it easier for the portfolio manager to find attractive investment opportunities.

Recent Developments

Canadian monetary policy currently reflects a weak economy with little momentum. The BOC believes that the process of the economy adjusting to lower energy prices continues, and that the effect will be slower growth for longer. Projections for global economic growth continue to be reduced and, as a result, the portfolio manager believes that Canadian benchmark interest rates will remain unchanged well into 2017. Accordingly, the Fund's asset allocation will be focused on money-market securities and longer-term maturities that offer higher yields.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series D units.

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 units of the Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016	10.00	0.04	(0.03)	—	—	0.01	(0.01)	—	—	—	(0.01)	10.00	
Dec. 31, 2015	10.00	0.10	(0.06)	—	—	0.04	(0.04)	—	—	—	(0.04)	10.00	
Dec. 31, 2014	10.00	0.12	(0.06)	—	—	0.06	(0.06)	—	—	—	(0.06)	10.00	
Dec. 31, 2013	10.00	0.12	(0.06)	—	—	0.06	(0.06)	—	—	—	(0.06)	10.00	
Dec. 31, 2012	10.00	0.12	(0.06)	—	—	0.06	(0.06)	—	—	—	(0.06)	10.00	
Dec. 31, 2011	10.00	0.12	(0.05)	—	—	0.07	(0.07)	—	—	—	(0.07)	10.00	
Advisor Series													
June 30, 2016	10.00	0.04	(0.03)	—	—	0.01	(0.01)	—	—	—	(0.01)	10.00	
Dec. 31, 2015	10.00	0.10	(0.06)	—	—	0.04	(0.04)	—	—	—	(0.04)	10.00	
Dec. 31, 2014	10.00	0.12	(0.06)	—	—	0.06	(0.06)	—	—	—	(0.06)	10.00	
Dec. 31, 2013	10.00	0.12	(0.06)	—	—	0.06	(0.06)	—	—	—	(0.06)	10.00	
Dec. 31, 2012	10.00	0.12	(0.06)	—	—	0.06	(0.06)	—	—	—	(0.06)	10.00	
Dec. 31, 2011	10.00	0.12	(0.05)	—	—	0.07	(0.07)	—	—	—	(0.07)	10.00	
Series D													
June 30, 2016	10.00	0.04	(0.03)	—	—	0.01	(0.01)	—	—	—	(0.01)	10.00	
Dec. 31, 2015	10.00	0.10	(0.06)	—	—	0.04	(0.04)	—	—	—	(0.04)	10.00	
Dec. 31, 2014	10.00	0.12	(0.06)	—	—	0.06	(0.06)	—	—	—	(0.06)	10.00	
Dec. 31, 2013	10.00	0.12	(0.06)	—	—	0.06	(0.06)	—	—	—	(0.06)	10.00	
Dec. 31, 2012	10.00	0.12	(0.06)	—	—	0.06	(0.06)	—	—	—	(0.06)	10.00	
Dec. 31, 2011	10.00	0.12	(0.05)	—	—	0.07	(0.07)	—	—	—	(0.07)	10.00	
Series F													
June 30, 2016	10.00	0.05	(0.03)	—	—	0.02	(0.02)	—	—	—	(0.02)	10.00	
Dec. 31, 2015	10.00	0.10	(0.06)	—	—	0.04	(0.04)	—	—	—	(0.04)	10.00	
Dec. 31, 2014	10.00	0.12	(0.06)	—	—	0.06	(0.06)	—	—	—	(0.06)	10.00	
Dec. 31, 2013	10.00	0.12	(0.06)	—	—	0.06	(0.07)	—	—	—	(0.07)	10.00	
Dec. 31, 2012	10.00	0.12	(0.05)	—	—	0.07	(0.07)	—	—	—	(0.07)	10.00	
Dec. 31, 2011	10.00	0.12	(0.05)	—	—	0.07	(0.07)	—	—	—	(0.07)	10.00	
Series O													
June 30, 2016	10.00	0.04	—	—	—	0.04	(0.04)	—	—	—	(0.04)	10.00	
Dec. 31, 2015	10.00	0.10	—	—	—	0.10	(0.10)	—	—	—	(0.10)	10.00	
Dec. 31, 2014	10.00	0.12	—	—	—	0.12	(0.12)	—	—	—	(0.12)	10.00	
Dec. 31, 2013	10.00	0.12	—	—	—	0.12	(0.12)	—	—	—	(0.12)	10.00	
Dec. 31, 2012	10.00	0.12	—	—	—	0.12	(0.12)	—	—	—	(0.12)	10.00	
Dec. 31, 2011	10.00	0.12	—	—	—	0.12	(0.12)	—	—	—	(0.12)	10.00	

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	10.00	1 285 423	128 542	0.60	0.60	n/a	—
Dec. 31, 2015	10.00	1 352 347	135 235	0.61	0.61	n/a	—
Dec. 31, 2014	10.00	1 236 246	123 625	0.61	0.61	n/a	—
Dec. 31, 2013	10.00	1 477 907	147 791	0.61	0.61	n/a	—
Dec. 31, 2012	10.00	1 743 639	174 364	0.58	0.58	n/a	—
Dec. 31, 2011	10.00	2 079 683	207 968	0.55	0.55	n/a	—
Advisor Series							
June 30, 2016	10.00	20 951	2 095	0.61	0.61	n/a	—
Dec. 31, 2015	10.00	13 191	1 319	0.61	0.61	n/a	—
Dec. 31, 2014	10.00	13 881	1 388	0.61	0.61	n/a	—
Dec. 31, 2013	10.00	11 647	1 165	0.61	0.61	n/a	—
Dec. 31, 2012	10.00	10 860	1 086	0.57	0.57	n/a	—
Dec. 31, 2011	10.00	13 098	1 310	0.55	0.55	n/a	—
Series D							
June 30, 2016	10.00	168 593	16 859	0.61	0.61	n/a	—
Dec. 31, 2015	10.00	173 834	17 383	0.61	0.61	n/a	—
Dec. 31, 2014	10.00	179 277	17 928	0.61	0.61	n/a	—
Dec. 31, 2013	10.00	192 022	19 202	0.61	0.61	n/a	—
Dec. 31, 2012	10.00	192 346	19 235	0.58	0.58	n/a	—
Dec. 31, 2011	10.00	211 994	21 199	0.55	0.55	n/a	—
Series F							
June 30, 2016	10.00	10 024	1 002	0.56	0.56	n/a	—
Dec. 31, 2015	10.00	8 769	877	0.56	0.56	n/a	—
Dec. 31, 2014	10.00	12 965	1 297	0.56	0.56	n/a	—
Dec. 31, 2013	10.00	19 691	1 969	0.56	0.56	n/a	—
Dec. 31, 2012	10.00	25 449	2 545	0.52	0.52	n/a	—
Dec. 31, 2011	10.00	38 106	3 811	0.50	0.50	n/a	—
Series O							
June 30, 2016	10.00	171 207	17 121	0.02	0.02	n/a	—
Dec. 31, 2015	10.00	185 330	18 533	0.02	0.02	n/a	—
Dec. 31, 2014	10.00	284 482	28 448	0.02	0.02	n/a	—
Dec. 31, 2013	10.00	441 689	44 169	0.02	0.02	n/a	—
Dec. 31, 2012	10.00	696 135	69 614	0.02	0.02	n/a	—
Dec. 31, 2011	10.00	806 713	80 671	0.02	0.02	n/a	—

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

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

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



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	up to 0.75%	33%	67%
Advisor Series	up to 0.75%	33%	67%
Series D	up to 0.60%	17%	83%
Series F	up to 0.50%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

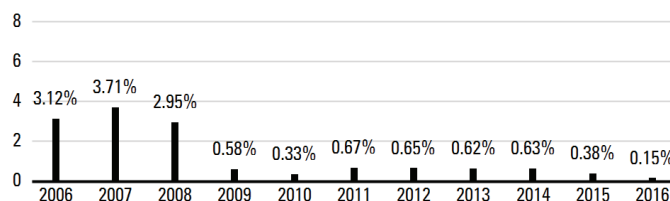
PAST PERFORMANCE

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.

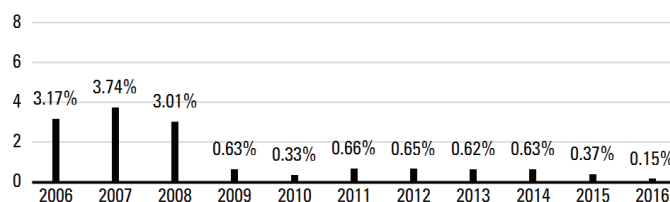
Year-by-Year Returns (%)

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.

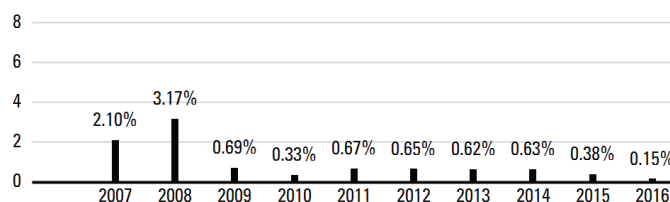
Series A (%)



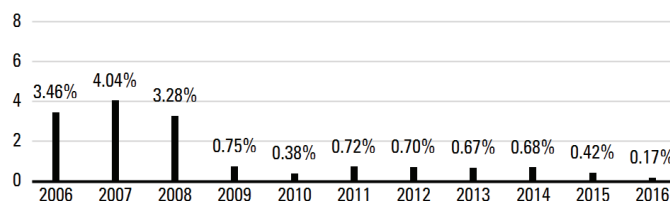
Advisor Series (%)



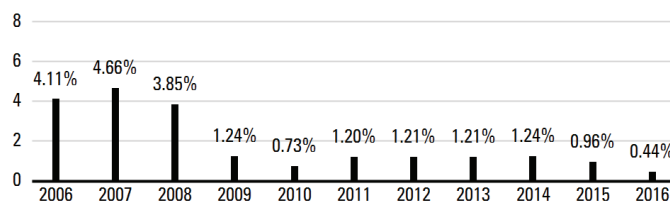
Series D (%)



Series F (%)



Series O (%)



Series D units have been available for sale to unitholders since July 3, 2007.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Commercial Paper	60.2
Bankers Acceptances and Bank Obligations	33.5
Provincial Obligations	6.2
Cash/Other	0.1

Top 25 Holdings

	% of Net Asset Value
Bank of Montreal 0.970% Mar 10 2017	3.1
Merit Trust - Senior Notes 1.000% Jan 5 2017	2.8
Canadian Imperial Bank of Commerce 0.730% Aug 8 2016	2.8
BNP Paribas Capital Trust 0.880% Jul 14 2016	2.4
BNP Paribas Capital Trust 0.871% Aug 31 2016	2.1
Clarity Trust 0.909% Sep 26 2016	1.9
Bank of Montreal 0.900% Dec 12 2016	1.9
Canadian Imperial Bank of Commerce 1.290% Jul 8 2016	1.8
SOUND Trust 0.949% Jul 8 2016	1.8
Toronto-Dominion Bank 1.080% Sep 1 2016	1.8
Zeus Receivables Trust - Senior Notes 0.910% Jul 13 2016	1.7
Province of Manitoba 0.642% Jul 13 2016	1.7
SURE Trust 0.902% Jul 18 2016	1.7
National Bank of Canada 1.073% Sep 14 2016	1.6
Toronto-Dominion Bank 0.961% Aug 2 2016	1.6
Canadian Imperial Bank of Commerce 0.819% Aug 2 2016	1.6
Enbridge Pipelines Inc. 1.046% Jul 13 2016	1.6
Bank of Montreal 1.290% Jul 11 2016	1.6
Ridge Trust 0.911% Sep 6 2016	1.6
Husky Energy Inc. 1.053% Jul 11 2016	1.6
Banner Trust 0.909% Jul 7 2016	1.5
Toronto-Dominion Bank 0.782% Jul 4 2016	1.5
King Street Funding Trust 1.000% Aug 22 2016	1.5
Province of Quebec 0.640% Aug 26 2016	1.4
Canadian Imperial Bank of Commerce 0.940% Jan 4 2017	1.4
Top 25 Holdings	46.0

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



MONEY MARKET FUND

RBC PREMIUM MONEY MARKET FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide current income and liquidity consistent with short-term money market rates for investors who have at least \$100,000 to invest.

To preserve the value of the investment, the Fund is invested primarily in high-quality, short-term (one year or less) debt securities, including Treasury bills, bankers acceptances and commercial paper.

Results of Operations

The Fund's net asset value was \$1.4 billion as of June 30, 2016.

As of June 30, 2016, the current yields were 0.6% for Series A units, 0.7% for Series F units and 0.8% for Series I units.

Over the past six months, the Fund's Series A 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 the returns of any other series, which may vary because of differences in management fees and expenses.

Canadian economic growth was held back during the first half of 2016 by falling energy prices and Alberta wildfires that reduced oil production. While the weakening Canadian dollar boosted non-oil exports in Ontario and Quebec, they fell short of the gains needed to totally offset oil exports. Employment was generally firm, but better in the eastern provinces than in the western ones. Housing continued to support growth overall, although the gains were centred in Vancouver and Toronto. Inflation quickened somewhat, reaching the highest levels of any industrialized country, but still short of the Bank of Canada's (the "BOC") target. With global growth weak, some major central banks implemented negative interest rates whereby bondholders essentially pay for the assurance of holding government securities. The BOC left benchmark rates unchanged, judging that a planned federal stimulus plan would be sufficient for now to promote economic growth.

The portfolio manager maintained the Fund's average term to maturity through this period at a higher-than-normal level, as expectations that rates would remain unchanged afforded opportunities for the portfolio manager to invest in longer-dated securities generating higher yields. The Fund's asset allocation was little changed, as higher-yielding asset-backed commercial paper continued to provide attractive opportunities. Holdings of commercial paper increased, making it easier for the portfolio manager to find attractive investment opportunities.

Recent Developments

Canadian monetary policy currently reflects a weak economy with little momentum. The BOC believes that the process of the economy adjusting to lower energy prices continues, and that the effect will be slower growth for longer. Projections for global economic growth continue to be reduced and, as a result, the portfolio manager believes that Canadian benchmark interest rates will remain unchanged well into 2017. Accordingly, the Fund's asset allocation will be focused on money-market securities and longer-term maturities that offer higher yields.

Effective June 30, 2016, Series I units were closed to all investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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. and RBC Dominion Securities Inc. are principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A units.

Custodian

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

Registrars

Royal Bank and RBC IS are the registrars of the Fund and keep records of who owns the units of the Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	10.00	0.05	(0.02)	—	—	0.03	(0.03)	—	—	—	(0.03)	10.00
Dec. 31, 2015	10.00	0.11	(0.04)	—	—	0.07	(0.07)	—	—	—	(0.07)	10.00
Dec. 31, 2014	10.00	0.12	(0.04)	—	—	0.08	(0.08)	—	—	—	(0.08)	10.00
Dec. 31, 2013	10.00	0.12	(0.04)	—	—	0.08	(0.09)	—	—	—	(0.09)	10.00
Dec. 31, 2012	10.00	0.12	(0.03)	—	—	0.09	(0.09)	—	—	—	(0.09)	10.00
Dec. 31, 2011	10.00	0.12	(0.03)	—	—	0.09	(0.09)	—	—	—	(0.09)	10.00
Series F												
June 30, 2016	10.00	0.04	(0.01)	—	—	0.03	(0.03)	—	—	—	(0.03)	10.00
Dec. 31, 2015	10.00	0.10	(0.02)	—	—	0.08	(0.08)	—	—	—	(0.08)	10.00
Dec. 31, 2014	10.00	0.12	(0.02)	—	—	0.10	(0.10)	—	—	—	(0.10)	10.00
Dec. 31, 2013	10.00	0.12	(0.02)	—	—	0.10	(0.10)	—	—	—	(0.10)	10.00
Dec. 31, 2012	10.00	0.12	(0.02)	—	—	0.10	(0.10)	—	—	—	(0.10)	10.00
Dec. 31, 2011	10.00	0.12	(0.02)	—	—	0.10	(0.10)	—	—	—	(0.10)	10.00

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	10.00	1 398 307	139 831	0.35	0.35	n/a	—
Dec. 31, 2015	10.00	1 497 158	149 716	0.35	0.35	n/a	—
Dec. 31, 2014	10.00	1 717 382	171 738	0.35	0.35	n/a	—
Dec. 31, 2013	10.00	2 249 586	224 959	0.35	0.35	n/a	—
Dec. 31, 2012	10.00	2 795 422	279 542	0.35	0.35	n/a	—
Dec. 31, 2011	10.00	3 794 478	379 448	0.35	0.35	n/a	—
Series F							
June 30, 2016	10.00	10 210	1 021	0.25	0.25	n/a	—
Dec. 31, 2015	10.00	9 627	963	0.25	0.25	n/a	—
Dec. 31, 2014	10.00	10 882	1 088	0.24	0.24	n/a	—
Dec. 31, 2013	10.00	14 559	1 456	0.24	0.24	n/a	—
Dec. 31, 2012	10.00	27 419	2 742	0.24	0.24	n/a	—
Dec. 31, 2011	10.00	58 648	5 865	0.24	0.24	n/a	—

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

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

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

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	up to 0.30%	83%	17%
Series F	up to 0.20%	—	100%

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

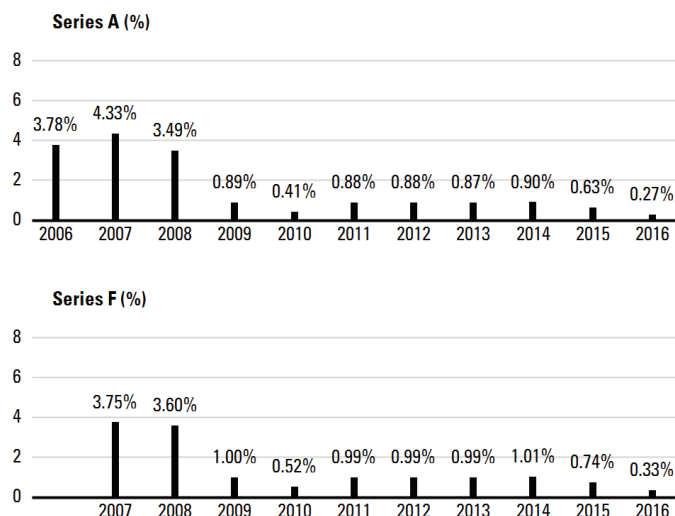


PAST PERFORMANCE

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.



Series F units have been available for sale to unitholders since March 7, 2007.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Commercial Paper	61.7
Bankers Acceptances and Bank Obligations	32.0
Provincial Obligations	6.2
Cash/Other	0.1

Top 25 Holdings

	% of Net Asset Value
Bank of Montreal 0.970% Mar 10 2017	3.4
BNP Paribas Capital Trust 0.882% Jul 7 2016	2.9
SAFE Trust - Series 1996-1 0.950% Aug 9 2016	2.8
Bay Street Funding Trust - Class A 0.979% Jul 6 2016	2.4
Enbridge Pipelines Inc. 1.047% Jul 20 2016	2.3
HSBC Bank Canada 0.800% Jan 12 2017	2.2
Clarity Trust 0.941% Sep 21 2016	2.1
Canadian Imperial Bank of Commerce 0.900% Dec 9 2016	2.0
SURE Trust 0.919% Sep 28 2016	2.0
SOUND Trust 0.868% Jul 22 2016	2.0
Canadian Imperial Bank of Commerce 1.290% Jul 8 2016	1.9
Husky Energy Inc. 1.053% Jul 11 2016	1.8
Enbridge Gas Distribution Inc. 1.046% Jul 15 2016	1.8
Toronto-Dominion Bank 1.080% Sep 1 2016	1.8
King Street Funding Trust 1.000% Aug 22 2016	1.8
Toronto-Dominion Bank 0.961% Aug 2 2016	1.7
Toronto-Dominion Bank 1.000% Apr 5 2017	1.7
Bank of Montreal 1.290% Jul 11 2016	1.7
Banner Trust 0.950% Aug 24 2016	1.7
National Bank of Canada 1.073% Sep 14 2016	1.6
Bay Street Funding Trust - Class A 0.910% Aug 2 2016	1.6
Fusion Trust 0.872% Jul 18 2016	1.6
Canadian Imperial Bank of Commerce 0.940% Jan 4 2017	1.6
Ridge Trust 0.941% Jul 6 2016	1.5
King Street Funding Trust 0.930% Nov 3 2016	1.4
Top 25 Holdings	49.3

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.



MONEY MARKET FUND

RBC \$U.S. MONEY MARKET FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE (in USD)

Investment Objective and Strategies

The Fund seeks to provide U.S. dollar current income and liquidity consistent with short-term U.S. money-market rates.

To preserve the value of the investment, the Fund is invested primarily in high-quality short-term (one year or less) debt securities including Treasury bills, bankers acceptances and commercial paper.

Results of Operations

The Fund's net asset value was \$134 million as of June 30, 2016.

As of June 30, 2016, the current yields were 0.5% for Series A units, 0.8% for Series O units and 0.6% for Series D units.

Over the past six months, the Fund's Series A units gained 0.2%. 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 any other series, which may vary because of differences in management fees and expenses. In response to an extremely low interest rate environment and to support the yield to unitholders, the management fees of some series of the Fund have been temporarily reduced by RBC GAM. The decision to temporarily reduce management fees is determined at the discretion of RBC GAM.

The U.S. Federal Reserve (the "Fed"), factoring global financial stability into its policy-making decisions, opted to slow the pace of interest-rate increases after stocks and other assets perceived as carrying higher risks plunged in early 2016. While the U.S. economy continued along the path of recovery, most measures of economic progress were insufficient to persuade the Fed that a rate hike was appropriate. While U.S. employment recovered, manufacturing weakened and housing showed little direction. In this environment, an increasing number of Fed policymakers began scaling back expectations for the pace at which they expect to hike rates. A weak global economy prompted other central banks to impose further monetary easing and made the Fed's task more difficult, as such steps supported the U.S. dollar and undermined recovery. The decision by British voters to leave the EU near the end of June almost ensured that the Fed would delay raising benchmark rates until the consequences of the decision became clearer.

The portfolio manager extended the Fund's average term to maturity several times during the period, as the reluctance of the Fed to boost short-term rates made longer-term yields more attractive. The Fund continued to be concentrated in asset-backed commercial paper as fewer issues of corporate paper came to market and yields on bank paper were sometimes lower than those on provincial paper. Higher yields on provincial paper, which satisfies regulatory requirements, was also good for the Fund's performance.

Recent Developments

In the portfolio manager's view, weak global growth and political uncertainty after the Brexit vote leave the Fed with little opening to tighten monetary policy in the near term. China's economy and its high debt levels are also a concern, as are the reliance of Europe and Japan on negative interest rates to stimulate economic growth. Any move by the Fed to resume monetary tightening will require stronger and more consistent U.S. employment growth, a calming in international affairs and some evidence of faster inflation.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A and Series D units.

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 units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 (in USD)

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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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		
Series A												
June 30, 2016	10.00	0.03	(0.01)	—	—	0.02	(0.02)	—	—	—	(0.02)	10.00
Dec. 31, 2015	10.00	0.04	(0.02)	—	—	0.02	(0.02)	—	—	—	(0.02)	10.00
Dec. 31, 2014	10.00	0.03	(0.02)	—	—	0.01	(0.01)	—	—	—	(0.01)	10.00
Dec. 31, 2013	10.00	0.03	(0.02)	—	—	0.01	(0.01)	—	—	—	(0.01)	10.00
Dec. 31, 2012	10.00	0.04	(0.02)	—	—	0.02	(0.02)	—	—	—	(0.02)	10.00
Dec. 31, 2011	10.00	0.03	(0.02)	—	—	0.01	(0.01)	—	—	—	(0.01)	10.00
Series D												
June 30, 2016	10.00	0.03	(0.01)	—	—	0.02	(0.02)	—	—	—	(0.02)	10.00
Dec. 31, 2015	10.00	0.03	(0.02)	—	—	0.01	(0.01)	—	—	—	(0.01)	10.00
Dec. 31, 2014	10.00	0.03	(0.02)	—	—	0.01	(0.01)	—	—	—	(0.01)	10.00
Dec. 31, 2013	10.00	0.03	(0.02)	—	—	0.01	(0.02)	—	—	—	(0.02)	10.00
Dec. 31, 2012	10.00	0.04	(0.02)	—	—	0.02	(0.02)	—	—	—	(0.02)	10.00
Dec. 31, 2011	10.00	0.03	(0.02)	—	—	0.01	(0.01)	—	—	—	(0.01)	10.00
Series O												
June 30, 2016	10.00	0.03	—	—	—	0.03	(0.03)	—	—	—	(0.03)	10.00
Dec. 31, 2015	10.00	0.04	—	—	—	0.04	(0.04)	—	—	—	(0.04)	10.00
Dec. 31, 2014	10.00	0.02	—	—	—	0.02	(0.02)	—	—	—	(0.02)	10.00
Dec. 31, 2013	10.00	0.03	—	—	—	0.03	(0.04)	—	—	—	(0.04)	10.00
Dec. 31, 2012	10.00	0.04	—	—	—	0.04	(0.04)	—	—	—	(0.04)	10.00
Dec. 31, 2011	10.00	0.03	—	—	—	0.03	(0.03)	—	—	—	(0.03)	10.00

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (in USD) (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	10.00	99 019	9 902	0.28	0.28	n/a	—
Dec. 31, 2015	10.00	106 553	10 655	0.17	0.17	n/a	—
Dec. 31, 2014	10.00	142 087	14 209	0.17	0.17	n/a	—
Dec. 31, 2013	10.00	171 061	17 106	0.21	0.21	n/a	—
Dec. 31, 2012	10.00	253 402	25 340	0.22	0.22	n/a	—
Dec. 31, 2011	10.00	317 759	31 776	0.22	0.22	n/a	—
Series D							
June 30, 2016	10.00	21 991	2 199	0.23	0.23	n/a	—
Dec. 31, 2015	10.00	19 855	1 985	0.17	0.17	n/a	—
Dec. 31, 2014	10.00	23 125	2 312	0.17	0.17	n/a	—
Dec. 31, 2013	10.00	27 081	2 708	0.21	0.21	n/a	—
Dec. 31, 2012	10.00	26 545	2 654	0.22	0.22	n/a	—
Dec. 31, 2011	10.00	28 862	2 886	0.22	0.22	n/a	—
Series O							
June 30, 2016	10.00	13 122	1 312	0.02	0.02	n/a	—
Dec. 31, 2015	10.00	8 092	809	0.02	0.02	n/a	—
Dec. 31, 2014	10.00	1 521	152	0.02	0.02	n/a	—
Dec. 31, 2013	10.00	1 811	181	0.02	0.02	n/a	—
Dec. 31, 2012	10.00	3 107	311	0.02	0.02	n/a	—
Dec. 31, 2011	10.00	35 071	3 507	0.02	0.02	n/a	—

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

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

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

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	up to 0.85%	29%	71%
Series D	up to 0.60%	17%	83%

Series O — no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

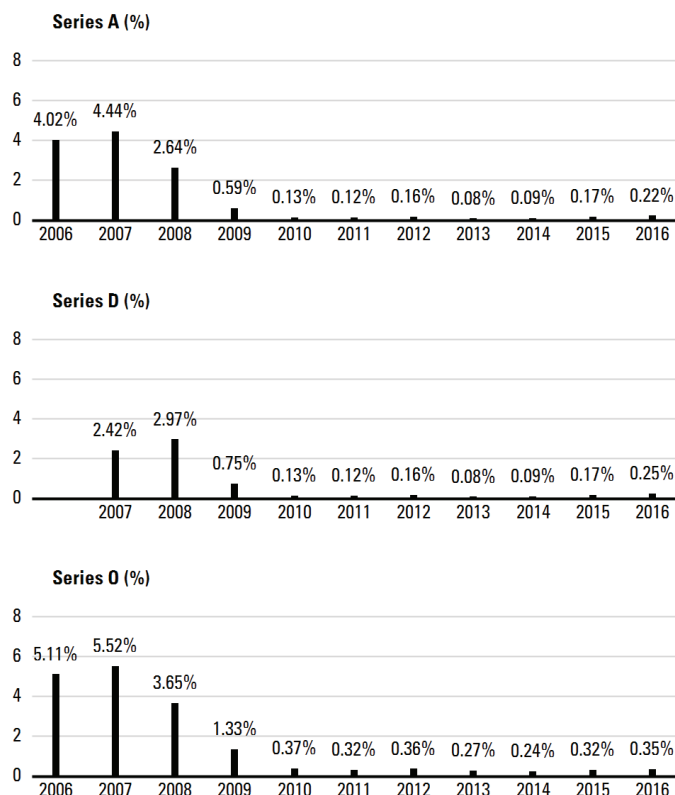


PAST PERFORMANCE (in USD)

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.



Series D units have been available for sale to unitholders since July 3, 2007.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO (in USD)

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Commercial Paper	72.4
Provincial Obligations	17.0
Bankers Acceptances and Bank Obligations	10.5
Cash/Other	0.1

Top 25 Holdings

	% of Net Asset Value
Province of Alberta 0.541% Aug 4 2016	13.1
Canadian Imperial Bank of Commerce 0.801% Dec 19 2016	6.1
Clarity Trust 0.920% Sep 6 2016	4.3
Canadian Master Trust - Series A 1.000% Nov 3 2016	3.6
Clarity Trust 1.049% Dec 13 2016	3.5
SOUND Trust 0.848% Jul 28 2016	3.4
Ridge Trust 1.000% Nov 3 2016	3.2
Province of Ontario 0.748% Jul 22 2016	3.2
OMERS Realty Corp. 0.660% Sep 2 2016	3.1
SURE Trust 0.899% Aug 18 2016	3.1
Canadian Master Trust - Series A 0.839% Sep 15 2016	3.1
Merit Trust - Senior Notes 0.919% Jul 22 2016	3.0
Banner Trust 0.919% Jul 22 2016	3.0
Enbridge Pipelines Inc. 0.880% Jul 7 2016	2.9
Zeus Receivables Trust - Senior Notes 1.001% Jul 6 2016	2.7
Zeus Receivables Trust - Senior Notes 0.919% Jul 22 2016	2.7
SURE Trust 1.051% Dec 19 2016	2.6
Caisse Centrale Desjardins 0.630% Aug 24 2016	2.4
Fusion Trust 0.979% Sep 27 2016	2.2
Fusion Trust 0.848% Jul 28 2016	1.9
OMERS Realty Corp. 0.608% Aug 3 2016	1.9
Toronto-Dominion Bank 0.936% Jul 26 2016	1.9
Banner Trust 0.979% Sep 30 2016	1.9
Prime Trust - Senior Notes 0.920% Sep 14 2016	1.8
Canadian Master Trust - Series A 1.030% Dec 14 2016	1.8
Top 25 Holdings	82.4

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.



MONEY MARKET FUND

**RBC PREMIUM \$U.S. MONEY
MARKET FUND**

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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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MANAGEMENT DISCUSSION OF FUND PERFORMANCE (in USD)

Investment Objective and Strategies

The Fund seeks to provide current income and liquidity consistent with short-term money market rates for investors who have at least US\$100,000 to invest.

To preserve the value of the investment, the Fund is invested primarily in high-quality, short-term (one year or less) debt securities denominated in U.S. dollars. These include treasury bills issued or guaranteed by Canadian or foreign governments, bankers acceptances and commercial paper issued by Canadian or foreign corporations and agencies such as the World Bank.

Results of Operations

The Fund's net asset value was \$351 million as of June 30, 2016.

As of June 30, 2016, the current yields were 0.6% for Series A units, 0.6% for Series F units and 0.7% for Series I units.

Over the past six months, the Fund's Series A 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 the returns of any other series, which may vary because of differences in management fees and expenses. In response to an extremely low interest rate environment and to support the yield to unitholders, the management fees of some series of the Fund have been temporarily reduced by RBC GAM. The decision to temporarily reduce management fees is determined at the discretion of RBC GAM.

The U.S. Federal Reserve (the "Fed"), factoring global financial stability into its policy-making decisions, opted to slow the pace of interest-rate increases after stocks and other assets perceived as carrying higher risks plunged in early 2016. While the U.S. economy continued along the path of recovery, most measures of economic progress were insufficient to persuade the Fed that a rate hike was appropriate. While U.S. employment recovered, manufacturing weakened and housing showed little direction. In this environment, an increasing number of Fed policymakers began scaling back expectations for the pace at which they expect to hike rates. A weak global economy prompted other central banks to impose further monetary easing and made the Fed's task more difficult, as such steps supported the U.S. dollar and undermined recovery. The decision by British voters to leave the EU near the end of June almost ensured that the Fed would delay raising benchmark rates until the consequences of the decision became clearer.

The portfolio manager extended the Fund's average term to maturity several times during the period, as the reluctance of the Fed to boost short-term rates made longer-term yields more attractive. The Fund continued to be concentrated in asset-backed commercial paper as fewer issues of corporate paper came to market and yields on bank paper were sometimes lower than those on provincial paper. Higher yields on provincial paper, which satisfies regulatory requirements, was also good for the Fund's performance.

Recent Developments

In the portfolio manager's view, weak global growth and political uncertainty after the Brexit vote leave the Fed with little opening to tighten monetary policy in the near term. China's economy and its high debt levels are also a concern, as are the reliance of Europe and Japan on negative interest rates to stimulate economic growth. Any move by the Fed to resume monetary tightening will require stronger and more consistent U.S. employment growth, a calming in international affairs and some evidence of faster inflation.

Effective June 30, 2016, Series I units were closed to all investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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. and RBC Dominion Securities Inc. are principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A units.

Custodian

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

Registrars

Royal Bank and RBC IS are the registrars of the Fund and keep records of who owns the units of the Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the 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 Independent Review Committee 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 (in USD)

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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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		
Series A												
June 30, 2016	10.02	0.04	(0.01)	—	—	0.03	(0.03)	—	—	—	(0.03)	10.02
Dec. 31, 2015	10.02	0.03	(0.01)	—	—	0.02	(0.02)	—	—	—	(0.02)	10.02
Dec. 31, 2014	10.02	0.02	(0.01)	—	—	0.01	(0.01)	—	—	—	(0.01)	10.02
Dec. 31, 2013	10.02	0.03	(0.02)	—	—	0.01	(0.01)	—	—	—	(0.01)	10.02
Dec. 31, 2012	10.02	0.04	(0.02)	—	—	0.02	(0.02)	—	—	—	(0.02)	10.02
Dec. 31, 2011	10.02	0.03	(0.02)	—	—	0.01	(0.01)	—	—	—	(0.01)	10.02
Series F												
June 30, 2016	10.02	0.04	(0.01)	—	—	0.03	(0.03)	—	—	—	(0.03)	10.02
Dec. 31, 2015	10.02	0.03	(0.01)	—	—	0.02	(0.02)	—	—	—	(0.02)	10.02
Dec. 31, 2014	10.02	0.02	(0.01)	—	—	0.01	(0.01)	—	—	—	(0.01)	10.02
Dec. 31, 2013	10.02	0.03	(0.02)	—	—	0.01	(0.01)	—	—	—	(0.01)	10.02
Dec. 31, 2012	10.02	0.04	(0.02)	—	—	0.02	(0.02)	—	—	—	(0.02)	10.02
Dec. 31, 2011	10.02	0.03	(0.01)	—	—	0.02	(0.02)	—	—	—	(0.02)	10.02

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (in USD) (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	10.02	347 052	34 464	0.19	0.19	n/a	—
Dec. 31, 2015	10.02	276 402	27 403	0.13	0.13	n/a	—
Dec. 31, 2014	10.00	345 022	34 266	0.13	0.13	n/a	—
Dec. 31, 2013	10.00	433 996	43 400	0.18	0.18	n/a	—
Dec. 31, 2012	10.00	554 940	55 494	0.19	0.19	n/a	—
Dec. 31, 2011	10.00	609 543	60 954	0.24	0.24	n/a	—
Series F							
June 30, 2016	10.02	6 739	669	0.19	0.19	n/a	—
Dec. 31, 2015	10.02	9 661	958	0.13	0.13	n/a	—
Dec. 31, 2014	10.00	14 234	1 414	0.13	0.13	n/a	—
Dec. 31, 2013	10.00	19 614	1 961	0.18	0.18	n/a	—
Dec. 31, 2012	10.00	34 160	3 416	0.19	0.19	n/a	—
Dec. 31, 2011	10.00	41 808	4 181	0.19	0.19	n/a	—

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

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

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

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	up to 0.35%	71%	29%
Series F	up to 0.25%	—	100%

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

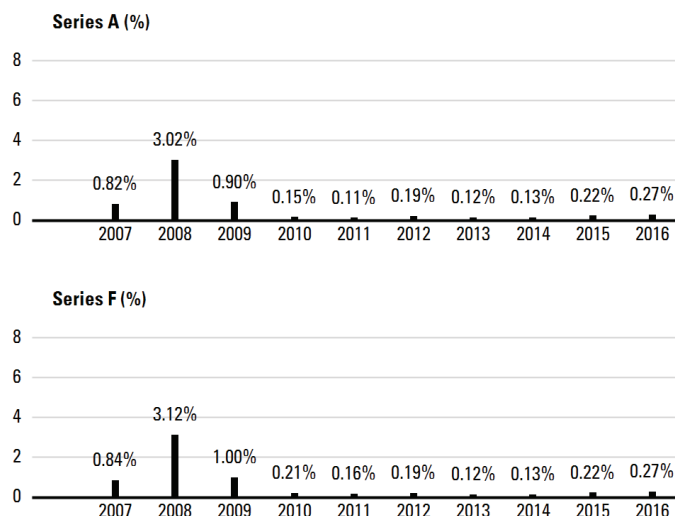


PAST PERFORMANCE (in USD)

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.



Series A and Series F units have been available for sale to unitholders since November 1, 2007.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO (in USD)

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Commercial Paper	68.4
Provincial Obligations	16.1
Bankers Acceptances and Bank Obligations	13.5
Cash/Other	2.0

Top 25 Holdings

	% of Net Asset Value
Province of Alberta 0.530% Aug 16 2016	6.9
Province of Alberta 0.528% Aug 3 2016	5.6
OMERS Realty Corp. 0.660% Sep 2 2016	5.0
Canadian Master Trust - Series A 1.030% Dec 14 2016	4.3
Toronto-Dominion Bank 0.432% Jul 29 2016	4.0
Canadian Imperial Bank of Commerce 0.801% Dec 19 2016	3.9
Fusion Trust 0.860% Jul 22 2016	3.8
Ridge Trust 0.899% Jul 27 2016	3.5
Clarity Trust 0.999% Nov 14 2016	2.9
SURE Trust 0.909% Jul 25 2016	2.8
Canadian Master Trust - Series A 0.950% Jul 27 2016	2.8
Merit Trust - Senior Notes 0.870% Sep 12 2016	2.8
Clarity Trust 0.848% Jul 28 2016	2.8
SOUND Trust 0.848% Jul 28 2016	2.7
Enbridge Pipelines Inc. 0.880% Jul 7 2016	2.5
Prime Trust - Senior Notes 0.949% Sep 12 2016	2.3
Zeus Receivables Trust - Senior Notes 1.051% Dec 19 2016	2.3
SOUND Trust 0.950% Aug 30 2016	2.1
Banner Trust 1.051% Dec 19 2016	1.9
SURE Trust 0.999% Nov 18 2016	1.7
Merit Trust - Senior Notes 0.868% Aug 22 2016	1.6
Province of Ontario 0.748% Jul 22 2016	1.5
Toronto-Dominion Bank 0.936% Jul 26 2016	1.4
SAFE Trust - Series 1996-1 0.845% Jul 28 2016	1.4
Prime Trust - Senior Notes 0.825% Jul 28 2016	1.4
Top 25 Holdings	73.9

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



FIXED-INCOME FUND

**RBC CANADIAN SHORT-TERM
INCOME FUND**

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide a competitive level of monthly income by investing primarily in short-term, high-quality fixed-income securities issued or guaranteed by Canadian federal, provincial or municipal governments or corporations. The Fund may also invest in high-quality first mortgages on Canadian residential property.

The Fund's assets have an average maturity of two to five years.

Results of Operations

The Fund's net asset value was \$4.8 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 0.8%. 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 any other series, which may vary because of differences in management fees and expenses.

Fixed-income markets vacillated at the start of the year amid weak global economic growth, rising geopolitical risks and uncertainty as to whether the U.S. Federal Reserve would carry out widely expected rate hikes. Bond markets also contended with Britain's decision in June to leave the EU, while the imposition of negative-interest-rate policy – where investors essentially pay for the safety of holding government bonds – drove German yields into negative territory and provided support for higher-yielding markets in North America. The U.S. economy proved a rare bright spot for the global economy, led by employment growth in the first quarter. Given the uncertainty and falling oil prices during much of the period, the Canadian economy's performance was less than stellar. Modest expansions in Ontario and Quebec, which have large manufacturing bases, were offset by weakness in oil-dependent Alberta. The Bank of Canada (the "BOC") left rates unchanged, judging a planned federal stimulus plan sufficient to bolster the domestic economy. In this environment, short-term bond yields traded in a narrow range.

The portfolio manager kept the Fund's exposure to corporate fixed income unchanged, as corporate balance sheets remained in decent shape and valuations were generally attractive. Overweight exposure to corporate bonds was good for relative performance during the period. The portfolio manager was active in managing the portfolio given the market volatility.

Recent Developments

Canadian monetary policy currently reflects a weak economy with little momentum. The BOC appears to believe that the process of the economy adjusting to lower energy prices continues, and the effect will be slower growth for longer. Projections for global economic growth continue to be reduced and, as a result, the portfolio manager believes that Canadian benchmark interest rates will remain unchanged well into 2017. Accordingly, the Fund will be focused on corporate bonds, bolstered by trading in government bonds when their yields become more attractive.

Effective June 30, 2016, management fees were reduced as follows: from 1.00% to 0.90% for Series A and Advisor Series units; from 0.65% to 0.55% for Series D units; and from 0.50% to 0.40% for Series F units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series D units.

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 units of the Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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		
Series A												
June 30, 2016	10.81	0.14	(0.06)	(0.02)	0.03	0.09	(0.09)	—	—	—	(0.09)	10.80
Dec. 31, 2015	10.84	0.30	(0.13)	(0.02)	—	0.15	(0.18)	—	—	—	(0.18)	10.81
Dec. 31, 2014	10.80	0.32	(0.13)	(0.02)	0.06	0.23	(0.19)	—	—	—	(0.19)	10.84
Dec. 31, 2013	10.90	0.34	(0.13)	(0.05)	(0.05)	0.11	(0.20)	—	—	—	(0.20)	10.79
Dec. 31, 2012	10.99	0.38	(0.13)	(0.03)	(0.06)	0.16	(0.25)	—	—	—	(0.25)	10.90
Dec. 31, 2011	10.88	0.41	(0.13)	0.02	0.09	0.39	(0.28)	—	—	—	(0.28)	10.99
Advisor Series												
June 30, 2016	10.86	0.14	(0.06)	(0.02)	0.03	0.09	(0.09)	—	—	—	(0.09)	10.86
Dec. 31, 2015	10.90	0.30	(0.13)	(0.02)	—	0.15	(0.18)	—	—	—	(0.18)	10.86
Dec. 31, 2014	10.86	0.32	(0.13)	(0.02)	0.06	0.23	(0.19)	—	—	—	(0.19)	10.90
Dec. 31, 2013	10.95	0.34	(0.13)	(0.05)	(0.05)	0.11	(0.21)	—	—	—	(0.21)	10.85
Dec. 31, 2012	11.04	0.39	(0.13)	(0.03)	(0.06)	0.17	(0.26)	—	—	—	(0.26)	10.95
Dec. 31, 2011	10.93	0.42	(0.12)	0.02	0.09	0.41	(0.29)	—	—	—	(0.29)	11.04
Series D												
June 30, 2016	10.84	0.14	(0.04)	(0.02)	0.03	0.11	(0.11)	—	—	—	(0.11)	10.84
Dec. 31, 2015	10.87	0.30	(0.08)	(0.02)	—	0.20	(0.22)	—	—	—	(0.22)	10.84
Dec. 31, 2014	10.83	0.32	(0.08)	(0.02)	0.06	0.28	(0.24)	—	—	—	(0.24)	10.87
Dec. 31, 2013	10.93	0.34	(0.08)	(0.05)	(0.05)	0.16	(0.26)	—	—	—	(0.26)	10.82
Dec. 31, 2012	11.02	0.38	(0.08)	(0.03)	(0.06)	0.21	(0.30)	—	—	—	(0.30)	10.93
Dec. 31, 2011	10.91	0.42	(0.08)	0.02	0.09	0.45	(0.33)	—	—	—	(0.33)	11.02
Series F												
June 30, 2016	10.90	0.15	(0.03)	(0.02)	0.03	0.13	(0.12)	—	—	—	(0.12)	10.90
Dec. 31, 2015	10.93	0.30	(0.07)	(0.02)	—	0.21	(0.24)	—	—	—	(0.24)	10.90
Dec. 31, 2014	10.89	0.32	(0.07)	(0.02)	0.06	0.29	(0.25)	—	—	—	(0.25)	10.93
Dec. 31, 2013	10.99	0.34	(0.07)	(0.05)	(0.05)	0.17	(0.27)	—	—	—	(0.27)	10.88
Dec. 31, 2012	11.07	0.38	(0.07)	(0.03)	(0.06)	0.22	(0.31)	—	—	—	(0.31)	10.99
Dec. 31, 2011	10.96	0.42	(0.06)	0.02	0.09	0.47	(0.35)	—	—	—	(0.35)	11.07
Series O												
June 30, 2016	10.88	0.15	—	(0.02)	0.03	0.16	(0.15)	—	—	—	(0.15)	10.87
Dec. 31, 2015	10.91	0.30	—	(0.02)	—	0.28	(0.30)	—	—	—	(0.30)	10.88
Dec. 31, 2014	10.87	0.32	—	(0.02)	0.06	0.36	(0.31)	—	—	—	(0.31)	10.91
Dec. 31, 2013	10.96	0.34	—	(0.05)	(0.05)	0.24	(0.34)	—	—	—	(0.34)	10.86
Dec. 31, 2012	11.05	0.38	—	(0.03)	(0.06)	0.29	(0.38)	—	—	—	(0.38)	10.96
Dec. 31, 2011	10.94	0.42	—	0.02	0.09	0.53	(0.41)	—	—	—	(0.41)	11.05

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	10.80	894 232	82 764	1.16⁴	1.16	24.71	—
Dec. 31, 2015	10.81	958 343	88 668	1.16	1.16	30.67	—
Dec. 31, 2014	10.84	1 142 935	105 441	1.16	1.16	36.84	—
Dec. 31, 2013	10.80	1 531 387	141 754	1.22	1.22	45.34	—
Dec. 31, 2012	10.91	1 977 968	181 352	1.21	1.21	21.62	—
Dec. 31, 2011	11.00	1 453 464	132 151	1.21	1.21	50.58	—
Advisor Series							
June 30, 2016	10.86	25 271	2 327	1.15⁴	1.15	24.71	—
Dec. 31, 2015	10.86	26 001	2 393	1.16	1.16	30.67	—
Dec. 31, 2014	10.90	27 560	2 529	1.16	1.16	36.84	—
Dec. 31, 2013	10.86	33 727	3 106	1.16	1.16	45.34	—
Dec. 31, 2012	10.96	33 377	3 045	1.16	1.16	21.62	—
Dec. 31, 2011	11.06	31 915	2 887	1.15	1.15	50.58	—
Series D							
June 30, 2016	10.84	20 920	1 931	0.77⁴	0.77	24.71	—
Dec. 31, 2015	10.84	21 582	1 991	0.77	0.77	30.67	—
Dec. 31, 2014	10.87	21 077	1 940	0.76	0.76	36.84	—
Dec. 31, 2013	10.83	27 435	2 532	0.77	0.77	45.34	—
Dec. 31, 2012	10.94	28 191	2 577	0.77	0.77	21.62	—
Dec. 31, 2011	11.03	27 471	2 490	0.77	0.77	50.58	—
Series F							
June 30, 2016	10.90	13 568	1 245	0.60⁴	0.60	24.71	—
Dec. 31, 2015	10.90	11 717	1 075	0.60	0.60	30.67	—
Dec. 31, 2014	10.93	11 341	1 038	0.60	0.60	36.84	—
Dec. 31, 2013	10.89	11 870	1 090	0.61	0.61	45.34	—
Dec. 31, 2012	11.00	11 357	1 033	0.61	0.61	21.62	—
Dec. 31, 2011	11.09	7 659	691	0.60	0.60	50.58	—
Series O							
June 30, 2016	10.87	3 868 668	355 752	0.02	0.02	24.71	—
Dec. 31, 2015	10.88	3 685 300	338 783	0.02	0.02	30.67	—
Dec. 31, 2014	10.91	3 968 376	363 822	0.02	0.02	36.84	—
Dec. 31, 2013	10.87	3 200 651	294 524	0.02	0.02	45.34	—
Dec. 31, 2012	10.97	2 483 513	226 334	0.02	0.02	21.62	—
Dec. 31, 2011	11.06	1 875 073	169 516	0.02	0.02	50.58	—

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 1.05%, Advisor Series – 1.04%, Series D – 0.66% and Series F – 0.49%.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	0.90%	50%	50%
Advisor Series	0.90%	50%	50%
Series D	0.55%	23%	77%
Series F	0.40%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

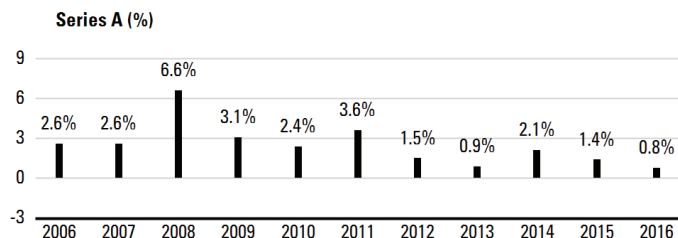
* Includes all costs related to management, trustee, investment advisory services, general administration and profit.

PAST PERFORMANCE

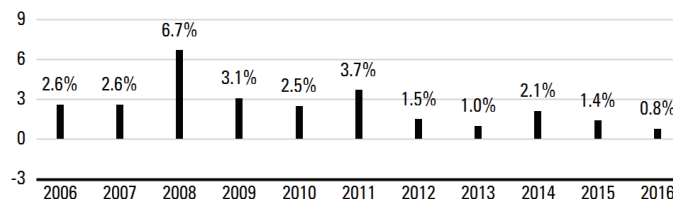
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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 (%)

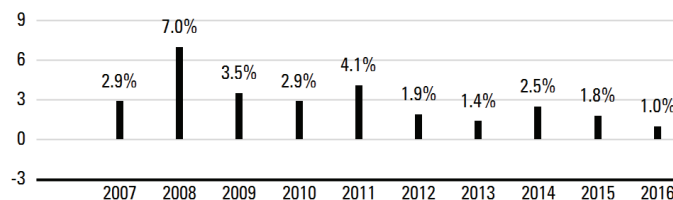
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



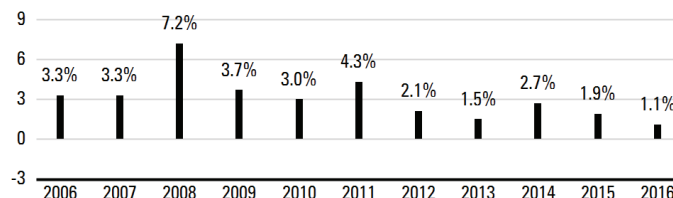
Advisor Series (%)



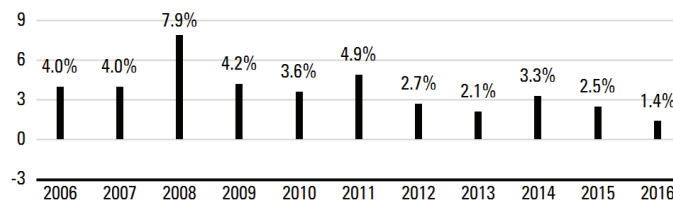
Series D (%)



Series F (%)



Series O (%)



Series D units have been available for sale to unitholders since July 3, 2007.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Corporate Bonds	55.7
Provincial/Municipal Bonds	26.7
Federal Bonds	14.9
Cash/Other	2.7

Top 25 Holdings

	% of Net Asset Value
Canada Housing Trust No. 1 3.350% Dec 15 2020	3.6
Province of Ontario 2.100% Sep 8 2018	3.3
Province of Quebec 3.500% Dec 1 2022	2.7
Province of Ontario 1.900% Sep 8 2017	2.4
Province of Quebec 4.500% Dec 1 2017	2.4
Province of Ontario 4.000% Jun 2 2021	2.1
Bank of Montreal 3.210% Sep 13 2018	2.0
Government of Canada 0.750% Sep 1 2020	2.0
Canada Housing Trust No. 1 2.650% Mar 15 2022	1.9
Cash & Cash Equivalents	1.9
Province of New Brunswick 4.500% Jun 2 2020	1.9
Canada Housing Trust No. 1 1.700% Dec 15 2017	1.6
Bank of Montreal 1.880% Mar 31 2021	1.6
Province of Ontario 2.850% Jun 2 2023	1.6
Government of Canada 2.750% Jun 1 2022	1.6
Canada Housing Trust No. 1 2.350% Dec 15 2018	1.6
HSBC Bank Canada 2.491% May 13 2019	1.5
Province of Ontario 2.100% Sep 8 2019	1.4
Canadian Imperial Bank of Commerce 1.850% Jul 14 2020	1.2
Province of Alberta 1.600% Jun 15 2018	1.2
Wells Fargo Canada Corp. 2.774% Feb 9 2017	1.1
National Bank of Canada 2.794% Aug 9 2018	1.1
Toronto-Dominion Bank 2.447% Apr 2 2019	1.1
Canada Housing Trust No. 1 1.950% Jun 15 2019	1.1
Bank of Nova Scotia 2.370% Jan 11 2018	1.0
Top 25 Holdings	44.9

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



FIXED-INCOME FUND

RBC MONTHLY INCOME BOND FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide regular monthly income with the potential for modest capital appreciation by investing primarily in units of fixed-income funds managed by RBC GAM or an affiliate (called the “underlying funds”). To achieve its objective, the Fund invests in underlying funds from the RBC Funds family or the PH&N Funds family.

The portfolio manager allocates and rebalances the Fund’s assets among underlying funds based on the underlying funds’ ability to help the Fund meet its investment objectives.

Results of Operations

The Fund’s net asset value was \$1.1 billion as of June 30, 2016.

Over the past six months, the Fund’s Series A units gained 3.2%. 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 any other series, which may vary because of differences in management fees and expenses.

The Fund made monthly distributions of 2.25 cents per Series A unit in the first half of 2016.

U.S. economic growth continued to lead the world’s developed markets, while growth in Japan and in much of Europe and emerging markets continued to disappoint. Signs of significantly slower global economic growth appeared early in January 2016, leading to sharp financial-market declines in the first few weeks of the year. Oil prices followed growth expectations lower and by February had touched the lowest level in more than a decade, depressed in part by a surge in supply relative to demand. Oil prices and financial markets recovered somewhat beginning in February, and the rebound continued for much of the first quarter. In the second half of the period, the debate leading up to the U.K.’s eventual decision to exit the EU (“Brexit”) largely replaced growth concerns as the main driver of markets.

Government-bond yields in the U.S., Japan, Germany and Canada fell to record lows during the period amid Brexit concerns, leading to gains for investors as bond prices rose. In Germany and Japan, bond prices were also supported by central-bank purchases.

Non-government bonds posted increases, with high-yield bonds performing particularly well following the oil-price rebound. Longer-maturity Canadian bonds broadly outperformed shorter maturities, with falling inflation expectations dampening yields on bonds with longer terms.

All of the Fund’s investments contributed positively to performance. The RBC Bond Fund, the Phillips, Hager & North Total Return Bond Fund and the Phillips, Hager & North Short Term Bond & Mortgage Fund had the most positive impact on returns.

Recent Developments

The portfolio manager’s core scenario contemplates sluggish global growth and low inflation, and threats to the forecast appear tilted to the downside. Although interest rates are unusually low, the path to higher yields will likely be gradual and stretched over a long period. The Bank of Canada is expected to hold off on raising rates for the next few quarters at least, while the U.S. Federal Reserve has scaled back the pace at which it expects to boost rates. Generally speaking, investor demand for income makes corporate and provincial bonds attractive as their additional yield would help offset capital losses when yields start to rise.

Effective June 30, 2016, management fees were reduced as follows: from 1.00% to 0.90% for Series A and Advisor Series units; from 0.65% to 0.55% for Series D units; and from 0.50% to 0.40% for Series F units. Also effective June 30, 2016, Series H units were re-designated to Series A units, and Series I units were re-designated to Series F units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients’ Series A, Advisor Series and Series D units.

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 units of the Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	10.01	0.17	(0.06)	0.01	0.20	0.32	(0.13)	—	—	(0.01)	(0.14)	10.19
Dec. 31, 2015	10.03	0.34	(0.12)	0.06	(0.06)	0.22	(0.23)	—	(0.02)	(0.02)	(0.27)	10.01
Dec. 31, 2014	9.76	0.33	(0.12)	0.01	0.32	0.54	(0.21)	—	—	(0.06)	(0.27)	10.03
Dec. 31, 2013	10.06	0.35	(0.12)	(0.03)	(0.23)	(0.03)	(0.23)	—	—	(0.07)	(0.30)	9.76
Dec. 31, 2012	10.01	0.41	(0.12)	0.07	—	0.36	(0.30)	—	(0.03)	—	(0.33)	10.06
Dec. 31, 2011	9.76	0.44	(0.11)	0.02	0.26	0.61	(0.31)	—	—	—	(0.31)	10.01
Advisor Series												
June 30, 2016	10.02	0.17	(0.06)	0.01	0.20	0.32	(0.13)	—	—	(0.01)	(0.14)	10.20
Dec. 31, 2015	10.05	0.34	(0.12)	0.06	(0.06)	0.22	(0.23)	—	(0.02)	(0.02)	(0.27)	10.02
Dec. 31, 2014	9.77	0.33	(0.12)	0.01	0.33	0.55	(0.21)	—	—	(0.06)	(0.27)	10.05
Dec. 31, 2013	10.07	0.35	(0.11)	(0.03)	(0.23)	(0.02)	(0.23)	—	—	(0.07)	(0.30)	9.77
Dec. 31, 2012	10.02	0.45	(0.12)	0.08	—	0.41	(0.30)	—	(0.03)	—	(0.33)	10.07
Dec. 31, 2011	9.77	0.43	(0.11)	0.02	0.25	0.59	(0.31)	—	—	—	(0.31)	10.02
Series D												
June 30, 2016	10.20	0.18	(0.04)	0.01	0.20	0.35	(0.13)	—	—	(0.01)	(0.14)	10.41
Dec. 31, 2015	10.18	0.35	(0.08)	0.07	(0.06)	0.28	(0.23)	—	(0.02)	(0.02)	(0.27)	10.20
Dec. 31, 2014	9.87	0.33	(0.08)	0.01	0.33	0.59	(0.21)	—	—	(0.06)	(0.27)	10.18
Dec. 31, 2013	10.13	0.35	(0.08)	(0.03)	(0.23)	0.01	(0.23)	—	—	(0.07)	(0.30)	9.87
Dec. 31, 2012	10.04	0.45	(0.08)	0.08	—	0.45	(0.30)	—	(0.03)	—	(0.33)	10.13
Dec. 31, 2011	9.77	0.40	(0.07)	0.02	0.24	0.59	(0.34)	—	—	—	(0.34)	10.04
Series F												
June 30, 2016	10.28	0.18	(0.03)	0.01	0.20	0.36	(0.13)	—	—	(0.01)	(0.14)	10.49
Dec. 31, 2015	10.24	0.35	(0.06)	0.07	(0.06)	0.30	(0.23)	—	(0.02)	(0.02)	(0.27)	10.28
Dec. 31, 2014	9.91	0.34	(0.06)	0.01	0.33	0.62	(0.21)	—	—	(0.06)	(0.27)	10.24
Dec. 31, 2013	10.15	0.36	(0.06)	(0.03)	(0.23)	0.04	(0.23)	—	—	(0.07)	(0.30)	9.91
Dec. 31, 2012	10.04	0.42	(0.06)	0.07	—	0.43	(0.30)	—	(0.03)	—	(0.33)	10.15
Dec. 31, 2011	9.79	0.45	(0.06)	0.02	0.27	0.68	(0.37)	—	—	—	(0.37)	10.04
Series O												
June 30, 2016	10.63	0.19	—	0.01	0.21	0.41	(0.13)	—	—	(0.01)	(0.14)	10.89
Dec. 31, 2015	10.52	0.36	—	0.07	(0.06)	0.37	(0.23)	—	(0.02)	(0.02)	(0.27)	10.63
Dec. 31, 2014	10.11	0.34	—	0.01	0.34	0.69	(0.21)	—	—	(0.06)	(0.27)	10.52
Dec. 31, 2013	10.29	0.36	—	(0.03)	(0.24)	0.09	(0.23)	—	—	(0.07)	(0.30)	10.11
Dec. 31, 2012	10.11	0.45	—	0.09	—	0.54	(0.30)	—	(0.03)	—	(0.33)	10.29
Dec. 31, 2011	9.79	0.54	—	0.02	0.32	0.88	(0.35)	—	—	—	(0.35)	10.11

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	10.19	957 450	93 994	1.20⁴	1.20	4.56	—
Dec. 31, 2015	10.01	829 483	82 898	1.20	1.20	3.71	—
Dec. 31, 2014	10.03	812 294	80 949	1.20	1.20	11.92	—
Dec. 31, 2013	9.76	868 877	89 011	1.20	1.20	20.87	—
Dec. 31, 2012	10.06	1 051 721	104 538	1.20	1.20	3.39	—
Dec. 31, 2011	10.01	220 043	21 981	1.20	1.20	3.66	—
Advisor Series							
June 30, 2016	10.20	49 927	4 895	1.21⁴	1.21	4.56	—
Dec. 31, 2015	10.02	40 134	4 006	1.20	1.20	3.71	—
Dec. 31, 2014	10.05	23 324	2 321	1.20	1.20	11.92	—
Dec. 31, 2013	9.77	20 505	2 098	1.19	1.19	20.87	—
Dec. 31, 2012	10.07	10 425	1 035	1.21	1.21	3.39	—
Dec. 31, 2011	10.02	4 489	448	1.19	1.19	3.66	—
Series D							
June 30, 2016	10.41	15 437	1 483	0.81⁴	0.81	4.56	—
Dec. 31, 2015	10.20	12 280	1 204	0.81	0.81	3.71	—
Dec. 31, 2014	10.18	7 537	740	0.82	0.82	11.92	—
Dec. 31, 2013	9.87	4 856	492	0.81	0.81	20.87	—
Dec. 31, 2012	10.13	5 199	513	0.83	0.83	3.39	—
Dec. 31, 2011	10.04	3 626	361	0.79	0.79	3.66	—
Series F							
June 30, 2016	10.49	72 798	6 937	0.64⁴	0.64	4.56	—
Dec. 31, 2015	10.28	46 590	4 533	0.65	0.65	3.71	—
Dec. 31, 2014	10.24	18 565	1 812	0.65	0.65	11.92	—
Dec. 31, 2013	9.91	9 951	1 005	0.64	0.64	20.87	—
Dec. 31, 2012	10.15	4 738	467	0.65	0.65	3.39	—
Dec. 31, 2011	10.04	1 271	127	0.63	0.63	3.66	—
Series O							
June 30, 2016	10.89	27	2	0.06	0.06	4.56	—
Dec. 31, 2015	10.63	17	2	0.06	0.06	3.71	—
Dec. 31, 2014	10.52	208	20	0.06	0.06	11.92	—
Dec. 31, 2013	10.11	1	—	0.06	0.06	20.87	—
Dec. 31, 2012	10.29	1	—	0.06	0.06	3.39	—
Dec. 31, 2011	10.11	5	—	0.06	0.06	3.66	—

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 1.09%, Advisor Series – 1.10%, Series D – 0.70% and Series F – 0.54%.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	0.90%	50%	50%
Advisor Series	0.90%	50%	50%
Series D	0.55%	23%	77%
Series F	0.40%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Management fees represent the actual average management fee rate for the period ended June 30, 2016.

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

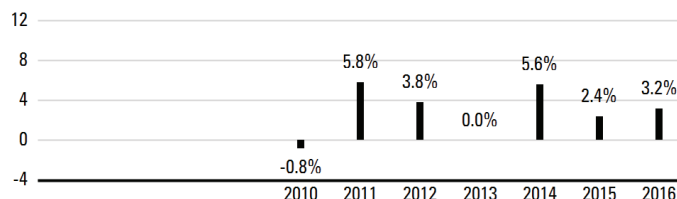
PAST PERFORMANCE

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.

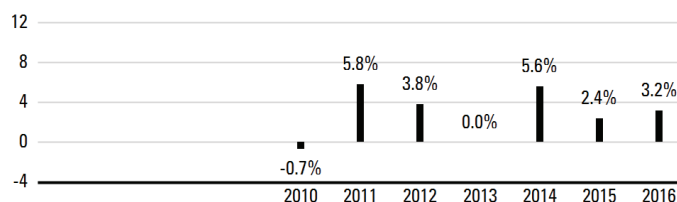
Year-by-Year Returns (%)

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.

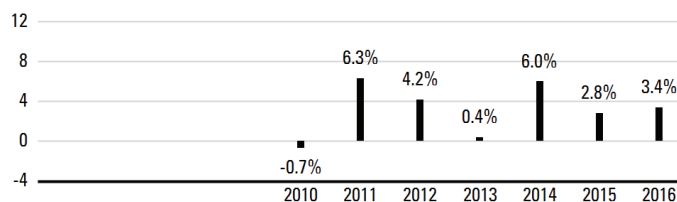
Series A (%)



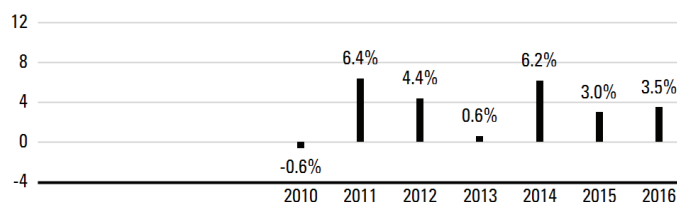
Advisor Series (%)



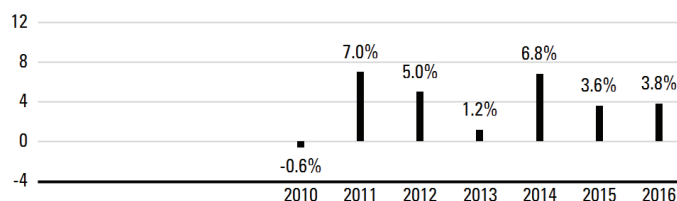
Series D (%)



Series F (%)



Series O (%)



Series A, Advisor Series, Series D, Series F and Series O units have been available for sale to unitholders since October 12, 2010.

Inception dates are not provided for series that have been in existence for more than 10 years.

All outstanding Series H units were re-designated as Series A units and all outstanding Series I units were re-designated as Series F units effective June 30, 2016.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Income Funds	98.7
Cash/Other	1.3

Top 25 Holdings*

	% of Net Asset Value
Phillips, Hager & North Short Term Bond & Mortgage Fund	39.2
RBC Bond Fund	19.7
Phillips, Hager & North Total Return Bond Fund	19.7
RBC Global Corporate Bond Fund	9.8
RBC High Yield Bond Fund	5.7
RBC Emerging Markets Bond Fund	4.5
Cash & Cash Equivalents	1.4
Total	100.0

* 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.

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



FIXED-INCOME FUND

RBC BOND FUND

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (UK) Limited, London, England
(for a portion of the Fund)

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund pursues above-average long-term returns consisting of interest income and moderate capital growth by investing mainly in high-quality fixed-income securities issued by Canadian governments and corporations. Holdings within the portfolio in non-investment grade bonds are limited to 20% of assets.

The Fund may invest in similar securities outside of Canada.

Results of Operations

The Fund's net asset value was \$16.8 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 4.3%. 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 any other series, which may vary because of differences in management fees and expenses.

Prices for energy and many commodities continued to slide in early 2016, pressuring domestic economic growth and forcing Canadian bond yields to the lowest levels since the European financial crisis four years ago. However, the Bank of Canada (the "BOC") refrained from lowering its benchmark interest rate as the lacklustre domestic economy gained some momentum on the back of a weaker Canadian dollar, and expectations that the federal government would boost infrastructure spending. After February, energy prices started to recover and the global economy proved to be more resilient than earlier dismal expectations. As a result, government bonds pared most of the gains made earlier in the period.

Canadian fixed income underperformed in the first half of 2016 versus U.S. bonds, which rallied after the odds of interest-rate hikes by the U.S. Federal Reserve (the "Fed") fell amid sluggish global growth and geopolitical tensions. Elsewhere, the European Central Bank and the Bank of Japan (the "BOJ") intensified exceptionally strong monetary measures to force down bond yields. Early in the year, the BOJ surprised investors by cutting interest rates to negative levels. As a result, about one-third of sovereign bonds had negative yields at the end of June, creating sustained global interest in the relatively higher yields offered by Canadian debt. A negative yield means that safe-haven investors actually pay the issuer for the right to hold a bond rather than expecting income in return.

The Fund posted strong relative returns, with investments in virtually all areas contributing to the outperformance. The Fund's overweight position in provincial bonds, particularly securities with terms exceeding 10 years, performed best, boosted by investor demand for higher yields

in the low-interest-rate environment. Non-government bonds rebounded strongly once fears subsided about the possibility of a U.S. recession, and weakness in the Chinese economy and its spillover effect on other emerging markets. As a result, the portfolio's higher-yielding and emerging-market bonds outperformed by a wide margin.

Recent Developments

The portfolio manager expects yields on North American government bonds to rise gradually over the next 12 months, assuming that a healthy economy allows the Fed to raise policy rates. The portfolio manager expects the BOC to keep short-term interest rates where they are for the rest of 2016, as government spending helps to offset weakness in the economy, especially in Alberta. Demand for safe-haven assets will likely surge after Britain's vote to exit the EU and global bond prices will remain volatile, as the tug-of-war continues between value-focused investors seeking returns that keep up with inflation and income-seeking investors focused on current income. Occasional geopolitical flare-ups will contribute to volatility.

Demand for income makes credit and provincial bonds attractive relative to government bonds, and the additional yield offered by these securities would help offset capital losses as yields rise. The Fund plans to maintain overweight positions in both areas with the intention of reducing at a higher price.

Effective June 30, 2016, management fees were reduced as follows: from 1.00% to 0.90% for Series A and Advisor Series units; from 0.65% to 0.55% for Series D units; and from 0.50% to 0.40% for Series F units. Also effective June 30, 2016, Series H units were closed to all investors, and Series I units were re-designated to Series F units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

RBC Global Asset Management (UK) Limited is the sub-advisor and provides investment advice for the Fund.



Distributors

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

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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$5,000 (2015 – \$0) or 24% (2015 – 0%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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		
Series A												
June 30, 2016	6.62	0.11	(0.04)	0.06	0.16	0.29	(0.07)	—	—	—	(0.07)	6.83
Dec. 31, 2015	6.60	0.24	(0.08)	0.03	0.01	0.20	(0.14)	—	(0.01)	—	(0.15)	6.62
Dec. 31, 2014	6.26	0.22	(0.08)	0.03	0.31	0.48	(0.15)	—	—	—	(0.15)	6.60
Dec. 31, 2013	6.54	0.26	(0.08)	0.01	(0.28)	(0.09)	(0.18)	—	(0.01)	—	(0.19)	6.25
Dec. 31, 2012	6.50	0.26	(0.08)	0.10	(0.03)	0.25	(0.17)	—	(0.04)	—	(0.21)	6.54
Dec. 31, 2011	6.16	0.24	(0.07)	0.05	0.30	0.52	(0.17)	—	—	—	(0.17)	6.50
Advisor Series												
June 30, 2016	6.76	0.11	(0.04)	0.06	0.17	0.30	(0.08)	—	—	—	(0.08)	6.98
Dec. 31, 2015	6.74	0.24	(0.08)	0.03	0.01	0.20	(0.14)	—	(0.01)	—	(0.15)	6.76
Dec. 31, 2014	6.39	0.23	(0.08)	0.03	0.31	0.49	(0.15)	—	—	—	(0.15)	6.74
Dec. 31, 2013	6.66	0.26	(0.08)	0.01	(0.28)	(0.09)	(0.19)	—	(0.01)	—	(0.20)	6.38
Dec. 31, 2012	6.62	0.26	(0.08)	0.10	(0.03)	0.25	(0.17)	—	(0.04)	—	(0.21)	6.66
Dec. 31, 2011	6.27	0.25	(0.07)	0.05	0.30	0.53	(0.17)	—	—	—	(0.17)	6.62
Series D												
June 30, 2016	6.66	0.11	(0.03)	0.06	0.17	0.31	(0.09)	—	—	—	(0.09)	6.87
Dec. 31, 2015	6.64	0.24	(0.05)	0.03	0.01	0.23	(0.17)	—	(0.01)	—	(0.18)	6.66
Dec. 31, 2014	6.30	0.22	(0.05)	0.03	0.31	0.51	(0.18)	—	—	—	(0.18)	6.64
Dec. 31, 2013	6.58	0.26	(0.05)	0.01	(0.28)	(0.06)	(0.22)	—	(0.01)	—	(0.23)	6.29
Dec. 31, 2012	6.54	0.26	(0.05)	0.10	(0.03)	0.28	(0.20)	—	(0.04)	—	(0.24)	6.58
Dec. 31, 2011	6.19	0.24	(0.05)	0.05	0.30	0.54	(0.19)	—	—	—	(0.19)	6.54
Series F												
June 30, 2016	6.83	0.11	(0.02)	0.06	0.17	0.32	(0.10)	—	—	—	(0.10)	7.05
Dec. 31, 2015	6.81	0.24	(0.04)	0.03	0.01	0.24	(0.19)	—	(0.01)	—	(0.20)	6.83
Dec. 31, 2014	6.45	0.23	(0.04)	0.03	0.32	0.54	(0.18)	—	—	—	(0.18)	6.81
Dec. 31, 2013	6.73	0.27	(0.04)	0.01	(0.29)	(0.05)	(0.22)	—	(0.01)	—	(0.23)	6.44
Dec. 31, 2012	6.69	0.26	(0.04)	0.10	(0.03)	0.29	(0.21)	—	(0.04)	—	(0.25)	6.73
Dec. 31, 2011	6.33	0.25	(0.04)	0.06	0.31	0.58	(0.21)	—	—	—	(0.21)	6.69
Series O												
June 30, 2016	6.90	0.11	—	0.06	0.17	0.34	(0.12)	—	—	—	(0.12)	7.12
Dec. 31, 2015	6.89	0.25	—	0.03	0.01	0.29	(0.25)	—	(0.01)	—	(0.26)	6.90
Dec. 31, 2014	6.54	0.23	—	0.03	0.32	0.58	(0.23)	—	—	—	(0.23)	6.89
Dec. 31, 2013	6.80	0.27	—	0.01	(0.29)	(0.01)	(0.25)	—	(0.01)	—	(0.26)	6.53
Dec. 31, 2012	6.76	0.27	—	0.10	(0.03)	0.34	(0.26)	—	(0.04)	—	(0.30)	6.80
Dec. 31, 2011	6.41	0.25	—	0.06	0.31	0.62	(0.25)	—	—	—	(0.25)	6.76

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	6.83	1 515 684	221 802	1.22⁴	1.22	26.17	—
Dec. 31, 2015	6.62	1 535 208	231 839	1.22	1.22	22.38	—
Dec. 31, 2014	6.60	1 642 304	248 942	1.22	1.22	35.76	—
Dec. 31, 2013	6.26	1 776 367	283 729	1.22	1.22	31.63	—
Dec. 31, 2012	6.55	2 271 734	347 067	1.21	1.21	33.88	—
Dec. 31, 2011	6.51	1 807 620	277 653	1.20	1.20	49.74	—
Advisor Series							
June 30, 2016	6.98	73 423	10 521	1.16⁴	1.16	26.17	—
Dec. 31, 2015	6.76	53 352	7 889	1.17	1.17	22.38	—
Dec. 31, 2014	6.74	42 893	6 368	1.17	1.17	35.76	—
Dec. 31, 2013	6.39	36 190	5 666	1.17	1.17	31.63	—
Dec. 31, 2012	6.67	42 437	6 358	1.14	1.14	33.88	—
Dec. 31, 2011	6.63	28 020	4 225	1.15	1.15	49.74	—
Series D							
June 30, 2016	6.87	73 249	10 657	0.77⁴	0.77	26.17	—
Dec. 31, 2015	6.66	65 736	9 869	0.77	0.77	22.38	—
Dec. 31, 2014	6.64	61 636	9 286	0.77	0.77	35.76	—
Dec. 31, 2013	6.30	53 735	8 532	0.77	0.77	31.63	—
Dec. 31, 2012	6.59	68 826	10 448	0.77	0.77	33.88	—
Dec. 31, 2011	6.55	49 188	7 512	0.77	0.77	49.74	—
Series F							
June 30, 2016	7.05	119 258	16 916	0.61⁴	0.61	26.17	—
Dec. 31, 2015	6.83	27 232	3 986	0.61	0.61	22.38	—
Dec. 31, 2014	6.81	13 230	1 943	0.61	0.61	35.76	—
Dec. 31, 2013	6.45	7 299	1 131	0.62	0.62	31.63	—
Dec. 31, 2012	6.74	7 441	1 104	0.61	0.61	33.88	—
Dec. 31, 2011	6.70	5 539	827	0.60	0.60	49.74	—
Series O							
June 30, 2016	7.12	15 001 441	2 105 921	0.03	0.03	26.17	—
Dec. 31, 2015	6.90	13 791 733	1 998 370	0.03	0.03	22.38	—
Dec. 31, 2014	6.89	11 430 668	1 658 442	0.02	0.02	35.76	—
Dec. 31, 2013	6.54	9 949 423	1 522 142	0.02	0.02	31.63	—
Dec. 31, 2012	6.81	7 151 935	1 049 482	0.02	0.02	33.88	—
Dec. 31, 2011	6.77	5 724 748	845 173	0.02	0.02	49.74	—

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 1.11%, Advisor Series – 1.06%, Series D – 0.66% and Series F – 0.50%.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	0.90%	50%	50%
Advisor Series	0.90%	50%	50%
Series D	0.55%	23%	77%
Series F	0.40%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

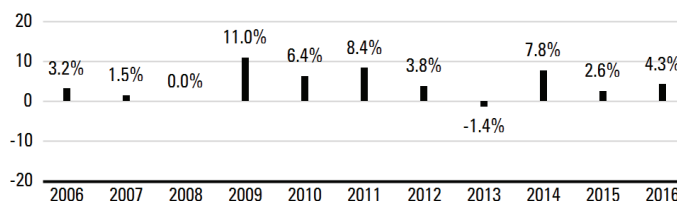
PAST PERFORMANCE

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.

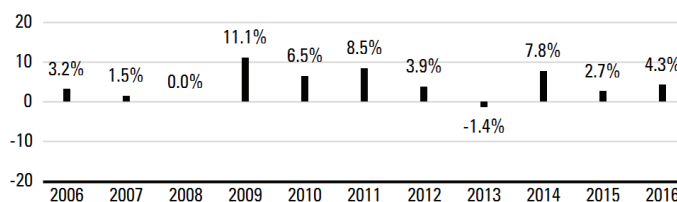
Year-by-Year Returns (%)

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.

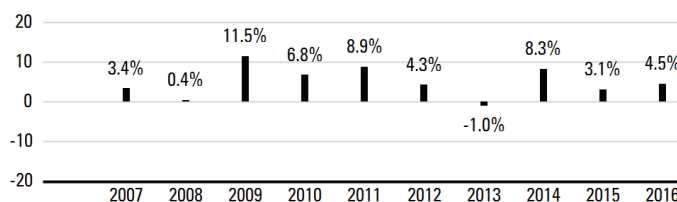
Series A (%)



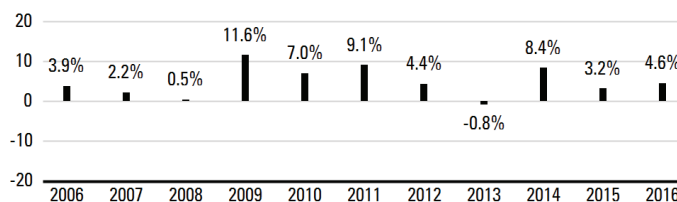
Advisor Series (%)



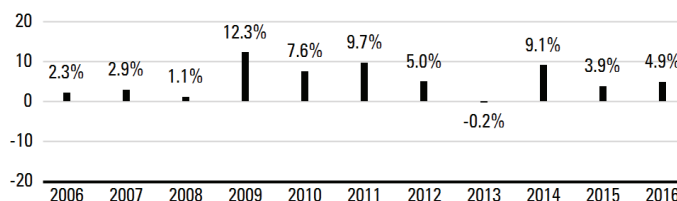
Series D (%)



Series F (%)



Series O (%)



Series D units have been available for sale to unitholders since July 3, 2007 and Series O units since September 5, 2006.

Inception dates are not provided for series that have been in existence for more than 10 years.

All outstanding Series I units were re-designated as Series F units effective June 30, 2016.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Corporate Bonds	42.9
Provincial/Municipal Bonds	38.5
Foreign Bonds	6.8
Federal Bonds	5.3
Income Funds	3.3
Cash/Other	3.2

Top 25 Holdings

	% of Net Asset Value
Long Positions:	
Province of Ontario 3.450% Jun 2 2045	3.7
Province of Ontario 2.900% Dec 2 2046	3.5
Province of Ontario 3.500% Jun 2 2043	2.7
Province of Ontario 4.600% Jun 2 2039	2.3
Province of Ontario 4.650% Jun 2 2041	2.0
Province of Ontario 2.850% Jun 2 2023	1.9
Province of Ontario 3.500% Jun 2 2024	1.7
Province of Quebec 3.000% Sep 1 2023	1.6
RBC Emerging Markets Foreign Exchange Fund	1.5
Province of Ontario 2.600% Jun 2 2025	1.5
Province of Quebec 3.750% Sep 1 2024	1.2
Province of Quebec 5.000% Dec 1 2041	1.2
BlueBay Emerging Markets Corporate Bond Fund	1.1
Canadian 10-Year Bond Future, September 2016	1.1
Province of Ontario 4.700% Jun 2 2037	1.0
Canada Housing Trust No. 1 2.350% Sep 15 2023	1.0
Bank of Montreal 2.100% Oct 6 2020	1.0
Toronto-Dominion Bank 2.447% Apr 2 2019	1.0
Province of Quebec 4.250% Dec 1 2043	0.9
Province of Ontario 6.500% Mar 8 2029	0.9
Province of Ontario 4.000% Jun 2 2021	0.9
Province of Ontario 3.150% Jun 2 2022	0.9
Province of Ontario 4.400% Jun 2 2019	0.8
Province of Ontario 2.400% Jun 2 2026	0.8
Total Long	36.2

Short Positions:

United States 10-Year Note Future, September 2016	(3.3)
Total Short	(3.3)

The Fund may use futures contracts as an asset substitution or as a way to reduce interest-rate risk.

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



FIXED-INCOME FUND

RBC ADVISOR CANADIAN BOND FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide a modest enhancement of long-term returns, consisting of income and modest capital gains, over that of its benchmark before fees and expenses are deducted, while keeping overall risk of underperformance to modest levels.

The Fund invests primarily in fixed-income securities such as bonds, debentures and notes issued by Canadian governments and corporations. The Fund may also invest in AAA-rated securities of selected agencies such as the World Bank whose debt is considered appropriate for conservative investors.

Results of Operations

The Fund's net asset value was \$52 million as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 3.7%. 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 any other series, which may vary because of differences in management fees and expenses.

Prices for energy and many other commodities continued to slide in early 2016, pressuring domestic economic growth and dropping Canadian bond yields to the lowest levels since the European financial crisis four years ago. However, the Bank of Canada (the "BOC") refrained from lowering its benchmark interest rate as the lacklustre domestic economy gained some momentum on the back of a weaker Canadian dollar, and the federal government committed to boosting infrastructure spending.

Canadian fixed income underperformed in the first half of 2016 versus U.S. bonds, which rallied after the odds of interest-rate hikes by the U.S. Federal Reserve (the "Fed") fell amid sluggish global growth and geopolitical tensions. Elsewhere, the European Central Bank and the Bank of Japan intensified exceptionally strong monetary measures to force down bond yields. As a result, about 30% of global sovereign bonds carried negative yields as the period ended, creating sustained global interest in the relatively high yields offered by Canadian debt. Somewhat offsetting the attractiveness of Canadian fixed income were historically high household-debt levels that largely reflected soaring home prices in Vancouver and Toronto.

The Fund's overweight position in provincial securities was positive for relative performance. Based on maturity, securities with terms exceeding 10 years performed best, boosted by investor demand for higher yields in the low-interest-rate environment. Demand for longer-term assets was also bolstered by subdued inflation.

Recent Developments

The portfolio manager expects the BOC to keep short-term interest rates where they are for the rest of 2016, as government spending helps to offset weakness in the economy, especially in Alberta. BOC Governor Stephen Poloz has indicated that a significant downturn in the economy would be needed for the BOC to return to even lower rates. While some investors have speculated that extensive wildfires in the Fort McMurray area near the oil sands could crimp economic growth enough to prod the BOC into cutting rates, the hope is that economic losses will be contained. In another sign of concern about economic growth, the Fed did not increase rates at the meeting in June after Britain's vote to leave the EU led to a more cautious outlook.

Demand for income makes corporate and provincial bonds attractive relative to government bonds, and additional yield offered by these securities would help offset capital losses as yields rise. The portfolio manager plans to maintain overweight positions in both areas.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Advisor Series units.

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 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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		
		Total	Total	Total	Total	Total	Total	Total	Total	Total		
Advisor Series												
June 30, 2016	12.06	0.21	(0.06)	0.03	0.27	0.45	(0.16)	—	—	—	(0.16)	12.34
Dec. 31, 2015	12.04	0.42	(0.11)	0.08	(0.09)	0.30	(0.30)	—	—	—	(0.30)	12.06
Dec. 31, 2014	11.47	0.45	(0.11)	0.41	0.25	1.00	(0.33)	—	—	—	(0.33)	12.04
Dec. 31, 2013	12.04	0.44	(0.11)	0.12	(0.68)	(0.23)	(0.35)	—	—	—	(0.35)	11.46
Dec. 31, 2012	12.04	0.44	(0.11)	0.19	(0.19)	0.33	(0.34)	—	—	—	(0.34)	12.04
Dec. 31, 2011	11.44	0.48	(0.10)	0.31	0.29	0.98	(0.38)	—	—	—	(0.38)	12.04
Series F												
June 30, 2016	12.28	0.21	(0.04)	0.03	0.27	0.47	(0.18)	—	—	—	(0.18)	12.56
Dec. 31, 2015	12.26	0.42	(0.08)	0.08	(0.09)	0.33	(0.34)	—	—	—	(0.34)	12.28
Dec. 31, 2014	11.67	0.48	(0.07)	0.44	0.27	1.12	(0.37)	—	—	—	(0.37)	12.26
Dec. 31, 2013	12.25	0.45	(0.07)	0.13	(0.70)	(0.19)	(0.39)	—	—	—	(0.39)	11.66
Dec. 31, 2012	12.25	0.45	(0.07)	0.20	(0.19)	0.39	(0.39)	—	—	—	(0.39)	12.25
Dec. 31, 2011	11.63	0.49	(0.07)	0.31	0.29	1.02	(0.41)	—	—	—	(0.41)	12.25
Series O												
June 30, 2016	12.41	0.21	—	0.03	0.27	0.51	(0.22)	—	—	—	(0.22)	12.70
Dec. 31, 2015	12.39	0.43	—	0.08	(0.09)	0.42	(0.42)	—	—	—	(0.42)	12.41
Dec. 31, 2014	11.80	0.35	—	0.32	0.19	0.86	(0.46)	—	—	—	(0.46)	12.39
Dec. 31, 2013	12.36	0.45	—	0.13	(0.71)	(0.13)	(0.44)	—	—	—	(0.44)	11.79
Dec. 31, 2012	12.36	0.46	—	0.20	(0.19)	0.47	(0.46)	—	—	—	(0.46)	12.36
Dec. 31, 2011	11.77	0.49	—	0.31	0.29	1.09	(0.53)	—	—	—	(0.53)	12.36

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Advisor Series							
June 30, 2016	12.34	35 282	2 858	0.92	0.93	15.89	—
Dec. 31, 2015	12.06	35 255	2 923	0.92	0.93	16.03	—
Dec. 31, 2014	12.04	36 130	3 000	0.93	0.93	11.87	—
Dec. 31, 2013	11.47	42 079	3 668	0.93	0.93	18.55	—
Dec. 31, 2012	12.06	64 534	5 352	0.94	0.94	26.46	—
Dec. 31, 2011	12.05	70 869	5 879	0.94	0.94	37.92	—
Series F							
June 30, 2016	12.56	16 426	1 307	0.61	0.61	15.89	—
Dec. 31, 2015	12.28	14 705	1 198	0.61	0.61	16.03	—
Dec. 31, 2014	12.26	10 805	881	0.60	0.60	11.87	—
Dec. 31, 2013	11.67	9 669	828	0.61	0.61	18.55	—
Dec. 31, 2012	12.26	13 475	1 099	0.61	0.61	26.46	—
Dec. 31, 2011	12.26	15 498	1 264	0.61	0.61	37.92	—
Series O							
June 30, 2016	12.70	1	—	0.02	0.03	15.89	—
Dec. 31, 2015	12.41	1	—	0.02	0.03	16.03	—
Dec. 31, 2014	12.39	1	—	0.03	0.03	11.87	—
Dec. 31, 2013	11.80	33 458	2 836	0.02	0.02	18.55	—
Dec. 31, 2012	12.37	32 095	2 595	0.02	0.02	26.46	—
Dec. 31, 2011	12.37	37 776	3 054	0.03	0.03	37.92	—

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

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

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

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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*
Advisor Series	0.80%	31%	69%
Series F	0.50%	—	100%

Series O — no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

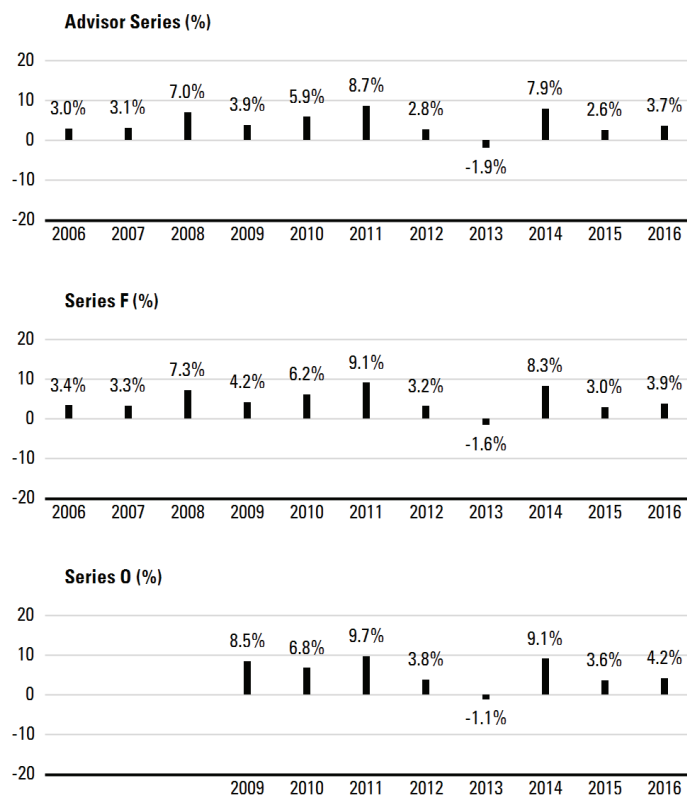


PAST PERFORMANCE

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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.



Series O units have been available for sale to unitholders since October 26, 2009.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Provincial/Municipal Bonds	42.4
Corporate Bonds	34.1
Federal Bonds	22.0
Cash/Other	1.5

Top 25 Holdings

	% of Net Asset Value
Province of Ontario 2.600% Jun 2 2025	4.3
Canada Housing Trust No. 1 3.350% Dec 15 2020	3.9
Canada Housing Trust No. 1 1.950% Jun 15 2019	3.4
Province of Ontario 4.200% Jun 2 2020	3.3
Government of Canada 3.500% Dec 1 2045	3.2
Canada Housing Trust No. 1 1.700% Dec 15 2017	2.8
Province of Ontario 4.650% Jun 2 2041	2.7
Province of New Brunswick 5.650% Dec 27 2028	2.6
Government of Canada 1.500% Jun 1 2023	2.5
TCHC Issuer Trust 4.877% May 11 2037	2.4
Province of Quebec 3.500% Dec 1 2022	2.4
Province of Manitoba 4.650% Mar 5 2040	2.3
Province of Quebec 4.500% Dec 1 2017	2.0
Province of Quebec 9.500% Mar 30 2023	2.0
Province of Quebec 5.000% Dec 1 2041	1.9
Province of Ontario 2.900% Dec 2 2046	1.7
Canada Housing Trust No. 1 2.350% Sep 15 2023	1.7
Province of Ontario 6.500% Mar 8 2029	1.7
Province of Nova Scotia 4.900% Jun 1 2035	1.6
Province of Quebec 4.500% Dec 1 2019	1.5
Government of Canada 4.000% Jun 1 2041	1.5
Province of Ontario 3.150% Jun 2 2022	1.5
Province of Ontario 4.000% Jun 2 2021	1.3
Province of Ontario 2.400% Jun 2 2026	1.3
Province of Ontario 2.100% Sep 8 2018	1.3
Top 25 Holdings	56.8

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



FIXED-INCOME FUND

**RBC CANADIAN GOVERNMENT
BOND INDEX FUND**

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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.

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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 a total return consisting of income and moderate capital growth consistent with the FTSE TMX Canada Federal Bond Index before fees and expenses are deducted.

The Fund invests in fixed-income securities issued or guaranteed by the Government of Canada. Securities are chosen so that the yield, risk and maturities of the Fund's holdings closely resemble the index.

Results of Operations

The Fund's net asset value was \$223 million as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 2.6%. 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 any other series, which may vary because of differences in management fees and expenses.

Prices for energy and many other commodities continued to slide in early 2016, pressuring domestic economic growth and dropping Canadian bond yields to the lowest levels since the European financial crisis four years ago. However, the Bank of Canada (the "BOC") refrained from lowering its benchmark interest rate as the lacklustre domestic economy gained some momentum on the back of a weaker Canadian dollar, and the federal government committed to boosting infrastructure spending.

Canadian fixed income underperformed in the first half of 2016 versus U.S. bonds, which rallied after the odds of interest-rate hikes by the U.S. Federal Reserve (the "Fed") fell amid sluggish global growth and geopolitical tensions. Elsewhere, the European Central Bank and the Bank of Japan intensified exceptionally strong monetary measures to force down bond yields. As a result, about 30% of global sovereign bonds carried negative yields as the period ended, creating sustained global interest in the relatively high yields offered by Canadian debt. Somewhat offsetting the attractiveness of Canadian fixed income were historically high household-debt levels that largely reflected soaring home prices in Vancouver and Toronto.

In the six-month period ending June 30, 2016, bonds maturing in one to five years fell to 54% of the Fund's assets from 58% as of December 31, 2015. For bonds maturing in five to 10 years, the number rose to 25% from 19%. For maturities exceeding 10 years, the percentage fell to 21% from 23%.

Recent Developments

The portfolio manager expects the BOC to keep short-term interest rates where they are for the rest of 2016, as government spending helps to offset weakness in the economy, especially in Alberta. BOC Governor Stephen Poloz has indicated that a significant downturn in the economy would be needed for the BOC to return to even lower rates. While some investors have speculated that extensive wildfires in the Fort McMurray area near the oil sands could crimp economic growth enough to prod the BOC into cutting rates, the hope is that economic losses will be contained. In another sign of concern about economic growth, the Fed did not increase rates at the meeting in June after U.K.'s vote to leave the EU led to a more cautious outlook.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A units.

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 units of the Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
		Series A										
June 30, 2016	12.16	0.14	(0.04)	0.03	0.17	0.30	(0.11)	—	—	—	(0.11)	12.36
Dec. 31, 2015	12.00	0.29	(0.08)	0.06	0.10	0.37	(0.21)	—	—	—	(0.21)	12.16
Dec. 31, 2014	11.50	0.29	(0.08)	0.02	0.50	0.73	(0.22)	—	—	—	(0.22)	12.00
Dec. 31, 2013	12.05	0.31	(0.08)	0.07	(0.56)	(0.26)	(0.25)	—	(0.06)	—	(0.31)	11.50
Dec. 31, 2012	12.13	0.34	(0.08)	0.03	(0.11)	0.18	(0.26)	—	—	—	(0.26)	12.05
Dec. 31, 2011	11.55	0.38	(0.07)	0.08	0.48	0.87	(0.31)	—	—	—	(0.31)	12.13

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	12.36	223 267	18 057	0.67	0.67	15.66	—
Dec. 31, 2015	12.16	221 627	18 223	0.67	0.67	11.61	—
Dec. 31, 2014	12.00	234 408	19 534	0.67	0.67	21.16	—
Dec. 31, 2013	11.50	277 282	24 111	0.67	0.67	29.93	—
Dec. 31, 2012	12.06	410 926	34 084	0.66	0.66	28.07	—
Dec. 31, 2011	12.13	403 740	33 281	0.66	0.66	43.09	—

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

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

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



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	0.50%	20%	80%

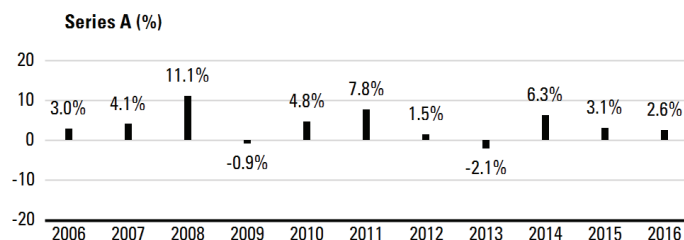
* Includes all costs related to management, trustee, investment advisory services, general administration and profit.

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.



Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Federal Bonds	96.4
Supranational Bonds	2.2
Cash/Other	1.4

Top 25 Holdings

	% of Net Asset Value
Canada Housing Trust No. 1 1.950% Jun 15 2019	8.3
Canada Housing Trust No. 1 1.700% Dec 15 2017	7.7
Canada Housing Trust No. 1 3.350% Dec 15 2020	7.3
Government of Canada 4.000% Jun 1 2041	6.7
Government of Canada 1.500% Sep 1 2017	6.0
Government of Canada 1.500% Jun 1 2023	5.8
Canada Housing Trust No. 1 4.100% Dec 15 2018	5.5
Government of Canada 2.250% Jun 1 2025	4.6
Government of Canada 3.500% Dec 1 2045	4.0
Canada Housing Trust No. 1 1.250% Jun 15 2021	3.9
Government of Canada 3.500% Jun 1 2020	3.8
Government of Canada 5.000% Jun 1 2037	3.8
Canada Housing Trust No. 1 2.650% Mar 15 2022	3.4
Canada Housing Trust No. 1 2.350% Sep 15 2023	3.3
Government of Canada 2.750% Jun 1 2022	3.2
Government of Canada 5.750% Jun 1 2029	3.2
Government of Canada 0.750% Sep 1 2020	2.9
Inter-American Development Bank CAD 4.400% Jan 26 2026	2.2
Government of Canada 1.500% Mar 1 2020	1.9
Canada Housing Trust No. 1 1.250% Dec 15 2020	1.6
Government of Canada 5.750% Jun 1 2033	1.5
Government of Canada 1.250% Sep 1 2018	1.5
Labrador-Island Link Funding Trust 3.760% Jun 1 2033	1.3
Government of Canada 1.500% Jun 1 2026	1.3
Government of Canada 2.500% Jun 1 2024	1.2
Top 25 Holdings	95.9

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



FIXED-INCOME FUND

RBC GLOBAL BOND FUND

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (UK) Limited, London, England
(for a portion of the Fund)

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund pursues above-average long-term total returns, consisting of interest income and some capital growth in world fixed-income markets.

The Fund invests principally in high-quality, fixed-income securities denominated in foreign currencies and issued by foreign and Canadian governments. The Fund may use derivative contracts extensively to manage currency risk and to protect against losses. The Fund may also invest in debt issued by foreign corporations and international agencies like the World Bank.

Results of Operations

The Fund's net asset value was \$4.4 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 6.4%. 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 any other series, which may vary because of differences in management fees and expenses.

Global bond markets posted strong returns during the first half of 2016 amid fears of a global economic slowdown coupled with heavy central-bank bond purchases. The Bank of Japan (the "BOJ") surprised investors in January with its embrace of negative-interest-rate policy, and the European Central Bank (the "ECB") continued to expand its bond-buying program. As a result, investors raced to get a hold of bonds with positive yields and extended the maturities of their bond portfolios to boost returns. About one-third of global sovereign bonds had negative yields as the period ended. The best-performing bonds were long-maturity Japanese government bonds, with gains near 20%. Negative yields mean that investors in search of safe havens actually pay issuers to hold bonds rather than expecting income in return.

The U.S. Federal Reserve (the "Fed") left its benchmark policy rate unchanged in June, citing concerns about domestic productivity, global economic growth and geopolitical risks, all of which kept global bond yields low. Yields on many government bonds fell to record lows after the U.K. voted unexpectedly in late June to leave the EU.

The Fund posted strong relative returns, with contributions from virtually all investment areas. The Fund's overweight position in longer-maturity securities, particularly bonds with terms exceeding 10 years, performed best. Non-government bonds rebounded strongly once fears subsided about the possibility of a U.S. recession, and weakness in the Chinese economy and its spillover effect on other emerging markets. As a result, higher-yielding and emerging-market bonds in the portfolio outperformed by a wide margin.

The Canadian dollar was among the top-performing currencies, as it rose alongside an energy-price recovery that began in February and after the Bank of Canada refrained from lowering its benchmark interest rate. The Fund's exposure to the U.S. dollar and emerging-market currencies had a neutral impact on relative returns.

Recent Developments

The portfolio manager expects global bonds to fluctuate as investors contrast the potentially negative impact of the U.K. exit vote, on the one hand, with the possibility of the Fed gradually raising policy rates. Assuming no recession, the portfolio manager anticipates a gradual increase in overall bond yields from currently depressed levels, with short-maturity bond yields increasing faster than those on their longer-maturity peers. However, continued bond purchases by the ECB and BOJ will keep bond yields within the range established since 2012, in the view of the portfolio manager.

The Fund plans to maintain an overweight position in non-government bonds with the intention to reduce at a higher price. The additional yield offered by non-government bonds will likely cushion the losses from rising bond yields, although there will be periods of high volatility. The portfolio manager has been taking advantage of the recent strength in the loonie to increase exposure to foreign currencies.

Effective June 30, 2016, management fees were reduced as follows: from 1.50% to 1.35% for Series A and Advisor Series units; from 0.90% to 0.75% for Series D units; and from 0.75% to 0.60% for Series F units. Also effective June 30, 2016, Series H units were closed to all investors, and Series I units were capped and no longer available for purchase by new investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.



Sub-Advisor

RBC Global Asset Management (UK) Limited is the sub-advisor and provides investment advice for the Fund.

Distributors

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

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 units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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		
Series A												
June 30, 2016	10.84	0.13	(0.10)	0.25	0.41	0.69	(0.03)	—	—	—	(0.03)	11.49
Dec. 31, 2015	10.80	0.28	(0.19)	(0.10)	0.14	0.13	(0.09)	—	—	—	(0.09)	10.84
Dec. 31, 2014	10.42	0.29	(0.19)	0.34	0.32	0.76	(0.10)	—	(0.27)	—	(0.37)	10.80
Dec. 31, 2013	10.49	0.31	(0.19)	(0.09)	0.03	0.06	(0.13)	—	—	—	(0.13)	10.41
Dec. 31, 2012	10.37	0.31	(0.19)	0.63	(0.17)	0.58	(0.12)	—	(0.35)	—	(0.47)	10.49
Dec. 31, 2011	10.10	0.34	(0.17)	(0.16)	0.45	0.46	(0.17)	—	—	—	(0.17)	10.37
Advisor Series												
June 30, 2016	11.09	0.13	(0.10)	0.25	0.42	0.70	(0.04)	—	—	—	(0.04)	11.76
Dec. 31, 2015	11.06	0.28	(0.19)	(0.10)	0.15	0.14	(0.09)	—	—	—	(0.09)	11.09
Dec. 31, 2014	10.66	0.29	(0.19)	0.34	0.32	0.76	(0.10)	—	(0.28)	—	(0.38)	11.06
Dec. 31, 2013	10.72	0.31	(0.19)	(0.09)	0.03	0.06	(0.12)	—	—	—	(0.12)	10.65
Dec. 31, 2012	10.58	0.32	(0.18)	0.64	(0.17)	0.61	(0.12)	—	(0.35)	—	(0.47)	10.72
Dec. 31, 2011	10.30	0.34	(0.17)	(0.16)	0.46	0.47	(0.17)	—	—	—	(0.17)	10.58
Series D												
June 30, 2016	10.96	0.13	(0.06)	0.25	0.42	0.74	(0.08)	—	—	—	(0.08)	11.62
Dec. 31, 2015	10.93	0.28	(0.12)	(0.10)	0.14	0.20	(0.17)	—	—	—	(0.17)	10.96
Dec. 31, 2014	10.53	0.29	(0.11)	0.34	0.32	0.84	(0.17)	—	(0.27)	—	(0.44)	10.93
Dec. 31, 2013	10.60	0.31	(0.11)	(0.09)	0.03	0.14	(0.20)	—	—	—	(0.20)	10.52
Dec. 31, 2012	10.47	0.32	(0.11)	0.63	(0.17)	0.67	(0.19)	—	(0.35)	—	(0.54)	10.60
Dec. 31, 2011	10.19	0.34	(0.10)	(0.16)	0.45	0.53	(0.24)	—	—	—	(0.24)	10.47
Series F												
June 30, 2016	11.37	0.13	(0.05)	0.26	0.43	0.77	(0.09)	—	—	—	(0.09)	12.06
Dec. 31, 2015	11.34	0.29	(0.10)	(0.10)	0.15	0.24	(0.19)	—	—	—	(0.19)	11.37
Dec. 31, 2014	10.92	0.30	(0.10)	0.35	0.33	0.88	(0.20)	—	(0.28)	—	(0.48)	11.34
Dec. 31, 2013	10.97	0.32	(0.10)	(0.10)	0.03	0.15	(0.20)	—	—	—	(0.20)	10.91
Dec. 31, 2012	10.81	0.33	(0.10)	0.65	(0.18)	0.70	(0.21)	—	(0.35)	—	(0.56)	10.97
Dec. 31, 2011	10.51	0.35	(0.09)	(0.16)	0.47	0.57	(0.24)	—	—	—	(0.24)	10.81
Series I												
June 30, 2016	11.36	0.13	(0.04)	0.26	0.43	0.78	(0.10)	—	—	—	(0.10)	12.05
Dec. 31, 2015	11.33	0.29	(0.07)	(0.10)	0.15	0.27	(0.23)	—	—	—	(0.23)	11.36
Dec. 31, 2014 ³	11.18 [†]	0.20	(0.05)	0.23	0.22	0.60	(0.16)	—	(0.28)	—	(0.44)	11.33



FINANCIAL HIGHLIGHTS (cont.)

Change in Net Assets Per Unit (\$) (cont.)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					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	Total	
		Series 0										
June 30, 2016	11.15	0.13	—	0.26	0.42	0.81	(0.13)	—	—	—	(0.13)	11.82
Dec. 31, 2015	11.11	0.28	—	(0.10)	0.15	0.33	(0.29)	—	—	—	(0.29)	11.15
Dec. 31, 2014	10.72	0.30	—	0.34	0.33	0.97	(0.30)	—	(0.28)	—	(0.58)	11.11
Dec. 31, 2013	10.78	0.32	—	(0.10)	0.03	0.25	(0.30)	—	—	—	(0.30)	10.71
Dec. 31, 2012	10.64	0.32	—	0.65	(0.17)	0.80	(0.31)	—	(0.35)	—	(0.66)	10.78
Dec. 31, 2011	10.36	0.35	—	(0.16)	0.46	0.65	(0.36)	—	—	—	(0.36)	10.64

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From April 21, 2014.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	11.49	138 810	12 079	1.78⁴	1.78	72.01	—
Dec. 31, 2015	10.84	121 289	11 191	1.78	1.78	105.88	—
Dec. 31, 2014	10.80	125 557	11 623	1.78	1.78	78.54	—
Dec. 31, 2013	10.42	121 364	11 646	1.78	1.78	75.20	—
Dec. 31, 2012	10.51	131 275	12 495	1.76	1.76	104.12	—
Dec. 31, 2011	10.40	126 546	12 170	1.76	1.76	94.29	—
Advisor Series							
June 30, 2016	11.76	30 101	2 559	1.75⁴	1.75	72.01	—
Dec. 31, 2015	11.09	20 119	1 813	1.75	1.75	105.88	—
Dec. 31, 2014	11.06	9 860	892	1.75	1.75	78.54	—
Dec. 31, 2013	10.66	6 018	565	1.74	1.74	75.20	—
Dec. 31, 2012	10.74	4 199	391	1.65	1.65	104.12	—
Dec. 31, 2011	10.60	1 737	164	1.71	1.71	94.29	—
Series D							
June 30, 2016	11.62	15 794	1 359	1.06⁴	1.06	72.01	—
Dec. 31, 2015	10.96	11 376	1 038	1.06	1.06	105.88	—
Dec. 31, 2014	10.93	9 232	845	1.06	1.06	78.54	—
Dec. 31, 2013	10.53	5 657	537	1.06	1.06	75.20	—
Dec. 31, 2012	10.61	5 646	532	1.06	1.06	104.12	—
Dec. 31, 2011	10.49	3 987	380	1.04	1.04	94.29	—
Series F							
June 30, 2016	12.06	219 704	18 221	0.90⁴	0.90	72.01	—
Dec. 31, 2015	11.37	154 167	13 556	0.89	0.89	105.88	—
Dec. 31, 2014	11.34	54 298	4 790	0.89	0.89	78.54	—
Dec. 31, 2013	10.92	39 310	3 600	0.89	0.89	75.20	—
Dec. 31, 2012	10.98	21 833	1 988	0.90	0.90	104.12	—
Dec. 31, 2011	10.84	11 746	1 084	0.89	0.89	94.29	—



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data (cont.)

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series I							
June 30, 2016	12.05	87 114	7 229	0.62	0.62	72.01	—
Dec. 31, 2015	11.36	55 833	4 914	0.61	0.61	105.88	—
Dec. 31, 2014 ⁵	11.33	36 620	3 233	0.62	0.62	78.54	—
Series O							
June 30, 2016	11.82	3 948 504	333 944	0.03	0.03	72.01	—
Dec. 31, 2015	11.15	3 415 968	306 417	0.03	0.03	105.88	—
Dec. 31, 2014	11.11	3 707 325	333 574	0.03	0.03	78.54	—
Dec. 31, 2013	10.72	2 945 202	274 705	0.03	0.03	75.20	—
Dec. 31, 2012	10.79	2 126 283	197 034	0.03	0.03	104.12	—
Dec. 31, 2011	10.67	1 689 434	158 407	0.02	0.02	94.29	—

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 1.61%, Advisor Series – 1.59%, Series D – 0.89% and Series F – 0.73%.

⁵ From April 21, 2014.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.35%	53%	47%
Advisor Series	1.35%	53%	47%
Series D	0.75%	17%	83%
Series F	0.60%	—	100%
Series I	0.50%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

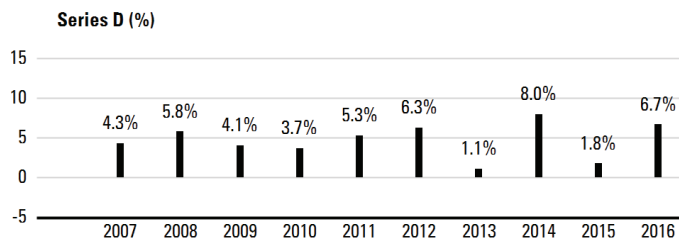
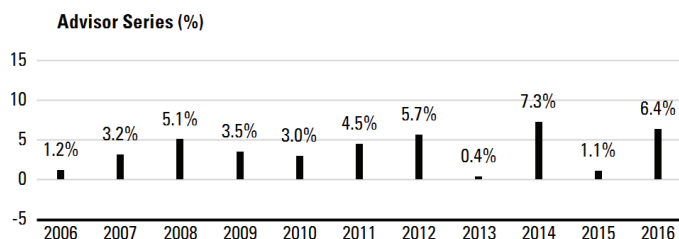
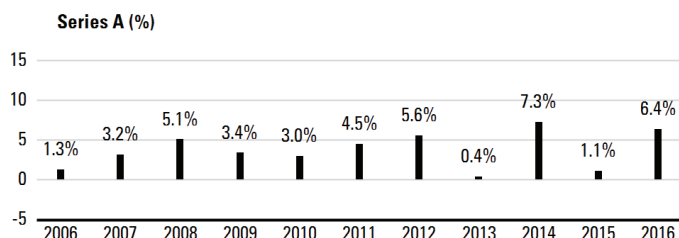


PAST PERFORMANCE

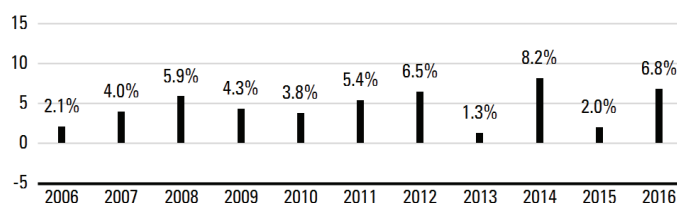
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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.



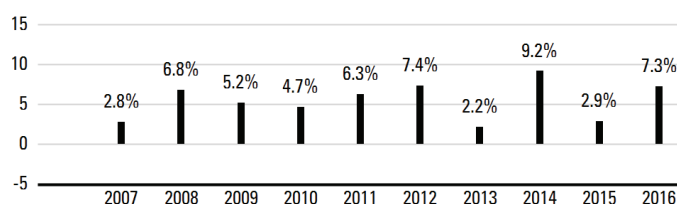
Series F (%)



Series I (%)



Series O (%)



Series I units have been available for sale to unitholders since April 21, 2014, Series O units since October 1, 2007, Series D units since July 3, 2007, and Advisor Series units since August 28, 2006.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United States	19.7
Japan	16.2
Canada	11.0
Italy	7.9
Spain	7.1
Income Funds	6.6
United Kingdom	5.2
France	4.6
Germany	3.9
Ireland	2.9
Belgium	2.0
Mexico	1.7
Other Countries	6.6
Cash/Other	4.6

Top 25 Holdings

	% of Net Asset Value
United States Treasury 1.000% Sep 30 2019	5.4
Japan Government Twenty Year JPY 1.300% Jun 20 2035	5.2
BlueBay Emerging Markets Corporate Bond Fund	4.2
Cash & Cash Equivalents	3.6
Buoni Poliennali Del Tesoro EUR 0.300% Oct 15 2018	2.9
Japan Government Twenty Year JPY 1.200% Mar 20 2035	2.9
Development Bank of Japan JPY 1.750% Mar 17 2017	2.9
RBC Emerging Markets Foreign Exchange Fund	2.5
United States Treasury 1.000% May 15 2018	2.5
France O.A.T. EUR 0.500% May 25 2026	2.2
Spain Government EUR 2.750% Apr 30 2019	2.2
Spain Government EUR 1.150% Jul 30 2020	2.1
Spain Government EUR 3.800% Apr 30 2024	1.9
Belgium Government EUR 2.600% Jun 22 2024	1.8
Japan Government Thirty Year JPY 1.500% Dec 20 2044	1.8
United States Treasury 3.250% Dec 31 2016	1.8
Province of Ontario USD 2.000% Jan 30 2019	1.7
United States Treasury 2.500% Feb 15 2045	1.7
Denmark Government DKK 3.000% Nov 15 2021	1.7
Bundesrepublik Deutschland EUR 0.500% Feb 15 2025	1.6
Buoni Poliennali Del Tesoro EUR 2.500% Dec 1 2024	1.6
Province of Ontario USD 2.500% Sep 10 2021	1.6
United Kingdom Gilt GBP 3.500% Jan 22 2045	1.5
United Kingdom Gilt GBP 1.500% Jul 22 2026	1.5
France O.A.T. EUR 4.750% Apr 25 2035	1.5
Top 25 Holdings	60.3

The Fund may use futures contracts as an asset substitution or to reduce interest-rate risk.

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



FIXED-INCOME FUND

**RBC \$U.S. INVESTMENT GRADE
CORPORATE BOND FUND**

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (U.S.) Inc., Minneapolis, Minnesota

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE (in USD)

Investment Objective and Strategies

The Fund seeks to provide interest income with the potential for modest capital growth by investing primarily in a portfolio of diversified investment-grade fixed-income securities issued by U.S. corporations.

To achieve the Fund's objectives, the portfolio manager invests primarily in bonds issued by U.S. corporations rated BBB- and above by Standard & Poor's or an equivalent rating agency. The portfolio manager employs a value-focused philosophy that emphasizes quality companies having stable to improving credit profiles, and which are considered to be undervalued given current market sentiment. The portfolio manager conducts fundamental company credit and industry analysis and diversifies the portfolio so that it is not concentrated in any one issuer, industry, country or credit rating.

Results of Operations

The Fund's net asset value was \$161 million as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 7.3%. 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 any other series, which may vary because of differences in management fees and expenses.

Investment-grade corporate bonds posted significant declines in January and into February before rebounding. The declines were touched off by falling commodity prices and a slew of new corporate-bond issues. The rise in premiums required to own corporate bonds – a measure of perceived risk – peaked in mid-February before falling to levels below where they were at the beginning of the year. The stabilization in commodity prices and the looser monetary policies of many central banks contributed to the rally and relative stability since February.

The Fund's performance benefited from security selection, largely through investments in companies that generate significant cash. Returns were also aided by the sub-advisor's decision to limit exposure to companies in the Energy and Materials sectors and by investments in new bond issues that performed well. A position in beermaker Anheuser-Busch InBev contributed to performance, while exposure to the British bank Barclays held back returns.

Recent Developments

The sub-advisor continues to favour large companies with stable or improving credit profiles while avoiding companies that the sub-advisor believes are likely to finance large acquisitions with debt or engage in shareholder-friendly activities at the expense of bondholders.

The Fund has overweight positions in banks, communications and consumer stocks. For banks, a more stringent regulatory environment has raised their perceived creditworthiness. The Fund is also attracted to investments in companies focused on the U.S. consumer and that generate consistent cash flow.

The sub-advisor is not taking a strong position on how changes in interest rates would affect the portfolio, reflecting a belief these types of bets are difficult to time and can be costly for investors when wrong.

Effective June 30, 2016, management fees were reduced as follows: from 1.25% to 1.10% for Series A and Advisor Series units; from 0.90% to 0.75% for Series D units; and from 0.75% to 0.60% for Series F units. Also effective June 30, 2016, Series H units were re-designated to Series A units, and Series I units were re-designated to Series F units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

RBC Global Asset Management (U.S.) Inc. is the sub-advisor and provides investment advice for the Fund.

Distributors

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

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 units of the Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 (in USD)

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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	9.50	0.20	(0.07)	(0.03)	0.59	0.69	(0.14)	—	—	—	(0.14)	10.04
Dec. 31, 2015	10.42	0.41	(0.15)	(0.01)	(0.37)	(0.12)	(0.28)	—	(0.53)	—	(0.81)	9.50
Dec. 31, 2014	10.06	0.40	(0.15)	0.04	0.20	0.49	(0.20)	—	(0.07)	—	(0.27)	10.42
Dec. 31, 2013 ³	10.00 [†]	0.16	(0.06)	—	0.03	0.13	(0.06)	—	(0.02)	—	(0.08)	10.05
Advisor Series												
June 30, 2016	9.50	0.20	(0.07)	(0.03)	0.56	0.66	(0.14)	—	—	—	(0.14)	10.04
Dec. 31, 2015	10.42	0.41	(0.15)	(0.01)	(0.37)	(0.12)	(0.28)	—	(0.53)	—	(0.81)	9.50
Dec. 31, 2014	10.08	0.40	(0.14)	0.04	0.21	0.51	(0.24)	—	(0.07)	—	(0.31)	10.42
Dec. 31, 2013 ³	10.00 [†]	0.14	(0.07)	—	0.02	0.09	(0.05)	—	(0.02)	—	(0.07)	10.07
Series D												
June 30, 2016	9.50	0.20	(0.05)	(0.03)	0.59	0.71	(0.16)	—	—	—	(0.16)	10.04
Dec. 31, 2015	10.42	0.41	(0.11)	(0.01)	(0.37)	(0.08)	(0.32)	—	(0.53)	—	(0.85)	9.50
Dec. 31, 2014	10.07	0.42	(0.11)	0.04	0.21	0.56	(0.25)	—	(0.07)	—	(0.32)	10.42
Dec. 31, 2013 ³	10.00 [†]	0.16	(0.04)	—	0.03	0.15	(0.07)	—	(0.02)	—	(0.09)	10.05
Series F												
June 30, 2016	9.50	0.20	(0.04)	(0.03)	0.58	0.71	(0.17)	—	—	—	(0.17)	10.04
Dec. 31, 2015	10.42	0.41	(0.09)	(0.01)	(0.37)	(0.06)	(0.34)	—	(0.53)	—	(0.87)	9.50
Dec. 31, 2014	10.05	0.38	(0.10)	0.04	0.20	0.52	(0.24)	—	(0.07)	—	(0.31)	10.42
Dec. 31, 2013 ³	10.00 [†]	0.17	(0.04)	—	0.03	0.16	(0.10)	—	(0.02)	—	(0.12)	10.03
Series O												
June 30, 2016	9.46	0.20	—	(0.03)	0.58	0.75	(0.21)	—	—	—	(0.21)	10.00
Dec. 31, 2015	10.38	0.41	—	(0.01)	(0.37)	0.03	(0.43)	—	(0.53)	—	(0.96)	9.46
Dec. 31, 2014	10.04	0.43	—	0.04	0.22	0.69	(0.37)	—	(0.07)	—	(0.44)	10.38
Dec. 31, 2013 ³	10.00 [†]	0.17	—	—	0.03	0.20	(0.14)	—	(0.02)	—	(0.16)	10.02

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From August 12, 2013.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (in USD) (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	10.04	27 451	2 733	1.43⁴	1.43	38.48	—
Dec. 31, 2015	9.50	21 665	2 280	1.45	1.45	53.05	—
Dec. 31, 2014	10.42	16 342	1 568	1.47	1.47	31.66	—
Dec. 31, 2013 ⁵	10.06	2 067	205	1.47	1.47	46.96	—
Advisor Series							
June 30, 2016	10.04	1 282	128	1.49⁴	1.49	38.48	—
Dec. 31, 2015	9.50	757	80	1.43	1.43	53.05	—
Dec. 31, 2014	10.42	863	83	1.37	1.37	31.66	—
Dec. 31, 2013 ⁵	10.08	139	14	1.47	1.47	46.96	—
Series D							
June 30, 2016	10.04	1 175	117	1.02⁴	1.02	38.48	—
Dec. 31, 2015	9.50	834	88	1.04	1.04	53.05	—
Dec. 31, 2014	10.42	907	87	1.07	1.07	31.66	—
Dec. 31, 2013 ⁵	10.07	270	27	1.07	1.07	46.96	—
Series F							
June 30, 2016	10.04	9 354	931	0.89⁴	0.89	38.48	—
Dec. 31, 2015	9.50	3 334	351	0.89	0.89	53.05	—
Dec. 31, 2014	10.42	2 363	227	0.91	0.91	31.66	—
Dec. 31, 2013 ⁵	10.05	198	20	0.90	0.90	46.96	—
Series O							
June 30, 2016	10.00	121 605	12 160	0.02	0.02	38.48	—
Dec. 31, 2015	9.46	92 992	9 833	0.02	0.02	53.05	—
Dec. 31, 2014	10.38	96 158	9 264	0.02	0.02	31.66	—
Dec. 31, 2013 ⁵	10.04	42 333	4 217	0.02	0.02	46.96	—

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 1.26%, Advisor Series – 1.30%, Series D – 0.86% and Series F – 0.72%.

⁵ From August 12, 2013.



FINANCIAL HIGHLIGHTS (in USD) (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.10%	40%	60%
Advisor Series	1.10%	40%	60%
Series D	0.75%	17%	83%
Series F	0.60%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

PAST PERFORMANCE (in USD)

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.

Series A (%)



Advisor Series (%)



Series D (%)



Series F (%)



Series O (%)



Series A, Advisor Series, Series D, Series F and Series O units have been available for sale to unitholders since August 12, 2013.

Inception dates are not provided for series that have been in existence for more than 10 years.

All outstanding Series H units were re-designated as Series A units and all outstanding Series I units were re-designated as Series F units effective June 30, 2016.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO (in USD)

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United States	88.6
Other Countries	8.7
Cash/Other	2.7

Top 25 Holdings

	% of Net Asset Value
Cash & Cash Equivalents	1.7
Verizon Communications Inc. 6.550% Sep 15 2043	1.1
Bank of America Corp. 4.200% Aug 26 2024	1.1
Newell Brands Inc. 3.850% Apr 1 2023	1.0
General Motors Financial Co. Inc. 4.375% Sep 25 2021	1.0
HSBC Holdings Plc. USD 3.600% May 25 2023	1.0
Citigroup Inc. 2.700% Mar 30 2021	1.0
Ford Motor Credit Co. LLC 5.750% Feb 1 2021	0.9
Ford Motor Credit Co. LLC 3.200% Jan 15 2021	0.9
The Goldman Sachs Group Inc. 3.625% Jan 22 2023	0.9
Magellan Midstream Partners LP 5.000% Mar 1 2026	0.9
Appalachian Power Co. 7.000% Apr 1 2038	0.9
AT&T Inc. 5.000% Mar 1 2021	0.9
Bank of America Corp. 3.875% Aug 1 2025	0.9
Zimmer Biomet Holdings, Inc. 4.450% Aug 15 2045	0.8
Barclays Plc. USD 4.375% Jan 12 2026	0.8
Pentair Finance S.A. USD 2.900% Sep 15 2018	0.8
Apple Inc. 4.650% Feb 23 2046	0.8
GE Capital Corp. 6.875% Jan 10 2039	0.8
JPMorgan Chase & Co. 6.000% Jan 15 2018	0.8
Wells Fargo & Co. 4.300% Jul 22 2027	0.8
Molson Coors Brewing Co. 2.100% Jul 15 2021	0.8
MidAmerican Energy Holdings Co. 6.125% Apr 1 2036	0.8
Actavis Inc. 3.250% Oct 1 2022	0.7
Medtronic Inc. 3.150% Mar 15 2022	0.7
Top 25 Holdings	22.8

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



FIXED-INCOME FUND

RBC GLOBAL CORPORATE BOND FUND

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (UK) Limited, London, England
(for a portion of the Fund)

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide a high level of interest income with the potential for modest capital growth by investing primarily in global corporate bonds.

The majority of the Fund's holdings will consist of corporate debt rated by major credit-rating agencies as investment grade. The Fund may also invest up to 30% in non-investment grade corporate debt and emerging-market sovereign and corporate bonds.

Results of Operations

The Fund's net asset value was \$5.7 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 5.6%. 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 any other series, which may vary because of differences in management fees and expenses.

Global corporate bonds declined sharply in early 2016, unsettled by low oil prices and fragile economic growth. Investor sentiment shifted to the positive side beginning in February, as a resurgence in oil prices and the extension of easy monetary policies by central banks led to broad support for bond markets, with an especially strong rebound in energy-related fixed-income securities. As a result, returns for global corporate bonds in the final four months of the period more than offset the weakness early in the year. Volatility picked up toward the end of the period, especially after the U.K. voted to leave the EU.

The Fund's high-quality investments in Canada and the Asia-Pacific region, as well as high-yield bond holdings, added to returns during the period. Investments in U.S. and European investment-grade securities and emerging-market bonds hurt results, as did certain currency positions in the Fund.

Recent Developments

Global interest rates remain historically low, and in the near term the portfolio manager expects global bond yields to remain within their recent ranges.

In the Asia-Pacific region and Europe, the Fund is carrying an underweight position, and an overweight position overall in high-yield bonds. The portfolio manager's positioning in emerging markets, Canada and the U.S. is close to a normal weight. The Fund has also

increased exposure to emerging-market currencies as a way to bolster income. The Fund's investments are structured such that a meaningful change in interest rates would not be likely to have a significant impact on relative returns.

Effective June 30, 2016, Series H and Series I units were closed to all investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

RBC Global Asset Management (UK) Limited is the sub-advisor and provides investment advice for the Fund.

Distributors

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

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 units of the Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	9.39	0.19	(0.08)	0.26	0.16	0.53	(0.12)	—	—	—	(0.12)	9.80
Dec. 31, 2015	9.69	0.43	(0.17)	(0.67)	0.28	(0.13)	(0.24)	—	—	—	(0.24)	9.39
Dec. 31, 2014	9.38	0.52	(0.17)	(0.26)	0.53	0.62	(0.31)	—	—	—	(0.31)	9.69
Dec. 31, 2013	9.73	0.47	(0.17)	(0.35)	(0.02)	(0.07)	(0.31)	—	—	—	(0.31)	9.36
Dec. 31, 2012	9.35	0.46	(0.17)	0.35	0.13	0.77	(0.28)	—	(0.16)	—	(0.44)	9.73
Dec. 31, 2011	9.12	0.49	(0.15)	(0.15)	0.39	0.58	(0.33)	—	—	—	(0.33)	9.35
Advisor Series												
June 30, 2016	9.52	0.20	(0.08)	0.27	0.16	0.55	(0.12)	—	—	—	(0.12)	9.93
Dec. 31, 2015	9.82	0.44	(0.17)	(0.68)	0.28	(0.13)	(0.24)	—	—	—	(0.24)	9.52
Dec. 31, 2014	9.51	0.53	(0.17)	(0.26)	0.54	0.64	(0.32)	—	—	—	(0.32)	9.82
Dec. 31, 2013	9.86	0.48	(0.17)	(0.35)	(0.02)	(0.06)	(0.31)	—	—	—	(0.31)	9.49
Dec. 31, 2012	9.45	0.46	(0.17)	0.35	0.13	0.77	(0.26)	—	(0.16)	—	(0.42)	9.86
Dec. 31, 2011	9.22	0.49	(0.15)	(0.15)	0.39	0.58	(0.33)	—	—	—	(0.33)	9.45
Series D												
June 30, 2016	10.09	0.21	(0.05)	0.28	0.17	0.61	(0.17)	—	—	—	(0.17)	10.53
Dec. 31, 2015	10.41	0.46	(0.11)	(0.71)	0.30	(0.06)	(0.32)	—	—	—	(0.32)	10.09
Dec. 31, 2014	10.06	0.54	(0.11)	(0.27)	0.56	0.72	(0.38)	—	—	—	(0.38)	10.41
Dec. 31, 2013	10.42	0.51	(0.11)	(0.37)	(0.02)	0.01	(0.39)	—	—	—	(0.39)	10.04
Dec. 31, 2012	9.97	0.48	(0.11)	0.36	0.14	0.87	(0.33)	—	(0.17)	—	(0.50)	10.42
Dec. 31, 2011	9.70	0.51	(0.10)	(0.16)	0.41	0.66	(0.39)	—	—	—	(0.39)	9.97
Series F												
June 30, 2016	9.57	0.20	(0.04)	0.27	0.16	0.59	(0.17)	—	—	—	(0.17)	9.98
Dec. 31, 2015	9.87	0.43	(0.09)	(0.67)	0.28	(0.05)	(0.32)	—	—	—	(0.32)	9.57
Dec. 31, 2014	9.54	0.52	(0.09)	(0.26)	0.53	0.70	(0.38)	—	—	—	(0.38)	9.87
Dec. 31, 2013	9.90	0.48	(0.09)	(0.35)	(0.02)	0.02	(0.40)	—	—	—	(0.40)	9.52
Dec. 31, 2012	9.48	0.46	(0.09)	0.35	0.13	0.85	(0.33)	—	(0.16)	—	(0.49)	9.90
Dec. 31, 2011	9.22	0.49	(0.08)	(0.15)	0.39	0.65	(0.38)	—	—	—	(0.38)	9.48
Series O												
June 30, 2016	9.52	0.20	—	0.27	0.16	0.63	(0.21)	—	—	—	(0.21)	9.93
Dec. 31, 2015	9.82	0.43	—	(0.67)	0.28	0.04	(0.41)	—	—	—	(0.41)	9.52
Dec. 31, 2014	9.45	0.47	—	(0.23)	0.48	0.72	(0.42)	—	—	—	(0.42)	9.82
Dec. 31, 2013	9.78	0.48	—	(0.35)	(0.02)	0.11	(0.46)	—	—	—	(0.46)	9.43
Dec. 31, 2012	9.40	0.47	—	0.36	0.14	0.97	(0.45)	—	(0.16)	—	(0.61)	9.78
Dec. 31, 2011	9.16	0.49	—	(0.15)	0.39	0.73	(0.48)	—	—	—	(0.48)	9.40

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	9.80	170 293	17 379	1.74	1.74	26.85	—
Dec. 31, 2015	9.39	174 798	18 607	1.74	1.74	23.91	—
Dec. 31, 2014	9.69	201 106	20 750	1.74	1.74	24.57	—
Dec. 31, 2013	9.38	202 912	21 633	1.75	1.75	41.89	—
Dec. 31, 2012	9.75	210 424	21 581	1.74	1.74	40.75	—
Dec. 31, 2011	9.37	105 158	11 218	1.74	1.74	34.38	—
Advisor Series							
June 30, 2016	9.93	100 949	10 165	1.72	1.72	26.85	—
Dec. 31, 2015	9.52	101 967	10 709	1.72	1.72	23.91	—
Dec. 31, 2014	9.82	113 679	11 574	1.71	1.71	24.57	—
Dec. 31, 2013	9.51	122 448	12 880	1.72	1.72	41.89	—
Dec. 31, 2012	9.88	124 349	12 590	1.72	1.72	40.75	—
Dec. 31, 2011	9.47	33 874	3 576	1.73	1.73	34.38	—
Series D							
June 30, 2016	10.53	70 886	6 733	1.05	1.05	26.85	—
Dec. 31, 2015	10.09	65 076	6 447	1.05	1.05	23.91	—
Dec. 31, 2014	10.41	58 309	5 600	1.05	1.05	24.57	—
Dec. 31, 2013	10.06	43 224	4 297	1.06	1.06	41.89	—
Dec. 31, 2012	10.44	32 457	3 109	1.06	1.06	40.75	—
Dec. 31, 2011	9.99	7 194	720	1.06	1.06	34.38	—
Series F							
June 30, 2016	9.98	95 126	9 531	0.89	0.89	26.85	—
Dec. 31, 2015	9.57	70 148	7 330	0.90	0.90	23.91	—
Dec. 31, 2014	9.87	49 867	5 051	0.90	0.90	24.57	—
Dec. 31, 2013	9.54	40 506	4 244	0.90	0.90	41.89	—
Dec. 31, 2012	9.92	38 518	3 884	0.90	0.90	40.75	—
Dec. 31, 2011	9.50	12 112	1 275	0.90	0.90	34.38	—
Series O							
June 30, 2016	9.93	5 311 375	534 905	0.03	0.03	26.85	—
Dec. 31, 2015	9.52	4 871 827	511 679	0.03	0.03	23.91	—
Dec. 31, 2014	9.82	2 925 525	297 836	0.03	0.03	24.57	—
Dec. 31, 2013	9.45	914 782	96 798	0.03	0.03	41.89	—
Dec. 31, 2012	9.80	780 196	79 596	0.04	0.04	40.75	—
Dec. 31, 2011	9.42	515 206	54 674	0.03	0.03	34.38	—

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

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

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



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.50%	53%	47%
Advisor Series	1.50%	53%	47%
Series D	0.90%	17%	83%
Series F	0.75%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

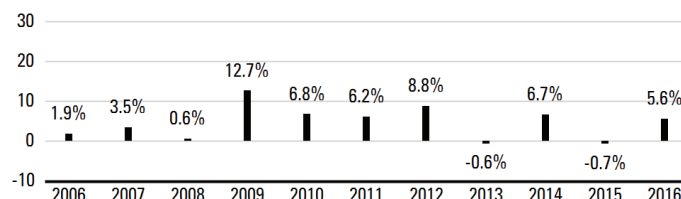
PAST PERFORMANCE

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.

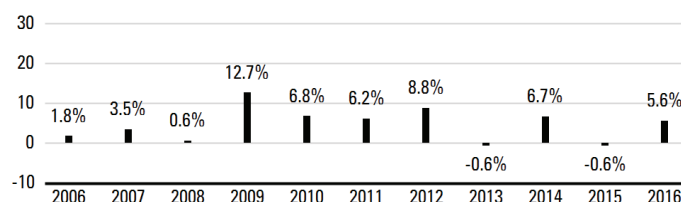
Year-by-Year Returns (%)

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.

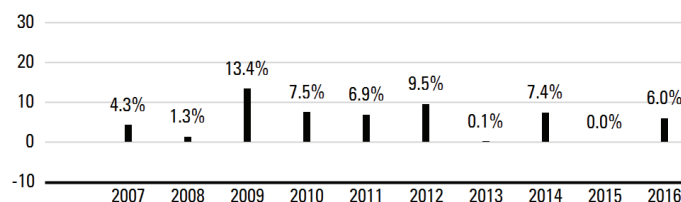
Series A (%)



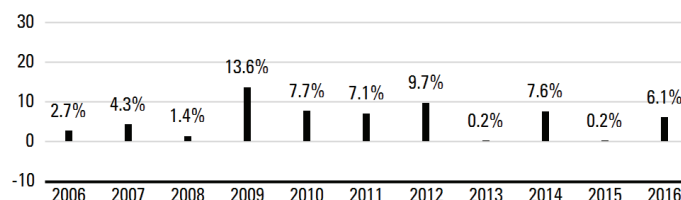
Advisor Series (%)



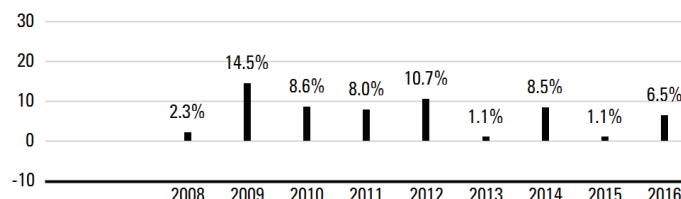
Series D (%)



Series F (%)



Series O (%)



Series O units have been available for sale to unitholders since January 1, 2008, and Series D units since July 3, 2007.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United States	46.7
Canada	19.3
Income Funds	6.4
United Kingdom	5.9
Germany	2.7
France	2.4
Netherlands	1.6
Spain	0.9
Other Countries	8.8
Cash/Other	5.3

Top 25 Holdings

	% of Net Asset Value
Cash & Cash Equivalents	2.7
RBC Emerging Markets Bond Fund	2.7
BlueBay Emerging Markets Corporate Bond Fund	2.5
RBC Emerging Markets Foreign Exchange Fund	1.3
Wal-Mart Stores Inc. EUR 4.875% Sep 21 2029	0.7
iShares iBoxx \$ High Yield Corporate Bond Fund	0.6
Barclays Bank Plc. EUR 6.000% Jan 14 2021	0.6
Bank of America Corp. EUR 1.875% Jan 10 2019	0.5
United States Treasury 1.000% Sep 30 2019	0.5
The Goldman Sachs Group Inc. GBP 5.500% Oct 12 2021	0.5
JPMorgan Chase & Co. 4.500% Jan 24 2022	0.4
Shell International Finance BV USD 6.375% Dec 15 2038	0.4
GE Capital Corp. 5.875% Jan 14 2038	0.4
Morgan Stanley 5.500% Jul 28 2021	0.4
Wells Fargo & Co. 4.600% Apr 1 2021	0.4
ING Bank N.V. EUR 3.250% Apr 3 2019	0.4
ConocoPhillips Holding Co. 6.950% Apr 15 2029	0.4
Citigroup Inc. EUR 1.750% Jan 28 2025	0.4
Deutsche Telekom International Finance BV EUR 4.250% Jul 13 2022	0.4
Toronto-Dominion Bank USD 2.250% Nov 5 2019	0.3
Vodafone Group Plc. EUR 5.375% Jun 6 2022	0.3
Bank of Nova Scotia USD 2.050% Jun 5 2019	0.3
JPMorgan Chase & Co. 6.400% May 15 2038	0.3
BMW Finance N.V. EUR 3.250% Jan 14 2019	0.3
Iberdrola International BV EUR 2.500% Oct 24 2022	0.3
Top 25 Holdings	18.0

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



FIXED-INCOME FUND

RBC HIGH YIELD BOND FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide 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 objectives, the portfolio manager 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, and which are considered undervalued.

Results of Operations

The Fund's net asset value was \$1.8 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 7.5%. 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 any other series, which may vary because of differences in management fees and expenses.

North American high-yield bonds outperformed Canadian investment-grade fixed-income securities during the first half of 2016. The year began with high-yield bonds under pressure amid concern about slowing global growth, uncertainty as to whether the U.S. Federal Reserve would raise benchmark interest rates and continued weak commodity prices. As oil prices started to recover in mid-February, the high-yield bond market staged a strong recovery, led by energy and commodity companies. Record-breaking inflows for high-yield bonds and a lack of supply due in part to a shortage of newly issued bonds caused prices to rise sharply. The strong performance of the high-yield market moderated during the second quarter, as oil prices fell from their highs, the supply of newly issued bonds increased substantially and mutual-fund redemptions picked up. Most recently, markets were unnerved after U.K. voters opted to leave the EU after 43 years. The immediate result, reflecting higher perceived risks, was an increase in the premiums required by investors to hold high-yield bonds.

The Fund took advantage of the recovery in high-yield bonds to reduce its holdings of bonds that had reached the portfolio manager's price targets. The Fund increased holdings of investment-grade bonds that presented compelling value, and boosted holdings of medium-risk high-yield bonds. The Fund benefited from exposure to high-yield bonds in general and energy and commodity bonds in particular, while a conservative cash position reduced volatility but also served as a drag on performance.

Recent Developments

The portfolio manager believes that the global economy finds itself in an extended period of lacklustre economic growth and elevated uncertainty. This situation has been exacerbated by the U.K.'s decision to leave the EU. Central banks have continued to respond to these challenges with very accommodative monetary policies. In this low-interest-rate environment, the portfolio manager believes that corporate bonds continue to offer the potential for attractive returns relative to other fixed-income assets and that demand for income will remain a key support for high-yield fixed income. However, the overall health of corporate balance sheets continues to weaken, and the portfolio manager expects defaults to climb. Given this, the portfolio manager will monitor the credit quality of the portfolio and seek to add attractively valued bonds as they become available.

Effective June 30, 2016, Series H and Series I units were closed to all investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series D units.

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 units of the Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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		
Series A												
June 30, 2016	9.89	0.26	(0.07)	0.58	(0.01)	0.76	(0.21)	—	—	—	(0.21)	10.42
Dec. 31, 2015	10.48	0.63	(0.15)	(0.78)	0.10	(0.20)	(0.46)	—	—	—	(0.46)	9.89
Dec. 31, 2014	10.61	0.65	(0.15)	(0.43)	0.26	0.33	(0.49)	—	—	—	(0.49)	10.48
Dec. 31, 2013	10.65	0.65	(0.15)	(0.28)	0.17	0.39	(0.48)	—	—	—	(0.48)	10.58
Dec. 31, 2012	10.16	0.66	(0.15)	0.33	0.10	0.94	(0.46)	—	(0.11)	—	(0.57)	10.65
Dec. 31, 2011	10.00	0.91	(0.14)	(0.60)	0.62	0.79	(0.51)	—	—	—	(0.51)	10.16
Advisor Series												
June 30, 2016	9.97	0.26	(0.07)	0.58	(0.01)	0.76	(0.21)	—	—	—	(0.21)	10.50
Dec. 31, 2015	10.57	0.63	(0.16)	(0.79)	0.10	(0.22)	(0.46)	—	—	—	(0.46)	9.97
Dec. 31, 2014	10.70	0.66	(0.16)	(0.43)	0.26	0.33	(0.49)	—	—	—	(0.49)	10.57
Dec. 31, 2013	10.75	0.66	(0.16)	(0.28)	0.17	0.39	(0.49)	—	—	—	(0.49)	10.67
Dec. 31, 2012	10.24	0.65	(0.15)	0.33	0.10	0.93	(0.44)	—	(0.11)	—	(0.55)	10.75
Dec. 31, 2011	10.00	0.75	(0.14)	(0.50)	0.51	0.62	(0.44)	—	—	—	(0.44)	10.24
Series D												
June 30, 2016	9.97	0.26	(0.05)	0.58	(0.01)	0.78	(0.23)	—	—	—	(0.23)	10.51
Dec. 31, 2015	10.58	0.63	(0.11)	(0.78)	0.10	(0.16)	(0.51)	—	—	—	(0.51)	9.97
Dec. 31, 2014	10.73	0.66	(0.11)	(0.43)	0.26	0.38	(0.55)	—	—	—	(0.55)	10.58
Dec. 31, 2013	10.76	0.65	(0.11)	(0.28)	0.17	0.43	(0.52)	—	—	—	(0.52)	10.69
Dec. 31, 2012	10.27	0.67	(0.11)	0.34	0.10	1.00	(0.50)	—	(0.11)	—	(0.61)	10.76
Dec. 31, 2011	10.00	0.72	(0.10)	(0.48)	0.50	0.64	(0.47)	—	—	—	(0.47)	10.27
Series F												
June 30, 2016	10.00	0.26	(0.05)	0.58	(0.01)	0.78	(0.24)	—	—	—	(0.24)	10.53
Dec. 31, 2015	10.60	0.63	(0.09)	(0.78)	0.10	(0.14)	(0.53)	—	—	—	(0.53)	10.00
Dec. 31, 2014	10.73	0.66	(0.10)	(0.43)	0.26	0.39	(0.55)	—	—	—	(0.55)	10.60
Dec. 31, 2013	10.76	0.65	(0.10)	(0.28)	0.17	0.44	(0.53)	—	—	—	(0.53)	10.69
Dec. 31, 2012	10.24	0.66	(0.09)	0.34	0.10	1.01	(0.49)	—	(0.11)	—	(0.60)	10.76
Dec. 31, 2011	10.00	0.84	(0.09)	(0.56)	0.57	0.76	(0.52)	—	—	—	(0.52)	10.24
Series O												
June 30, 2016	10.05	0.27	—	0.59	(0.01)	0.85	(0.29)	—	—	—	(0.29)	10.59
Dec. 31, 2015	10.66	0.63	—	(0.78)	0.10	(0.05)	(0.62)	—	—	—	(0.62)	10.05
Dec. 31, 2014	10.79	0.66	—	(0.43)	0.26	0.49	(0.64)	—	—	—	(0.64)	10.66
Dec. 31, 2013	10.80	0.65	—	(0.28)	0.17	0.54	(0.61)	—	—	—	(0.61)	10.75
Dec. 31, 2012	10.33	0.70	—	0.36	0.11	1.17	(0.65)	—	(0.11)	—	(0.76)	10.80
Dec. 31, 2011	10.00	0.70	—	(0.47)	0.48	0.71	(0.54)	—	—	—	(0.54)	10.33

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	10.42	136 125	13 070	1.43	1.43	56.21	—
Dec. 31, 2015	9.89	128 894	13 038	1.43	1.43	49.04	—
Dec. 31, 2014	10.48	171 940	16 401	1.43	1.43	43.67	—
Dec. 31, 2013	10.61	164 164	15 469	1.43	1.43	57.06	—
Dec. 31, 2012	10.69	132 710	12 415	1.43	1.43	68.85	—
Dec. 31, 2011	10.21	34 168	3 347	1.41	1.41	49.90	—
Advisor Series							
June 30, 2016	10.50	63 609	6 056	1.47	1.47	56.21	—
Dec. 31, 2015	9.97	63 854	6 404	1.47	1.47	49.04	—
Dec. 31, 2014	10.57	85 467	8 083	1.47	1.47	43.67	—
Dec. 31, 2013	10.70	88 505	8 268	1.47	1.47	57.06	—
Dec. 31, 2012	10.79	84 977	7 874	1.41	1.41	68.85	—
Dec. 31, 2011	10.28	13 486	1 312	1.44	1.44	49.90	—
Series D							
June 30, 2016	10.51	58 642	5 581	1.02	1.02	56.21	—
Dec. 31, 2015	9.97	50 172	5 030	1.02	1.02	49.04	—
Dec. 31, 2014	10.58	46 131	4 361	1.02	1.02	43.67	—
Dec. 31, 2013	10.73	55 132	5 140	1.03	1.03	57.06	—
Dec. 31, 2012	10.80	38 037	3 523	1.05	1.05	68.85	—
Dec. 31, 2011	10.31	10 716	1 039	1.06	1.06	49.90	—
Series F							
June 30, 2016	10.53	99 074	9 408	0.89	0.89	56.21	—
Dec. 31, 2015	10.00	62 664	6 269	0.89	0.89	49.04	—
Dec. 31, 2014	10.60	68 962	6 505	0.88	0.88	43.67	—
Dec. 31, 2013	10.73	69 104	6 441	0.89	0.89	57.06	—
Dec. 31, 2012	10.79	43 644	4 044	0.88	0.88	68.85	—
Dec. 31, 2011	10.28	7 717	751	0.89	0.89	49.90	—
Series O							
June 30, 2016	10.59	1 454 141	137 376	0.02	0.02	56.21	—
Dec. 31, 2015	10.05	1 346 816	134 021	0.02	0.02	49.04	—
Dec. 31, 2014	10.66	942 527	88 398	0.02	0.02	43.67	—
Dec. 31, 2013	10.79	767 750	71 174	0.02	0.02	57.06	—
Dec. 31, 2012	10.83	437 885	40 420	0.02	0.02	68.85	—
Dec. 31, 2011	10.38	243 371	23 454	0.03	0.03	49.90	—

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

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

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



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.25%	40%	60%
Advisor Series	1.25%	40%	60%
Series D	0.90%	17%	83%
Series F	0.75%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

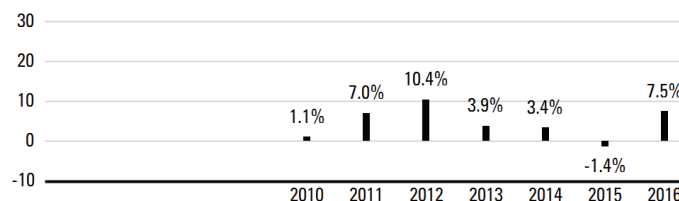
PAST PERFORMANCE

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.

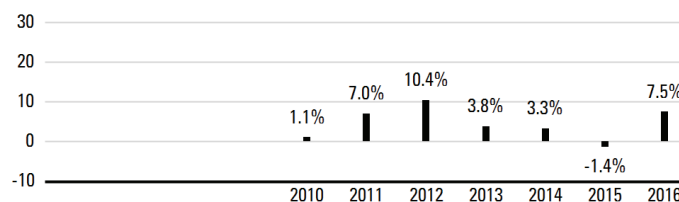
Year-by-Year Returns (%)

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.

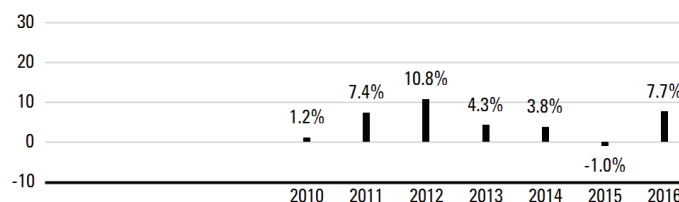
Series A (%)



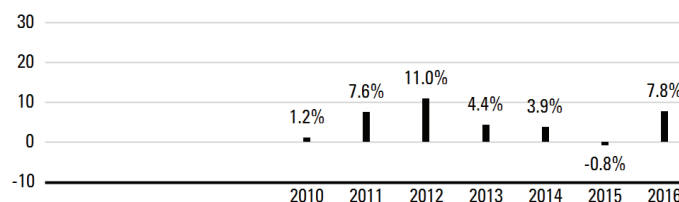
Advisor Series (%)



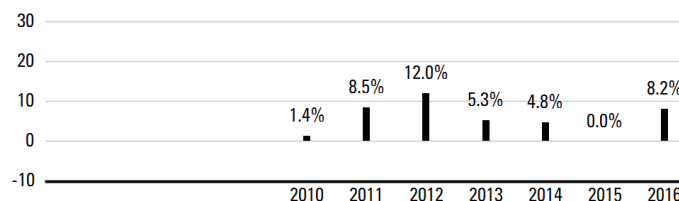
Series D (%)



Series F (%)



Series O (%)



Series A, Advisor Series, Series D, Series F and Series O units have been available for sale to unitholders since October 12, 2010.

Inception dates are not provided for series that have been in existence for more than 10 years. For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United States	61.2
Canada	18.1
Other Countries	5.8
Cash/Other	14.9

Top 25 Holdings

	% of Net Asset Value
Cash & Cash Equivalents	10.7
Barclays Capital High Yield Bond SPDR Fund	2.5
Videotron Ltd. 5.750% Jan 15 2026	1.9
Charter Communications Operating LLC 4.908% Jul 23 2025	1.6
CCO Holdings LLC 5.750% Feb 15 2026	1.5
Kraft Heinz Foods Co. 4.875% Feb 15 2025	1.3
Access Midstream Partners LP 4.875% May 15 2023	1.3
The Goodyear Tire & Rubber Co. 5.000% May 31 2026	1.3
Smithfield Foods Inc. 6.625% Aug 15 2022	1.2
HCA Inc. 5.875% Feb 15 2026	1.2
The AES Corp. 5.500% Mar 15 2024	1.2
NCR Corp. 5.000% Jul 15 2022	1.2
Consol Energy Inc. 5.875% Apr 15 2022	1.1
T-Mobile USA Inc. 6.625% Apr 1 2023	1.1
Boyd Gaming Corp. 6.375% Apr 1 2026	1.1
Toll Brothers Finance Corp. 5.875% Feb 15 2022	1.1
Avis Budget Car Rental LLC 5.250% Mar 15 2025	1.1
Numericable Group S.A. USD 6.000% May 15 2022	1.1
NRG Energy Inc. 7.250% May 15 2026	1.1
Calpine Corp. 5.250% Jun 1 2026	1.1
Hanesbrands Inc. 4.875% May 15 2026	1.0
Equinix Inc. 5.875% Jan 15 2026	1.0
CSC Holdings LLC 6.750% Nov 15 2021	1.0
Ingles Markets Inc. 5.750% Jun 15 2023	1.0
American Axle & Manufacturing Holdings, Inc. 6.625% Oct 15 2022	1.0
Top 25 Holdings	40.7

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



FIXED-INCOME FUND

RBC \$U.S. HIGH YIELD BOND FUND

June 30, 2016

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

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MANAGEMENT DISCUSSION OF FUND PERFORMANCE (in USD)

Investment Objective and Strategies

The Fund seeks to provide total returns comprised of interest income and modest capital growth by investing primarily in higher-yielding corporate debt securities issued by U.S. corporations.

To achieve its objectives, the portfolio manager invests primarily in debt securities issued by U.S. corporations that are rated below BBB- by Standard & Poor's or an equivalent rating agency. The portfolio manager employs a value-focused philosophy for corporate bonds, striving to invest in quality companies having stable to improving credit profiles, and which are considered to be undervalued given the current market sentiment.

Results of Operations

The Fund's net asset value was \$96 million as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 8.3%. 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 any other series, which may vary because of differences in management fees and expenses.

High yield bonds performed well during the first half of 2016. The year began with high-yield bonds under pressure amid concern about slowing global growth, uncertainty as to whether the U.S. Federal Reserve would raise benchmark interest rates and continued weak commodity prices. As oil prices started to recover in mid-February, the high-yield bond market staged a strong recovery, led by energy and commodity companies. Record-breaking inflows for high-yield bonds and a lack of supply due in part to a shortage of newly issued bonds caused prices to rise sharply. The strong performance of the high-yield market moderated during the second quarter, as oil prices fell from their highs, the supply of newly issued bonds increased substantially and mutual-fund redemptions picked up. Most recently, markets were unnerved after U.K. voters opted to leave the EU after 43 years. The immediate result, reflecting higher perceived risks, was an increase in the premiums required by investors to hold high-yield bonds.

The Fund took advantage of the recovery in high-yield bonds to reduce its holdings of bonds that had reached the portfolio manager's price targets. The Fund increased holdings of investment-grade bonds that presented compelling value, and boosted holdings of medium-risk high-yield bonds. The Fund benefited from good security selection, and from exposure to specific energy and commodity bonds in particular, while a relatively high cash position served as a drag on performance while reducing volatility.

Recent Developments

The portfolio manager believes that the global economy finds itself in an extended period of lacklustre economic growth and elevated uncertainty. This situation has been exacerbated by the U.K.'s decision to leave the EU. Central banks have continued to respond to these challenges with very accommodative monetary policies. In this low-interest-rate environment, the portfolio manager believes that corporate bonds continue to offer the potential for attractive returns relative to other fixed-income assets and that demand for income will remain a key support for high-yield fixed income. However, the overall health of corporate balance sheets continues to weaken, and the portfolio manager expects defaults to climb. Given this, the portfolio manager will monitor the credit quality of the portfolio and seek to add attractively valued bonds as they become available.

Effective June 30, 2016, Series H and Series I units were closed to all investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series D units.

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 units of the Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 (in USD)

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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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		
Series A												
June 30, 2016	8.86	0.26	(0.06)	(0.14)	0.68	0.74	(0.21)	—	—	—	(0.21)	9.38
Dec. 31, 2015	9.83	0.56	(0.14)	(0.13)	(0.71)	(0.42)	(0.43)	—	(0.20)	—	(0.63)	8.86
Dec. 31, 2014	10.05	0.54	(0.14)	0.01	(0.39)	0.02	(0.34)	—	(0.06)	—	(0.40)	9.83
Dec. 31, 2013 ³	10.00 [†]	0.11	(0.03)	0.01	(0.02)	0.07	(0.07)	—	(0.04)	—	(0.11)	10.01
Advisor Series												
June 30, 2016	8.89	0.26	(0.07)	(0.14)	0.68	0.73	(0.21)	—	—	—	(0.21)	9.41
Dec. 31, 2015	9.86	0.56	(0.14)	(0.13)	(0.72)	(0.43)	(0.42)	(0.01)	(0.20)	—	(0.63)	8.89
Dec. 31, 2014	10.05	0.55	(0.15)	0.01	(0.39)	0.02	(0.31)	—	(0.06)	—	(0.37)	9.86
Dec. 31, 2013 ³	10.00 [†]	0.11	(0.03)	0.01	(0.02)	0.07	(0.07)	—	(0.04)	—	(0.11)	10.01
Series D												
June 30, 2016	8.85	0.26	(0.05)	(0.14)	0.68	0.75	(0.23)	—	—	—	(0.23)	9.37
Dec. 31, 2015	9.81	0.56	(0.10)	(0.13)	(0.71)	(0.38)	(0.46)	—	(0.20)	—	(0.66)	8.85
Dec. 31, 2014	10.04	0.60	(0.11)	0.01	(0.43)	0.07	(0.39)	—	(0.06)	—	(0.45)	9.81
Dec. 31, 2013 ³	10.00 [†]	0.11	(0.02)	0.02	(0.02)	0.09	(0.08)	—	(0.04)	—	(0.12)	10.00
Series F												
June 30, 2016	8.93	0.26	(0.04)	(0.14)	0.68	0.76	(0.24)	—	—	—	(0.24)	9.45
Dec. 31, 2015	9.90	0.56	(0.09)	(0.13)	(0.71)	(0.37)	(0.48)	—	(0.20)	—	(0.68)	8.93
Dec. 31, 2014	10.07	0.52	(0.09)	0.01	(0.37)	0.07	(0.35)	—	(0.06)	—	(0.41)	9.90
Dec. 31, 2013 ³	10.00 [†]	0.10	(0.02)	0.01	(0.02)	0.07	(0.06)	—	(0.04)	—	(0.10)	10.03
Series O												
June 30, 2016	8.86	0.26	—	(0.14)	0.68	0.80	(0.28)	—	—	—	(0.28)	9.37
Dec. 31, 2015	9.82	0.55	—	(0.13)	(0.71)	(0.29)	(0.56)	—	(0.20)	—	(0.76)	8.86
Dec. 31, 2014	10.04	0.59	—	0.01	(0.42)	0.18	(0.49)	—	(0.06)	—	(0.55)	9.82
Dec. 31, 2013 ³	10.00 [†]	0.12	—	0.02	(0.02)	0.12	(0.10)	—	(0.04)	—	(0.14)	10.00

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From October 21, 2013.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (in USD) (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	9.38	3 300	352	1.42	1.42	41.97	—
Dec. 31, 2015	8.86	3 741	422	1.41	1.41	27.13	—
Dec. 31, 2014	9.83	3 676	374	1.41	1.42	13.58	—
Dec. 31, 2013 ⁴	10.05	577	57	1.48	1.48	4.78	—
Advisor Series							
June 30, 2016	9.41	613	65	1.47	1.47	41.97	—
Dec. 31, 2015	8.89	517	58	1.47	1.48	27.13	—
Dec. 31, 2014	9.86	595	60	1.47	1.48	13.58	—
Dec. 31, 2013 ⁴	10.05	5	1	1.48	1.48	4.78	—
Series D							
June 30, 2016	9.37	674	72	1.01	1.01	41.97	—
Dec. 31, 2015	8.85	674	76	1.03	1.03	27.13	—
Dec. 31, 2014	9.81	644	66	1.03	1.04	13.58	—
Dec. 31, 2013 ⁴	10.04	250	25	1.08	1.08	4.78	—
Series F							
June 30, 2016	9.45	3 245	343	0.90	0.90	41.97	—
Dec. 31, 2015	8.93	1 576	177	0.89	0.89	27.13	—
Dec. 31, 2014	9.90	1 173	119	0.91	0.92	13.58	—
Dec. 31, 2013 ⁴	10.07	36	4	0.91	0.91	4.78	—
Series O							
June 30, 2016	9.37	87 780	9 364	0.03	0.03	41.97	—
Dec. 31, 2015	8.86	74 326	8 394	0.02	0.03	27.13	—
Dec. 31, 2014	9.82	54 653	5 564	0.02	0.03	13.58	—
Dec. 31, 2013 ⁴	10.04	20 830	2 074	0.03	0.03	4.78	—

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

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

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

⁴ From October 21, 2013.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.25%	40%	60%
Advisor Series	1.25%	40%	60%
Series D	0.90%	17%	83%
Series F	0.75%	—	100%

Series O — no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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



PAST PERFORMANCE (in USD)

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.



Series F (%)



Series O (%)



Series A, Advisor Series, Series D, Series F and Series O units have been available for sale to unitholders since October 21, 2013.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO (in USD)

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United States	72.5
Income Funds	6.9
Canada	6.8
Other Countries	3.7
Cash/Other	10.1

Top 25 Holdings

	% of Net Asset Value
Cash & Cash Equivalents	8.7
Barclays Capital High Yield Bond SPDR Fund	3.4
CCO Holdings LLC 5.750% Feb 15 2026	1.9
Diamond 1 Finance Corp. 6.020% Jun 15 2026	1.7
HCA Inc. 5.875% Feb 15 2026	1.4
Smithfield Foods Inc. 6.625% Aug 15 2022	1.4
CSC Holdings LLC 6.750% Nov 15 2021	1.4
Access Midstream Partners LP 4.875% May 15 2023	1.3
NRG Energy Inc. 6.250% May 1 2024	1.3
Sprint Capital Corp. 6.875% Nov 15 2028	1.3
Frontier Communications Corp. 7.125% Jan 15 2023	1.2
D.R. Horton Inc. 5.750% Aug 15 2023	1.2
International Game Technology 7.500% Jun 15 2019	1.2
LIN Television Corp. 6.375% Jan 15 2021	1.2
Toll Brothers Finance Corp. 5.875% Feb 15 2022	1.1
Ally Financial Inc. 8.000% Mar 15 2020	1.1
Consol Energy Inc. 5.875% Apr 15 2022	1.1
Kinder Morgan Inc. 7.800% Aug 1 2031	1.1
Equinix Inc. 5.375% Jan 1 2022	1.1
New Albertson's Inc. 6.625% Jun 15 2024	1.1
The AES Corp. 5.500% Mar 15 2024	1.1
American Axle & Manufacturing Holdings, Inc. 6.625% Oct 15 2022	1.1
Ingles Markets Inc. 5.750% Jun 15 2023	1.1
Air Canada USD 6.750% Oct 1 2019	1.1
Ashtead Capital Inc. 5.625% Oct 1 2024	1.1
Top 25 Holdings	40.7

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



FIXED-INCOME FUND

RBC GLOBAL HIGH YIELD BOND FUND

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (UK) Limited, London, England
(for a portion of the Fund)

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund pursues above-average total returns comprised of interest income and capital growth by investing in higher-yielding corporate or government debt securities available in international markets.

The Fund manages risks by limiting its holdings in any single industry, issuer or country. The Fund may use derivatives to protect against losses from changes in interest rates, credit quality and currency fluctuations.

Results of Operations

The Fund's net asset value was \$2.9 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 7.9%. 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 any other series, which may vary because of differences in management fees and expenses.

Higher-risk bonds denominated in U.S. dollars plunged with oil prices at the outset of the year. This was due to the fact that a significant portion of U.S. high-yield bonds are issued by the Energy sector and that many emerging markets rely on oil revenue to service their bonds. Lower commodity prices, notably for oil, generated concern about the U.S. Energy sector's capacity to service debt and the reliance of emerging-market economies on oil for growth and trade. However, U.S. high-yield and emerging-market bonds surged with other financial assets starting in February after oil prices bottomed. The weaker outlook for emerging markets, which now represent more than half of global growth, prompted the U.S. Federal Reserve (the "Fed") and the European Central Bank to extend or intensify measures to stimulate growth. Following the surprise decision of the U.K. to leave the EU ("Brexit"), the yield on U.S. 10-year bonds fell but quickly recovered on expectations of further central-bank easing.

The broad gains in financial assets that started in February meant that the Fund's preference for higher-quality bonds had a negative impact on returns during the period. Another factor holding back relative returns was a higher overall weighting in U.S. high-yield bonds, which underperformed emerging-market fixed income. Foreign-currency allocations also weighed on returns in light of the strong performance of the Canadian dollar in the first half of the year, although the Fund did benefit from positions in the Brazilian real and Brazilian U.S. dollar debt. The Fund's U.S. high-yield allocations to the Energy and Health Care sectors and the banking industry aided returns, as did a position in Treasuries.

Recent Developments

Growth expectations in Europe are weakening after the Brexit vote, undermining already soft global growth forecasts. The portfolio manager remains cautious about emerging-market growth overall but does expect an upturn in China's expansion over the next quarter or two. In U.S. high yields, the portfolio manager has lowered the Fund's weighting in the U.S. Energy sector following this year's surge in oil prices. The amount of cash in the portfolio remains somewhat high given the backdrop of slower growth, and the portfolio manager does not foresee aggressive rate increases by the Fed given the central bank's commitment to support growth. The Fed's reluctance to raise rates should help bolster prices of non-government bonds, in the view of the portfolio manager.

Effective June 30, 2016, Series H and Series I units were closed to all investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

RBC Global Asset Management (UK) Limited is the sub-advisor and provides investment advice for the Fund.

Distributors

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

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

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



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	9.84	0.28	(0.09)	0.44	0.14	0.77	(0.21)	—	—	—	(0.21)	10.40
Dec. 31, 2015	10.36	0.63	(0.18)	(0.86)	0.24	(0.17)	(0.42)	—	—	—	(0.42)	9.84
Dec. 31, 2014	10.30	0.64	(0.19)	(0.43)	0.38	0.40	(0.44)	—	—	—	(0.44)	10.36
Dec. 31, 2013	10.77	0.64	(0.19)	(0.33)	(0.19)	(0.07)	(0.46)	—	—	—	(0.46)	10.27
Dec. 31, 2012	9.90	0.65	(0.19)	0.51	0.38	1.35	(0.44)	—	(0.12)	—	(0.56)	10.77
Dec. 31, 2011	9.81	0.71	(0.17)	(0.24)	0.34	0.64	(0.51)	—	—	—	(0.51)	9.90
Advisor Series												
June 30, 2016	9.78	0.28	(0.09)	0.43	0.14	0.76	(0.21)	—	—	—	(0.21)	10.33
Dec. 31, 2015	10.29	0.63	(0.18)	(0.86)	0.24	(0.17)	(0.42)	—	—	—	(0.42)	9.78
Dec. 31, 2014	10.24	0.63	(0.18)	(0.42)	0.38	0.41	(0.45)	—	—	—	(0.45)	10.29
Dec. 31, 2013	10.69	0.64	(0.18)	(0.33)	(0.19)	(0.06)	(0.45)	—	—	—	(0.45)	10.20
Dec. 31, 2012	9.81	0.64	(0.18)	0.50	0.37	1.33	(0.43)	—	(0.12)	—	(0.55)	10.69
Dec. 31, 2011	9.70	0.69	(0.16)	(0.23)	0.33	0.63	(0.49)	—	—	—	(0.49)	9.81
Series D												
June 30, 2016	9.98	0.29	(0.05)	0.44	0.14	0.82	(0.25)	—	—	—	(0.25)	10.54
Dec. 31, 2015	10.51	0.64	(0.11)	(0.87)	0.24	(0.10)	(0.51)	—	—	—	(0.51)	9.98
Dec. 31, 2014	10.45	0.64	(0.11)	(0.43)	0.38	0.48	(0.53)	—	—	—	(0.53)	10.51
Dec. 31, 2013	10.95	0.65	(0.11)	(0.34)	(0.19)	0.01	(0.57)	—	—	—	(0.57)	10.41
Dec. 31, 2012	10.03	0.65	(0.11)	0.50	0.38	1.42	(0.48)	—	(0.12)	—	(0.60)	10.95
Dec. 31, 2011	9.92	0.72	(0.10)	(0.24)	0.35	0.73	(0.57)	—	—	—	(0.57)	10.03
Series F												
June 30, 2016	10.10	0.29	(0.05)	0.45	0.14	0.83	(0.26)	—	—	—	(0.26)	10.66
Dec. 31, 2015	10.63	0.65	(0.10)	(0.88)	0.25	(0.08)	(0.52)	—	—	—	(0.52)	10.10
Dec. 31, 2014	10.57	0.65	(0.10)	(0.44)	0.39	0.50	(0.55)	—	—	—	(0.55)	10.63
Dec. 31, 2013	11.04	0.66	(0.10)	(0.34)	(0.20)	0.02	(0.57)	—	—	—	(0.57)	10.53
Dec. 31, 2012	10.13	0.67	(0.10)	0.52	0.39	1.48	(0.52)	—	(0.12)	—	(0.64)	11.04
Dec. 31, 2011	10.01	0.72	(0.08)	(0.24)	0.35	0.75	(0.58)	—	—	—	(0.58)	10.13
Series O												
June 30, 2016	10.05	0.29	—	0.45	0.14	0.88	(0.31)	—	—	—	(0.31)	10.62
Dec. 31, 2015	10.59	0.64	—	(0.87)	0.24	0.01	(0.62)	—	—	—	(0.62)	10.05
Dec. 31, 2014	10.46	0.62	—	(0.41)	0.37	0.58	(0.56)	—	—	—	(0.56)	10.59
Dec. 31, 2013	10.89	0.65	—	(0.33)	(0.19)	0.13	(0.62)	—	—	—	(0.62)	10.42
Dec. 31, 2012	10.02	0.68	—	0.53	0.40	1.61	(0.64)	—	(0.12)	—	(0.76)	10.89
Dec. 31, 2011	9.86	0.69	—	(0.23)	0.33	0.79	(0.63)	—	—	—	(0.63)	10.02

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	10.40	156 377	15 042	1.78	1.78	46.87	—
Dec. 31, 2015	9.84	161 111	16 372	1.78	1.78	41.93	—
Dec. 31, 2014	10.36	200 596	19 365	1.78	1.78	43.30	—
Dec. 31, 2013	10.30	230 556	22 379	1.79	1.79	65.47	—
Dec. 31, 2012	10.81	259 867	24 040	1.78	1.78	61.97	—
Dec. 31, 2011	9.95	120 784	12 143	1.76	1.76	75.81	—
Advisor Series							
June 30, 2016	10.33	182 880	17 704	1.74	1.74	46.87	—
Dec. 31, 2015	9.78	184 338	18 852	1.74	1.74	41.93	—
Dec. 31, 2014	10.29	237 055	23 033	1.74	1.74	43.30	—
Dec. 31, 2013	10.24	280 799	27 429	1.74	1.74	65.47	—
Dec. 31, 2012	10.73	285 063	26 572	1.71	1.71	61.97	—
Dec. 31, 2011	9.86	95 801	9 721	1.70	1.70	75.81	—
Series D							
June 30, 2016	10.54	33 308	3 160	1.05	1.05	46.87	—
Dec. 31, 2015	9.98	30 946	3 101	1.05	1.05	41.93	—
Dec. 31, 2014	10.51	33 265	3 165	1.05	1.05	43.30	—
Dec. 31, 2013	10.45	37 350	3 574	1.06	1.06	65.47	—
Dec. 31, 2012	10.99	53 179	4 839	1.06	1.06	61.97	—
Dec. 31, 2011	10.07	14 592	1 448	1.04	1.04	75.81	—
Series F							
June 30, 2016	10.66	97 539	9 147	0.91	0.91	46.87	—
Dec. 31, 2015	10.10	92 447	9 158	0.91	0.91	41.93	—
Dec. 31, 2014	10.63	98 213	9 241	0.91	0.91	43.30	—
Dec. 31, 2013	10.57	104 214	9 863	0.91	0.91	65.47	—
Dec. 31, 2012	11.08	114 999	10 376	0.89	0.89	61.97	—
Dec. 31, 2011	10.17	46 112	4 533	0.87	0.87	75.81	—
Series O							
June 30, 2016	10.62	2 404 599	226 467	0.03	0.03	46.87	—
Dec. 31, 2015	10.05	2 181 362	216 983	0.03	0.03	41.93	—
Dec. 31, 2014	10.59	1 562 203	147 542	0.03	0.03	43.30	—
Dec. 31, 2013	10.46	604 570	57 822	0.03	0.03	65.47	—
Dec. 31, 2012	10.93	436 796	39 968	0.03	0.03	61.97	—
Dec. 31, 2011	10.06	332 815	33 068	0.02	0.02	75.81	—

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

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

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



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.50%	53%	47%
Advisor Series	1.50%	53%	47%
Series D	0.90%	17%	83%
Series F	0.75%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

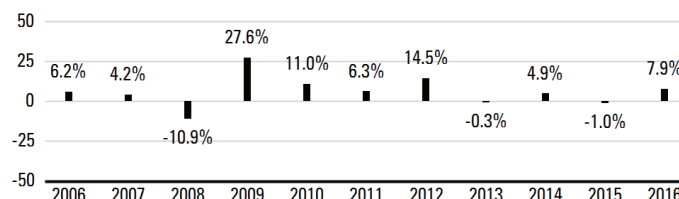
PAST PERFORMANCE

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.

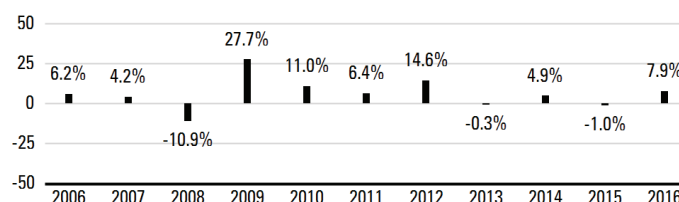
Year-by-Year Returns (%)

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.

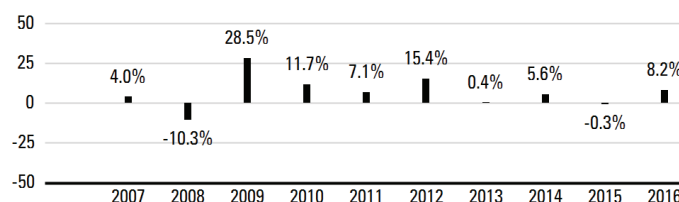
Series A (%)



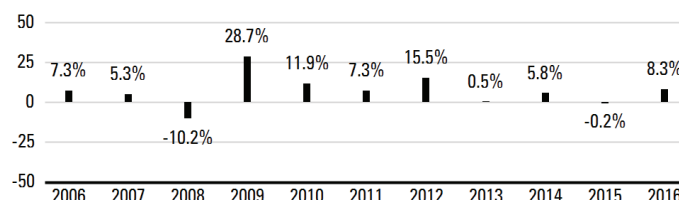
Advisor Series (%)



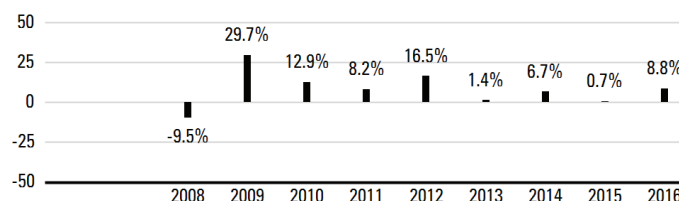
Series D (%)



Series F (%)



Series O (%)



Series O units have been available for sale to unitholders since January 1, 2008, and Series D units since July 3, 2007.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United States	36.1
Canada	6.1
Income Funds	4.4
Mexico	2.4
Indonesia	2.1
Russia	1.9
Turkey	1.6
Hungary	1.5
Brazil	1.5
Peru	1.5
Luxembourg	1.4
Panama	1.4
Croatia	1.3
Philippines	1.2
Kazakhstan	1.2
United Kingdom	1.0
Colombia	1.0
Chile	1.0
Argentina	1.0
Other Countries	19.0
Cash/Other	11.4

Top 25 Holdings

	% of Net Asset Value
BlueBay Emerging Markets Corporate Bond Fund	4.4
Cash & Cash Equivalents	3.9
Barclays Capital High Yield Bond SPDR Fund	3.1
Republic of Philippines USD 7.750% Jan 14 2031	0.9
Corp Nacional del Cobre de Chile USD 3.875% Nov 3 2021	0.9
CCO Holdings LLC 5.750% Feb 15 2026	0.9
Republic of Panama USD 7.125% Jan 29 2026	0.9
HCA Inc. 5.875% Feb 15 2026	0.9
Croatia Government USD 6.750% Nov 5 2019	0.8
Pemex Project Funding Master Trust USD 6.625% Jun 15 2035	0.7
Republic of Serbia USD 5.875% Dec 3 2018	0.7
Hungary Government USD 6.250% Jan 29 2020	0.7
Dominican Republic USD 7.450% Apr 30 2044	0.7
Russian Foreign Bond - Eurobond USD 4.875% Sep 16 2023	0.7
T-Mobile USA Inc. 6.625% Apr 1 2023	0.7
Smithfield Foods Inc. 6.625% Aug 15 2022	0.7
Republic of Vietnam USD 4.800% Nov 19 2024	0.7
Access Midstream Partners LP 4.875% May 15 2023	0.7
Hungary Government USD 5.375% Mar 25 2024	0.7
Russian Foreign Bond - Eurobond USD 5.000% Apr 29 2020	0.6
The AES Corp. 5.500% Mar 15 2024	0.6
Republic of Colombia USD 8.125% May 21 2024	0.6
Consol Energy Inc. 5.875% Apr 15 2022	0.6
Republic of Turkey USD 4.875% Apr 16 2043	0.6
Perusahaan Listrik Negara PT USD 5.500% Nov 22 2021	0.6
Top 25 Holdings	27.3

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



FIXED-INCOME FUND

RBC STRATEGIC INCOME BOND FUND

formerly, RBC Monthly Income High Yield Bond Fund

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide regular monthly income with a potential for modest capital appreciation by investing primarily in units of other mutual funds managed by RBC GAM or an affiliate of RBC GAM (called the “underlying funds”), emphasizing mutual funds that invest in higher-yielding fixed-income securities.

To achieve its objective, the Fund selects underlying funds from the RBC Funds family or PH&N Funds family that primarily invest in investment-grade and high-yield corporate and emerging-market sovereign and corporate fixed-income securities for inclusion in the Fund.

The portfolio manager allocates and rebalances the Fund’s assets among underlying funds based on the underlying funds’ ability to help the Fund meet its investment objectives.

Results of Operations

The Fund’s net asset value was \$91 million as of June 30, 2016.

Over the past six months, the Fund’s Series A units gained 3.8 %. 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 any other series, which may vary because of differences in management fees and expenses.

The Fund made monthly distributions of 3.00 cents per Series A unit in the first half of 2016.

U.S. economic growth continued to lead the world’s developed markets, while growth in Japan and in much of Europe and emerging markets continued to disappoint. Signs of significantly slower global economic growth appeared early in January 2016, leading to sharp financial-market declines in the first few weeks of the year. Oil prices followed growth expectations lower and by February had touched the lowest level in more than a decade, depressed in part by a surge in supply relative to demand. Oil prices and financial markets recovered somewhat beginning in February, and the rebound continued for much of the first quarter. In the second half of the period, the debate leading up to the U.K.’s eventual decision to exit the EU (“Brexit”) largely replaced growth concerns as the main driver of markets.

Government-bond yields in the U.S., Japan, Germany and Canada fell to record lows during the period amid Brexit concerns, leading to gains for investors as bond prices rose. In Germany and Japan, prices for sovereign bonds were also supported by central-bank purchases. Non-government bonds posted increases, with high-yield bonds performing particularly well following the oil-price rebound.

Emerging-market bonds also benefited from the resurgence in oil. However, a weaker outlook for global economic growth prompted the U.S. Federal Reserve (the “Fed”) and the European Central Bank to extend or intensify measures to stimulate growth.

The investments that contributed the most to the Fund’s performance were the RBC Global High Yield Bond Fund, the RBC High Yield Bond Fund and the RBC Global Corporate Bond Fund. The BlueBay Global Convertible Bond Fund (Canada) had a negative impact on the portfolio’s returns.

Recent Developments

The portfolio manager’s core scenario contemplates sluggish global growth and low inflation, and threats to the forecast appear tilted to the downside. Although interest rates are unusually low, the path to higher yields will likely be gradual and stretched over a long period. The Bank of Canada is expected to hold off on raising rates for the next few quarters at least, while the Fed has scaled back the pace at which it expects to boost rates. Generally speaking, investor demand for income makes corporate and provincial bonds attractive as their additional yield would help offset capital losses when yields start to rise.

Effective June 30, 2016, Series H and Series I units were closed to all investors.

Effective January 25, 2016, the name of the Fund was changed to RBC Strategic Income Bond Fund.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients’ Series A, Advisor Series and Series D units.



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 units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/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	Total	Year/Period
Series A												
June 30, 2016	10.29	0.28	(0.09)	(0.01)	0.29	0.47	(0.18)	—	—	—	(0.18)	10.50
Dec. 31, 2015	10.33	0.54	(0.18)	0.23	(0.23)	0.36	(0.37)	—	(0.16)	—	(0.53)	10.29
Dec. 31, 2014	10.03	0.50	(0.18)	0.17	0.14	0.63	(0.34)	—	(0.13)	—	(0.47)	10.33
Dec. 31, 2013 ³	10.00 [†]	0.26	(0.07)	0.02	0.05	0.26	(0.20)	—	(0.02)	—	(0.22)	10.03
Advisor Series												
June 30, 2016	10.30	0.27	(0.09)	(0.01)	0.28	0.45	(0.18)	—	—	—	(0.18)	10.51
Dec. 31, 2015	10.35	0.53	(0.19)	0.22	(0.23)	0.33	(0.37)	—	(0.16)	—	(0.53)	10.30
Dec. 31, 2014	10.04	0.47	(0.17)	0.16	0.14	0.60	(0.34)	—	(0.13)	—	(0.47)	10.35
Dec. 31, 2013 ³	10.00 [†]	0.26	(0.07)	0.02	0.04	0.25	(0.19)	—	(0.02)	—	(0.21)	10.04
Series D												
June 30, 2016	10.48	0.29	(0.05)	(0.01)	0.30	0.53	(0.18)	—	—	—	(0.18)	10.73
Dec. 31, 2015	10.45	0.54	(0.11)	0.23	(0.24)	0.42	(0.38)	—	(0.16)	—	(0.54)	10.48
Dec. 31, 2014	10.07	0.50	(0.11)	0.18	0.14	0.71	(0.34)	—	(0.13)	—	(0.47)	10.45
Dec. 31, 2013 ³	10.00 [†]	0.26	(0.05)	0.01	0.04	0.26	(0.18)	—	(0.02)	—	(0.20)	10.07
Series F												
June 30, 2016	10.52	0.26	(0.05)	(0.01)	0.27	0.47	(0.18)	—	—	—	(0.18)	10.78
Dec. 31, 2015	10.48	0.51	(0.09)	0.22	(0.22)	0.42	(0.38)	—	(0.17)	—	(0.55)	10.52
Dec. 31, 2014	10.08	0.55	(0.09)	0.19	0.16	0.81	(0.34)	—	(0.13)	—	(0.47)	10.48
Dec. 31, 2013 ³	10.00 [†]	0.26	(0.04)	0.02	0.04	0.28	(0.18)	—	(0.02)	—	(0.20)	10.08
Series O												
June 30, 2016	10.61	0.29	—	(0.01)	0.30	0.58	(0.18)	—	—	—	(0.18)	10.92
Dec. 31, 2015	10.49	0.56	—	0.24	(0.24)	0.56	(0.39)	—	(0.17)	—	(0.56)	10.61
Dec. 31, 2014	10.00	0.54	—	0.19	0.16	0.89	(0.34)	—	(0.13)	—	(0.47)	10.49
Dec. 31, 2013 ³	10.00 [†]	0.26	(0.01)	0.07	0.19	0.51	(0.30)	—	(0.02)	—	(0.32)	10.00

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From August 12, 2013.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	10.50	33 750	3 215	1.78	1.78	24.82	—
Dec. 31, 2015	10.29	29 226	2 841	1.81	1.81	6.55	0.01
Dec. 31, 2014	10.33	16 050	1 554	1.82	1.84	13.50	—
Dec. 31, 2013 ⁴	10.03	6 169	615	1.84	1.88	n/a	—
Advisor Series							
June 30, 2016	10.51	15 497	1 475	1.82	1.82	24.82	—
Dec. 31, 2015	10.30	4 755	462	1.85	1.86	6.55	0.01
Dec. 31, 2014	10.35	1 699	164	1.72	1.74	13.50	—
Dec. 31, 2013 ⁴	10.04	185	18	1.84	1.88	n/a	—
Series D							
June 30, 2016	10.73	12 293	1 146	1.10	1.10	24.82	—
Dec. 31, 2015	10.48	10 642	1 016	1.12	1.13	6.55	0.01
Dec. 31, 2014	10.45	5 556	532	1.12	1.14	13.50	—
Dec. 31, 2013 ⁴	10.07	1 524	151	1.16	1.20	n/a	—
Series F							
June 30, 2016	10.78	29 236	2 713	0.94	0.94	24.82	—
Dec. 31, 2015	10.52	2 902	276	0.96	0.97	6.55	0.01
Dec. 31, 2014	10.48	145	14	0.93	0.95	13.50	—
Dec. 31, 2013 ⁴	10.08	98	10	0.99	1.03	n/a	—
Series O							
June 30, 2016	10.92	1	—	0.10	0.10	24.82	—
Dec. 31, 2015	10.61	1	—	0.12	0.12	6.55	0.01
Dec. 31, 2014	10.49	1	—	0.11	0.13	13.50	—
Dec. 31, 2013 ⁴	10.00	2	—	0.11	0.15	n/a	—

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

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

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

⁴ From August 12, 2013.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.50%	50%	50%
Advisor Series	1.50%	50%	50%
Series D	0.90%	17%	83%
Series F	0.75%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, trustee, 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.



Series F (%)



Series O (%)



Series A, Advisor Series, Series D, Series F and Series O units have been available for sale to unitholders since August 12, 2013.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Income Funds	98.1
Cash/Other	1.9

Top 25 Holdings*

	% of Net Asset Value
RBC Global High Yield Bond Fund	25.3
RBC Global Corporate Bond Fund	17.0
RBC High Yield Bond Fund	15.5
RBC Emerging Markets Bond Fund	14.3
RBC Emerging Markets Foreign Exchange Fund	9.7
BlueBay Emerging Markets Corporate Bond Fund	9.4
BlueBay Global Convertible Bond Fund (Canada)	6.8
Cash & Cash Equivalents	2.0
Total	100.0

* 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.

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



FIXED-INCOME FUND

**RBC EMERGING MARKETS
FOREIGN EXCHANGE FUND**

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide total returns associated with those of emerging-market currencies and short-term interest rates.

To achieve the objective, the Fund uses derivatives such as foreign-exchange forward contracts that give investors exposure to currencies in emerging market countries including China, Russia, Singapore, Mexico, India, Brazil, Poland, Thailand, Turkey, Indonesia, Malaysia, South Africa, the Philippines, Colombia and Peru. The Fund invests most of its assets in Canadian money-market instruments.

Results of Operations

The Fund's net asset value was \$474 million as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 1.3%. 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 any other series, which may vary because of differences in management fees and expenses.

Emerging-market currencies generally declined against the U.S. and Canadian dollars in the first half of 2016. The Fund was positioned to take advantage of strength in high-yielding currencies, such as the Brazilian real and Russian ruble, which aided the portfolio's relative performance.

Recent Developments

Investor flows into emerging markets turned positive earlier in the year, but those flows are not spread evenly. The Mexican peso, for instance, continues to suffer from disappointing growth and weak inflation, while Russia is gaining ground as energy prices recover.

Looking ahead, the portfolio manager expects three major factors to continue to support emerging-market currencies. The first is the continued monetary-policy easing from global central banks, which stokes demand for higher-risk assets including emerging-market currencies. The second is improvement in economic growth in some emerging nations. The third is the expectation that recent strength in the Canadian dollar will prove to be temporary, as the currency is weighed down by longer-term problems such as Canada's lagging competitiveness and large current-account deficit.

Generally speaking, the Fund will favour regions with a stable growth outlook, contained fiscal pressures and reduced political uncertainty. A further rise in volatility warrants a more active approach to higher-yielding currencies, as the portfolio manager takes advantage of situations where currencies trade at levels that are deemed attractive.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series D units.

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 units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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		
Series A												
June 30, 2016	9.73	0.05	(0.08)	(0.07)	0.08	(0.02)	(0.05)	—	—	—	(0.05)	9.56
Dec. 31, 2015 ³	10.00 [†]	0.20	(0.08)	—	0.14	0.26	(0.35)	—	—	—	(0.35)	9.73
Advisor Series												
June 30, 2016	9.73	0.04	(0.08)	(0.06)	0.07	(0.03)	(0.05)	—	—	—	(0.05)	9.56
Dec. 31, 2015 ³	10.00 [†]	0.20	(0.08)	—	0.14	0.26	(0.35)	—	—	—	(0.35)	9.73
Series D												
June 30, 2016	9.73	0.04	(0.06)	(0.06)	0.07	(0.01)	(0.07)	—	—	—	(0.07)	9.57
Dec. 31, 2015 ³	10.00 [†]	0.21	(0.05)	—	0.14	0.30	(0.37)	—	—	—	(0.37)	9.73
Series F												
June 30, 2016	9.74	0.04	(0.04)	(0.07)	0.07	—	(0.07)	—	—	—	(0.07)	9.59
Dec. 31, 2015 ³	10.00 [†]	0.20	(0.04)	—	0.14	0.30	(0.38)	—	—	—	(0.38)	9.74
Series O												
June 30, 2016	10.51	0.04	—	(0.07)	0.07	0.04	(0.10)	—	—	—	(0.10)	10.37
Dec. 31, 2015	10.04	0.56	—	—	0.38	0.94	(0.49)	—	—	—	(0.49)	10.51
Dec. 31, 2014 ⁴	9.95 [†]	0.12	—	0.16	(1.05)	(0.77)	(0.05)	—	—	—	(0.05)	10.04

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From July 27, 2015.

⁴ From October 29, 2012. Although Series O units of the Fund were created in October 2012, units were not offered for sale under a simplified prospectus until November 17, 2014.

[†] Initial offering net asset value per unit



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	9.56	242	25	1.76	1.76	n/a	—
Dec. 31, 2015⁴	9.73	2 315	238	1.75	1.75	n/a	—
Advisor Series							
June 30, 2016	9.56	132	14	1.68	1.68	n/a	—
Dec. 31, 2015⁴	9.73	168	17	1.75	1.75	n/a	—
Series D							
June 30, 2016	9.57	177	19	1.19	1.19	n/a	—
Dec. 31, 2015⁴	9.73	111	11	1.19	1.19	n/a	—
Series F							
June 30, 2016	9.59	2 501	261	0.87	0.87	n/a	—
Dec. 31, 2015⁴	9.74	2 794	287	0.91	0.91	n/a	—
Series O							
June 30, 2016	10.37	471 355	45 472	0.02	0.02	n/a	—
Dec. 31, 2015	10.51	251 912	23 964	0.02	0.02	n/a	—
Dec. 31, 2014⁵	10.04	169 502	16 884	0.02	0.03	n/a	n/a

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

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

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

⁴ From July 27, 2015.

⁵ From October 29, 2012. Although Series O units of the Fund were created in October 2012, units were not offered for sale under a simplified prospectus until November 17, 2014.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.50%	50%	50%
Advisor Series	1.50%	50%	50%
Series D	1.00%	25%	75%
Series F	0.75%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, trustee, 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.



Series F (%)



Series O (%)



Series A, Advisor Series, Series D and Series F units have been available for sale to unitholders since July 27, 2015, and Series O units since November 17, 2014.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Commercial Paper	62.5
Bankers Acceptances and Bank Obligations	35.7
Cash/Other	1.8

Top 25 Holdings*

	% of Net Asset Value
Cash & Cash Equivalents	100.0
Total	100.0

* 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.



FIXED-INCOME FUND

RBC EMERGING MARKETS BOND FUND

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (UK) Limited, London, England

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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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This interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide total returns comprised of interest income and capital growth by investing primarily in government debt securities of emerging market countries. The Fund may also invest in emerging market corporate bonds and government debt securities of developed countries.

To achieve the Fund's objective, the portfolio manager invests mainly in U.S. dollar-denominated bonds issued by the governments of Brazil, Russia, Mexico, Turkey, Philippines, China, Indonesia, Malaysia, Venezuela, Colombia, South Africa, Poland, Panama, Lebanon and Peru. The Fund may also invest in bonds of these countries denominated in another G-7 currency or in the local currencies of these countries.

Results of Operations

The Fund's net asset value was \$587 million as of June 30, 2016.

Over the past six months, the Fund's Series A units 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 any other series, which may vary because of differences in management fees and expenses.

Emerging-market bonds plunged along with oil prices at the outset of the year, prompted by concerns that falling oil prices would eat into economic growth and worsen trade imbalances. After bottoming in early February, emerging-market bonds rebounded until late June, as oil prices almost doubled over the rest of the period. As June came to a close, the weaker outlook for emerging-market growth (emerging-market countries represent almost two-thirds of global GDP) and the U.K.'s decision to leave the EU reduced expectations that the U.S. Federal Reserve (the "Fed") would raise benchmark interest rates, with the yield on U.S. 10-year bonds falling to just under 1.50% after the vote, compared with 2.27% at the beginning of the year. Consequently, roughly half of the market returns in U.S. dollar-denominated emerging-market debt in the first half of the year were due to falling Treasury yields.

The portfolio's preference for higher-quality bonds weighed on overall performance. While the Fund benefited from Brazilian bonds denominated in U.S. dollars and a position in local currency, lower weightings in the higher-risk bonds of Iraq, Ukraine, Ecuador, Venezuela and Angola pulled down relative returns. Shorter-maturity emerging-market corporate bonds helped the portfolio, as did a position in U.S. Treasuries.

Recent Developments

Expectations for European growth are weakening, undermining the already soft global economic expansion. Central and eastern European governments reliant on the EU for funding may be hurt by the departure of Britain, which has been a significant contributor of money, and countries seeking to join the EU may struggle. The sub-advisor remains cautious about emerging-market growth overall but expects a cyclical upturn in Chinese growth over the next quarter or two. Nonetheless, structural changes are underway. China for example has become a net copper exporter. Offsetting these concerns, the sub-advisor believes recent market volatility will stop the Fed from hiking rates aggressively, supporting emerging-market assets denominated in U.S. dollars.

The amount of emerging-market bonds sold so far in 2016 – US\$78 billion – has exceeded repayments for the first time in years. The sub-advisor is somewhat concerned that much of this new issuance is owned by investors outside of emerging markets and is therefore subject to volatility if these investors see risks rising.

Effective June 30, 2016, Series H and Series I units were closed to all investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

RBC Global Asset Management (UK) Limited is the sub-advisor and provides investment advice for the Fund.

Distributors

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



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 units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	End of Year/Period	
Series A													
June 30, 2016	11.88	0.32	(0.10)	0.33	(0.32)	0.23	(0.24)	—	—	—	(0.24)	11.83	
Dec. 31, 2015	10.86	0.68	(0.21)	0.61	0.72	1.80	(0.44)	—	(0.42)	—	(0.86)	11.88	
Dec. 31, 2014	9.99	0.58	(0.19)	0.37	0.71	1.47	(0.37)	—	(0.21)	—	(0.58)	10.86	
Dec. 31, 2013	10.30	0.56	(0.18)	0.08	(0.40)	0.06	(0.38)	—	(0.04)	—	(0.42)	9.96	
Dec. 31, 2012	9.53	0.55	(0.18)	0.14	0.55	1.06	(0.34)	—	—	—	(0.34)	10.30	
Dec. 31, 2011	9.23	0.58	(0.16)	(0.19)	0.53	0.76	(0.39)	—	—	—	(0.39)	9.53	
Advisor Series													
June 30, 2016	11.86	0.32	(0.10)	0.33	(0.32)	0.23	(0.24)	—	—	—	(0.24)	11.82	
Dec. 31, 2015	10.85	0.68	(0.21)	0.61	0.72	1.80	(0.44)	—	(0.42)	—	(0.86)	11.86	
Dec. 31, 2014	9.98	0.58	(0.19)	0.37	0.71	1.47	(0.38)	—	(0.21)	—	(0.59)	10.85	
Dec. 31, 2013	10.28	0.56	(0.18)	0.08	(0.40)	0.06	(0.37)	—	(0.04)	—	(0.41)	9.95	
Dec. 31, 2012	9.53	0.55	(0.17)	0.14	0.55	1.07	(0.35)	—	—	—	(0.35)	10.28	
Dec. 31, 2011	9.23	0.58	(0.16)	(0.19)	0.54	0.77	(0.41)	—	—	—	(0.41)	9.53	
Series D													
June 30, 2016	12.01	0.32	(0.07)	0.33	(0.33)	0.25	(0.28)	—	—	—	(0.28)	11.97	
Dec. 31, 2015	10.99	0.68	(0.13)	0.62	0.73	1.90	(0.53)	—	(0.42)	—	(0.95)	12.01	
Dec. 31, 2014	10.09	0.58	(0.12)	0.38	0.71	1.55	(0.43)	—	(0.21)	—	(0.64)	10.99	
Dec. 31, 2013	10.40	0.56	(0.11)	0.08	(0.41)	0.12	(0.46)	—	(0.04)	—	(0.50)	10.05	
Dec. 31, 2012	9.61	0.53	(0.11)	0.13	0.53	1.08	(0.39)	—	—	—	(0.39)	10.40	
Dec. 31, 2011	9.24	0.56	(0.10)	(0.19)	0.51	0.78	(0.40)	—	—	—	(0.40)	9.61	
Series F													
June 30, 2016	11.85	0.32	(0.05)	0.33	(0.32)	0.28	(0.29)	—	—	—	(0.29)	11.80	
Dec. 31, 2015	10.83	0.68	(0.11)	0.61	0.72	1.90	(0.54)	—	(0.42)	—	(0.96)	11.85	
Dec. 31, 2014	9.95	0.57	(0.10)	0.37	0.70	1.54	(0.44)	—	(0.21)	—	(0.65)	10.83	
Dec. 31, 2013	10.26	0.56	(0.10)	0.08	(0.40)	0.14	(0.47)	—	(0.04)	—	(0.51)	9.92	
Dec. 31, 2012	9.52	0.57	(0.09)	0.14	0.57	1.19	(0.44)	—	—	—	(0.44)	10.26	
Dec. 31, 2011	9.23	0.59	(0.08)	(0.20)	0.54	0.85	(0.48)	—	—	—	(0.48)	9.52	
Series O													
June 30, 2016	11.86	0.32	(0.01)	0.33	(0.32)	0.32	(0.34)	—	—	—	(0.34)	11.81	
Dec. 31, 2015	10.86	0.68	(0.01)	0.61	0.72	2.00	(0.65)	—	(0.42)	—	(1.07)	11.86	
Dec. 31, 2014	10.00	0.58	(0.01)	0.37	0.71	1.65	(0.57)	—	(0.21)	—	(0.78)	10.86	
Dec. 31, 2013	10.30	0.56	(0.01)	0.08	(0.40)	0.23	(0.54)	—	(0.04)	—	(0.58)	9.97	
Dec. 31, 2012	9.54	0.56	(0.01)	0.14	0.56	1.25	(0.51)	—	—	—	(0.51)	10.30	
Dec. 31, 2011	9.20	0.57	(0.01)	(0.19)	0.52	0.89	(0.52)	—	—	—	(0.52)	9.54	

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	11.83	48 384	4 088	1.77	1.77	51.34	—
Dec. 31, 2015	11.88	46 273	3 895	1.77	1.77	45.98	—
Dec. 31, 2014	10.86	33 408	3 075	1.78	1.78	65.47	—
Dec. 31, 2013	9.99	29 689	2 971	1.78	1.78	81.88	—
Dec. 31, 2012	10.34	30 281	2 929	1.76	1.76	66.30	—
Dec. 31, 2011	9.58	11 259	1 176	1.76	1.76	79.23	—
Advisor Series							
June 30, 2016	11.82	33 051	2 797	1.79	1.79	51.34	—
Dec. 31, 2015	11.86	35 427	2 987	1.78	1.78	45.98	—
Dec. 31, 2014	10.85	34 308	3 162	1.78	1.78	65.47	—
Dec. 31, 2013	9.98	33 244	3 329	1.79	1.79	81.88	—
Dec. 31, 2012	10.32	31 059	3 009	1.73	1.73	66.30	—
Dec. 31, 2011	9.57	14 120	1 476	1.75	1.75	79.23	—
Series D							
June 30, 2016	11.97	18 202	1 521	1.11	1.11	51.34	—
Dec. 31, 2015	12.01	15 633	1 302	1.11	1.11	45.98	—
Dec. 31, 2014	10.99	7 945	723	1.11	1.11	65.47	—
Dec. 31, 2013	10.09	4 646	461	1.11	1.11	81.88	—
Dec. 31, 2012	10.44	5 857	561	1.12	1.12	66.30	—
Dec. 31, 2011	9.65	1 061	110	1.11	1.11	79.23	—
Series F							
June 30, 2016	11.80	99 705	8 449	0.94	0.94	51.34	—
Dec. 31, 2015	11.85	95 492	8 061	0.94	0.94	45.98	—
Dec. 31, 2014	10.83	58 925	5 439	0.95	0.95	65.47	—
Dec. 31, 2013	9.95	37 332	3 752	0.95	0.95	81.88	—
Dec. 31, 2012	10.30	40 591	3 940	0.94	0.94	66.30	—
Dec. 31, 2011	9.56	25 334	2 651	0.96	0.96	79.23	—
Series O							
June 30, 2016	11.81	387 661	32 821	0.11	0.11	51.34	—
Dec. 31, 2015	11.86	398 918	33 642	0.11	0.11	45.98	—
Dec. 31, 2014	10.86	300 631	27 695	0.11	0.11	65.47	—
Dec. 31, 2013	10.00	257 035	25 704	0.11	0.11	81.88	—
Dec. 31, 2012	10.34	272 354	26 339	0.11	0.11	66.30	—
Dec. 31, 2011	9.58	131 753	13 757	0.12	0.12	79.23	—

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

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

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



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.50%	50%	50%
Advisor Series	1.50%	50%	50%
Series D	0.90%	17%	83%
Series F	0.75%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

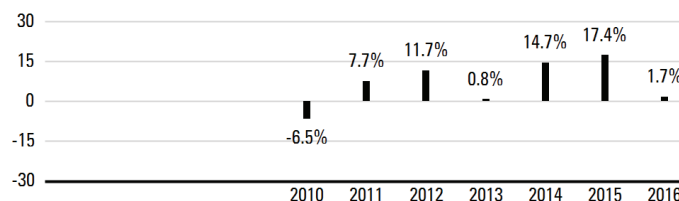
PAST PERFORMANCE

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.

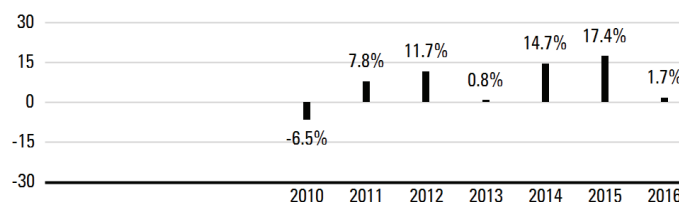
Year-by-Year Returns (%)

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.

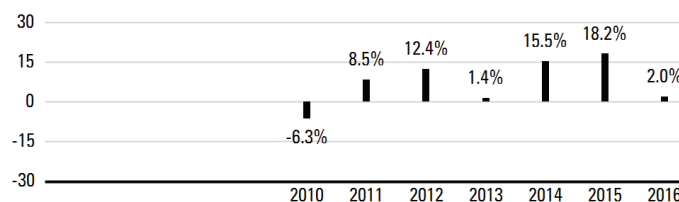
Series A (%)



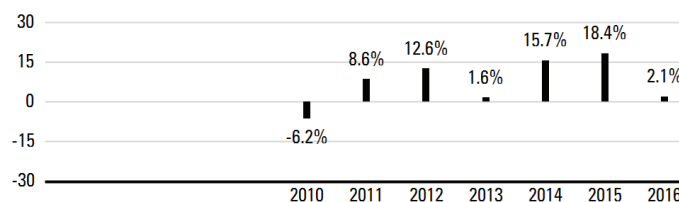
Advisor Series (%)



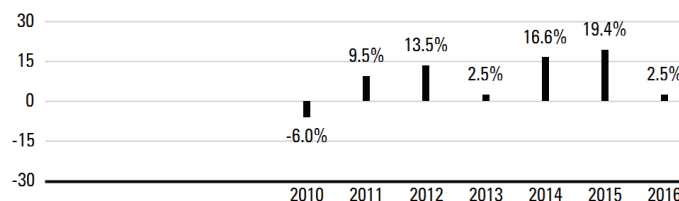
Series D (%)



Series F (%)



Series O (%)



Series A, Advisor Series, Series D, Series F and Series O units have been available for sale to unitholders since August 23, 2010.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Mexico	5.9
Indonesia	5.1
Russia	4.2
Turkey	4.1
Brazil	3.6
Peru	3.6
Hungary	3.4
Panama	3.2
Dominican Republic	3.1
Philippines	2.8
Kazakhstan	2.8
Argentina	2.4
Croatia	2.3
Chile	2.3
Colombia	2.3
China	2.0
Serbia	1.9
Malaysia	1.8
Venezuela	1.7
Romania	1.6
Uruguay	1.6
South Africa	1.6
Vietnam	1.6
Qatar	1.5
Other Countries	24.4
Cash/Other	9.2

Top 25 Holdings

	% of Net Asset Value
RBC Emerging Markets Foreign Exchange Fund	4.8
Cash & Cash Equivalents	3.2
Republic of Panama USD 7.125% Jan 29 2026	2.2
Republic of Philippines USD 7.750% Jan 14 2031	2.1
Corp Nacional del Cobre de Chile USD 3.875% Nov 3 2021	2.1
Pemex Project Funding Master Trust USD 6.625% Jun 15 2035	1.8
Croatia Government USD 6.750% Nov 5 2019	1.8
Dominican Republic USD 7.450% Apr 30 2044	1.8
Hungary Government USD 5.375% Mar 25 2024	1.7
Republic of Serbia USD 5.875% Dec 3 2018	1.7
Russian Foreign Bond - Eurobond USD 5.000% Apr 29 2020	1.6
Republic of Vietnam USD 4.800% Nov 19 2024	1.6
Republic of Turkey USD 4.875% Apr 16 2043	1.5
Republic of Colombia USD 8.125% May 21 2024	1.5
Hungary Government USD 6.250% Jan 29 2020	1.4
Russian Foreign Bond - Eurobond USD 4.875% Sep 16 2023	1.4
Export Credit Bank of Turkey USD 5.875% Apr 24 2019	1.4
Government of Indonesia USD 4.875% May 5 2021	1.4
Dominican Republic USD 7.500% May 6 2021	1.4
Iceland Government USD 5.875% May 11 2022	1.4
Perusahaan Listrik Negara PT USD 5.500% Nov 22 2021	1.3
Peruvian Government USD 7.350% Jul 21 2025	1.3
Republic of Brazil USD 4.250% Jan 7 2025	1.3
Petroleos Mexicanos USD 5.500% Jan 21 2021	1.2
Government of Poland USD 5.125% Apr 21 2021	1.1
Top 25 Holdings	44.0

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



FIXED-INCOME FUND

BLUEBAY GLOBAL MONTHLY INCOME BOND FUND

June 30, 2016

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

Sub-Advisor: BlueBay Asset Management LLP, London, England

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide high regular monthly income and total returns comprised of interest income and modest capital appreciation. To achieve the Fund's objectives, the sub-advisor invests primarily in global high-yield debt securities, emerging market government and corporate debt securities, and global convertible bonds either directly or indirectly through investments in other mutual funds managed by RBC GAM or an affiliate.

Global high-yield debt includes securities of companies rated below investment grade, which can be domiciled or carry out business anywhere in the world. Emerging market debt includes bonds issued by emerging market issuers or entities domiciled in an emerging market country, and which can be denominated in U.S. dollars, the currency of another G-7 country or in the local currency of an emerging market country. Global convertible bonds include securities issued by entities that can be domiciled or carry out business anywhere in the world.

Results of Operations

The Fund's net asset value was \$1.3 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 3.6%. 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 any other series, which may vary because of differences in management fees and expenses.

The Fund made monthly distributions of 3.35 cents per Series A unit in the first half of 2016.

The Fund's allocation to emerging-market fixed income performed well over the first half of 2016. The allocation benefited from the rebound in the price of oil and other commodities, as many emerging markets rely on commodity exports for a significant part of their economic growth.

The allocation to high-yield bonds also provided an overall positive contribution to returns, especially in stocks less tied to the economic cycle such as an overweight position in the media industry. The underweight stance in the Energy sector for most of the period hurt returns, as the oil price trended upwards. However, the sub-advisor has become more positive on a medium-term recovery in oil, based on declining production and moderately increased exposure in this area.

The Fund's new allocation to contingent capital securities, debt that converts into equity in the event of a crisis or certain negative events, also contributed to relative performance.

The allocation to convertible bonds had a negative effect on performance. Convertible bonds fell in tandem with a drop in equities, to whose prices the bonds are tightly linked. Over the period the allocation to convertible bonds was reduced. Holdings that held back performance included SunEdison, which took on debt to expand rapidly in recent years to become the world's largest solar operator. However, the leverage created difficulties and the company filed for creditor protection in April.

Portfolio turnover is normally high for this Fund, as the sub-advisor attempts to generate better returns through active security selection.

Recent Developments

The U.K.'s decision to leave the EU has created uncertainty on a global scale. The political implications for the U.K. and Europe are currently unclear and a long period of negotiation lies ahead. These discussions are unlikely to go smoothly and the sub-advisor anticipates heightened volatility over the coming months. However, economic growth in the U.S. remains steady and the commitment of the U.S. Federal Reserve and the European Central Bank to stimulate growth should help support prices of financial assets.

Effective June 30, 2016, Series H units were closed to all investors, and Series I units were capped and no longer available for purchase by new investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

BlueBay Asset Management LLP is the sub-advisor and provides investment advice for the Fund.

Distributors

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



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 units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	9.23	0.18	(0.09)	0.11	0.13	0.33	(0.20)	—	—	—	(0.20)	9.35
Dec. 31, 2015	9.89	0.48	(0.20)	(0.45)	(0.10)	(0.27)	(0.33)	—	—	(0.07)	(0.40)	9.23
Dec. 31, 2014	9.98	0.52	(0.21)	(0.21)	0.01	0.11	(0.32)	—	—	(0.08)	(0.40)	9.89
Dec. 31, 2013	10.19	0.54	(0.21)	(0.21)	(0.02)	0.10	(0.34)	—	—	(0.06)	(0.40)	9.95
Dec. 31, 2012	9.43	0.52	(0.21)	0.34	0.56	1.21	(0.40)	—	(0.07)	—	(0.47)	10.19
Dec. 31, 2011 ³	10.00 [†]	0.20	(0.10)	(0.27)	(0.15)	(0.32)	(0.09)	—	—	(0.11)	(0.20)	9.43
Advisor Series												
June 30, 2016	9.23	0.18	(0.09)	0.11	0.13	0.33	(0.20)	—	—	—	(0.20)	9.36
Dec. 31, 2015	9.89	0.48	(0.20)	(0.45)	(0.10)	(0.27)	(0.33)	—	—	(0.07)	(0.40)	9.23
Dec. 31, 2014	9.99	0.52	(0.21)	(0.22)	0.01	0.10	(0.32)	—	—	(0.08)	(0.40)	9.89
Dec. 31, 2013	10.20	0.54	(0.21)	(0.21)	(0.02)	0.10	(0.34)	—	—	(0.06)	(0.40)	9.96
Dec. 31, 2012	9.43	0.52	(0.20)	0.34	0.56	1.22	(0.40)	—	(0.07)	—	(0.47)	10.20
Dec. 31, 2011 ³	10.00 [†]	0.20	(0.10)	(0.27)	(0.15)	(0.32)	(0.09)	—	—	(0.11)	(0.20)	9.43
Series D												
June 30, 2016	9.55	0.18	(0.06)	0.11	0.14	0.37	(0.20)	—	—	—	(0.20)	9.72
Dec. 31, 2015	10.14	0.49	(0.13)	(0.46)	(0.11)	(0.21)	(0.33)	—	—	(0.07)	(0.40)	9.55
Dec. 31, 2014	10.16	0.53	(0.14)	(0.22)	0.01	0.18	(0.32)	—	—	(0.08)	(0.40)	10.14
Dec. 31, 2013	10.30	0.55	(0.14)	(0.22)	(0.02)	0.17	(0.34)	—	—	(0.06)	(0.40)	10.13
Dec. 31, 2012	9.46	0.51	(0.14)	0.33	0.54	1.24	(0.40)	—	(0.07)	—	(0.47)	10.30
Dec. 31, 2011 ³	10.00 [†]	0.21	(0.06)	(0.27)	(0.16)	(0.28)	(0.09)	—	—	(0.11)	(0.20)	9.46
Series F												
June 30, 2016	9.61	0.19	(0.06)	0.11	0.14	0.38	(0.20)	—	—	—	(0.20)	9.79
Dec. 31, 2015	10.20	0.50	(0.12)	(0.47)	(0.11)	(0.20)	(0.33)	—	—	(0.07)	(0.40)	9.61
Dec. 31, 2014	10.20	0.53	(0.13)	(0.22)	0.01	0.19	(0.32)	—	—	(0.08)	(0.40)	10.20
Dec. 31, 2013	10.33	0.53	(0.13)	(0.21)	(0.02)	0.17	(0.34)	—	—	(0.06)	(0.40)	10.17
Dec. 31, 2012	9.47	0.52	(0.12)	0.34	0.56	1.30	(0.40)	—	(0.07)	—	(0.47)	10.33
Dec. 31, 2011 ³	10.00 [†]	0.20	(0.06)	(0.27)	(0.16)	(0.29)	(0.09)	—	—	(0.11)	(0.20)	9.47
Series I												
June 30, 2016	9.65	0.19	(0.05)	0.11	0.14	0.39	(0.20)	—	—	—	(0.20)	9.83
Dec. 31, 2015	10.22	0.50	(0.11)	(0.47)	(0.11)	(0.19)	(0.33)	—	—	(0.07)	(0.40)	9.65
Dec. 31, 2014	10.22	0.55	(0.12)	(0.23)	0.01	0.21	(0.32)	—	—	(0.08)	(0.40)	10.22
Dec. 31, 2013	10.33	0.53	(0.12)	(0.21)	(0.02)	0.18	(0.34)	—	—	(0.06)	(0.40)	10.19
Dec. 31, 2012 ⁴	9.97 [†]	0.20	(0.06)	0.13	0.21	0.48	(0.20)	—	(0.07)	—	(0.27)	10.33



FINANCIAL HIGHLIGHTS (cont.)

Change in Net Assets Per Unit (\$) (cont.)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					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	Total	
Series O												
June 30, 2016	9.80	0.19	(0.01)	0.12	0.14	0.44	(0.24)	—	—	—	(0.24)	10.00
Dec. 31, 2015	10.35	0.50	(0.02)	(0.47)	(0.11)	(0.10)	(0.47)	—	—	—	(0.47)	9.80
Dec. 31, 2014	10.34	0.48	(0.02)	(0.20)	0.01	0.27	(0.39)	—	—	(0.10)	(0.49)	10.35
Dec. 31, 2013	10.45	0.55	(0.02)	(0.22)	(0.02)	0.29	(0.42)	—	—	(0.07)	(0.49)	10.31
Dec. 31, 2012	9.54	0.53	(0.02)	0.35	0.57	1.43	(0.46)	—	(0.07)	—	(0.53)	10.45
Dec. 31, 2011 ³	10.00 [†]	0.22	(0.01)	(0.30)	(0.17)	(0.26)	(0.18)	—	—	—	(0.18)	9.54

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From July 11, 2011.

⁴ From July 9, 2012.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	9.35	43 762	4 678	2.04	2.04	167.29	—
Dec. 31, 2015	9.23	48 861	5 294	2.04	2.04	204.73	0.01
Dec. 31, 2014	9.89	67 539	6 833	2.04	2.04	200.88	—
Dec. 31, 2013	9.98	67 294	6 742	2.05	2.05	148.39	—
Dec. 31, 2012	10.23	42 389	4 145	2.07	2.07	91.18	—
Dec. 31, 2011 ⁴	9.46	13 210	1 396	2.12	2.12	16.62	—
Advisor Series							
June 30, 2016	9.36	40 789	4 359	2.06	2.06	167.29	—
Dec. 31, 2015	9.23	45 365	4 913	2.05	2.05	204.73	0.01
Dec. 31, 2014	9.89	67 207	6 797	2.05	2.05	200.88	—
Dec. 31, 2013	9.99	69 008	6 910	2.07	2.07	148.39	—
Dec. 31, 2012	10.23	34 392	3 361	2.00	2.00	91.18	—
Dec. 31, 2011 ⁴	9.46	10 987	1 161	2.12	2.12	16.62	—
Series D							
June 30, 2016	9.72	8 997	926	1.33	1.33	167.29	—
Dec. 31, 2015	9.55	9 750	1 021	1.33	1.33	204.73	0.01
Dec. 31, 2014	10.14	11 567	1 141	1.33	1.33	200.88	—
Dec. 31, 2013	10.16	10 217	1 006	1.35	1.35	148.39	—
Dec. 31, 2012	10.33	7 462	722	1.41	1.41	91.18	—
Dec. 31, 2011 ⁴	9.50	1 562	164	1.42	1.42	16.62	—
Series F							
June 30, 2016	9.79	67 392	6 882	1.22	1.22	167.29	—
Dec. 31, 2015	9.61	80 104	8 331	1.22	1.22	204.73	0.01
Dec. 31, 2014	10.20	99 663	9 775	1.22	1.22	200.88	—
Dec. 31, 2013	10.20	97 616	9 567	1.23	1.23	148.39	—
Dec. 31, 2012	10.36	39 272	3 791	1.21	1.21	91.18	—
Dec. 31, 2011 ⁴	9.50	11 360	1 195	1.26	1.26	16.62	—



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data (cont.)

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series I							
June 30, 2016	9.83	12 031	1 223	1.12	1.12	167.29	—
Dec. 31, 2015	9.65	10 743	1 113	1.12	1.12	204.73	0.01
Dec. 31, 2014	10.22	13 805	1 351	1.12	1.12	200.88	—
Dec. 31, 2013	10.22	20 898	2 045	1.14	1.14	148.39	—
Dec. 31, 2012 ⁵	10.36	7 093	684	1.14	1.14	91.18	—
Series O							
June 30, 2016	10.00	1 143 874	114 429	0.22	0.22	167.29	—
Dec. 31, 2015	9.80	1 079 818	110 227	0.22	0.22	204.73	0.01
Dec. 31, 2014	10.35	956 918	92 437	0.22	0.22	200.88	—
Dec. 31, 2013	10.34	362 132	35 028	0.22	0.22	148.39	—
Dec. 31, 2012	10.48	199 440	19 037	0.22	0.22	91.18	—
Dec. 31, 2011 ⁴	9.57	95 352	9 964	0.22	0.22	16.62	—

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

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

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

⁴ From July 11, 2011.

⁵ From July 9, 2012.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund.

Management fees of each series of the Fund are calculated at 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	1.65%	45%	55%
Advisor Series	1.65%	45%	55%
Series D	1.05%	14%	86%
Series F	0.90%	—	100%
Series I	0.80%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

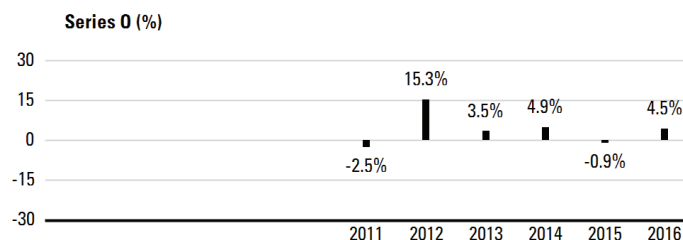
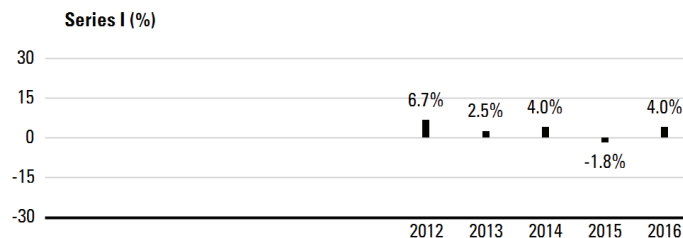
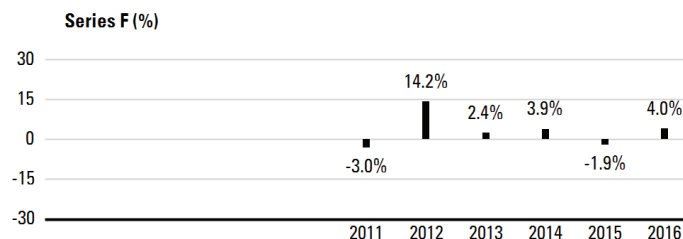
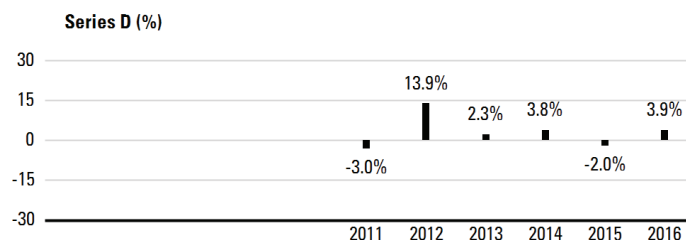
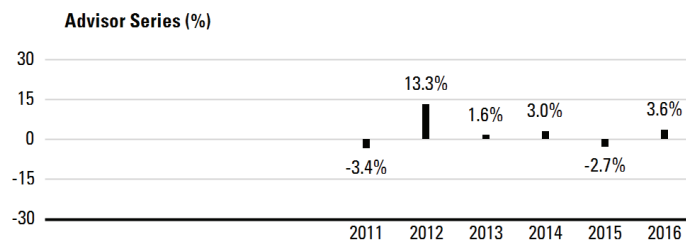
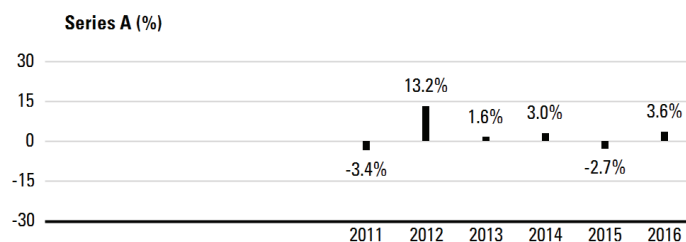


PAST PERFORMANCE

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.



Series I units have been available for sale to unitholders since July 9, 2012, and Series A, Advisor Series, Series D, Series F and Series O units since July 11, 2011.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United States	22.9
Brazil	5.2
United Kingdom	4.4
Indonesia	4.3
South Africa	4.0
Mexico	3.5
Netherlands	2.8
France	2.6
Turkey	2.5
Loans	2.5
Switzerland	2.2
Malaysia	2.0
Canada	1.8
Poland	1.7
Japan	1.6
Russia	1.6
Colombia	1.5
Hungary	1.4
Italy	1.4
Thailand	1.4
Croatia	1.2
Other Countries	18.1
Cash/Other	9.4

Top 25 Holdings

% of Net Asset Value

Long Positions:

Cash & Cash Equivalents	6.8
Republic of South Africa ZAR 10.500% Dec 21 2026	2.5
Republic of Turkey TRY 8.000% Mar 12 2025	2.0
Indonesia Treasury IDR 8.375% Sep 15 2026	1.7
Government of Poland PLN 2.500% Jul 25 2026	1.5
Brazil Notas do Tesouro Nacional Serie F BRL 10.000% Jan 1 2025	1.3
Colombian TES COP 10.000% Jul 24 2024	1.2
Indonesia Treasury IDR 8.375% Mar 15 2024	1.1
Malaysia Government MYR 3.800% Aug 17 2023	1.1
Mexican Bonos MXN 10.000% Dec 5 2024	1.1
Brazil Notas do Tesouro Nacional Serie F BRL 10.000% Jan 1 2021	1.1
Erste Group Bank AG EUR 8.875% Dec 29 2049	0.9
Brazil Notas do Tesouro Nacional Serie F BRL 10.000% Jan 1 2018	0.9
Cooperatieve Rabobank U.A. EUR 6.625% Dec 31 2099	0.9
HD Supply Inc. 7.500% Jul 15 2020	0.8
Thailand Government THB 3.850% Dec 12 2025	0.8
UBS AG USD 5.125% May 15 2024	0.8
HSBC Holdings Plc. USD 6.875% Dec 29 2049	0.8
Hungary Government HUF 5.500% Jun 24 2025	0.7
Zayo Group LLC 6.000% Apr 1 2023	0.6
ESH Hospitality Inc. 5.250% May 1 2025	0.6
Banco Bilbao Vizcaya Argentaria S.A. EUR 8.875% Dec 31 2099	0.6
Great Canadian Gaming Corp. 6.625% Jul 25 2022	0.6
Hungary Government USD 5.750% Nov 22 2023	0.5
Total	30.9

Short Positions:

United States 10-Year Note Future, September 2016	(0.9)
Total Short	(0.9)

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



FIXED-INCOME FUND

BLUEBAY EMERGING MARKETS CORPORATE BOND FUND

June 30, 2016

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

Sub-Advisor: BlueBay Asset Management LLP, London, England

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE (in USD)

Investment Objective and Strategies

The Fund seeks to provide total returns comprised of interest income and modest capital appreciation.

To achieve its objective, the Fund invests primarily in U.S. dollar denominated debt securities of corporations based in emerging market countries. The Fund may also invest in government debt securities of emerging market and developed countries, as well as emerging market sovereign bonds and government debt securities of developed countries in local currencies or in another G7 currency. The sub-advisor conducts detailed company credit and industry analysis to identify opportunities offering a high probability of superior rates of return, while minimizing the risk of default.

Results of Operations

The Fund's net asset value was \$552 million as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 6.7%. 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 any other series, which may vary because of differences in management fees and expenses.

After a shaky start to the year, emerging-market corporate bonds produced overall gains during the first half of 2016. A recovery in commodity prices including oil boosted the performance of commodity-exporting emerging-market economies as well as emerging-market companies in the metals and mining, and the oil and gas sectors. Central banks also provided a supportive backdrop amid concerns about the direction of global growth, with the U.S. Federal Reserve reinforcing its intention to maintain monetary stimulus on fears that too many rate increases too quickly would derail the U.S. economic recovery.

The Fund's returns were held back by its lack of relative exposure to the metals and mining industry. Security selection in the oil and gas industry, as well as the Utilities sector, also had a negative impact on relative returns. The Fund benefited from holdings of U.S. Treasury futures designed to provide the Fund with a level of protection against potential interest-rate increases.

An underweight position in emerging-market companies in the Financials sector also helped performance, as did an underweight position and security selection in the consumer sectors. A further contributor to returns was exposure to Argentina after the government sold bonds internationally for the first time in 15 years. The Fund's holdings in this newly issued sovereign debt and the portfolio's holdings of Argentina-based companies performed well.

Portfolio turnover is normally high for this Fund, as the sub-advisor attempts to generate better returns through active security selection.

Recent Developments

The attempted military coup in Turkey is among the high-profile events to have occurred recently. Looking forward, however, the sub-advisor believes that the bigger risks lie in the developed world. For example, investors have grown complacent about the possibility of U.S. interest-rate hikes, and there is also uncertainty around the presidential election later this year. These risks could affect emerging markets in the second half of 2016.

Effective June 30, 2016, management fees were reduced as follows: from 1.70% to 1.65% for Series A and Advisor Series units; from 1.10% to 1.05% for Series D units; and from 0.95% to 0.90% for Series F units. Also effective June 30, 2016, Series H and Series I units were closed to all investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

BlueBay Asset Management LLP is the sub-advisor and provides investment advice for the Fund.

Distributors

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

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 units of the Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 (in USD)

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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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			
Series A													
June 30, 2016	8.20	0.22	(0.09)	(0.03)	0.45	0.55	(0.15)	—	—	—	(0.15)	8.60	
Dec. 31, 2015	9.35	0.50	(0.19)	(0.45)	(0.15)	(0.29)	(0.33)	—	(0.53)	—	(0.86)	8.20	
Dec. 31, 2014	9.70	0.54	(0.21)	0.03	(0.06)	0.30	(0.35)	—	(0.37)	—	(0.72)	9.35	
Dec. 31, 2013	10.73	0.52	(0.21)	(0.23)	(0.67)	(0.59)	(0.43)	—	(0.04)	—	(0.47)	9.66	
Dec. 31, 2012 ³	10.00 [†]	0.48	(0.21)	0.24	0.53	1.04	(0.23)	—	(0.18)	—	(0.41)	10.73	
Advisor Series													
June 30, 2016	8.18	0.22	(0.09)	(0.03)	0.45	0.55	(0.15)	—	—	—	(0.15)	8.59	
Dec. 31, 2015	9.34	0.50	(0.19)	(0.44)	(0.15)	(0.28)	(0.33)	—	(0.53)	—	(0.86)	8.18	
Dec. 31, 2014	9.71	0.54	(0.21)	0.03	(0.06)	0.30	(0.36)	—	(0.37)	—	(0.73)	9.34	
Dec. 31, 2013	10.72	0.52	(0.21)	(0.23)	(0.67)	(0.59)	(0.42)	—	(0.04)	—	(0.46)	9.67	
Dec. 31, 2012 ³	10.00 [†]	0.48	(0.21)	0.23	0.53	1.03	(0.24)	—	(0.18)	—	(0.42)	10.72	
Series D													
June 30, 2016	8.23	0.22	(0.06)	(0.03)	0.45	0.58	(0.18)	—	—	—	(0.18)	8.63	
Dec. 31, 2015	9.38	0.50	(0.13)	(0.45)	(0.15)	(0.23)	(0.40)	—	(0.53)	—	(0.93)	8.23	
Dec. 31, 2014	9.72	0.54	(0.14)	0.03	(0.06)	0.37	(0.40)	—	(0.37)	—	(0.77)	9.38	
Dec. 31, 2013	10.78	0.53	(0.15)	(0.24)	(0.69)	(0.55)	(0.54)	—	(0.04)	—	(0.58)	9.67	
Dec. 31, 2012 ³	10.00 [†]	0.48	(0.14)	0.23	0.53	1.10	(0.25)	—	(0.18)	—	(0.43)	10.78	
Series F													
June 30, 2016	8.25	0.22	(0.05)	(0.03)	0.45	0.59	(0.18)	—	—	—	(0.18)	8.65	
Dec. 31, 2015	9.41	0.50	(0.12)	(0.45)	(0.15)	(0.22)	(0.42)	—	(0.53)	—	(0.95)	8.25	
Dec. 31, 2014	9.75	0.54	(0.13)	0.03	(0.06)	0.38	(0.41)	—	(0.37)	—	(0.78)	9.41	
Dec. 31, 2013	10.73	0.52	(0.13)	(0.23)	(0.67)	(0.51)	(0.48)	—	(0.04)	—	(0.52)	9.70	
Dec. 31, 2012 ³	10.00 [†]	0.50	(0.13)	0.24	0.55	1.16	(0.31)	—	(0.18)	—	(0.49)	10.73	
Series O													
June 30, 2016	8.25	0.22	(0.01)	(0.03)	0.45	0.63	(0.23)	—	—	—	(0.23)	8.66	
Dec. 31, 2015	9.41	0.50	(0.02)	(0.45)	(0.15)	(0.12)	(0.51)	—	(0.53)	—	(1.04)	8.25	
Dec. 31, 2014	9.72	0.53	(0.02)	0.03	(0.06)	0.48	(0.49)	—	(0.37)	—	(0.86)	9.41	
Dec. 31, 2013	10.68	0.51	(0.02)	(0.23)	(0.67)	(0.41)	(0.56)	—	(0.04)	—	(0.60)	9.68	
Dec. 31, 2012 ³	10.00 [†]	0.52	(0.02)	0.25	0.57	1.32	(0.45)	—	(0.18)	—	(0.63)	10.68	

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From January 30, 2012.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (in USD) (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	8.60	2 892	336	2.07⁴	2.07	247.07	—
Dec. 31, 2015	8.20	2 477	302	2.09	2.09	179.16	—
Dec. 31, 2014	9.35	3 746	401	2.10	2.10	149.67	0.01
Dec. 31, 2013	9.70	6 839	705	2.09	2.09	122.80	—
Dec. 31, 2012 ⁵	10.77	5 696	529	2.16	2.16	115.77	—
Advisor Series							
June 30, 2016	8.59	1 405	164	2.09⁴	2.09	247.07	—
Dec. 31, 2015	8.18	1 579	193	2.08	2.08	179.16	—
Dec. 31, 2014	9.34	2 613	280	2.10	2.10	149.67	0.01
Dec. 31, 2013	9.71	5 238	540	2.09	2.09	122.80	—
Dec. 31, 2012 ⁵	10.76	4 333	403	2.13	2.13	115.77	—
Series D							
June 30, 2016	8.63	1 755	203	1.38⁴	1.38	247.07	—
Dec. 31, 2015	8.23	1 848	225	1.38	1.38	179.16	—
Dec. 31, 2014	9.38	2 231	238	1.38	1.38	149.67	0.01
Dec. 31, 2013	9.72	2 338	241	1.40	1.40	122.80	—
Dec. 31, 2012 ⁵	10.82	4 004	370	1.47	1.47	115.77	—
Series F							
June 30, 2016	8.65	6 747	780	1.24⁴	1.24	247.07	—
Dec. 31, 2015	8.25	5 800	703	1.24	1.24	179.16	—
Dec. 31, 2014	9.41	7 936	843	1.27	1.27	149.67	0.01
Dec. 31, 2013	9.75	10 264	1 053	1.27	1.27	122.80	—
Dec. 31, 2012 ⁵	10.77	7 690	714	1.29	1.29	115.77	—
Series O							
June 30, 2016	8.66	539 149	62 285	0.23	0.23	247.07	—
Dec. 31, 2015	8.25	493 018	59 740	0.23	0.23	179.16	—
Dec. 31, 2014	9.41	501 991	53 325	0.22	0.22	149.67	0.01
Dec. 31, 2013	9.72	390 954	40 202	0.23	0.23	122.80	—
Dec. 31, 2012 ⁵	10.72	274 317	25 583	0.22	0.22	115.77	—

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 2.02%, Advisor Series – 2.04%, Series D – 1.33% and Series F – 1.19%.

⁵ From January 30, 2012.



FINANCIAL HIGHLIGHTS (in USD) (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.65%	44%	56%
Advisor Series	1.65%	44%	56%
Series D	1.05%	14%	86%
Series F	0.90%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

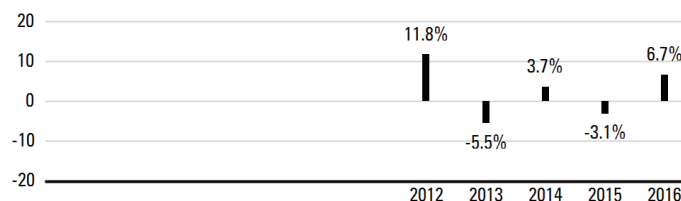
PAST PERFORMANCE (in USD)

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.

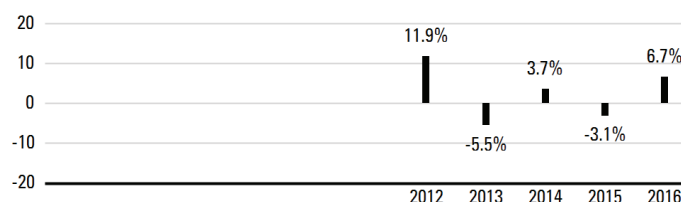
Year-by-Year Returns (%)

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.

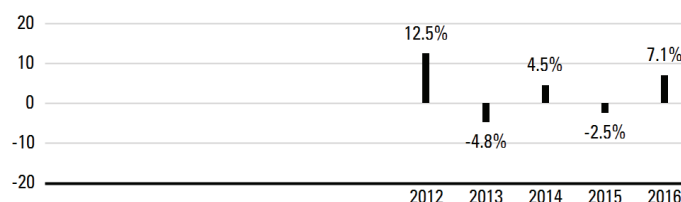
Series A (%)



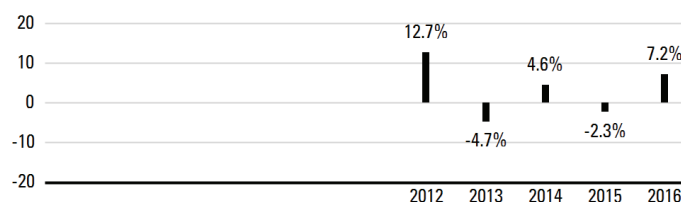
Advisor Series (%)



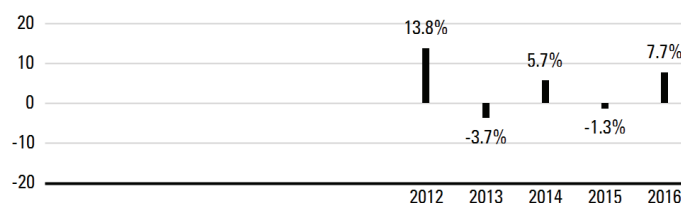
Series D (%)



Series F (%)



Series O (%)



Series A, Advisor Series, Series D, Series F and Series O units have been available for sale to unitholders since January 30, 2012.

Inception dates are not provided for series that have been in existence for more than 10 years. For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO (in USD)

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Brazil	12.2
Russia	7.0
Argentina	6.7
China	6.7
India	4.5
United Arab Emirates	4.2
Chile	4.0
Colombia	4.0
Mexico	3.9
Singapore	3.5
Turkey	3.4
Israel	3.0
Hong Kong	2.4
South Africa	2.1
Malaysia	2.0
Qatar	2.0
Thailand	1.7
Indonesia	1.6
Luxembourg	1.5
Peru	1.5
Other Countries	13.9
Cash/Other	8.2

Top 25 Holdings

	% of Net Asset Value
Cash & Cash Equivalents	7.2
VTR Finance BV USD 6.875% Jan 15 2024	1.6
YPF S.A. USD 8.500% Mar 23 2021	1.6
Cosan Luxembourg S.A. USD 7.000% Jan 20 2027	1.4
YPF S.A. USD 8.875% Dec 19 2018	1.4
Industrial & Commercial Bank of China Ltd. USD 2.905% Nov 13 2020	1.4
Israel Electric Corp. Ltd. USD 5.000% Nov 12 2024	1.3
Sberbank of Russia USD 5.500% Feb 26 2024	1.1
Globo Comunicacao e Participacoes S.A. USD 4.843% Jun 8 2025	1.1
Saudi Electricity Global Sukuk Co. 2 USD 5.060% Apr 8 2043	1.1
Axiata SPV2 Berhad USD 3.466% Nov 19 2020	1.0
Altice Financing S.A. USD 7.500% May 15 2026	1.0
Royal Capital BV USD 5.500% Aug 2 2055	1.0
YPF S.A. USD 8.500% Jul 28 2025	1.0
DP World Ltd. USD 6.850% Jul 2 2037	1.0
Petrobras Global Finance BV USD 2.370% Jan 15 2019	1.0
Bank of China Hong Kong Ltd. USD 5.550% Feb 11 2020	1.0
Krung Thai Bank PCL USD 5.200% Dec 26 2024	1.0
Global Logistic Properties Ltd. USD 3.875% Jun 4 2025	1.0
BBVA Bancomer S.A. USD 6.750% Sep 30 2022	1.0
Centrais Eletricas Brasileiras S.A. USD 5.750% Oct 27 2021	1.0
Ecopetrol S.A. USD 5.875% May 28 2045	0.9
Argentina Bonar USD 7.000% Apr 17 2017	0.9
Otel International Finance Ltd. USD 3.875% Jan 31 2028	0.9
Gazprom PAO USD 4.950% Feb 6 2028	0.9
Top 25 Holdings	33.8

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



FIXED-INCOME FUND

BLUEBAY GLOBAL CONVERTIBLE BOND FUND (CANADA)

June 30, 2016

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

Sub-Advisor: BlueBay Asset Management LLP, London, England

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide total returns consisting of interest income and modest capital appreciation by investing primarily in global convertible bonds issued by entities domiciled or carrying out business activities anywhere in the world.

To achieve the Fund's objectives, the sub-advisor conducts detailed credit and equity analysis to identify investment opportunities offering high probabilities of superior rates of return while minimizing the prospect of default.

Results of Operations

The Fund's net asset value was \$1.2 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 3.9%. 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 any other series, which may vary because of differences in management fees and expenses.

Global risk assets experienced a volatile first half of 2016, dominated by concerns about the direction and sustainability of U.S. and Chinese economic growth, a plunge in oil prices followed by a significant rebound, as well as the shock of the U.K. voting to leave the EU. The uncertainty was partially mitigated by accommodative global central-bank policies.

A position in Mexican cement producer Cemex made gains over the period, contributing to returns. Earnings exceeded expectations as the company continued to focus on making sure that sales were profitable rather than seeking simply to increase the shipment volumes. As a result, free cash flow was stronger than expected, and the stock reacted very positively. A strong contribution came from South African household retailer Steinhoff International, which reported another set of very solid results. The sub-advisor continues to believe that Steinhoff has strong competitive dynamics and that it will continue to gain market share. The holding in U.S. firm Anacor Pharmaceuticals also added to returns.

Renewable energy operator SunEdison had a significant negative impact on returns. The company filed for creditor protection in April after taking on debt to expand rapidly in recent years to become the world's largest solar operator. The position has been sold.

Recent Developments

The U.K.'s decision to leave the EU has created uncertainty on a global scale. The political implications for the U.K. and Europe are currently unclear and a long period of negotiation lies ahead. This period is unlikely to be smooth for investors and the sub-advisor anticipates heightened volatility over the coming months. Economic growth in the U.S. remains steady and the commitment of the U.S. Federal Reserve and the European Central Bank to keep monetary policy accommodative should help support asset prices.

The sub-advisor believes opportunities exist to invest in companies whose prices reflect broad sector concerns rather than their individual prospects. In the view of the sub-advisor, convertible bonds remain well positioned to benefit over the medium term.

Effective June 30, 2016, management fees were reduced as follows: from 1.70% to 1.65% for Series A, Advisor Series, Advisor T5 Series and Series T5 units; from 1.10% to 1.05% for Series D units; and from 0.95% to 0.90% for Series F and Series FT5 units. Also effective June 30, 2016, Series H and Series I units were capped and no longer available for purchase by new investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

BlueBay Asset Management LLP is the sub-advisor and provides investment advice for the Fund.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are principal distributors of, or distribute certain series of the units 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 units.



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 units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016	11.98	0.06	(0.12)	0.15	(0.58)	(0.49)	—	—	—	—	—	11.51	
Dec. 31, 2015	11.66	0.14	(0.25)	(0.09)	0.46	0.26	(0.02)	—	—	—	(0.02)	11.98	
Dec. 31, 2014	11.27	0.20	(0.24)	0.21	0.26	0.43	—	—	(0.14)	—	(0.14)	11.66	
Dec. 31, 2013	10.20	0.25	(0.23)	0.04	1.07	1.13	(0.01)	—	—	—	(0.01)	11.23	
Dec. 31, 2012 ³	10.00 [†]	0.02	(0.02)	0.01	0.18	0.19	—	—	(0.01)	—	(0.01)	10.20	
Advisor Series													
June 30, 2016	11.98	0.05	(0.12)	0.15	(0.58)	(0.50)	—	—	—	—	—	11.51	
Dec. 31, 2015	11.66	0.14	(0.26)	(0.09)	0.46	0.25	(0.02)	—	—	—	(0.02)	11.98	
Dec. 31, 2014	11.27	0.21	(0.24)	0.21	0.27	0.45	—	—	(0.14)	—	(0.14)	11.66	
Dec. 31, 2013	10.20	0.21	(0.24)	0.04	0.91	0.92	(0.01)	—	—	—	(0.01)	11.23	
Dec. 31, 2012 ³	10.00 [†]	0.02	(0.02)	0.01	0.17	0.18	—	—	(0.01)	—	(0.01)	10.20	
Advisor T5 Series													
June 30, 2016	11.13	0.05	(0.12)	0.15	(0.58)	(0.50)	—	—	—	(0.28)	(0.28)	10.41	
Dec. 31, 2015	11.36	0.14	(0.26)	(0.09)	0.46	0.25	—	—	—	(0.57)	(0.57)	11.13	
Dec. 31, 2014 ⁴	11.50 [†]	0.21	(0.24)	0.21	0.27	0.45	—	—	—	(0.43)	(0.43)	11.36	
Series T5													
June 30, 2016	11.12	0.05	(0.11)	0.14	(0.54)	(0.46)	—	—	—	(0.28)	(0.28)	10.40	
Dec. 31, 2015	11.36	0.14	(0.25)	(0.09)	0.43	0.23	—	—	—	(0.57)	(0.57)	11.12	
Dec. 31, 2014 ⁴	11.50 [†]	0.12	(0.17)	0.12	0.16	0.23	—	—	—	(0.43)	(0.43)	11.36	
Series H													
June 30, 2016	12.05	0.06	(0.11)	0.15	(0.59)	(0.49)	—	—	—	—	—	11.59	
Dec. 31, 2015	11.70	0.15	(0.22)	(0.09)	0.46	0.30	(0.02)	—	—	—	(0.02)	12.05	
Dec. 31, 2014	11.29	0.21	(0.21)	0.21	0.27	0.48	(0.01)	—	(0.14)	—	(0.15)	11.70	
Dec. 31, 2013	10.19	0.27	(0.20)	0.05	1.14	1.26	(0.02)	—	—	—	(0.02)	11.25	
Dec. 31, 2012 ³	10.00 [†]	0.02	(0.02)	0.01	0.19	0.20	(0.01)	—	(0.01)	—	(0.02)	10.19	
Series D													
June 30, 2016	12.11	0.06	(0.08)	0.15	(0.59)	(0.46)	—	—	—	—	—	11.67	
Dec. 31, 2015	11.72	0.14	(0.17)	(0.09)	0.46	0.34	(0.04)	—	—	—	(0.04)	12.11	
Dec. 31, 2014	11.29	0.21	(0.16)	0.21	0.27	0.53	(0.04)	—	(0.14)	—	(0.18)	11.72	
Dec. 31, 2013	10.20	0.27	(0.15)	0.05	1.14	1.31	(0.06)	—	—	—	(0.06)	11.25	
Dec. 31, 2012 ³	10.00 [†]	0.02	(0.02)	0.01	0.18	0.19	(0.01)	—	(0.01)	—	(0.02)	10.20	



FINANCIAL HIGHLIGHTS (cont.)

Change in Net Assets Per Unit (\$) (cont.)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					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	Total	
Series F												
June 30, 2016	12.15	0.06	(0.07)	0.15	(0.59)	(0.45)	—	—	—	—	—	11.72
Dec. 31, 2015	11.75	0.14	(0.16)	(0.09)	0.46	0.35	(0.04)	—	—	—	(0.04)	12.15
Dec. 31, 2014	11.31	0.21	(0.15)	0.21	0.27	0.54	(0.05)	—	(0.14)	—	(0.19)	11.75
Dec. 31, 2013	10.20	0.20	(0.14)	0.03	0.84	0.93	(0.06)	—	—	—	(0.06)	11.28
Dec. 31, 2012 ³	10.00 [†]	0.02	(0.01)	0.01	0.18	0.20	(0.01)	—	(0.01)	—	(0.02)	10.20
Series FT5												
June 30, 2016	11.36	0.05	(0.07)	0.14	(0.55)	(0.43)	—	—	—	(0.29)	(0.29)	10.67
Dec. 31, 2015	11.49	0.13	(0.14)	(0.09)	0.43	0.33	—	—	—	(0.58)	(0.58)	11.36
Dec. 31, 2014 ⁴	11.56 [†]	0.12	(0.10)	0.12	0.16	0.30	(0.03)	—	—	(0.40)	(0.43)	11.49
Series I												
June 30, 2016	12.20	0.06	(0.06)	0.15	(0.60)	(0.45)	—	—	—	—	—	11.78
Dec. 31, 2015	11.77	0.15	(0.12)	(0.09)	0.46	0.40	(0.05)	—	—	—	(0.05)	12.20
Dec. 31, 2014	11.33	0.21	(0.12)	0.21	0.27	0.57	(0.08)	—	(0.14)	—	(0.22)	11.77
Dec. 31, 2013	10.20	0.20	(0.11)	0.04	0.86	0.99	(0.07)	—	—	—	(0.07)	11.30
Dec. 31, 2012 ³	10.00 [†]	0.02	(0.01)	0.01	0.19	0.21	(0.01)	—	(0.01)	—	(0.02)	10.20
Series O												
June 30, 2016	12.30	0.06	(0.01)	0.15	(0.60)	(0.40)	—	—	—	—	—	11.92
Dec. 31, 2015	11.80	0.15	(0.03)	(0.10)	0.47	0.49	(0.08)	—	—	—	(0.08)	12.30
Dec. 31, 2014	11.33	0.21	(0.03)	0.21	0.27	0.66	(0.15)	—	(0.14)	—	(0.29)	11.80
Dec. 31, 2013	10.20	0.24	(0.02)	0.04	1.04	1.30	(0.15)	—	—	—	(0.15)	11.30
Dec. 31, 2012 ³	10.00 [†]	0.02	—	0.01	0.19	0.22	(0.02)	—	(0.01)	—	(0.03)	10.20

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From November 26, 2012.

⁴ From April 21, 2014.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	11.51	65 138	5 658	2.08⁴	2.08	88.01	0.01
Dec. 31, 2015	11.98	75 067	6 264	2.09	2.09	108.75	0.06
Dec. 31, 2014	11.66	62 201	5 335	2.10	2.10	126.60	0.02
Dec. 31, 2013	11.27	22 401	1 988	2.13	2.13	161.42	—
Dec. 31, 2012 ⁵	10.24	955	93	2.15	2.15	1.44	—
Advisor Series							
June 30, 2016	11.51	138 075	12 001	2.11⁴	2.11	88.01	0.01
Dec. 31, 2015	11.98	179 667	14 999	2.10	2.10	108.75	0.06
Dec. 31, 2014	11.66	180 624	15 497	2.11	2.11	126.60	0.02
Dec. 31, 2013	11.27	99 309	8 815	2.16	2.16	161.42	—
Dec. 31, 2012 ⁵	10.24	2 103	205	2.15	2.15	1.44	—
Advisor T5 Series							
June 30, 2016	10.41	2 524	242	2.07⁴	2.07	88.01	0.01
Dec. 31, 2015	11.13	2 609	235	2.09	2.09	108.75	0.06
Dec. 31, 2014 ⁶	11.36	1 028	91	2.09	2.09	126.60	0.02
Series T5							
June 30, 2016	10.40	563	54	2.12⁴	2.12	88.01	0.01
Dec. 31, 2015	11.12	1 069	96	2.15	2.15	108.75	0.06
Dec. 31, 2014 ⁶	11.36	708	62	2.16	2.16	126.60	0.02
Series H							
June 30, 2016	11.59	13 562	1 170	1.83	1.83	88.01	0.01
Dec. 31, 2015	12.05	13 836	1 148	1.82	1.82	108.75	0.06
Dec. 31, 2014	11.70	15 991	1 366	1.84	1.84	126.60	0.02
Dec. 31, 2013	11.29	8 695	770	1.88	1.88	161.42	—
Dec. 31, 2012 ⁵	10.24	530	52	1.86	1.86	1.44	—
Series D							
June 30, 2016	11.67	5 233	448	1.41⁴	1.41	88.01	0.01
Dec. 31, 2015	12.11	6 412	529	1.41	1.41	108.75	0.06
Dec. 31, 2014	11.72	5 075	433	1.41	1.41	126.60	0.02
Dec. 31, 2013	11.29	2 333	207	1.42	1.42	161.42	—
Dec. 31, 2012 ⁵	10.24	290	28	1.47	1.47	1.44	—
Series F							
June 30, 2016	11.72	292 725	24 972	1.27⁴	1.27	88.01	0.01
Dec. 31, 2015	12.15	345 899	28 460	1.28	1.28	108.75	0.06
Dec. 31, 2014	11.75	245 520	20 891	1.28	1.28	126.60	0.02
Dec. 31, 2013	11.31	104 248	9 214	1.28	1.28	161.42	—
Dec. 31, 2012 ⁵	10.25	1 281	125	1.30	1.30	1.44	—
Series FT5							
June 30, 2016	10.67	6 796	637	1.26⁴	1.26	88.01	0.01
Dec. 31, 2015	11.36	6 573	579	1.22	1.22	108.75	0.06
Dec. 31, 2014 ⁶	11.49	1 277	111	1.24	1.24	126.60	0.02
Series I							
June 30, 2016	11.78	72 574	6 159	0.99	0.99	88.01	0.01
Dec. 31, 2015	12.20	79 878	6 548	1.00	1.00	108.75	0.06
Dec. 31, 2014	11.77	63 395	5 385	1.01	1.01	126.60	0.02
Dec. 31, 2013	11.33	39 792	3 511	0.98	0.98	161.42	—
Dec. 31, 2012 ⁵	10.25	407	40	1.02	1.02	1.44	—



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data (cont.)

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series O							
June 30, 2016	11.92	603 515	50 622	0.22	0.22	88.01	0.01
Dec. 31, 2015	12.30	651 563	52 987	0.22	0.22	108.75	0.06
Dec. 31, 2014	11.80	495 425	41 995	0.22	0.22	126.60	0.02
Dec. 31, 2013	11.33	192 259	16 966	0.22	0.22	161.42	—
Dec. 31, 2012 ⁵	10.24	20 319	1 983	0.23	0.23	1.44	—

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 2.03%, Advisor Series – 2.05%, Advisor T5 Series – 2.02%, Series T5 – 2.06%, Series D – 1.35%, Series F – 1.22% and Series FT5 – 1.21%.

⁵ From November 26, 2012.

⁶ From April 21, 2014.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund.

Management fees of each series of the Fund are calculated at 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	1.65%	44%	56%
Advisor Series	1.65%	44%	56%
Advisor T5 Series	1.65%	44%	56%
Series T5	1.65%	44%	56%
Series H	1.45%	52%	48%
Series D	1.05%	14%	86%
Series F	0.90%	—	100%
Series FT5	0.90%	—	100%
Series I	0.70%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

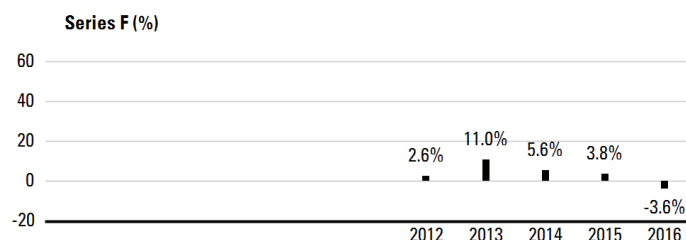
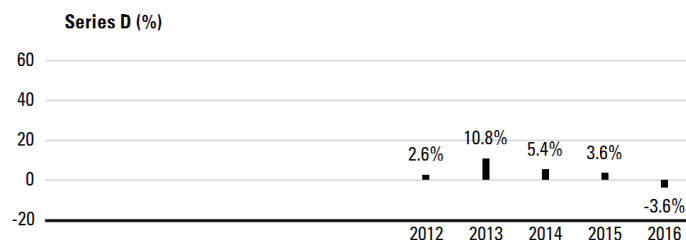
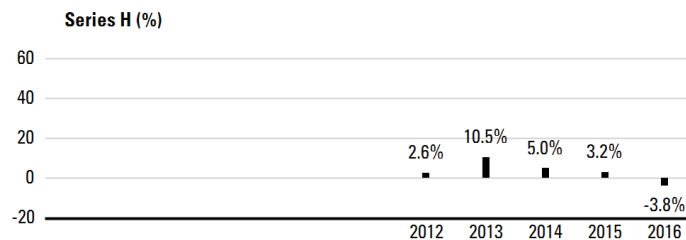
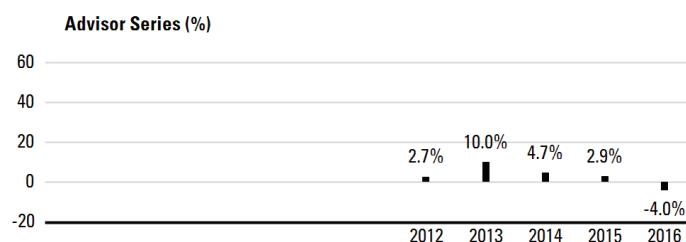
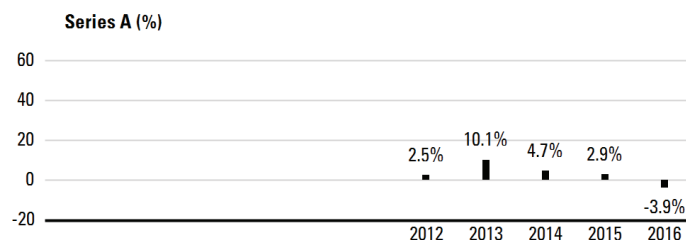


PAST PERFORMANCE

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.

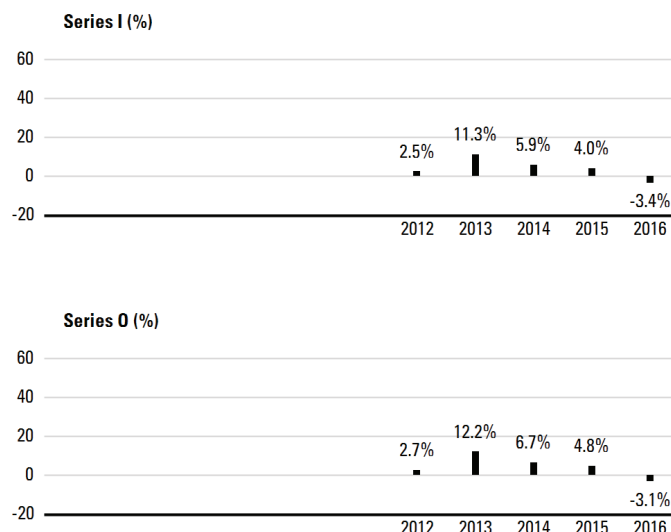
Year-by-Year Returns (%)

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.





PAST PERFORMANCE (cont.)



Advisor T5 Series, Series T5 and Series FT5 units have been available for sale to unitholders since April 21, 2014, and Series A, Advisor Series, Series H, Series D, Series F, Series I and Series O units since November 26, 2012.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United States	25.0
Japan	16.4
China	5.7
France	5.3
United Kingdom	5.1
Hong Kong	4.0
Mexico	4.0
South Africa	3.8
Germany	3.7
Netherlands	2.9
Malaysia	2.8
Norway	2.2
Taiwan	1.9
Singapore	1.4
Italy	1.1
United Arab Emirates	1.0
Australia	1.0
Other Countries	4.0
Cash/Other	8.7

Top 25 Holdings

	% of Net Asset Value
Cash & Cash Equivalents	7.1
Steinhoff Finance Holdings GmbH, Convertible EUR 1.250% Oct 21 2023	3.3
America Movil S.A.B. de C.V., Convertible EUR 0.000% May 28 2020	3.0
Siemens Financieringsmaatschappij N.V., Convertible USD 1.050% Aug 16 2017	2.4
Microchip Technology Inc., Convertible 1.625% Feb 15 2025	2.3
Salesforce.com Inc., Convertible 0.250% Apr 1 2018	2.0
Cahaya Capital Ltd., Convertible USD 0.000% Sep 18 2021	1.9
Kansai Paint Co. Ltd., Convertible JPY 0.000% Jun 17 2022	1.9
Citrix Systems Inc., Convertible 0.500% Apr 15 2019	1.8
Airbus Group SE, Convertible EUR 0.000% Jun 14 2021	1.7
Yahoo! Inc., Convertible 0.000% Dec 1 2018	1.6
China Overseas Finance Investment Cayman V Ltd., Convertible USD 0.000% Jan 5 2023	1.4
Tesla Motors Inc., Convertible 1.250% Jan 3 2021	1.4
NXP Semiconductors N.V., Convertible USD 1.000% Dec 1 2019	1.4
United Microelectronics Corp., Convertible USD 0.000% May 18 2020	1.4
CapitaLand Ltd., Convertible SGD 2.800% Jun 8 2025	1.4
TOTAL S.A., Convertible USD 0.500% Dec 2 2022	1.3
Marine Harvest ASA, Convertible EUR 0.125% Nov 5 2020	1.1
Suzuki Motor Corp., Convertible JPY 0.000% Mar 31 2023	1.1
Sony Corp., Convertible JPY 0.000% Sep 30 2022	1.1
Suzuki Motor Corp., Convertible JPY 0.000% Mar 31 2021	1.1
Herbalife Ltd., Convertible USD 2.000% Aug 15 2019	1.1
Kawasaki Kisen Kaisha Ltd., Convertible JPY 0.000% Sep 26 2018	1.1
Semiconductor Manufacturing International Corp., Convertible USD 0.000% Jul 7 2022	1.0
Yamada Denki Co. Ltd., Convertible JPY 0.000% Jun 28 2019	1.0
Top 25 Holdings	45.9

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



FIXED-INCOME FUND

**BLUEBAY \$U.S. GLOBAL CONVERTIBLE
BOND FUND (CANADA)**

June 30, 2016

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

Sub-Advisor: BlueBay Asset Management LLP, London, England

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE (in USD)

Investment Objective and Strategies

The Fund seeks to provide U.S. dollar total returns consisting of interest income and modest capital appreciation by investing primarily in global convertible bonds issued by entities domiciled or carrying out business activities anywhere in the world.

To achieve the Fund's objectives, the sub-advisor conducts detailed credit and equity analysis to identify investment opportunities offering high probabilities of superior rates of return while minimizing the prospect of default.

Results of Operations

The Fund's net asset value was \$32 million as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 2.5%. 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 any other series, which may vary because of differences in management fees and expenses.

Global risk assets experienced a volatile first half of 2016, dominated by concerns about the direction and sustainability of U.S. and Chinese economic growth, a plunge in oil prices followed by a significant rebound, as well as the shock of the U.K. voting to leave the EU. The uncertainty was partially mitigated by accommodative global central-bank policies.

A position in Mexican cement producer Cemex gained. Earnings exceeded expectations as the company continued to focus on making sure that sales were profitable rather than seeking simply to increase the shipment volumes. As a result, free cash flow was stronger than expected, and the stock reacted very positively. A strong contribution came from South African household retailer Steinhoff International, which reported another set of very solid results. The sub-advisor continues to believe that Steinhoff has strong competitive dynamics and that it will continue to gain market share. The holding in U.S. firm Anacor Pharmaceuticals also added to returns.

Renewable energy operator SunEdison had a significant negative impact on returns. The company filed for creditor protection in April after taking on debt to expand rapidly in recent years to become the world's largest solar operator. The position has been sold.

Recent Developments

The U.K.'s decision to leave the EU has created uncertainty on a global scale. The political implications for the U.K. and Europe are currently unclear and a long period of negotiation lies ahead. This period is unlikely to be smooth for investors and the sub-advisor anticipates heightened volatility over the coming months. Economic growth in the U.S. remains steady and the commitment of the U.S. Federal Reserve and the European Central Bank to keep monetary policy accommodative should help support asset prices.

The sub-advisor believes opportunities exist to invest in companies whose prices reflect broad sector concerns rather than their individual prospects. In the view of the sub-advisor, convertible bonds remain well positioned to benefit over the medium term.

Effective June 30, 2016, management fees were reduced as follows: from 1.70% to 1.65% for Series A, Advisor Series, Advisor T5 Series and Series T5 units; from 1.10% to 1.05% for Series D units; and from 0.95% to 0.90% for Series F and Series FT5 units. Also effective June 30, 2016, Series H and Series I units were closed to all investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

BlueBay Asset Management LLP is the sub-advisor and provides investment advice for the Fund.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are principal distributors of, or distribute certain series of the units 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 and Series D units.



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 units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 (in USD)

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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	9.75	0.01	(0.10)	(0.29)	0.15	(0.23)	—	—	—	—	—	9.51
Dec. 31, 2015 ³	10.00 [†]	0.01	(0.14)	0.21	(0.27)	(0.19)	—	—	—	—	—	9.75
Advisor Series												
June 30, 2016	9.75	0.01	(0.10)	(0.29)	0.15	(0.23)	—	—	—	—	—	9.51
Dec. 31, 2015 ³	10.00 [†]	0.01	(0.14)	0.19	(0.25)	(0.19)	—	—	—	—	—	9.75
Advisor T5 Series												
June 30, 2016	9.38	0.01	(0.10)	(0.29)	0.15	(0.23)	(0.23)	—	—	—	(0.23)	8.91
Dec. 31, 2015 ³	10.00 [†]	0.01	(0.14)	0.19	(0.25)	(0.19)	(0.38)	—	—	—	(0.38)	9.38
Series T5												
June 30, 2016	9.38	0.01	(0.09)	(0.27)	0.14	(0.21)	(0.23)	—	—	—	(0.23)	8.91
Dec. 31, 2015 ³	10.00 [†]	0.01	(0.15)	0.23	(0.30)	(0.21)	(0.38)	—	—	—	(0.38)	9.38
Series D												
June 30, 2016	9.79	0.01	(0.07)	(0.29)	0.15	(0.20)	—	—	—	—	—	9.57
Dec. 31, 2015 ³	10.00 [†]	0.01	(0.09)	0.17	(0.23)	(0.14)	(0.01)	—	—	—	(0.01)	9.79
Series F												
June 30, 2016	9.80	0.01	(0.06)	(0.29)	0.15	(0.19)	—	—	—	—	—	9.59
Dec. 31, 2015 ³	10.00 [†]	0.01	(0.09)	0.19	(0.25)	(0.14)	(0.01)	—	—	—	(0.01)	9.80
Series FT5												
June 30, 2016	9.43	0.01	(0.05)	(0.27)	0.14	(0.17)	(0.24)	—	—	—	(0.24)	8.99
Dec. 31, 2015 ³	10.00 [†]	0.01	(0.10)	0.19	(0.24)	(0.14)	(0.38)	—	—	—	(0.38)	9.43
Series O												
June 30, 2016	9.84	0.01	(0.01)	(0.29)	0.15	(0.14)	—	—	—	—	—	9.68
Dec. 31, 2015 ³	10.00 [†]	0.01	(0.02)	0.22	(0.29)	(0.08)	(0.04)	—	—	—	(0.04)	9.84

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From March 19, 2015.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (in USD) (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	9.51	1 101	116	2.02⁴	2.03	79.45	0.01
Dec. 31, 2015 ⁵	9.75	644	66	2.02	2.03	39.32	0.03
Advisor Series							
June 30, 2016	9.51	449	47	2.05⁴	2.06	79.45	0.01
Dec. 31, 2015 ⁵	9.75	728	75	2.03	2.04	39.32	0.03
Advisor T5 Series							
June 30, 2016	8.91	1	—	1.98⁴	1.99	79.45	0.01
Dec. 31, 2015 ⁵	9.38	1	—	2.00	2.01	39.32	0.03
Series T5							
June 30, 2016	8.91	1	—	1.98⁴	1.99	79.45	0.01
Dec. 31, 2015 ⁵	9.38	1	—	2.00	2.01	39.32	0.03
Series D							
June 30, 2016	9.57	22	2	1.47⁴	1.48	79.45	0.01
Dec. 31, 2015 ⁵	9.79	22	2	1.37	1.38	39.32	0.03
Series F							
June 30, 2016	9.59	7 264	758	1.24⁴	1.25	79.45	0.01
Dec. 31, 2015 ⁵	9.80	2 983	304	1.26	1.27	39.32	0.03
Series FT5							
June 30, 2016	8.99	75	8	1.19⁴	1.20	79.45	0.01
Dec. 31, 2015 ⁵	9.43	26	3	1.21	1.22	39.32	0.03
Series O							
June 30, 2016	9.68	23 502	2 428	0.22	0.23	79.45	0.01
Dec. 31, 2015 ⁵	9.84	21 236	2 157	0.22	0.23	39.32	0.03

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 1.97%, Advisor Series – 1.99%, Advisor T5 Series – 1.94%, Series T5 – 1.94, Series D – 1.41%, Series F – 1.20% and Series FT5 – 1.16%.

⁵ From March 19, 2015.



FINANCIAL HIGHLIGHTS (in USD) (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.65%	44%	56%
Advisor Series	1.65%	44%	56%
Advisor T5 Series	1.65%	44%	56%
Series T5	1.65%	44%	56%
Series D	1.05%	14%	86%
Series F	0.90%	—	100%
Series FT5	0.90%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

PAST PERFORMANCE (in USD)

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.



Advisor Series (%)



Advisor T5 Series (%)



Series T5 (%)



Series D (%)

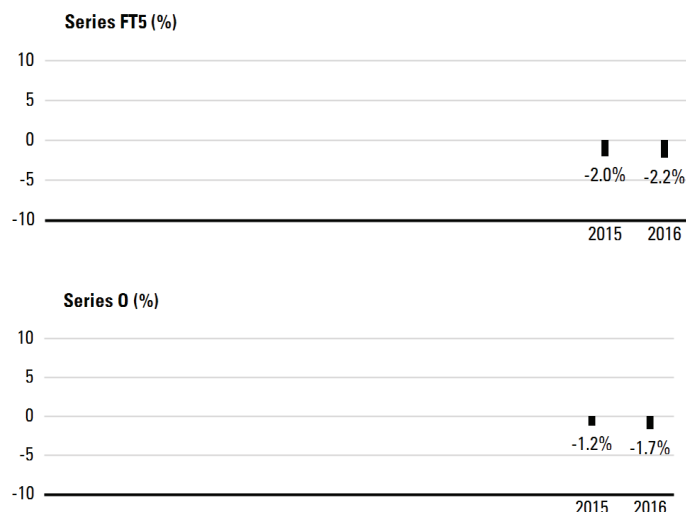


Series F (%)





PAST PERFORMANCE (in USD) (cont.)



Series A, Advisor Series, Advisor T5 Series, Series T5, Series D, Series F, Series FT5 and Series O units have been available for sale to unitholders since April 20, 2015.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO (in USD)

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United States	24.4
Japan	17.2
China	6.5
France	5.5
Taiwan	5.3
Germany	4.2
Hong Kong	4.0
Mexico	4.0
United Kingdom	3.9
South Africa	3.3
Malaysia	2.9
Netherlands	1.9
Norway	1.9
Singapore	1.6
Philippines	1.3
Other Countries	5.4
Cash/Other	6.7

Top 25 Holdings

	% of Net Asset Value
Cash & Cash Equivalents	5.9
Steinhardt Finance Holdings GmbH, Convertible EUR 1.250% Oct 21 2023	3.3
Siemens Financieringsmaatschappij N.V., Convertible USD 1.050% Aug 16 2017	3.2
America Movil S.A.B. de C.V., Convertible EUR 0.000% May 28 2020	3.1
United States Treasury 1.000% Sep 30 2016	2.5
Cahaya Capital Ltd., Convertible USD 0.000% Sep 18 2021	2.3
Microchip Technology Inc., Convertible 1.625% Feb 15 2025	2.2
Salesforce.com Inc., Convertible 0.250% Apr 1 2018	2.0
Tesla Motors Inc., Convertible 1.250% Jan 3 2021	1.9
China Overseas Finance Investment Cayman V Ltd., Convertible USD 0.000% Jan 5 2023	1.9
Kansai Paint Co. Ltd., Convertible JPY 0.000% Jun 17 2022	1.8
Airbus Group SE, Convertible EUR 0.000% Jun 14 2021	1.8
Citrix Systems Inc., Convertible 0.500% Apr 15 2019	1.7
United Microelectronics Corp., Convertible USD 0.000% May 18 2020	1.7
CapitaLand Ltd., Convertible SGD 2.800% Jun 8 2025	1.7
Yahoo! Inc., Convertible 0.000% Dec 1 2018	1.6
Siliconware Precision Industries Co., Convertible USD 0.000% Oct 31 2019	1.6
Terumo Corp., Convertible JPY 0.000% Dec 6 2021	1.5
AYC Finance Ltd., Convertible USD 0.500% May 2 2019	1.3
Ctrip.com International Ltd., Convertible USD 1.250% Oct 15 2018	1.3
TOTAL S.A., Convertible USD 0.500% Dec 2 2022	1.3
Suzuki Motor Corp., Convertible JPY 0.000% Mar 31 2023	1.3
Suzuki Motor Corp., Convertible JPY 0.000% Mar 31 2021	1.2
NXP Semiconductors N.V., Convertible USD 1.000% Dec 1 2019	1.2
Marine Harvest ASA, Convertible EUR 0.125% Nov 5 2020	1.1
Top 25 Holdings	50.4

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.



MANAGED PAYOUT SOLUTION

RBC MANAGED PAYOUT SOLUTION

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide relatively high, regular monthly distributions that are comparatively tax efficient with a potential for modest capital appreciation by investing primarily in units of other funds managed by RBC GAM or an affiliate of RBC GAM (called “underlying funds”).

The decision to invest in an underlying fund is based on the portfolio manager’s assessment of the market outlook and the underlying fund’s ability to help the Fund meet its stated investment objectives. Distributions should come primarily from interest income but will also consist of dividends, capital gains and return of capital.

The Fund’s target weightings for each asset class are 75% for fixed income and 25% for equities. The actual allocation to each asset class will not be more than 15% above or below its target weighting.

Results of Operations

The Fund’s net asset value was \$3.8 billion as of June 30, 2016.

Over the past six months, the Fund’s Series A units gained 4.0%. 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 any other series, which may vary because of differences in management fees and expenses.

The Fund made monthly distributions of 3.75 cents per Series A unit in the first half of 2016.

U.S. economic growth continued to lead the world’s developed markets, while growth in Japan and in much of Europe and emerging markets continued to disappoint. Signs of significantly slower global economic growth appeared early in January 2016, leading to sharp financial-market declines in the first few weeks of the year. Oil prices followed growth expectations lower and by February had touched the lowest level in more than a decade, depressed in part by a surge in supply relative to demand. Oil prices and financial markets recovered somewhat beginning in February, and the rebound continued for much of the first quarter. In the second half of the period, the debate leading up to the U.K.’s eventual decision to exit the EU (“Brexit”) largely replaced growth concerns as the main driver of markets.

The Fund’s overweight position in equities and underweight position in fixed income were negative for performance. Government-bond yields in the U.S., Japan, Germany and Canada fell to record lows during the period amid Brexit concerns, leading to gains for investors as bond prices rose. Prices of non-government bonds also increased, with high-yield bonds performing particularly well following the oil-price rebound. Among fixed-income investments in the portfolio, the RBC Global Corporate Bond Fund and the RBC Bond Fund contributed positively to returns.

North American equities posted gains during the period led by Canadian markets, which benefited from the rebound in commodity prices. U.S. equities had gains in the low single digits, while Brexit worries resulted in losses for markets in Europe and Asia. The Phillips, Hager & North Canadian Income Fund and the equity portion of the RBC Monthly Income Fund had a positive impact on performance, while the RBC QUBE U.S. Equity Fund had a negative effect on returns.

Recent Developments

The portfolio manager’s core scenario contemplates sluggish global economic growth and low inflation, and the threats to the forecast appear tilted to the downside. Negative interest rates and full-fledged quantitative-easing programs are now in force in the Eurozone and Japan, and the Bank of England may cut interest rates in response to Brexit. The U.S. Federal Reserve, meanwhile, is likely to push ahead with rate hikes, although the timing is uncertain and data-dependent. While interest rates are at unusually low levels, the path to higher yields will likely be gradual and stretched over a very long period given current and forecast economic conditions. The Fund remains underweight bonds as even a small increase in yields could lead to negative total returns. The bulk of recent equity-market gains have been delivered through expanding valuations, so profit growth is, in the view of the portfolio manager, now critical to keeping the bull market alive. Total-return prospects continue to favour equities over bonds, so the Fund remains overweight stocks.

Effective June 30, 2016, the management fee in respect of Series F units of the Fund is a fixed fee, and the MER of Series F units comprises: (a) the management fee, (b) the administration fee (including that of the underlying funds in which the Fund invests), (c) taxes and (d) other fund costs.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager, trustee and portfolio manager 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, provides investment advice and portfolio management services to the Fund and appoints distributors for 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. and RBC Dominion Securities Inc. are principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients’ Series A and Advisor Series units.



Custodian

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

Registrars

Royal Bank and RBC IS are the registrars of the Fund and keep records of who owns the units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	8.97	0.14	(0.07)	0.02	0.26	0.35	(0.23)	—	—	—	(0.23)	9.09
Dec. 31, 2015	9.49	0.31	(0.15)	0.23	(0.45)	(0.06)	(0.08)	(0.07)	(0.21)	(0.11)	(0.47)	8.97
Dec. 31, 2014	9.35	0.31	(0.15)	0.27	0.17	0.60	(0.08)	(0.07)	(0.19)	(0.13)	(0.47)	9.49
Dec. 31, 2013	9.43	0.36	(0.15)	0.09	0.09	0.39	(0.09)	(0.07)	(0.05)	(0.26)	(0.47)	9.35
Dec. 31, 2012	9.37	0.39	(0.15)	0.02	0.27	0.53	(0.09)	(0.07)	(0.03)	(0.28)	(0.47)	9.43
Dec. 31, 2011	9.54	0.30	(0.14)	0.03	0.12	0.31	(0.07)	(0.06)	(0.02)	(0.32)	(0.47)	9.37
Advisor Series												
June 30, 2016	8.97	0.14	(0.07)	0.02	0.26	0.35	(0.23)	—	—	—	(0.23)	9.10
Dec. 31, 2015	9.49	0.31	(0.15)	0.23	(0.45)	(0.06)	(0.08)	(0.07)	(0.21)	(0.11)	(0.47)	8.97
Dec. 31, 2014	9.35	0.31	(0.15)	0.27	0.17	0.60	(0.08)	(0.07)	(0.19)	(0.13)	(0.47)	9.49
Dec. 31, 2013	9.42	0.36	(0.15)	0.09	0.09	0.39	(0.10)	(0.07)	(0.05)	(0.25)	(0.47)	9.35
Dec. 31, 2012	9.36	0.39	(0.15)	0.02	0.27	0.53	(0.09)	(0.07)	(0.03)	(0.28)	(0.47)	9.42
Dec. 31, 2011	9.54	0.30	(0.14)	0.03	0.12	0.31	(0.07)	(0.06)	(0.02)	(0.32)	(0.47)	9.36
Series F												
June 30, 2016	9.59	0.15	(0.03)	0.02	0.27	0.41	(0.24)	—	—	—	(0.24)	9.77
Dec. 31, 2015	10.06	0.33	(0.07)	0.25	(0.48)	0.03	(0.08)	(0.08)	(0.22)	(0.12)	(0.50)	9.59
Dec. 31, 2014	9.82	0.32	(0.07)	0.29	0.18	0.72	(0.08)	(0.07)	(0.20)	(0.14)	(0.49)	10.06
Dec. 31, 2013	9.82	0.37	(0.07)	0.09	0.09	0.48	(0.10)	(0.07)	(0.05)	(0.27)	(0.49)	9.82
Dec. 31, 2012	9.67	0.40	(0.07)	0.03	0.28	0.64	(0.09)	(0.07)	(0.03)	(0.29)	(0.48)	9.82
Dec. 31, 2011	9.76	0.30	(0.07)	0.03	0.12	0.38	(0.08)	(0.06)	(0.02)	(0.33)	(0.49)	9.67

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	9.09	3 688 128	405 520	1.63	1.63	5.83	—
Dec. 31, 2015	8.97	3 896 066	434 539	1.63	1.63	16.69	0.05
Dec. 31, 2014	9.49	4 203 115	442 864	1.63	1.63	24.84	0.04
Dec. 31, 2013	9.35	3 797 151	406 197	1.63	1.63	11.46	0.02
Dec. 31, 2012	9.43	3 257 210	345 338	1.62	1.62	8.59	0.02
Dec. 31, 2011	9.37	2 308 706	246 331	1.62	1.62	11.96	0.02
Advisor Series							
June 30, 2016	9.10	35 247	3 874	1.62	1.62	5.83	—
Dec. 31, 2015	8.97	34 598	3 858	1.61	1.61	16.69	0.05
Dec. 31, 2014	9.49	42 609	4 489	1.61	1.61	24.84	0.04
Dec. 31, 2013	9.35	39 131	4 187	1.62	1.62	11.46	0.02
Dec. 31, 2012	9.42	34 305	3 640	1.62	1.62	8.59	0.02
Dec. 31, 2011	9.36	22 218	2 373	1.61	1.61	11.96	0.02
Series F							
June 30, 2016	9.77	44 034	4 505	0.72	0.72	5.83	—
Dec. 31, 2015	9.59	40 805	4 254	0.73	0.73	16.69	0.05
Dec. 31, 2014	10.06	27 427	2 726	0.73	0.73	24.84	0.04
Dec. 31, 2013	9.82	14 996	1 527	0.74	0.74	11.46	0.02
Dec. 31, 2012	9.82	9 533	971	0.73	0.73	8.59	0.02
Dec. 31, 2011	9.67	7 820	809	0.75	0.75	11.96	0.02

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

² The 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 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. The portfolio turnover rate is not applicable to money market funds.

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



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. The management fee payable in respect of each of Series A and Advisor Series units 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 of Series A and Advisor Series units 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.

Effective June 30, 2016, the management fee payable in respect of Series F units of the Fund is a fixed fee and the MER of Series F units comprises the management fee, administration fee, taxes, other fund costs and any fees and expenses of the underlying funds.

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

	Management Fees* [†]	Breakdown of Services	
		Distribution	Other [‡]
Series A	1.40%	54%	46%
Advisor Series	1.40%	54%	46%
Series F	0.60%	—	100%

* Management fees for Series A and Advisor Series units represent the actual average management fee rate for the period ended June 30, 2016.

[†] Effective June 30, 2016, the management fee for Series F units is a fixed rate of 0.60%, which is unchanged from the previous variable rate of 0.60%.

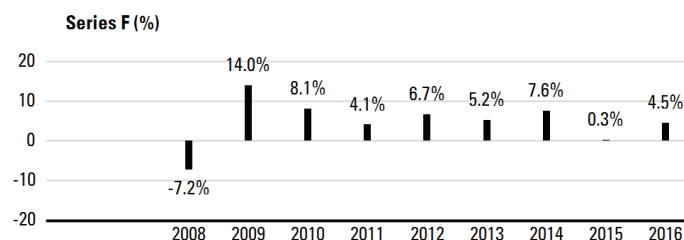
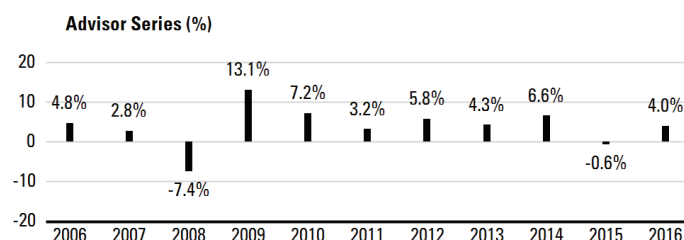
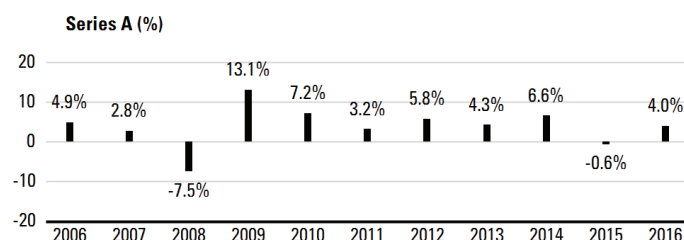
[‡] Includes all costs related to management, trustee, investment advisory services, general administration and profit.

PAST PERFORMANCE

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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.



Series F units have been available for sale to unitholders since July 2, 2008.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Income Funds	83.5
Canadian Equity Funds	7.5
United States Equity Funds	7.3
Cash/Other	1.7

Top 25 Holdings*

	% of Net Asset Value
RBC Bond Fund	20.0
RBC Global Corporate Bond Fund	18.6
RBC Canadian Short-Term Income Fund	16.7
RBC Monthly Income Fund	15.2
Phillips, Hager & North Canadian Income Fund	8.1
RBC Canadian Dividend Fund	7.5
RBC Global High Yield Bond Fund	4.8
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	3.7
RBC QUBE U.S. Equity Fund	3.6
Cash & Cash Equivalents	1.8
Total	100.0

* 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.

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



MANAGED PAYOUT SOLUTION

**RBC MANAGED PAYOUT SOLUTION –
ENHANCED**

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide relatively high, regular monthly distributions that are comparatively tax efficient with a potential for modest capital appreciation by investing primarily in units of other funds managed by RBC GAM or an affiliate of RBC GAM (called “underlying funds”).

The decision to invest in an underlying fund is based on the portfolio manager’s assessment of the market outlook and the underlying fund’s ability to help the Fund meet its stated investment objectives. Distributions will include interest income, dividends, capital gains and may also consist of return of capital.

The Fund’s target weightings for each asset class are 65% for fixed income and 35% for equities. The actual allocation to each asset class will not be more than 15% above or below its target weighting.

Results of Operations

The Fund’s net asset value was \$2.3 billion as of June 30, 2016.

Over the past six months, the Fund’s Series A units gained 3.7%. 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 any other series, which may vary because of differences in management fees and expenses.

The Fund made monthly distributions of 4.25 cents per Series A unit in the first half of 2016.

U.S. economic growth continued to lead the world’s developed markets, while growth in Japan and in much of Europe and emerging markets continued to disappoint. Signs of significantly slower global economic growth appeared early in January 2016, leading to sharp financial-market declines in the first few weeks of the year. Oil prices followed growth expectations lower and by February had touched the lowest level in more than a decade, depressed in part by a surge in supply relative to demand. Oil prices and financial markets recovered somewhat beginning in February, and the rebound continued for much of the first quarter. In the second half of the period, the debate leading up to the U.K.’s eventual decision to exit the EU (“Brexit”) largely replaced growth concerns as the main driver of markets.

The Fund’s overweight position in equities and underweight position in fixed income were negative for performance. Government-bond yields in the U.S., Japan, Germany and Canada fell to record lows during the period amid Brexit concerns, leading to gains for investors as bond prices rose. Prices of non-government bonds also increased, with high-yield bonds performing particularly well following the oil-price rebound. Among fixed-income investments in the portfolio, the RBC Global High Yield Bond Fund and the RBC Bond Fund contributed positively to performance.

North American equities posted gains during the period led by Canadian markets, which benefited from the rebound in commodity prices. U.S. equities had gains in the low single digits, while Brexit worries resulted in losses for markets in Europe and Asia. The RBC Canadian Dividend Fund and the RBC Canadian Equity Fund had a positive impact on returns, while the RBC QUBE U.S. Equity Fund and the Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund had a negative effect.

Recent Developments

The portfolio manager’s core scenario contemplates sluggish global economic growth and low inflation, and the threats to the forecast appear tilted to the downside. Negative interest rates and full-fledged quantitative-easing programs are now in force in the Eurozone and Japan, and the Bank of England may cut interest rates in response to Brexit. The U.S. Federal Reserve, meanwhile, is likely to push ahead with rate hikes, although the timing is uncertain and data-dependent. While interest rates are at unusually low levels, the path to higher yields will likely be gradual and stretched over a very long period given current and forecast economic conditions. The Fund remains underweight bonds as even a small increase in yields could lead to negative total returns. The bulk of recent equity-market gains have been delivered through expanding valuations, so profit growth is, in the view of the portfolio manager, now critical to keeping the bull market alive. Total-return prospects continue to favour equities over bonds, so the Fund remains overweight stocks.

Effective June 30, 2016, the management fee in respect of Series F units of the Fund is a fixed fee, and the MER of Series F units comprises: (a) the management fee, (b) the administration fee (including that of the underlying funds in which the Fund invests), (c) taxes and (d) other fund costs.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager, trustee and portfolio manager 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, provides investment advice and portfolio management services to the Fund and appoints distributors for 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. and RBC Dominion Securities Inc. are principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients’ Series A and Advisor Series units.



Custodian

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

Registrars

Royal Bank and RBC IS are the registrars of the Fund and keep records of who owns the units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	8.47	0.13	(0.08)	0.01	0.24	0.30	(0.26)	—	—	—	(0.26)	8.53
Dec. 31, 2015	9.08	0.31	(0.16)	0.26	(0.47)	(0.06)	(0.05)	(0.09)	(0.25)	(0.16)	(0.55)	8.47
Dec. 31, 2014	9.11	0.34	(0.17)	0.57	(0.15)	0.59	(0.04)	(0.09)	(0.53)	—	(0.66)	9.08
Dec. 31, 2013	9.12	0.39	(0.16)	0.10	0.22	0.55	(0.09)	(0.09)	(0.06)	(0.31)	(0.55)	9.11
Dec. 31, 2012	9.04	0.37	(0.16)	0.04	0.37	0.62	(0.06)	(0.08)	(0.03)	(0.37)	(0.54)	9.12
Dec. 31, 2011	9.39	0.26	(0.16)	0.06	0.04	0.20	(0.03)	(0.07)	—	(0.46)	(0.56)	9.04
Advisor Series												
June 30, 2016	8.46	0.13	(0.08)	0.01	0.24	0.30	(0.26)	—	—	—	(0.26)	8.52
Dec. 31, 2015	9.08	0.31	(0.16)	0.26	(0.47)	(0.06)	(0.05)	(0.09)	(0.25)	(0.16)	(0.55)	8.46
Dec. 31, 2014	9.11	0.34	(0.17)	0.57	(0.15)	0.59	(0.04)	(0.09)	(0.53)	—	(0.66)	9.08
Dec. 31, 2013	9.12	0.39	(0.17)	0.10	0.22	0.54	(0.09)	(0.09)	(0.06)	(0.31)	(0.55)	9.11
Dec. 31, 2012	9.04	0.37	(0.16)	0.04	0.37	0.62	(0.06)	(0.08)	(0.03)	(0.37)	(0.54)	9.12
Dec. 31, 2011	9.38	0.26	(0.16)	0.06	0.04	0.20	(0.03)	(0.07)	—	(0.46)	(0.56)	9.04
Series F												
June 30, 2016	9.17	0.14	(0.03)	0.01	0.26	0.38	(0.28)	—	—	—	(0.28)	9.28
Dec. 31, 2015	9.73	0.33	(0.07)	0.28	(0.51)	0.03	(0.05)	(0.10)	(0.26)	(0.17)	(0.58)	9.17
Dec. 31, 2014	9.65	0.36	(0.07)	0.60	(0.16)	0.73	(0.04)	(0.09)	(0.56)	—	(0.69)	9.73
Dec. 31, 2013	9.55	0.41	(0.07)	0.11	0.23	0.68	(0.09)	(0.09)	(0.06)	(0.33)	(0.57)	9.65
Dec. 31, 2012	9.37	0.38	(0.07)	0.04	0.38	0.73	(0.06)	(0.08)	(0.04)	(0.38)	(0.56)	9.55
Dec. 31, 2011	9.63	0.27	(0.07)	0.06	0.04	0.30	(0.03)	(0.07)	—	(0.48)	(0.58)	9.37

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	8.53	2 258 027	264 826	1.83	1.83	11.32	–
Dec. 31, 2015	8.47	2 368 445	279 628	1.83	1.83	25.56	0.05
Dec. 31, 2014	9.08	2 527 241	278 313	1.83	1.83	46.60	0.05
Dec. 31, 2013	9.11	2 134 517	234 227	1.83	1.83	13.58	0.03
Dec. 31, 2012	9.12	1 806 761	198 173	1.83	1.83	14.70	0.03
Dec. 31, 2011	9.04	1 534 523	169 802	1.83	1.83	16.77	0.04
Advisor Series							
June 30, 2016	8.52	24 026	2 821	1.85	1.85	11.32	–
Dec. 31, 2015	8.46	23 728	2 804	1.85	1.85	25.56	0.05
Dec. 31, 2014	9.08	26 017	2 867	1.85	1.85	46.60	0.05
Dec. 31, 2013	9.11	24 065	2 642	1.85	1.85	13.58	0.03
Dec. 31, 2012	9.12	23 532	2 581	1.83	1.83	14.70	0.03
Dec. 31, 2011	9.04	24 523	2 714	1.83	1.83	16.77	0.04
Series F							
June 30, 2016	9.28	25 478	2 744	0.78	0.78	11.32	–
Dec. 31, 2015	9.17	19 881	2 167	0.78	0.78	25.56	0.05
Dec. 31, 2014	9.73	25 796	2 652	0.78	0.78	46.60	0.05
Dec. 31, 2013	9.65	9 643	999	0.80	0.80	13.58	0.03
Dec. 31, 2012	9.55	6 139	643	0.80	0.80	14.70	0.03
Dec. 31, 2011	9.37	1 533	164	0.79	0.79	16.77	0.04

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

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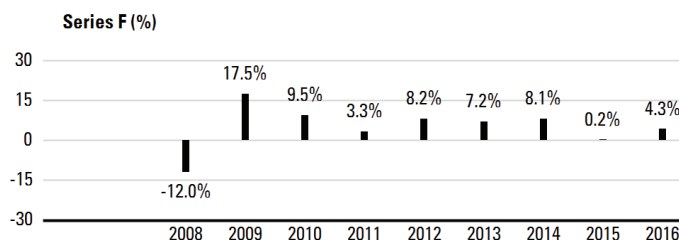
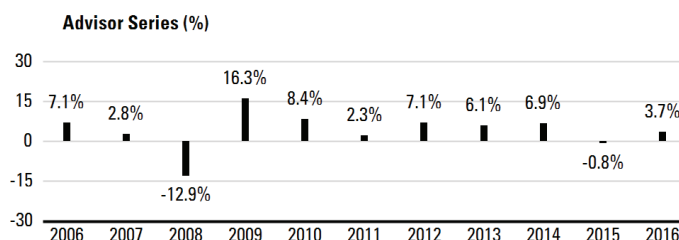
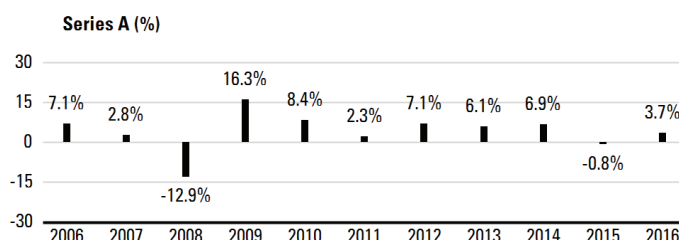
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(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

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Cash/Other	1.8

Top 25 Holdings*

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RBC Global High Yield Bond Fund	13.7
RBC Canadian Short-Term Income Fund	11.8
RBC Global Corporate Bond Fund	9.0
RBC QUBE U.S. Equity Fund	6.4
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RBC Canadian Equity Income Fund	5.6
Phillips, Hager & North Canadian Income Fund	5.6
Cash & Cash Equivalents	1.9
Total	100.0

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MANAGED PAYOUT SOLUTION

**RBC MANAGED PAYOUT SOLUTION –
ENHANCED PLUS**

June 30, 2016

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

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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.

This interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide high, regular monthly distributions, including dividends, realized capital gains, other income and a return of capital, without significant erosion of the net asset value of the Fund and providing for the potential of modest capital growth. The Fund invests primarily in units of other funds managed by RBC GAM or an affiliate of RBC GAM (called “underlying funds”). The decision to invest in an underlying fund is based on the portfolio manager’s assessment of the market outlook and the underlying fund’s ability to help the Fund meet its stated investment objectives. Distributions will include interest income, dividends, capital gains and may also consist of return of capital.

The Fund’s target weightings for each asset class are 45% for fixed income and 55% for equities. The actual allocation to each asset class will not be more than 15% above or below its target weighting.

Results of Operations

The Fund’s net asset value was \$1.9 billion as of June 30, 2016.

Over the past six months, the Fund’s Series A units 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 any other series, which may vary because of differences in management fees and expenses.

The Fund made monthly distributions of 3.75 cents per Series A unit in the first half of 2016.

U.S. economic growth continued to lead the world’s developed markets, while growth in Japan and in much of Europe and emerging markets continued to disappoint. Signs of significantly slower global economic growth appeared early in January 2016, leading to sharp financial-market declines in the first few weeks of the year. Oil prices followed growth expectations lower and by February had touched the lowest level in more than a decade, depressed in part by a surge in supply relative to demand. Oil prices and financial markets recovered somewhat beginning in February, and the rebound continued for much of the first quarter. In the second half of the period, the debate leading up to the U.K.’s eventual decision to exit the EU (“Brexit”) largely replaced growth concerns as the main driver of markets.

The Fund’s overweight position in equities and underweight position in fixed income were negative for performance. North American equities posted gains during the period led by Canadian markets, which benefited from the rebound in commodity prices. U.S. equities had gains in the low single digits, while Brexit worries resulted in

losses for markets in Europe and Asia. The RBC Canadian Dividend Fund and the Phillips, Hager & North Canadian Income Fund had a positive impact on returns, while the RBC QUBE U.S. Equity Fund and the Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund had a negative effect.

Government-bond yields in the U.S., Japan, Germany and Canada fell to record lows during the period amid Brexit concerns, leading to gains for investors as bond prices rose. Prices of non-government bonds also increased, with high-yield bonds performing particularly well following the oil-price rebound. Among fixed-income investments in the portfolio, the RBC Bond Fund and the RBC Global High Yield Bond Fund contributed positively to returns.

Recent Developments

The portfolio manager’s core scenario contemplates sluggish global economic growth and low inflation, and the threats to the forecast appear tilted to the downside. Negative interest rates and full-fledged quantitative-easing programs are now in force in the Eurozone and Japan, and the Bank of England may cut interest rates in response to Brexit. The U.S. Federal Reserve, meanwhile, is likely to push ahead with rate hikes, although the timing is uncertain and data-dependent. While interest rates are at unusually low levels, the path to higher yields will likely be gradual and stretched over a very long period given current and forecast economic conditions. The Fund remains underweight bonds as even a small increase in yields could lead to negative total returns. The bulk of recent equity-market gains have been delivered through expanding valuations, so profit growth is, in the view of the portfolio manager, now critical to keeping the bull market alive. Total-return prospects continue to favour equities over bonds, so the Fund remains overweight stocks.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager, trustee and portfolio manager 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, 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. and RBC Dominion Securities Inc. are principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series D units.

Custodian

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

Registrars

Royal Bank and RBC IS are the registrars of the Fund and keep records of who owns the units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$0 (2015 – \$412,000) or 0% (2015 – 47%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	6.44	0.08	(0.06)	(0.06)	0.24	0.20	(0.23)	—	—	—	(0.23)	6.43
Dec. 31, 2015	7.49	0.28	(0.14)	0.89	(1.03)	—	(0.11)	(0.10)	(0.85)	—	(1.06)	6.44
Dec. 31, 2014	7.44	0.32	(0.15)	0.76	(0.19)	0.74	(0.12)	(0.05)	(0.45)	—	(0.62)	7.49
Dec. 31, 2013	7.33	0.34	(0.14)	0.19	0.23	0.62	(0.17)	(0.08)	(0.14)	(0.13)	(0.52)	7.43
Dec. 31, 2012	7.43	0.29	(0.14)	0.18	0.09	0.42	(0.08)	(0.10)	(0.08)	(0.26)	(0.52)	7.33
Dec. 31, 2011	8.00	0.24	(0.14)	0.13	(0.24)	(0.01)	—	(0.03)	—	(0.53)	(0.56)	7.43
Advisor Series												
June 30, 2016	6.45	0.08	(0.06)	(0.06)	0.24	0.20	(0.23)	—	—	—	(0.23)	6.44
Dec. 31, 2015	7.50	0.28	(0.14)	0.89	(1.03)	—	(0.11)	(0.10)	(0.85)	—	(1.06)	6.45
Dec. 31, 2014	7.45	0.32	(0.15)	0.76	(0.19)	0.74	(0.12)	(0.05)	(0.45)	—	(0.62)	7.50
Dec. 31, 2013	7.34	0.34	(0.14)	0.19	0.23	0.62	(0.17)	(0.08)	(0.14)	(0.13)	(0.52)	7.44
Dec. 31, 2012	7.44	0.29	(0.14)	0.18	0.09	0.42	(0.08)	(0.10)	(0.08)	(0.26)	(0.52)	7.34
Dec. 31, 2011	8.00	0.24	(0.14)	0.13	(0.24)	(0.01)	—	(0.03)	—	(0.53)	(0.56)	7.44
Series D												
June 30, 2016	6.92	0.09	(0.04)	(0.06)	0.26	0.25	(0.24)	—	—	—	(0.24)	6.93
Dec. 31, 2015	7.98	0.30	(0.09)	0.95	(1.10)	0.06	(0.11)	(0.11)	(0.92)	—	(1.14)	6.92
Dec. 31, 2014	7.86	0.34	(0.09)	0.81	(0.20)	0.86	(0.12)	(0.06)	(0.47)	—	(0.65)	7.98
Dec. 31, 2013	7.69	0.36	(0.09)	0.20	0.24	0.71	(0.19)	(0.08)	(0.14)	(0.13)	(0.54)	7.86
Dec. 31, 2012	7.72	0.30	(0.09)	0.19	0.10	0.50	(0.09)	(0.10)	(0.08)	(0.27)	(0.54)	7.69
Dec. 31, 2011	8.24	0.25	(0.08)	0.13	(0.25)	0.05	—	(0.03)	—	(0.55)	(0.58)	7.72
Series F												
June 30, 2016	7.59	0.10	(0.03)	(0.07)	0.29	0.29	(0.27)	—	—	—	(0.27)	7.62
Dec. 31, 2015	8.74	0.33	(0.07)	1.04	(1.20)	0.10	(0.12)	(0.13)	(1.01)	—	(1.26)	7.59
Dec. 31, 2014	8.58	0.38	(0.07)	0.89	(0.22)	0.98	(0.14)	(0.06)	(0.51)	—	(0.71)	8.74
Dec. 31, 2013	8.37	0.39	(0.07)	0.22	0.26	0.80	(0.20)	(0.09)	(0.16)	(0.14)	(0.59)	8.58
Dec. 31, 2012	8.38	0.32	(0.07)	0.20	0.11	0.56	(0.09)	(0.12)	(0.09)	(0.29)	(0.59)	8.37
Dec. 31, 2011	8.92	0.27	(0.07)	0.14	(0.27)	0.07	—	(0.04)	—	(0.59)	(0.63)	8.38
Series O												
June 30, 2016	7.52	0.10	—	(0.07)	0.28	0.31	(0.26)	—	—	—	(0.26)	7.63
Dec. 31, 2015	8.59	0.33	—	1.03	(1.19)	0.17	(0.12)	(0.12)	(1.01)	—	(1.25)	7.52
Dec. 31, 2014	8.36	0.26	—	0.61	(0.15)	0.72	(0.13)	(0.06)	(0.50)	—	(0.69)	8.59
Dec. 31, 2013	8.08	0.38	—	0.21	0.25	0.84	(0.18)	(0.09)	(0.15)	(0.14)	(0.56)	8.36
Dec. 31, 2012	8.03	0.31	—	0.19	0.10	0.60	(0.09)	(0.10)	(0.09)	(0.28)	(0.56)	8.08
Dec. 31, 2011	8.48	0.26	—	0.14	(0.25)	0.15	—	(0.03)	—	(0.56)	(0.59)	8.03

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	6.43	1 792 919	278 901	1.95	1.95	13.04	–
Dec. 31, 2015	6.44	1 911 731	296 882	1.94	1.94	67.05	0.12
Dec. 31, 2014	7.49	2 026 614	270 725	1.92	1.92	108.26	0.06
Dec. 31, 2013	7.44	1 812 332	243 655	1.92	1.92	66.45	0.06
Dec. 31, 2012	7.34	1 687 096	229 799	1.92	1.92	70.40	0.07
Dec. 31, 2011	7.44	1 609 878	216 333	1.92	1.92	85.75	0.09
Advisor Series							
June 30, 2016	6.44	22 580	3 508	1.96	1.96	13.04	–
Dec. 31, 2015	6.45	23 399	3 629	1.95	1.95	67.05	0.12
Dec. 31, 2014	7.50	28 633	3 820	1.92	1.92	108.26	0.06
Dec. 31, 2013	7.45	24 978	3 354	1.93	1.93	66.45	0.06
Dec. 31, 2012	7.35	19 525	2 657	1.90	1.90	70.40	0.07
Dec. 31, 2011	7.45	22 845	3 068	1.89	1.89	85.75	0.09
Series D							
June 30, 2016	6.93	81 016	11 683	1.13	1.13	13.04	–
Dec. 31, 2015	6.92	79 210	11 448	1.13	1.13	67.05	0.12
Dec. 31, 2014	7.98	74 002	9 273	1.11	1.11	108.26	0.06
Dec. 31, 2013	7.86	60 116	7 646	1.10	1.10	66.45	0.06
Dec. 31, 2012	7.69	47 795	6 212	1.10	1.10	70.40	0.07
Dec. 31, 2011	7.73	38 163	4 936	1.10	1.10	85.75	0.09
Series F							
June 30, 2016	7.62	44 367	5 821	0.84	0.84	13.04	–
Dec. 31, 2015	7.59	39 388	5 187	0.83	0.83	67.05	0.12
Dec. 31, 2014	8.74	38 083	4 357	0.81	0.81	108.26	0.06
Dec. 31, 2013	8.58	26 821	3 125	0.81	0.81	66.45	0.06
Dec. 31, 2012	8.38	27 588	3 294	0.83	0.83	70.40	0.07
Dec. 31, 2011	8.39	24 156	2 878	0.83	0.83	85.75	0.09
Series O							
June 30, 2016	7.63	533	70	0.06	0.06	13.04	–
Dec. 31, 2015	7.52	1 291	172	0.05	0.05	67.05	0.12
Dec. 31, 2014	8.59	922	107	0.03	0.03	108.26	0.06
Dec. 31, 2013	8.36	1 345 316	160 861	0.02	0.02	66.45	0.06
Dec. 31, 2012	8.09	1 136 996	140 545	0.02	0.02	70.40	0.07
Dec. 31, 2011	8.04	769 308	95 674	0.02	0.02	85.75	0.09

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

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

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



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.70%	59%	41%
Advisor Series	1.70%	59%	41%
Series D	0.95%	26%	74%
Series F	0.70%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

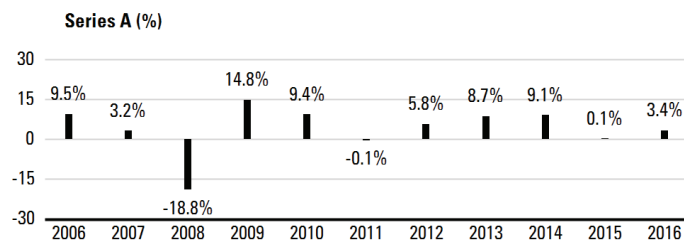
* Includes all costs related to management, trustee, investment advisory services, general administration and profit.

PAST PERFORMANCE

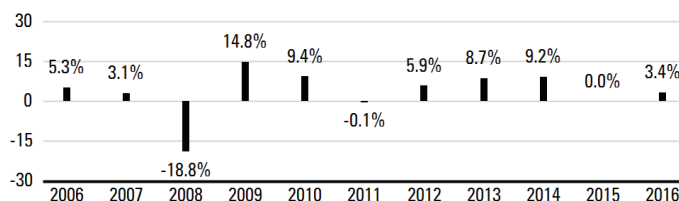
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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 (%)

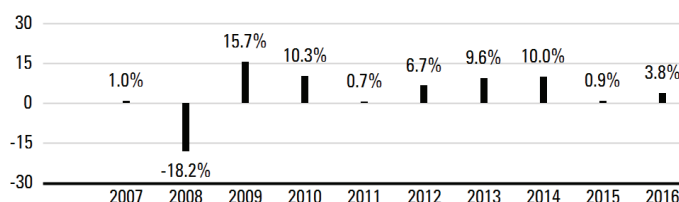
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



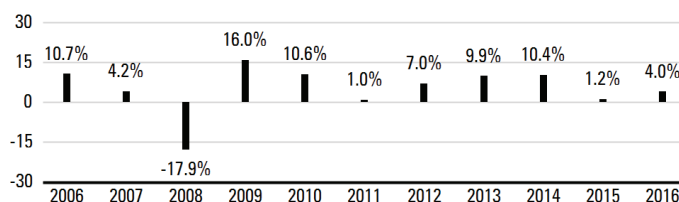
Advisor Series (%)



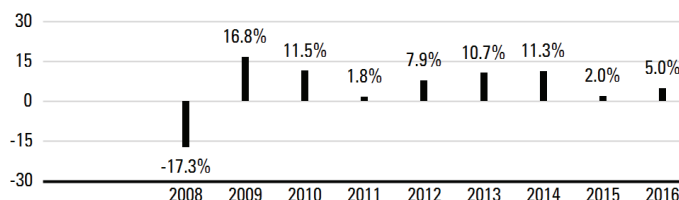
Series D (%)



Series F (%)



Series O (%)



Series O units have been available for sale to unitholders since January 1, 2008, Series D units since July 3, 2007, and Advisor Series units since March 20, 2006.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Canadian Equity Funds	43.2
Income Funds	37.1
United States Equity Funds	17.9
Cash/Other	1.8

Top 25 Holdings*

	% of Net Asset Value
RBC Canadian Dividend Fund	21.6
RBC Bond Fund	17.2
Phillips, Hager & North Canadian Income Fund	16.1
RBC Canadian Short-Term Income Fund	11.2
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	9.0
RBC QUBE U.S. Equity Fund	8.9
RBC Global High Yield Bond Fund	8.7
RBC Canadian Equity Income Fund	5.4
Cash & Cash Equivalents	1.9
Total	100.0

* 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.

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



BALANCED FUND

RBC MONTHLY INCOME FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 a tax-efficient monthly distribution consisting of dividend income, interest income and capital gains along with providing the potential for modest capital growth.

The Fund invests primarily in Canadian fixed-income securities, common shares, income trusts and similar higher-yielding investments. For fixed-income securities, the Fund targets a duration similar to the FTSE TMX Canada Universe Bond Index. Stocks that qualify as investments will generally carry above-average dividend yields and offer the potential for increases in their payouts.

The Fund's target weightings for each asset class are 60% for fixed income and 40% for equities. The target weightings for each asset class may be adjusted based on changes in the market outlook for each asset class.

Results of Operations

The Fund's net asset value was \$8.0 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 6.7%. 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 any other series, which may vary because of differences in management fees and expenses.

The Fund made monthly distributions of 4.25 cents per Series A unit in the first half of 2016.

The S&P/TSX Composite Index, Canada's equity benchmark, outperformed most other global indices during the period. The resource-heavy Canadian index was bolstered by surging prices for oil, natural gas and gold, given supply disruptions. This benefited Canadian energy stocks, which account for about a fifth of S&P/TSX market capitalization. Concurrently, global growth concerns made headlines once again after the U.K.'s surprising decision to leave the EU ("Brexit"). The Brexit vote diverted investor focus from some positive economic developments in North America and signs of stabilization emerging in China.

The decline in commodity prices pressured domestic economic growth and dropped Canadian bond yields to the lowest levels since the European financial crisis four years ago. The Bank of Canada (the "BOC") refrained from lowering its benchmark interest rate as the lacklustre domestic economy gained some momentum on the back of a weaker Canadian dollar, and the federal government committed to boosting infrastructure spending. The lack of any change in Canadian interest rates, coupled with expectations that the U.S. Federal Reserve (the "Fed") would increase rates due to a stronger economy, led to the outperformance of Canadian fixed-income securities.

In the equity portion of the benchmark, positive relative performance in the Energy and Utilities sectors was partially offset by weaker performance in the Materials sector.

An overweight allocation to the Energy sector drove returns due to a rebound in commodity prices. Prices for oil and natural gas fell significantly to multi-year lows early in 2016, as crude-oil supply and inventory climbed. Crude-oil benchmark prices touched 12-year lows in February near US\$25 per barrel, a price level well below production costs. Prices rebounded to US\$50 a barrel in June as supply and demand moved more into balance as global production declined. Natural-gas prices stayed relatively weak as a mild winter swelled inventories.

An underweight position in the Materials sector hindered returns, predominately from an underweight in gold-related companies as the price of the commodity rose significantly during the period. Gold and silver prices were supported by negative interest rates in Japan and Germany, two of the biggest bond markets, and the Brexit vote. A below-benchmark allocation to Barrick Gold negatively impacted performance.

In the fixed-income portion of the Fund, an overweight position in provincial securities was positive for relative performance. Based on maturity, securities with terms exceeding 10 years performed best, boosted by investor demand for higher yields in the low-interest-rate environment. Demand for longer-term assets was also bolstered by subdued inflation.

Recent Developments

An improvement in the performance of Canadian equity markets will require a bigger contribution from stocks in the Financials and Energy sectors. While the supply-demand equation for a number of commodities has improved, the portfolio manager believes it is hard to envision a surge from here without stronger global economic growth. Meanwhile, the domestic economy's reliance on housing and questions about the ability of consumers to maintain their spending continue to be points of discussion. The interest-rate policy divergence between the Fed and the BOC is likely to widen if commodity prices remain weak, which could further weaken the Canadian dollar.

The portfolio manager expects the BOC to keep short-term interest rates where they are for the rest of 2016, as government spending helps to offset weakness in the economy, especially in Alberta. BOC Governor Stephen Poloz has indicated that a significant downturn in the economy would be needed for the BOC to return to even lower rates. While some investors have speculated that extensive wildfires in the Fort McMurray area near the oil sands



could crimp economic growth enough to prod the BOC into cutting rates, the hope is that economic losses will be contained. In another sign of concern about economic growth, the Fed did not increase rates at the meeting in June after the Brexit vote led to a more cautious outlook.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series D units.

Custodian

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

Registrars

Royal Bank and RBC IS are the registrars of the Fund and keep records of who owns the units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$457,000 (2015 – \$83,000) or 34% (2015 – 8%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	13.24	0.25	(0.08)	0.25	0.44	0.86	(0.26)	—	—	—	(0.26)	13.87
Dec. 31, 2015	14.21	0.52	(0.17)	0.24	(1.04)	(0.45)	(0.14)	(0.21)	(0.12)	(0.04)	(0.51)	13.24
Dec. 31, 2014	13.52	0.49	(0.17)	0.14	0.73	1.19	(0.15)	(0.19)	—	(0.17)	(0.51)	14.21
Dec. 31, 2013	13.29	0.48	(0.16)	0.27	0.18	0.77	(0.14)	(0.20)	(0.22)	—	(0.56)	13.51
Dec. 31, 2012	12.93	0.48	(0.16)	0.26	0.28	0.86	(0.14)	(0.18)	(0.19)	—	(0.51)	13.29
Dec. 31, 2011	13.13	0.49	(0.15)	0.37	(0.34)	0.37	—	(0.17)	(0.18)	(0.22)	(0.57)	12.93
Advisor Series												
June 30, 2016	13.38	0.26	(0.08)	0.25	0.45	0.88	(0.26)	—	—	—	(0.26)	14.02
Dec. 31, 2015	14.34	0.52	(0.16)	0.24	(1.05)	(0.45)	(0.14)	(0.21)	(0.12)	(0.04)	(0.51)	13.38
Dec. 31, 2014	13.63	0.49	(0.16)	0.14	0.74	1.21	(0.15)	(0.19)	—	(0.17)	(0.51)	14.34
Dec. 31, 2013	13.39	0.49	(0.16)	0.28	0.18	0.79	(0.14)	(0.20)	(0.22)	—	(0.56)	13.62
Dec. 31, 2012	13.02	0.48	(0.15)	0.26	0.28	0.87	(0.14)	(0.18)	(0.19)	—	(0.51)	13.39
Dec. 31, 2011	13.21	0.49	(0.14)	0.37	(0.35)	0.37	—	(0.17)	(0.18)	(0.22)	(0.57)	13.02
Series D												
June 30, 2016	13.67	0.26	(0.06)	0.26	0.46	0.92	(0.26)	—	—	—	(0.26)	14.34
Dec. 31, 2015	14.60	0.53	(0.13)	0.25	(1.07)	(0.42)	(0.14)	(0.21)	(0.12)	(0.04)	(0.51)	13.67
Dec. 31, 2014	13.84	0.50	(0.13)	0.15	0.75	1.27	(0.15)	(0.19)	—	(0.17)	(0.51)	14.60
Dec. 31, 2013	13.55	0.49	(0.12)	0.28	0.18	0.83	(0.14)	(0.20)	(0.22)	—	(0.56)	13.83
Dec. 31, 2012	13.13	0.49	(0.12)	0.27	0.29	0.93	(0.14)	(0.18)	(0.19)	—	(0.51)	13.55
Dec. 31, 2011	13.28	0.50	(0.11)	0.37	(0.35)	0.41	—	(0.17)	(0.18)	(0.22)	(0.57)	13.13
Series F												
June 30, 2016	14.31	0.27	(0.05)	0.27	0.48	0.97	(0.26)	—	—	—	(0.26)	15.04
Dec. 31, 2015	15.24	0.56	(0.11)	0.26	(1.12)	(0.41)	(0.14)	(0.21)	(0.12)	(0.04)	(0.51)	14.31
Dec. 31, 2014	14.40	0.52	(0.11)	0.15	0.78	1.34	(0.15)	(0.19)	—	(0.17)	(0.51)	15.24
Dec. 31, 2013	14.05	0.51	(0.10)	0.29	0.19	0.89	(0.14)	(0.20)	(0.22)	—	(0.56)	14.39
Dec. 31, 2012	13.58	0.50	(0.10)	0.28	0.30	0.98	(0.14)	(0.18)	(0.19)	—	(0.51)	14.05
Dec. 31, 2011	13.70	0.51	(0.09)	0.39	(0.36)	0.45	—	(0.17)	(0.18)	(0.22)	(0.57)	13.58
Series O												
June 30, 2016	14.76	0.28	—	0.28	0.50	1.06	(0.26)	—	—	—	(0.26)	15.58
Dec. 31, 2015	15.60	0.57	—	0.27	(1.15)	(0.31)	(0.14)	(0.21)	(0.12)	(0.04)	(0.51)	14.76
Dec. 31, 2014	14.62	0.53	—	0.16	0.79	1.48	(0.15)	(0.19)	—	(0.17)	(0.51)	15.60
Dec. 31, 2013	14.17	0.52	—	0.29	0.19	1.00	(0.14)	(0.20)	(0.22)	—	(0.56)	14.61
Dec. 31, 2012	13.60	0.51	—	0.28	0.30	1.09	(0.14)	(0.18)	(0.19)	—	(0.51)	14.17
Dec. 31, 2011	13.62	0.51	—	0.38	(0.36)	0.53	—	(0.17)	(0.18)	(0.22)	(0.57)	13.60

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	13.87	7 081 770	510 583	1.20	1.20	22.98	0.03
Dec. 31, 2015	13.24	7 292 559	550 690	1.20	1.20	19.88	0.02
Dec. 31, 2014	14.21	8 486 039	597 130	1.20	1.20	27.02	0.02
Dec. 31, 2013	13.52	8 088 354	598 177	1.20	1.20	36.94	0.02
Dec. 31, 2012	13.31	7 852 696	590 050	1.20	1.20	31.14	0.03
Dec. 31, 2011	12.95	7 400 609	571 441	1.19	1.19	57.95	0.04
Advisor Series							
June 30, 2016	14.02	58 896	4 202	1.15	1.15	22.98	0.03
Dec. 31, 2015	13.38	53 963	4 035	1.15	1.15	19.88	0.02
Dec. 31, 2014	14.34	59 292	4 135	1.15	1.15	27.02	0.02
Dec. 31, 2013	13.63	53 908	3 955	1.16	1.16	36.94	0.02
Dec. 31, 2012	13.41	50 969	3 802	1.16	1.16	31.14	0.03
Dec. 31, 2011	13.04	42 365	3 250	1.14	1.14	57.95	0.04
Series D							
June 30, 2016	14.34	165 499	11 538	0.88	0.88	22.98	0.03
Dec. 31, 2015	13.67	160 850	11 770	0.88	0.88	19.88	0.02
Dec. 31, 2014	14.60	172 123	11 787	0.88	0.88	27.02	0.02
Dec. 31, 2013	13.84	154 446	11 161	0.88	0.88	36.94	0.02
Dec. 31, 2012	13.56	145 640	10 737	0.88	0.88	31.14	0.03
Dec. 31, 2011	13.15	126 243	9 601	0.87	0.87	57.95	0.04
Series F							
June 30, 2016	15.04	127 073	8 446	0.71	0.71	22.98	0.03
Dec. 31, 2015	14.31	116 040	8 109	0.71	0.71	19.88	0.02
Dec. 31, 2014	15.24	90 228	5 920	0.72	0.72	27.02	0.02
Dec. 31, 2013	14.40	48 710	3 383	0.72	0.72	36.94	0.02
Dec. 31, 2012	14.07	45 182	3 211	0.72	0.72	31.14	0.03
Dec. 31, 2011	13.60	48 233	3 547	0.70	0.70	57.95	0.04
Series O							
June 30, 2016	15.58	579 221	37 186	0.02	0.02	22.98	0.03
Dec. 31, 2015	14.76	612 188	41 487	0.02	0.02	19.88	0.02
Dec. 31, 2014	15.60	651 773	41 791	0.02	0.02	27.02	0.02
Dec. 31, 2013	14.62	580 217	39 678	0.02	0.02	36.94	0.02
Dec. 31, 2012	14.18	495 269	34 919	0.02	0.02	31.14	0.03
Dec. 31, 2011	13.61	307 881	22 618	0.02	0.02	57.95	0.04

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

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

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



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.00%	50%	50%
Advisor Series	1.00%	50%	50%
Series D	0.75%	20%	80%
Series F	0.60%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

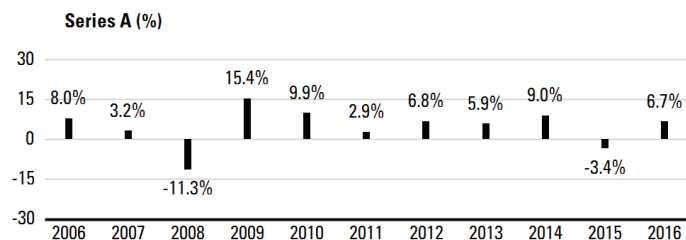
* Includes all costs related to management, trustee, investment advisory services, general administration and profit.

PAST PERFORMANCE

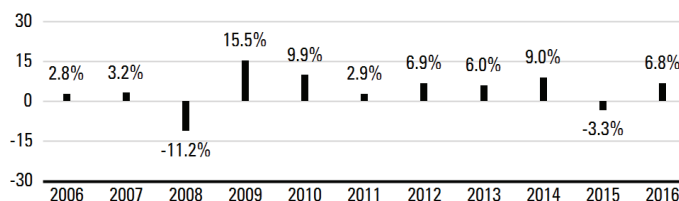
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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 (%)

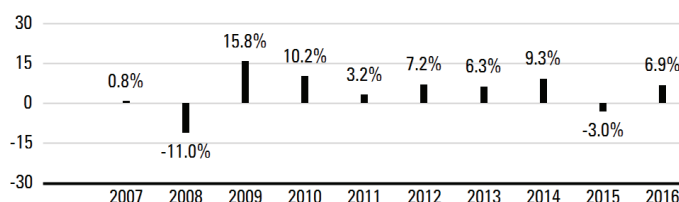
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



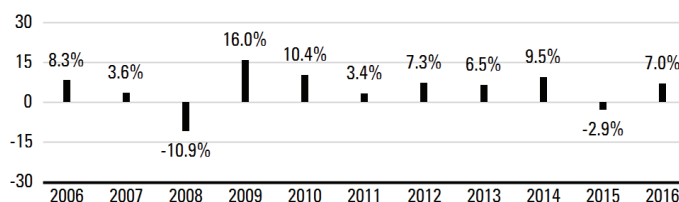
Advisor Series (%)



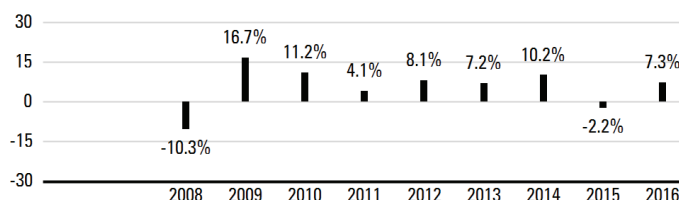
Series D (%)



Series F (%)



Series O (%)



Series O units have been available for sale to unitholders since January 1, 2008, Series D units since July 3, 2007, and Advisor Series units since August 28, 2006.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Canadian Bonds	47.0
Equities	43.9
Foreign Bonds	3.6
Income Trusts	2.0
Cash/Other	3.5

Top 25 Holdings

	% of Net Asset Value
Royal Bank of Canada	2.8
Cash & Cash Equivalents	2.5
Toronto-Dominion Bank	2.3
RBC U.S. Dividend Fund	2.1
Bank of Nova Scotia	2.1
TransCanada Corp.	1.6
Enbridge Inc.	1.5
Province of Ontario 4.600% Jun 2 2039	1.4
Suncor Energy Inc.	1.4
Province of Ontario 4.650% Jun 2 2041	1.3
Manulife Financial Corporation	1.3
Brookfield Asset Management Inc., Class A	1.2
Ontario Electricity Financial Corp. 8.250% Jun 22 2026	1.2
Province of Ontario 3.450% Jun 2 2045	1.2
Province of Ontario 6.500% Mar 8 2029	1.1
Province of Quebec 3.000% Sep 1 2023	1.1
Government of Canada 4.000% Jun 1 2041	1.1
Canadian Imperial Bank of Commerce	1.0
Bank of Montreal	1.0
Province of Quebec 5.000% Dec 1 2041	0.9
Canadian Natural Resources Ltd.	0.9
Brookfield Property Partners LP	0.9
TELUS Corp.	0.9
Hydro-Quebec 6.500% Feb 15 2035	0.9
Province of Ontario 4.400% Jun 2 2019	0.9
Top 25 Holdings	34.6

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



BALANCED FUND

RBC U.S. MONTHLY INCOME FUND

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (UK) Limited, London, England
(for a portion of the Fund)

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE (in USD)

Investment Objective and Strategies

The Fund seeks to provide regular U.S. dollar monthly income and modest capital growth.

The Fund invests primarily in U.S. government bonds, corporate fixed-income securities, asset-backed bonds and equity securities of U.S. companies. Investments may also include high-yield debt and U.S. dollar-denominated debt issued in emerging markets.

The Fund's target weightings for each asset class are 60% for fixed income and 40% for equities. The target weightings for each asset class may be adjusted based on changes in the market outlook for each asset class.

Results of Operations

The Fund's net asset value was \$1.1 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 4.7%. 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 any other series, which may vary because of differences in management fees and expenses.

The Fund made monthly distributions of 2.70 cents per Series A unit in the first half of 2016.

U.S. government and corporate bonds posted gains in the first half of 2016. Volatile oil prices, investor concerns about fragile global economic growth and the U.K.'s decision to exit the EU led the U.S. Federal Reserve to maintain an easy monetary policy, which pushed up bonds as interest rates declined. U.S. rates that were attractive relative to those available elsewhere provided further demand for U.S. fixed income.

Volatility around the world picked up toward the end of the period mostly due to uncertainty surrounding the U.K. vote. The Fund's overweight position in bonds was negative for returns in the first half of 2016. Overall, however, the Fund's fixed-income holdings performed relatively well, driven by the portfolio's holdings in high-yield, government and emerging-market debt. Holding back returns was the Fund's allocation to mortgage-backed securities.

The U.S. stock market posted modest returns during the first half of 2016 after recovering from significant declines early in the year. The rebound was driven by a surge in the price of oil, which almost doubled from its February low, a pause in the U.S. dollar's long-term rally and stabilization in Chinese economic data. These forces combined to reduce the likelihood of an imminent credit crisis in China or other emerging market, which could have negatively impacted the U.S. economic outlook. In addition to the stock recovery, corporate bonds rallied, especially in the Energy sector, and commodities staged impressive price gains.

The Telecommunication Services, Utilities and Consumer Staples sectors were the best-performing sectors in the Fund this year. Also aiding returns were the Health Care sector, where Johnson & Johnson and health insurer United Health moved higher as investors sought companies with stable earnings and decent growth prospects. Performance was hurt by positions in the Information Technology sector, where disappointing financial results for both Apple Inc. and Microsoft led to the stocks' underperformance. The Fund's overweight position in commodity chemicals maker LyondellBasell also hurt performance as global growth slowed. Poor stock selection in the Financials sector held back returns, with Wells Fargo and KeyBank declining on concern that lower interest rates will squeeze lending income.

Recent Developments

U.S. bond yields are near historic lows, and the portfolio manager expects them to remain within their recent ranges in the near term. The Fund holds overweight positions in U.S. investment-grade debt, mortgage-backed securities, high-yield fixed income and emerging-market bonds. The major underweight position in the Fund is lower-yielding government debt, and the portfolio manager continues to favour non-government debt.

In the portfolio manager's opinion, the stock market is priced as if we are in the later stages of the economic cycle. The U.K.'s decision to exit the EU has increased the level of uncertainty and volatility in markets and will likely lead to slower growth. The Fund has been positioned to protect against a slowdown in economic growth and remains so given the recent advance and the still-temper prospects for growth.

Effective June 30, 2016, management fees were reduced as follows: from 1.50% to 1.40% for Series A and Advisor Series units; from 0.90% to 0.80% for Series D units; and from 0.75% to 0.65% for Series F units. Also effective June 30, 2016, Series H units were re-designated to Series A units, and Series I units were capped and no longer available for purchase by new investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

RBC Global Asset Management (UK) Limited is the sub-advisor and provides investment advice for the Fund.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc. and RBC Dominion Securities Inc. are principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series D units.

Custodian

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

Registrars

Royal Bank and RBC IS are the registrars of the Fund and keep records of who owns the units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$66,000 (2015 – \$30,000) or 19% (2015 – 6%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 (in USD)

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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	9.73	0.16	(0.09)	—	0.36	0.43	(0.16)	—	—	—	(0.16)	10.02
Dec. 31, 2015	10.74	0.34	(0.19)	0.07	(0.36)	(0.14)	(0.05)	(0.12)	(0.72)	—	(0.89)	9.73
Dec. 31, 2014	10.75	0.34	(0.19)	0.42	0.22	0.79	(0.04)	(0.10)	(0.66)	—	(0.80)	10.74
Dec. 31, 2013	10.55	0.37	(0.19)	0.52	0.28	0.98	(0.08)	(0.14)	(0.57)	—	(0.79)	10.75
Dec. 31, 2012	10.06	0.37	(0.19)	0.34	0.21	0.73	(0.05)	(0.12)	(0.10)	(0.03)	(0.30)	10.55
Dec. 31, 2011	10.22	0.34	(0.17)	(0.19)	0.12	0.10	(0.08)	(0.10)	—	(0.18)	(0.36)	10.06
Advisor Series												
June 30, 2016	9.83	0.16	(0.08)	—	0.36	0.44	(0.16)	—	—	—	(0.16)	10.12
Dec. 31, 2015	10.84	0.34	(0.18)	0.07	(0.37)	(0.14)	(0.05)	(0.12)	(0.72)	—	(0.89)	9.83
Dec. 31, 2014	10.84	0.34	(0.19)	0.43	0.22	0.80	(0.04)	(0.10)	(0.66)	—	(0.80)	10.84
Dec. 31, 2013	10.63	0.37	(0.19)	0.53	0.29	1.00	(0.08)	(0.14)	(0.58)	—	(0.80)	10.83
Dec. 31, 2012	10.12	0.37	(0.18)	0.34	0.21	0.74	(0.05)	(0.12)	(0.10)	(0.03)	(0.30)	10.63
Dec. 31, 2011	10.27	0.32	(0.17)	(0.18)	0.12	0.09	(0.08)	(0.10)	—	(0.18)	(0.36)	10.12
Series D												
June 30, 2016	10.42	0.17	(0.05)	—	0.39	0.51	(0.17)	—	—	—	(0.17)	10.77
Dec. 31, 2015	11.42	0.36	(0.12)	0.08	(0.39)	(0.07)	(0.06)	(0.12)	(0.76)	—	(0.94)	10.42
Dec. 31, 2014	11.32	0.36	(0.12)	0.44	0.23	0.91	(0.04)	(0.10)	(0.68)	—	(0.82)	11.42
Dec. 31, 2013	10.99	0.39	(0.12)	0.54	0.30	1.11	(0.08)	(0.14)	(0.57)	—	(0.79)	11.31
Dec. 31, 2012	10.39	0.38	(0.11)	0.35	0.21	0.83	(0.05)	(0.12)	(0.10)	(0.03)	(0.30)	10.99
Dec. 31, 2011	10.47	0.35	(0.10)	(0.20)	0.13	0.18	(0.08)	(0.10)	—	(0.18)	(0.36)	10.39
Series F												
June 30, 2016	10.10	0.17	(0.04)	—	0.37	0.50	(0.17)	—	—	—	(0.17)	10.45
Dec. 31, 2015	11.04	0.35	(0.10)	0.08	(0.37)	(0.04)	(0.05)	(0.12)	(0.74)	—	(0.91)	10.10
Dec. 31, 2014	10.94	0.35	(0.10)	0.43	0.23	0.91	(0.04)	(0.10)	(0.66)	—	(0.80)	11.04
Dec. 31, 2013	10.64	0.38	(0.10)	0.53	0.29	1.10	(0.08)	(0.14)	(0.59)	—	(0.81)	10.93
Dec. 31, 2012	10.04	0.37	(0.09)	0.34	0.21	0.83	(0.05)	(0.12)	(0.10)	(0.03)	(0.30)	10.64
Dec. 31, 2011	10.12	0.32	(0.08)	(0.18)	0.12	0.18	(0.08)	(0.10)	—	(0.18)	(0.36)	10.04
Series I												
June 30, 2016	10.14	0.17	(0.04)	—	0.38	0.51	(0.17)	—	—	—	(0.17)	10.50
Dec. 31, 2015	11.07	0.35	(0.08)	0.08	(0.37)	(0.02)	(0.05)	(0.12)	(0.75)	—	(0.92)	10.14
Dec. 31, 2014	10.94	0.34	(0.08)	0.42	0.22	0.90	(0.04)	(0.10)	(0.66)	—	(0.80)	11.07
Dec. 31, 2013 ³	11.04 [†]	0.14	(0.03)	0.19	0.10	0.40	(0.03)	(0.06)	(0.54)	—	(0.63)	10.94

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From August 12, 2013.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (in USD) (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	10.02	868 646	86 697	1.76⁴	1.76	83.28	0.06
Dec. 31, 2015	9.73	937 138	96 311	1.76	1.76	111.43	0.08
Dec. 31, 2014	10.74	932 545	86 791	1.77	1.77	107.15	0.07
Dec. 31, 2013	10.75	653 066	60 724	1.77	1.77	116.70	0.09
Dec. 31, 2012	10.56	495 626	46 945	1.78	1.78	119.00	0.10
Dec. 31, 2011	10.06	352 595	35 041	1.78	1.78	217.05	0.21
Advisor Series							
June 30, 2016	10.12	54 885	5 423	1.73⁴	1.73	83.28	0.06
Dec. 31, 2015	9.83	63 222	6 434	1.73	1.73	111.43	0.08
Dec. 31, 2014	10.84	66 322	6 120	1.73	1.73	107.15	0.07
Dec. 31, 2013	10.84	61 673	5 691	1.73	1.73	116.70	0.09
Dec. 31, 2012	10.63	57 583	5 416	1.70	1.70	119.00	0.10
Dec. 31, 2011	10.12	36 160	3 572	1.71	1.71	217.05	0.21
Series D							
June 30, 2016	10.77	34 080	3 164	1.04⁴	1.04	83.28	0.06
Dec. 31, 2015	10.42	33 007	3 168	1.05	1.05	111.43	0.08
Dec. 31, 2014	11.42	26 564	2 327	1.06	1.06	107.15	0.07
Dec. 31, 2013	11.32	15 655	1 383	1.05	1.05	116.70	0.09
Dec. 31, 2012	11.00	10 715	974	1.05	1.05	119.00	0.10
Dec. 31, 2011	10.39	4 897	471	1.07	1.07	217.05	0.21
Series F							
June 30, 2016	10.45	31 522	3 017	0.88⁴	0.88	83.28	0.06
Dec. 31, 2015	10.10	33 163	3 283	0.88	0.88	111.43	0.08
Dec. 31, 2014	11.04	32 009	2 899	0.88	0.88	107.15	0.07
Dec. 31, 2013	10.94	22 004	2 012	0.88	0.88	116.70	0.09
Dec. 31, 2012	10.64	20 844	1 959	0.87	0.87	119.00	0.10
Dec. 31, 2011	10.05	10 951	1 090	0.88	0.88	217.05	0.21
Series I							
June 30, 2016	10.50	69 185	6 590	0.70	0.70	83.28	0.06
Dec. 31, 2015	10.14	51 774	5 107	0.70	0.70	111.43	0.08
Dec. 31, 2014	11.07	33 959	3 068	0.70	0.70	107.15	0.07
Dec. 31, 2013 ⁵	10.94	13 405	1 225	0.75	0.75	116.70	0.09

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 1.65%, Advisor Series – 1.61%, Series D – 0.94% and Series F – 0.77%.

⁵ From August 12, 2013.



FINANCIAL HIGHLIGHTS (in USD) (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.40%	53%	47%
Advisor Series	1.40%	53%	47%
Series D	0.80%	17%	83%
Series F	0.65%	—	100%
Series I	0.60%	—	100%

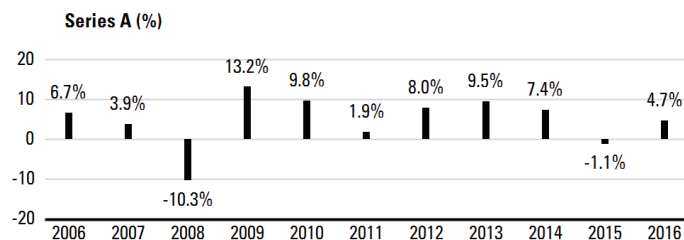
* Includes all costs related to management, trustee, investment advisory services, general administration and profit.

PAST PERFORMANCE (in USD)

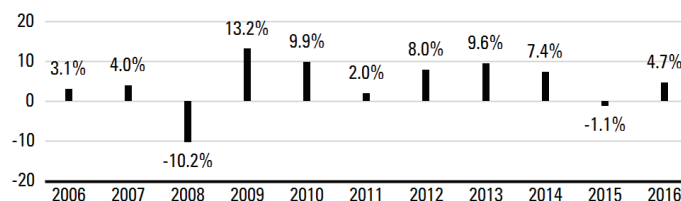
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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 (%)

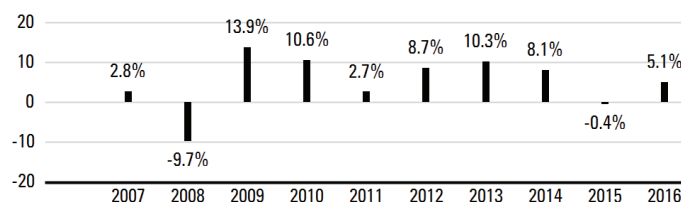
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



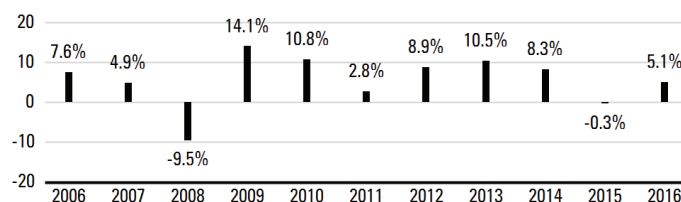
Advisor Series (%)



Series D (%)



Series F (%)



Series I (%)



Series I units have been available for sale to unitholders since August 12, 2013, Series D units since July 3, 2007, and Advisor Series units since August 28, 2006.

Inception dates are not provided for series that have been in existence for more than 10 years.

All outstanding Series H units were re-designated as Series A units effective June 30, 2016.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO (in USD)

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Equities	45.6
Bonds	31.9
Mortgage-Backed Securities	19.4
Cash/Other	3.1

Top 25 Holdings

	% of Net Asset Value
RBC Emerging Markets Bond Fund	4.2
Cash & Cash Equivalents	2.8
Microsoft Corp.	2.2
Altria Group Inc.	1.9
AT&T Inc.	1.7
United States Treasury 1.125% Apr 30 2020	1.6
United States Treasury 2.250% Nov 15 2024	1.6
Johnson & Johnson	1.5
Freddie Mac Gold Pool 4.000% Jun 1 2044	1.5
Chevron Corp.	1.4
JPMorgan Chase & Co.	1.4
PepsiCo Inc.	1.4
Occidental Petroleum Corp.	1.3
Apple Inc.	1.3
CVS Health Corp.	1.2
Simon Property Group Inc.	1.2
Medtronic Plc.	1.2
Fannie Mae Pool 4.000% Sep 1 2040	1.1
Philip Morris International Inc.	1.1
Freddie Mac Gold Pool 3.000% May 1 2045	1.1
Cardinal Health Inc.	1.1
Fannie Mae Pool 4.000% Jan 1 2042	1.0
UnitedHealth Group Incorporated	1.0
Fannie Mae Pool 4.000% Dec 1 2041	1.0
Wells Fargo & Company	0.9
Top 25 Holdings	37.7

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



BALANCED FUND

RBC BALANCED FUND

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (UK) Limited, London, England
(for the European equity portion of the Fund)

Sub-Advisor: RBC Investment Management (Asia) Limited, Hong Kong, China
(for the Asian equity portion of the Fund)

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide capital growth and modest income by investing in a mix of Canadian stocks and fixed-income securities.

The Fund is invested primarily in Canadian equities to provide capital growth and fixed-income securities to generate income. The Fund may also hold income-trust units, corporate bonds and foreign securities. Blending equities and fixed-income securities in a single portfolio provides investors with exposure to the upside potential of equity capital markets while taking advantage of the stability and frequently offsetting risk profile of bonds.

The portfolio manager's analysis of the economic outlook and capital market valuations and prospects determines the portion of the portfolio that will be invested in stocks and bonds. The composition of the portfolio holdings is adjusted as economic and capital market conditions warrant.

The Fund's target weightings for each asset class are 45% for fixed income, 35% for Canadian equities, 10% for U.S. equities and 10% for international equities. The target weightings for each asset class may be adjusted based on changes in the market outlook for each asset class.

Results of Operations

The Fund's net asset value was \$5.9 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units 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 any other series, which may vary because of differences in management fees and expenses.

U.S. economic growth continued to lead the world's developed markets, while growth in Japan and in much of Europe and emerging markets continued to disappoint. Signs of significantly slower global economic growth appeared early in January 2016, leading to sharp financial-market declines in the first few weeks of the year. Oil prices followed growth expectations lower and by February had touched the lowest level in more than a decade, depressed in part by a surge in supply relative to demand. Oil prices and financial markets recovered somewhat beginning in February, and the rebound continued for much of the first quarter. In the second half of the period, the debate leading up to the U.K.'s eventual decision to exit the EU ("Brexit") largely replaced growth concerns as the main driver of markets.

The Fund's overweight position in equities and underweight position in fixed income were negative for performance. North American equities posted gains during the period led by Canadian markets, which benefited from the rebound in commodity prices. U.S. equities had gains in the low single digits, while Brexit worries resulted in losses for markets in Europe and Asia. The Fund's overweight position in Canadian equities aided returns, offset by the negative effects of security selection in the U.S. and the impact of Brexit on European stocks.

Government-bond yields in the U.S., Japan, Germany and Canada fell to record lows during the period amid Brexit concerns, leading to gains for investors as bond prices rose. Prices of non-government bonds also increased, with high-yield bonds performing particularly well following the oil-price rebound. The Fund's significant exposure to provincial bonds had a large positive impact on performance.

Recent Developments

The portfolio manager's core scenario contemplates sluggish global economic growth and low inflation, and the threats to the forecast appear tilted to the downside. Negative interest rates and full-fledged quantitative-easing programs are now in force in the Eurozone and Japan, and the Bank of England may cut interest rates in response to Brexit. The U.S. Federal Reserve, meanwhile, is likely to push ahead with rate hikes, although the timing is uncertain and data-dependent. While interest rates are at unusually low levels, the path to higher yields will likely be gradual and stretched over a very long period given current and forecast economic conditions. The Fund remains underweight bonds as even a small increase in yields could lead to negative total returns. The bulk of recent equity-market gains have been delivered through expanding valuations, so profit growth is, in the view of the portfolio manager, now critical to keeping the bull market alive. Total-return prospects continue to favour equities over bonds, so the Fund remains overweight stocks.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisors

RBC Global Asset Management (UK) Limited and RBC Investment Management (Asia) Limited are the sub-advisors and provide investment advice for the Fund.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are principal distributors of, or distribute certain series of units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, Series T5, Series T8 and Series D units.

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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$225,000 (2015 – \$216,000) or 14% (2015 – 11%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	13.18	0.21	(0.14)	0.18	0.12	0.37	—	(0.07)	—	—	(0.07)	13.49
Dec. 31, 2015	13.46	0.41	(0.30)	0.53	(0.50)	0.14	—	(0.12)	(0.27)	—	(0.39)	13.18
Dec. 31, 2014	12.90	0.41	(0.31)	0.74	0.31	1.15	—	(0.07)	(0.50)	—	(0.57)	13.46
Dec. 31, 2013	12.31	0.33	(0.30)	0.71	0.38	1.12	—	(0.02)	(0.53)	—	(0.55)	12.89
Dec. 31, 2012	11.79	0.38	(0.28)	0.30	0.29	0.69	—	(0.05)	(0.12)	—	(0.17)	12.31
Dec. 31, 2011	12.30	0.34	(0.27)	0.40	(0.89)	(0.42)	—	—	(0.08)	—	(0.08)	11.79
Advisor Series												
June 30, 2016	13.31	0.21	(0.14)	0.18	0.12	0.37	—	(0.07)	—	—	(0.07)	13.63
Dec. 31, 2015	13.60	0.41	(0.30)	0.54	(0.51)	0.14	—	(0.12)	(0.27)	—	(0.39)	13.31
Dec. 31, 2014	13.02	0.41	(0.32)	0.75	0.31	1.15	—	(0.06)	(0.50)	—	(0.56)	13.60
Dec. 31, 2013	12.43	0.33	(0.30)	0.72	0.38	1.13	—	(0.02)	(0.53)	—	(0.55)	13.02
Dec. 31, 2012	11.90	0.38	(0.28)	0.31	0.30	0.71	—	(0.06)	(0.12)	—	(0.18)	12.43
Dec. 31, 2011	12.40	0.34	(0.27)	0.41	(0.89)	(0.41)	—	—	(0.08)	—	(0.08)	11.90
Series T5												
June 30, 2016	12.40	0.19	(0.13)	0.17	0.11	0.34	—	(0.19)	—	(0.12)	(0.31)	12.45
Dec. 31, 2015	12.93	0.39	(0.27)	0.50	(0.48)	0.14	—	(0.11)	(0.29)	(0.25)	(0.65)	12.40
Dec. 31, 2014	12.47	0.39	(0.29)	0.70	0.30	1.10	—	(0.06)	(0.42)	(0.14)	(0.62)	12.93
Dec. 31, 2013	12.34	0.33	(0.30)	0.71	0.37	1.11	—	(0.02)	(0.95)	—	(0.97)	12.47
Dec. 31, 2012 ³	12.31 [†]	0.10	(0.09)	0.08	0.08	0.17	—	—	(0.15)	—	(0.15)	12.34
Series T8												
June 30, 2016	8.46	0.13	(0.09)	0.11	0.07	0.22	—	(0.11)	—	(0.23)	(0.34)	8.36
Dec. 31, 2015	9.10	0.27	(0.19)	0.35	(0.33)	0.10	—	(0.08)	(0.17)	(0.48)	(0.73)	8.46
Dec. 31, 2014	9.05	0.28	(0.21)	0.50	0.21	0.78	—	(0.05)	(0.35)	(0.33)	(0.73)	9.10
Dec. 31, 2013	8.97	0.23	(0.21)	0.50	0.27	0.79	—	(0.03)	(0.30)	(0.39)	(0.72)	9.04
Dec. 31, 2012	9.18	0.28	(0.21)	0.23	0.22	0.52	—	(0.04)	(0.08)	(0.61)	(0.73)	8.97
Dec. 31, 2011	10.43	0.28	(0.22)	0.33	(0.72)	(0.33)	—	—	(0.08)	(0.84)	(0.92)	9.18
Series D												
June 30, 2016	13.70	0.21	(0.09)	0.19	0.12	0.43	—	(0.13)	—	—	(0.13)	14.03
Dec. 31, 2015	13.99	0.42	(0.19)	0.55	(0.52)	0.26	—	(0.24)	(0.28)	—	(0.52)	13.70
Dec. 31, 2014	13.40	0.42	(0.21)	0.77	0.32	1.30	—	(0.18)	(0.52)	—	(0.70)	13.99
Dec. 31, 2013	12.79	0.34	(0.20)	0.74	0.39	1.27	—	(0.14)	(0.55)	—	(0.69)	13.39
Dec. 31, 2012	12.25	0.39	(0.19)	0.32	0.31	0.83	—	(0.16)	(0.13)	—	(0.29)	12.79
Dec. 31, 2011	12.67	0.35	(0.18)	0.42	(0.92)	(0.33)	—	—	(0.08)	—	(0.08)	12.25



FINANCIAL HIGHLIGHTS (cont.)

Change in Net Assets Per Unit (\$) (cont.)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					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	Total	
Series F												
June 30, 2016	14.47	0.23	(0.08)	0.20	0.13	0.48	—	(0.16)	—	—	(0.16)	14.82
Dec. 31, 2015	14.78	0.45	(0.16)	0.58	(0.55)	0.32	—	(0.30)	(0.29)	—	(0.59)	14.47
Dec. 31, 2014	14.15	0.45	(0.18)	0.82	0.34	1.43	—	(0.23)	(0.55)	—	(0.78)	14.78
Dec. 31, 2013	13.50	0.36	(0.17)	0.79	0.42	1.40	—	(0.18)	(0.58)	—	(0.76)	14.14
Dec. 31, 2012	12.93	0.41	(0.16)	0.34	0.32	0.91	—	(0.21)	(0.13)	—	(0.34)	13.50
Dec. 31, 2011	13.33	0.37	(0.15)	0.44	(0.97)	(0.31)	—	—	(0.08)	—	(0.08)	12.93
Series I												
June 30, 2016	14.99	0.24	(0.03)	0.21	0.13	0.55	—	(0.21)	—	—	(0.21)	15.35
Dec. 31, 2015	15.31	0.46	(0.06)	0.61	(0.57)	0.44	—	(0.41)	(0.30)	—	(0.71)	14.99
Dec. 31, 2014	14.66	0.46	(0.06)	0.85	0.36	1.61	—	(0.37)	(0.57)	—	(0.94)	15.31
Dec. 31, 2013	13.99	0.38	(0.06)	0.82	0.43	1.57	—	(0.31)	(0.60)	—	(0.91)	14.65
Dec. 31, 2012	13.38	0.43	(0.06)	0.35	0.34	1.06	—	(0.32)	(0.14)	—	(0.46)	13.99
Dec. 31, 2011	13.69	0.38	(0.05)	0.45	(1.00)	(0.22)	—	—	(0.08)	—	(0.08)	13.38
Series O												
June 30, 2016	14.59	0.23	—	0.20	0.13	0.56	—	(0.23)	—	—	(0.23)	14.94
Dec. 31, 2015	14.91	0.45	—	0.59	(0.56)	0.48	—	(0.46)	(0.30)	—	(0.76)	14.59
Dec. 31, 2014	14.29	0.45	—	0.83	0.35	1.63	—	(0.42)	(0.57)	—	(0.99)	14.91
Dec. 31, 2013	13.64	0.37	—	0.80	0.42	1.59	—	(0.35)	(0.59)	—	(0.94)	14.29
Dec. 31, 2012	13.07	0.42	—	0.34	0.33	1.09	—	(0.38)	(0.14)	—	(0.52)	13.64
Dec. 31, 2011	13.31	0.37	—	0.44	(0.97)	(0.16)	—	—	(0.08)	—	(0.08)	13.07

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From September 24, 2012.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	13.49	5 425 464	402 042	2.16	2.16	35.39	0.05
Dec. 31, 2015	13.18	5 717 850	433 974	2.16	2.16	42.78	0.06
Dec. 31, 2014	13.46	6 459 792	479 781	2.32	2.32	60.51	0.09
Dec. 31, 2013	12.90	6 610 494	512 529	2.36	2.36	70.00	0.11
Dec. 31, 2012	12.33	6 752 841	547 826	2.36	2.36	81.81	0.14
Dec. 31, 2011	11.81	7 064 510	598 340	2.35	2.35	102.06	0.18
Advisor Series							
June 30, 2016	13.63	17 129	1 256	2.17	2.17	35.39	0.05
Dec. 31, 2015	13.31	17 719	1 331	2.18	2.18	42.78	0.06
Dec. 31, 2014	13.60	19 550	1 437	2.34	2.34	60.51	0.09
Dec. 31, 2013	13.02	21 017	1 614	2.33	2.33	70.00	0.11
Dec. 31, 2012	12.44	20 696	1 664	2.29	2.29	81.81	0.14
Dec. 31, 2011	11.91	21 522	1 807	2.30	2.30	102.06	0.18



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data (cont.)

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series T5							
June 30, 2016	12.45	871	70	2.15	2.15	35.39	0.05
Dec. 31, 2015	12.40	837	67	2.14	2.14	42.78	0.06
Dec. 31, 2014	12.93	336	26	2.29	2.29	60.51	0.09
Dec. 31, 2013	12.47	192	15	2.36	2.36	70.00	0.11
Dec. 31, 2012 ⁴	12.35	7	1	2.38	2.38	81.81	0.14
Series T8							
June 30, 2016	8.36	3 568	427	2.13	2.13	35.39	0.05
Dec. 31, 2015	8.46	2 884	341	2.15	2.15	42.78	0.06
Dec. 31, 2014	9.10	2 424	266	2.30	2.30	60.51	0.09
Dec. 31, 2013	9.05	1 902	210	2.29	2.29	70.00	0.11
Dec. 31, 2012	8.98	2 199	245	2.28	2.28	81.81	0.14
Dec. 31, 2011	9.19	3 357	365	2.28	2.28	102.06	0.18
Series D							
June 30, 2016	14.03	114 986	8 197	1.33	1.33	35.39	0.05
Dec. 31, 2015	13.70	111 999	8 176	1.33	1.33	42.78	0.06
Dec. 31, 2014	13.99	109 532	7 828	1.50	1.50	60.51	0.09
Dec. 31, 2013	13.40	96 600	7 210	1.49	1.49	70.00	0.11
Dec. 31, 2012	12.81	90 052	7 031	1.49	1.49	81.81	0.14
Dec. 31, 2011	12.26	89 174	7 271	1.49	1.49	102.06	0.18
Series F							
June 30, 2016	14.82	26 931	1 818	1.06	1.06	35.39	0.05
Dec. 31, 2015	14.47	23 676	1 637	1.06	1.06	42.78	0.06
Dec. 31, 2014	14.78	22 710	1 537	1.23	1.23	60.51	0.09
Dec. 31, 2013	14.15	18 588	1 314	1.22	1.22	70.00	0.11
Dec. 31, 2012	13.51	16 114	1 193	1.23	1.23	81.81	0.14
Dec. 31, 2011	12.94	15 891	1 228	1.23	1.23	102.06	0.18
Series I							
June 30, 2016	15.35	221 490	14 426	0.42	0.42	35.39	0.05
Dec. 31, 2015	14.99	218 208	14 554	0.43	0.43	42.78	0.06
Dec. 31, 2014	15.31	219 561	14 340	0.43	0.43	60.51	0.09
Dec. 31, 2013	14.66	201 591	13 750	0.41	0.41	70.00	0.11
Dec. 31, 2012	14.00	184 478	13 175	0.42	0.42	81.81	0.14
Dec. 31, 2011	13.40	172 501	12 873	0.42	0.42	102.06	0.18
Series O							
June 30, 2016	14.94	53 318	3 569	0.04	0.04	35.39	0.05
Dec. 31, 2015	14.59	51 433	3 525	0.04	0.04	42.78	0.06
Dec. 31, 2014	14.91	47 056	3 156	0.03	0.03	60.51	0.09
Dec. 31, 2013	14.29	42 369	2 964	0.02	0.02	70.00	0.11
Dec. 31, 2012	13.65	39 008	2 858	0.03	0.03	81.81	0.14
Dec. 31, 2011	13.08	40 664	3 108	0.02	0.02	102.06	0.18

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

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

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

⁴ From September 24, 2012.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.85%	50%	50%
Advisor Series	1.85%	50%	50%
Series T5	1.85%	50%	50%
Series T8	1.85%	50%	50%
Series D	1.10%	20%	80%
Series F	0.85%	—	100%
Series I	0.35%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

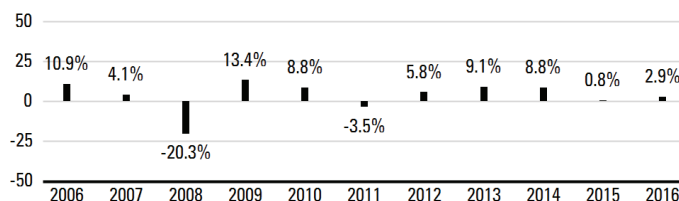
PAST PERFORMANCE

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.

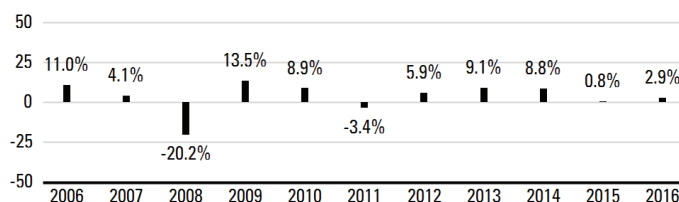
Year-by-Year Returns (%)

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.

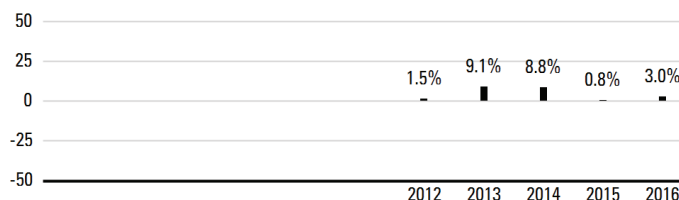
Series A (%)



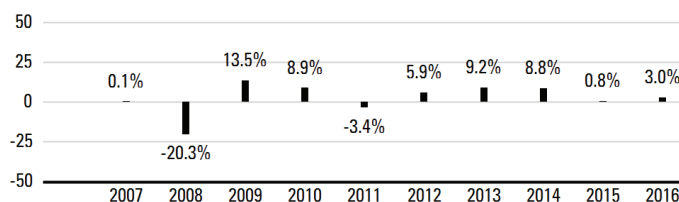
Advisor Series (%)



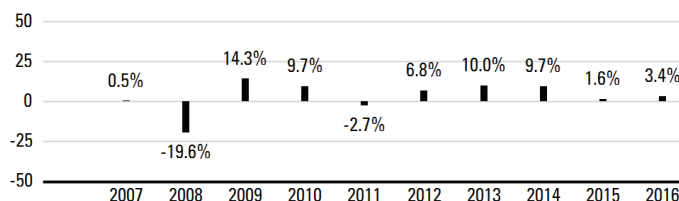
Series T5 (%)



Series T8 (%)

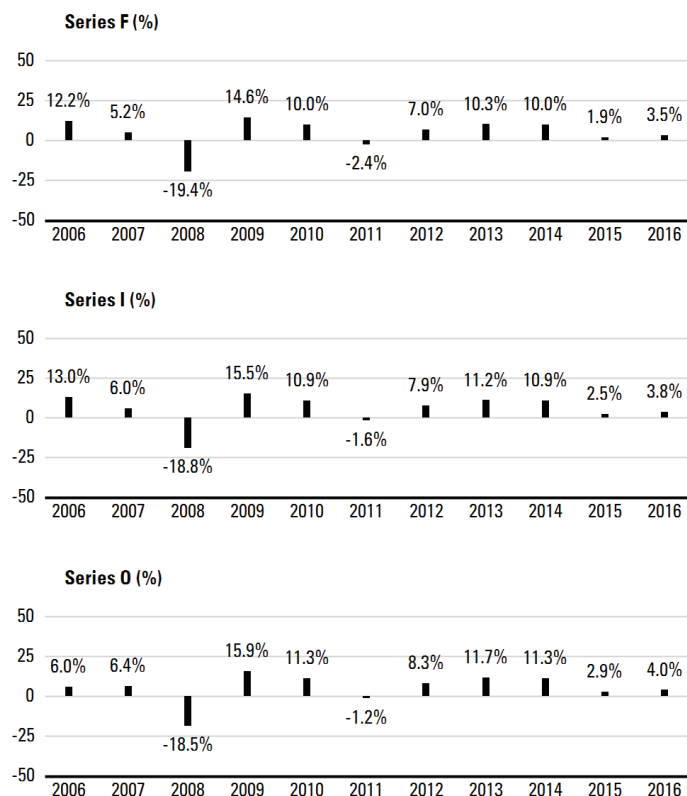


Series D (%)





PAST PERFORMANCE (cont.)



Series T5 units have been available for sale to unitholders since September 24, 2012, Series T8 and Series D units since July 3, 2007, and Series O units since September 5, 2006.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Canadian Bonds	34.0
Canadian Equities	33.8
United States Equities	10.8
International Equities	8.9
Investment Funds	7.5
Foreign Bonds	2.0
Cash/Other	3.0

Top 25 Holdings

	% of Net Asset Value
RBC Emerging Markets Equity Fund	4.1
Royal Bank of Canada	2.4
Toronto-Dominion Bank	2.0
Cash & Cash Equivalents	1.8
Bank of Nova Scotia	1.8
RBC Canadian Small & Mid-Cap Resources Fund	1.6
Suncor Energy Inc.	1.5
Province of Ontario 4.650% Jun 2 2041	1.2
Province of Ontario 4.600% Jun 2 2039	1.1
Canadian Natural Resources Ltd.	1.1
Province of Ontario 2.850% Jun 2 2023	1.1
Canadian National Railway Co.	1.0
Bank of Montreal	1.0
Enbridge Inc.	1.0
Province of Ontario 3.150% Jun 2 2022	1.0
Brookfield Asset Management Inc., Class A	1.0
Hydro-Quebec 6.500% Feb 15 2035	0.9
Province of Ontario 4.700% Jun 2 2037	0.9
TransCanada Corp.	0.9
Barclays Capital High Yield Bond SPDR Fund	0.8
Province of Ontario 6.200% Jun 2 2031	0.8
Province of Quebec 3.000% Sep 1 2023	0.8
Government of Canada 0.750% Mar 1 2021	0.8
Province of Ontario 3.450% Jun 2 2045	0.8
Canadian Imperial Bank of Commerce	0.8
Top 25 Holdings	32.2

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



BALANCED FUND

RBC GLOBAL BALANCED FUND

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (UK) Limited, London, England
(for the European equity portion of the Fund)

Sub-Advisor: RBC Investment Management (Asia) Limited, Hong Kong, China
(for the Asian equity portion of the Fund)

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund pursues long-term capital growth with a secondary focus on modest income. The Fund invests primarily in Canadian, U.S. and international equities and fixed-income securities. It may also invest in income trusts and may use derivatives.

The Fund uses a strategic asset-allocation approach that determines the appropriate asset mix with broad pre-established guidelines for each asset class, and adjusts the percentage of the Fund invested in each asset class as the market outlook changes.

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 target weightings for each asset class may be adjusted based on changes in the market outlook for each asset class.

Results of Operations

The Fund's net asset value was \$722 million as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 0.8%. 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 any other series, which may vary because of differences in management fees and expenses.

Global stocks produced modest returns during the first half of 2016, with Canadian stocks rising, while U.S. and international stocks declined after adjusting for currency drops versus a strong Canadian dollar. The gains came after stocks rebounded from one of their worst-ever starts to a year, as fears of a global recession abated in the spring. A simultaneous rebound in commodity prices resulted in Canadian equities gaining favour.

Global economic growth was the main concern for securities markets during the first half of the year, with markets focused on the probability of a slow and sluggish global expansion for the foreseeable future. These expectations were driven by the perceived need for central banks to continue supporting fixed-income markets, which enabled bond yields to remain low and further extend the move of some yields into negative territory. The fixed-income portion of the portfolio delivered modest returns similar to equities.

The Fund continued to carry an overweight position in stocks and an underweight position in bonds. The Fund also continued to hedge most of its currency exposure in fixed income, and a portion of its currency exposure in equity positions. The Fund's relative performance was hurt by the underperformance of its U.S. stocks versus the S&P 500 Index.

Recent Developments

The portfolio manager's view on global asset markets has not changed substantially since the start of the year. The European Central Bank and Bank of Japan will continue to support their bond markets at least through the rest of this year, while the U.S. Federal Reserve emphasizes that any interest-rate increases will be gradual. While substantial increases in interest rates are unlikely, relatively low interest rates suggest that total returns from bonds will also be hard to achieve. Relatively low rates should, however, support stock markets as long as revenue gains are sufficient to bolster earnings. Slow global growth, coupled with stability in commodities, should allow equities to again provide moderate total returns.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisors

RBC Global Asset Management (UK) Limited and RBC Investment Management (Asia) Limited are the sub-advisors and provide investment advice for the Fund.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, Series T5, Series T8 and Series D units.

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 units of the Fund.



Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$13,000 (2015 – \$22,000) or 6% (2015 – 7%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016	15.83	0.20	(0.17)	0.20	(0.12)	0.11	—	—	—	—	—	15.95	
Dec. 31, 2015	15.21	0.39	(0.35)	0.79	(0.19)	0.64	—	—	—	—	—	15.83	
Dec. 31, 2014	14.02	0.35	(0.35)	1.25	(0.07)	1.18	—	—	—	—	—	15.21	
Dec. 31, 2013	12.42	0.31	(0.31)	0.99	0.60	1.59	—	—	—	—	—	14.02	
Dec. 31, 2012	11.53	0.31	(0.28)	0.69	0.19	0.91	—	—	—	—	—	12.42	
Dec. 31, 2011	11.96	0.32	(0.27)	0.03	(0.50)	(0.42)	—	—	—	—	—	11.53	
Advisor Series													
June 30, 2016	15.97	0.20	(0.17)	0.20	(0.12)	0.11	—	—	—	—	—	16.10	
Dec. 31, 2015	15.34	0.39	(0.34)	0.80	(0.19)	0.66	—	—	—	—	—	15.97	
Dec. 31, 2014	14.14	0.36	(0.34)	1.26	(0.07)	1.21	—	—	—	—	—	15.34	
Dec. 31, 2013	12.51	0.31	(0.30)	1.00	0.61	1.62	—	—	—	—	—	14.13	
Dec. 31, 2012	11.60	0.31	(0.28)	0.69	0.19	0.91	—	—	—	—	—	12.51	
Dec. 31, 2011	12.03	0.32	(0.26)	0.03	(0.51)	(0.42)	—	—	—	—	—	11.60	
Series T5													
June 30, 2016	13.51	0.17	(0.14)	0.17	(0.10)	0.10	—	—	—	(0.34)	(0.34)	13.27	
Dec. 31, 2015	13.63	0.34	(0.30)	0.70	(0.16)	0.58	—	—	—	(0.68)	(0.68)	13.51	
Dec. 31, 2014	13.20	0.32	(0.32)	1.15	(0.07)	1.08	—	—	—	(0.66)	(0.66)	13.63	
Dec. 31, 2013	12.27	0.30	(0.30)	0.96	0.58	1.54	—	—	—	(0.61)	(0.61)	13.20	
Dec. 31, 2012 ³	12.22 [†]	0.09	(0.08)	0.19	0.05	0.25	—	—	—	(0.15)	(0.15)	12.27	
Series T8													
June 30, 2016	8.74	0.11	(0.09)	0.11	(0.06)	0.07	—	—	—	(0.35)	(0.35)	8.45	
Dec. 31, 2015	9.09	0.22	(0.19)	0.46	(0.11)	0.38	—	—	—	(0.73)	(0.73)	8.74	
Dec. 31, 2014	9.07	0.22	(0.21)	0.78	(0.05)	0.74	—	—	—	(0.73)	(0.73)	9.09	
Dec. 31, 2013	8.68	0.21	(0.20)	0.67	0.41	1.09	—	—	—	(0.70)	(0.70)	9.07	
Dec. 31, 2012	8.72	0.23	(0.20)	0.50	0.14	0.67	—	—	—	(0.70)	(0.70)	8.68	
Dec. 31, 2011	9.83	0.26	(0.21)	0.03	(0.40)	(0.32)	—	—	—	(0.79)	(0.79)	8.72	
Series D													
June 30, 2016	16.98	0.22	(0.11)	0.21	(0.13)	0.19	—	—	—	—	—	17.19	
Dec. 31, 2015	16.17	0.41	(0.22)	0.85	(0.20)	0.84	—	—	—	—	—	16.98	
Dec. 31, 2014	14.78	0.37	(0.23)	1.33	(0.08)	1.39	—	—	—	—	—	16.17	
Dec. 31, 2013	12.98	0.33	(0.21)	1.04	0.63	1.79	—	—	—	—	—	14.77	
Dec. 31, 2012	11.94	0.33	(0.18)	0.72	0.19	1.06	—	—	—	—	—	12.98	
Dec. 31, 2011	12.28	0.33	(0.17)	0.03	(0.52)	(0.33)	—	—	—	—	—	11.94	



FINANCIAL HIGHLIGHTS (cont.)

Change in Net Assets Per Unit (\$) (cont.)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					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		
Series F												
June 30, 2016	18.23	0.23	(0.09)	0.23	(0.14)	0.23	—	—	—	—	—	18.48
Dec. 31, 2015	17.31	0.44	(0.19)	0.91	(0.21)	0.95	—	—	—	—	—	18.23
Dec. 31, 2014	15.78	0.40	(0.20)	1.42	(0.08)	1.54	—	—	—	—	—	17.31
Dec. 31, 2013	13.82	0.35	(0.18)	1.11	0.67	1.95	—	—	—	—	—	15.77
Dec. 31, 2012	12.67	0.35	(0.16)	0.76	0.21	1.16	—	—	—	—	—	13.82
Dec. 31, 2011	13.00	0.35	(0.15)	0.03	(0.55)	(0.32)	—	—	—	—	—	12.67
Series O												
June 30, 2016	18.69	0.24	—	0.23	(0.14)	0.33	—	—	—	—	—	19.04
Dec. 31, 2015	17.57	0.45	—	0.93	(0.22)	1.16	—	—	—	—	—	18.69
Dec. 31, 2014	15.83	0.40	—	1.43	(0.08)	1.75	—	—	—	—	—	17.57
Dec. 31, 2013	13.70	0.35	—	1.11	0.67	2.13	—	—	—	—	—	15.82
Dec. 31, 2012	12.42	0.34	—	0.75	0.20	1.29	—	—	—	—	—	13.70
Dec. 31, 2011	12.59	0.35	—	0.03	(0.54)	(0.16)	—	—	—	—	—	12.42

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From September 24, 2012.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	15.95	669 967	41 993	2.21	2.21	68.05	0.06
Dec. 31, 2015	15.83	701 620	44 317	2.21	2.21	91.51	0.08
Dec. 31, 2014	15.21	742 388	48 812	2.38	2.38	97.75	0.12
Dec. 31, 2013	14.02	754 204	53 778	2.37	2.37	92.31	0.13
Dec. 31, 2012	12.43	725 089	58 317	2.37	2.37	109.90	0.18
Dec. 31, 2011	11.54	764 214	66 211	2.37	2.37	115.23	0.23
Advisor Series							
June 30, 2016	16.10	8 615	535	2.17	2.17	68.05	0.06
Dec. 31, 2015	15.97	7 619	477	2.17	2.17	91.51	0.08
Dec. 31, 2014	15.34	6 996	456	2.32	2.32	97.75	0.12
Dec. 31, 2013	14.14	5 435	384	2.29	2.29	92.31	0.13
Dec. 31, 2012	12.52	4 672	373	2.29	2.29	109.90	0.18
Dec. 31, 2011	11.62	5 843	503	2.29	2.29	115.23	0.23
Series T5							
June 30, 2016	13.27	354	27	2.19	2.19	68.05	0.06
Dec. 31, 2015	13.51	87	6	2.21	2.21	91.51	0.08
Dec. 31, 2014	13.63	59	4	2.38	2.38	97.75	0.12
Dec. 31, 2013	13.20	120	9	2.37	2.37	92.31	0.13
Dec. 31, 2012 ⁴	12.28	11	1	2.39	2.39	109.90	0.18



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data (cont.)

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series T8							
June 30, 2016	8.45	5 839	691	2.13	2.13	68.05	0.06
Dec. 31, 2015	8.74	3 108	356	2.17	2.17	91.51	0.08
Dec. 31, 2014	9.09	687	76	2.36	2.36	97.75	0.12
Dec. 31, 2013	9.07	368	41	2.31	2.31	92.31	0.13
Dec. 31, 2012	8.69	239	28	2.33	2.33	109.90	0.18
Dec. 31, 2011	8.73	278	32	2.33	2.33	115.23	0.23
Series D							
June 30, 2016	17.19	16 513	961	1.33	1.33	68.05	0.06
Dec. 31, 2015	16.98	15 962	940	1.33	1.33	91.51	0.08
Dec. 31, 2014	16.17	13 315	823	1.49	1.49	97.75	0.12
Dec. 31, 2013	14.78	11 178	756	1.49	1.49	92.31	0.13
Dec. 31, 2012	12.99	9 377	722	1.50	1.50	109.90	0.18
Dec. 31, 2011	11.95	9 262	775	1.49	1.49	115.23	0.23
Series F							
June 30, 2016	18.48	3 479	188	1.06	1.06	68.05	0.06
Dec. 31, 2015	18.23	3 158	173	1.06	1.06	91.51	0.08
Dec. 31, 2014	17.31	2 165	125	1.21	1.21	97.75	0.12
Dec. 31, 2013	15.78	1 038	66	1.20	1.20	92.31	0.13
Dec. 31, 2012	13.83	990	72	1.21	1.21	109.90	0.18
Dec. 31, 2011	12.69	1 014	80	1.20	1.20	115.23	0.23
Series O							
June 30, 2016	19.04	17 266	907	0.04	0.04	68.05	0.06
Dec. 31, 2015	18.69	14 098	754	0.04	0.04	91.51	0.08
Dec. 31, 2014	17.57	6 644	378	0.04	0.04	97.75	0.12
Dec. 31, 2013	15.83	4 113	260	0.03	0.03	92.31	0.13
Dec. 31, 2012	13.71	2 504	183	0.03	0.03	109.90	0.18
Dec. 31, 2011	12.43	1 925	155	0.03	0.03	115.23	0.23

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

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

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

⁴ From September 24, 2012.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.85%	50%	50%
Advisor Series	1.85%	50%	50%
Series T5	1.85%	50%	50%
Series T8	1.85%	50%	50%
Series D	1.10%	20%	80%
Series F	0.85%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

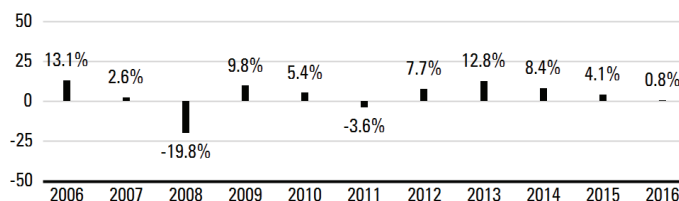
PAST PERFORMANCE

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.

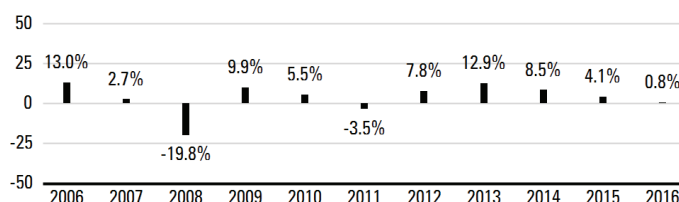
Year-by-Year Returns (%)

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.

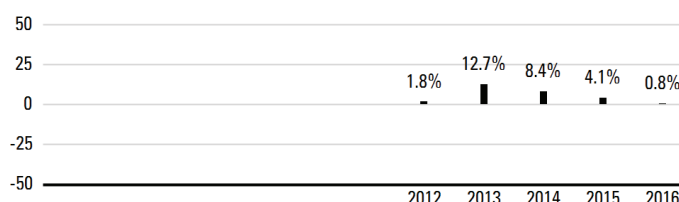
Series A (%)



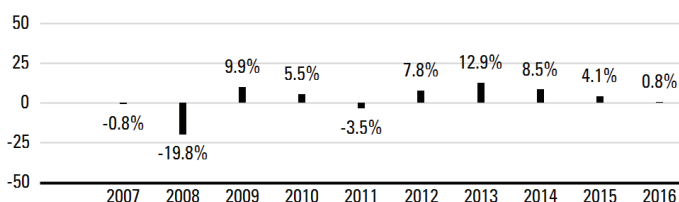
Advisor Series (%)



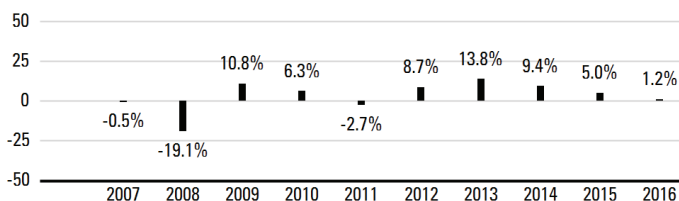
Series T5 (%)



Series T8 (%)

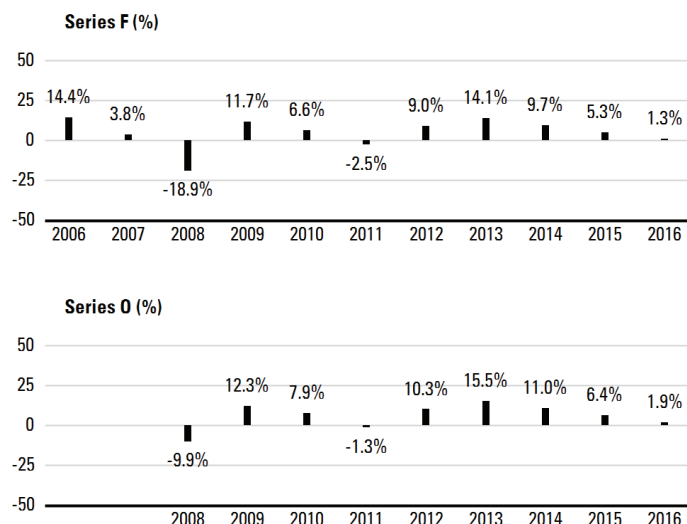


Series D (%)





PAST PERFORMANCE (cont.)



Series T5 units have been available for sale to unitholders since September 24, 2012, Series O units since September 22, 2008, and Series T8 and Series D units since July 3, 2007.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United States Equities	19.2
Foreign Bonds	19.1
Canadian Equities	19.1
Canadian Bonds	16.5
International Equities	13.7
Investment Funds	9.6
Cash/Other	2.8

Top 25 Holdings

	% of Net Asset Value
RBC Emerging Markets Equity Fund	4.4
Japan Government Twenty Year JPY 1.300% Jun 20 2035	2.2
Province of Ontario USD 1.100% Oct 25 2017	1.7
Cash & Cash Equivalents	1.7
RBC High Yield Bond Fund	1.4
Royal Bank of Canada	1.3
Province of Ontario USD 2.500% Sep 10 2021	1.3
Toronto-Dominion Bank	1.2
Buoni Poliennali Del Tesoro EUR 0.300% Oct 15 2018	1.2
RBC Canadian Small & Mid-Cap Resources Fund	1.2
United States Treasury 2.500% Feb 15 2045	0.9
Bank of Nova Scotia	0.9
France O.A.T. EUR 0.500% May 25 2026	0.9
RBC U.S. Mid-Cap Equity Fund	0.9
Japan Government Ten Year JPY 0.300% Dec 20 2024	0.9
RBC U.S. Mid-Cap Value Equity Fund	0.8
Province of Ontario 4.700% Jun 2 2037	0.8
Spain Government EUR 2.750% Apr 30 2019	0.8
DEPFA ACS Bank JPY 1.650% Dec 20 2016	0.8
United States Treasury 1.500% Jan 31 2022	0.8
Canadian National Railway Co.	0.8
Belgium Government EUR 2.600% Jun 22 2024	0.7
Suncor Energy Inc.	0.7
Bundesrepublik Deutschland EUR 0.500% Feb 15 2025	0.7
The S&P 500 Index Future, September 2016	0.7
Top 25 Holdings	29.7

The Fund may use futures contracts as an asset substitution or to reduce interest-rate risk.

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



BALANCED FUND

RBC JANTZI BALANCED FUND

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (UK) Limited, London, England
(for the European equity portion of the Fund)

Sub-Advisor: RBC Investment Management (Asia) Limited, Hong Kong, China
(for the Asian equity portion of the Fund)

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund provides the potential for long-term capital growth, with a secondary focus on modest income, to investors seeking exposure to “socially responsible investing.” Investments that qualify for inclusion in the portfolio must possess strong environmental, social and governance practices relative to industry peers, as defined by Sustainalytics Best-of-Sector™ methodology.

The Fund invests primarily in Canadian, U.S. and international equities and fixed-income securities.

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 target weightings for each asset class may be adjusted based on changes in the market outlook for each asset class.

Results of Operations

The Fund's net asset value was \$105 million as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 0.1%. 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 any other series, which may vary because of differences in management fees and expenses.

Global stocks produced modest returns during the first half of 2016, with Canadian stocks rising, while U.S. and international stocks declined after adjusting for currency drops versus a strong Canadian dollar. The gains came after stocks rebounded from one of their worst-ever starts to a year, as fears of a global recession abated in the spring. A simultaneous rebound in commodity prices resulted in Canadian equities gaining favour.

Global economic growth was the main concern for securities markets during the first half of the year, with markets focused on the probability of a slow and sluggish global expansion for the foreseeable future. These expectations were driven by the perceived need for central banks to continue supporting fixed-income markets, which enabled bond yields to remain low and further extend the move of some yields into negative territory. The fixed-income portion of the portfolio delivered modest returns similar to equities.

The Fund continued to carry an overweight position in stocks and an underweight position in bonds. The Fund also continued to hedge most of its currency exposure in fixed income, and a portion of its currency exposure in equity positions. The Fund's relative performance was hurt by the underperformance of its U.S. stocks versus the S&P 500 Index.

The Fund had higher-than-usual portfolio turnover because of trading levels in the U.S. equity portion of the portfolio.

Sustainalytics completed a semi-annual review of the holdings in the Fund. Eligibility for the Fund was determined in relation to the environmental, social and governance (“ESG”) criteria developed by Sustainalytics for the Jantzi Social Index. In the opinion of Sustainalytics, all holdings in the Fund were eligible based on the above criteria as of June 30, 2016. However, during the first half of the year, four companies were removed from the Fund as they no longer met certain ESG criteria.

Recent Developments

The portfolio manager's view on global asset markets has not changed substantially since the start of the year. The European Central Bank and Bank of Japan are expected to continue to support their bond markets at least through the rest of this year, while the U.S. Federal Reserve has emphasized that any interest-rate increases will be gradual. While substantial increases in interest rates are unlikely, relatively low interest rates suggest that total returns from bonds will also be hard to achieve. Relatively low rates should, however, support stock markets as long as revenue gains are sufficient to bolster earnings. Slow global growth, coupled with stability in commodities, should allow equities to again provide moderate total returns.

Effective June 30, 2016, Series I units were closed to all investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisors

RBC Global Asset Management (UK) Limited and RBC Investment Management (Asia) Limited are the sub-advisors and provide investment advice for the Fund.

™ Best-of-Sector is a trademark of Sustainalytics. Used under licence.



Distributors

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

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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$1,000 (2015 – \$3,000) or 4% (2015 – 7%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	11.19	0.14	(0.12)	(0.04)	0.04	0.02	—	(0.01)	—	—	(0.01)	11.19
Dec. 31, 2015	11.17	0.28	(0.26)	0.42	(0.01)	0.43	—	(0.02)	(0.47)	—	(0.49)	11.19
Dec. 31, 2014	11.03	0.26	(0.27)	1.08	(0.01)	1.06	—	—	(0.93)	—	(0.93)	11.17
Dec. 31, 2013	9.64	0.27	(0.25)	0.55	0.94	1.51	—	—	(0.11)	—	(0.11)	11.03
Dec. 31, 2012	9.02	0.24	(0.22)	0.28	0.33	0.63	—	(0.01)	—	—	(0.01)	9.64
Dec. 31, 2011	9.18	0.23	(0.21)	0.14	(0.31)	(0.15)	—	—	—	—	—	9.02
Advisor Series												
June 30, 2016	11.25	0.14	(0.12)	(0.04)	0.04	0.02	—	(0.01)	—	—	(0.01)	11.25
Dec. 31, 2015	11.21	0.28	(0.25)	0.42	(0.01)	0.44	—	(0.02)	(0.47)	—	(0.49)	11.25
Dec. 31, 2014	11.06	0.26	(0.27)	1.08	(0.01)	1.06	—	—	(0.93)	—	(0.93)	11.21
Dec. 31, 2013	9.67	0.27	(0.24)	0.55	0.94	1.52	—	—	(0.11)	—	(0.11)	11.06
Dec. 31, 2012	9.04	0.24	(0.22)	0.28	0.33	0.63	—	(0.01)	—	—	(0.01)	9.67
Dec. 31, 2011	9.20	0.23	(0.20)	0.14	(0.32)	(0.15)	—	—	—	—	—	9.04
Series D												
June 30, 2016	11.69	0.14	(0.08)	(0.04)	0.05	0.07	—	(0.03)	—	—	(0.03)	11.72
Dec. 31, 2015	11.59	0.29	(0.16)	0.44	(0.01)	0.56	—	(0.04)	(0.50)	—	(0.54)	11.69
Dec. 31, 2014	11.33	0.27	(0.18)	1.12	(0.02)	1.19	—	—	(0.94)	—	(0.94)	11.59
Dec. 31, 2013	9.86	0.27	(0.16)	0.56	0.96	1.63	—	(0.05)	(0.11)	—	(0.16)	11.33
Dec. 31, 2012	9.21	0.24	(0.14)	0.29	0.34	0.73	—	(0.08)	—	—	(0.08)	9.86
Dec. 31, 2011	9.30	0.24	(0.13)	0.14	(0.32)	(0.07)	—	—	—	—	—	9.21
Series F												
June 30, 2016	11.80	0.15	(0.06)	(0.04)	0.05	0.10	—	(0.04)	—	—	(0.04)	11.83
Dec. 31, 2015	11.67	0.29	(0.13)	0.44	(0.01)	0.59	—	(0.05)	(0.50)	—	(0.55)	11.80
Dec. 31, 2014	11.38	0.27	(0.15)	1.11	(0.02)	1.21	—	—	(0.95)	—	(0.95)	11.67
Dec. 31, 2013	9.89	0.27	(0.13)	0.56	0.96	1.66	—	(0.07)	(0.11)	—	(0.18)	11.38
Dec. 31, 2012	9.24	0.25	(0.12)	0.29	0.34	0.76	—	(0.11)	—	—	(0.11)	9.89
Dec. 31, 2011	9.31	0.24	(0.11)	0.14	(0.32)	(0.05)	—	—	—	—	—	9.24

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	11.19	92 909	8 301	2.21	2.21	174.76	0.06
Dec. 31, 2015	11.19	86 550	7 732	2.21	2.21	267.38	0.12
Dec. 31, 2014	11.17	67 611	6 055	2.38	2.38	192.99	0.13
Dec. 31, 2013	11.03	49 671	4 504	2.38	2.38	89.03	0.07
Dec. 31, 2012	9.65	35 102	3 639	2.38	2.38	103.40	0.11
Dec. 31, 2011	9.03	31 128	3 448	2.37	2.37	129.07	0.18
Advisor Series							
June 30, 2016	11.25	5 776	513	2.13	2.13	174.76	0.06
Dec. 31, 2015	11.25	5 113	455	2.15	2.15	267.38	0.12
Dec. 31, 2014	11.21	2 699	241	2.32	2.32	192.99	0.13
Dec. 31, 2013	11.06	1 912	173	2.33	2.33	89.03	0.07
Dec. 31, 2012	9.67	952	98	2.32	2.32	103.40	0.11
Dec. 31, 2011	9.05	1 032	114	2.34	2.34	129.07	0.18
Series D							
June 30, 2016	11.72	2 786	238	1.34	1.34	174.76	0.06
Dec. 31, 2015	11.69	3 159	270	1.33	1.33	267.38	0.12
Dec. 31, 2014	11.59	1 947	168	1.50	1.50	192.99	0.13
Dec. 31, 2013	11.33	1 360	120	1.51	1.51	89.03	0.07
Dec. 31, 2012	9.87	599	61	1.49	1.49	103.40	0.11
Dec. 31, 2011	9.22	451	49	1.52	1.52	129.07	0.18
Series F							
June 30, 2016	11.83	3 058	258	1.04	1.04	174.76	0.06
Dec. 31, 2015	11.80	2 308	196	1.07	1.07	267.38	0.12
Dec. 31, 2014	11.67	1 118	96	1.25	1.25	192.99	0.13
Dec. 31, 2013	11.38	481	42	1.25	1.25	89.03	0.07
Dec. 31, 2012	9.90	256	26	1.25	1.25	103.40	0.11
Dec. 31, 2011	9.25	198	21	1.25	1.25	129.07	0.18

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

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

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



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.85%	50%	50%
Advisor Series	1.85%	50%	50%
Series D	1.10%	20%	80%
Series F	0.85%	—	100%

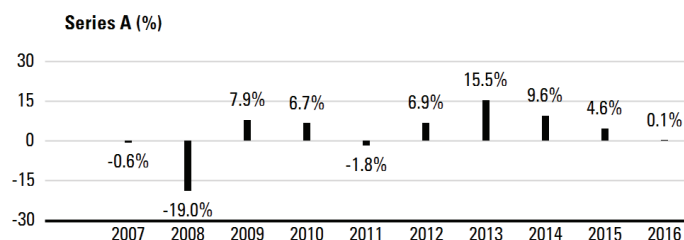
* Includes all costs related to management, trustee, investment advisory services, general administration and profit.

PAST PERFORMANCE

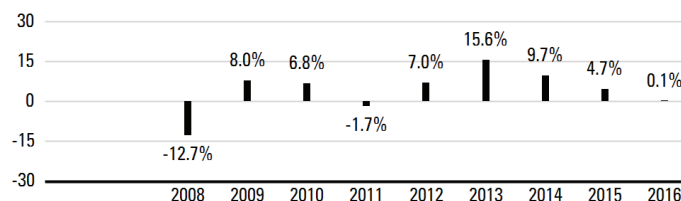
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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 (%)

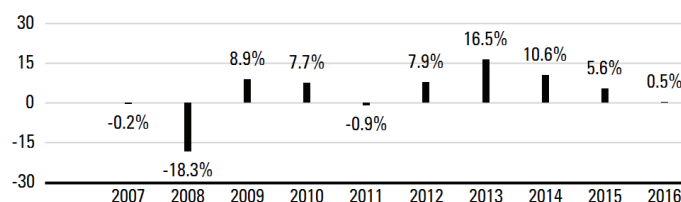
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



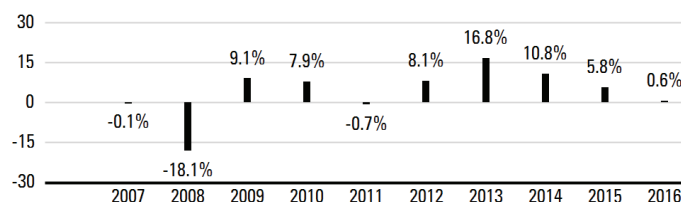
Advisor Series (%)



Series D (%)



Series F (%)



Advisor Series units have been available for sale to unitholders since January 21, 2008, and Series A, Series D and Series F units since July 3, 2007.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Foreign Bonds	22.6
United States Equities	21.5
Canadian Equities	20.9
International Equities	17.4
Canadian Bonds	14.5
Cash/Other	3.1

Top 25 Holdings

	% of Net Asset Value
Cash & Cash Equivalents	3.0
United States Treasury 1.500% Jan 31 2022	2.7
United States Treasury 1.000% Sep 30 2019	1.9
Royal Bank of Canada	1.4
Toronto-Dominion Bank	1.3
Province of Ontario USD 2.500% Sep 10 2021	1.2
France O.A.T. EUR 0.500% May 25 2026	1.1
Bank of Nova Scotia	1.0
Japan Government Ten Year JPY 1.000% Sep 20 2020	0.9
Japan Government Twenty Year JPY 1.200% Mar 20 2035	0.9
Canadian National Railway Co.	0.8
United States Treasury 0.750% Jun 30 2017	0.8
United States Treasury 0.875% Jan 31 2017	0.8
Japan Government Thirty Year JPY 1.500% Dec 20 2044	0.8
Novo Nordisk A/S	0.8
Japan Government Twenty Year JPY 1.300% Jun 20 2035	0.7
Suncor Energy Inc.	0.7
InBev N.V.	0.7
Microsoft Corp.	0.7
United States Treasury 1.000% May 15 2018	0.7
Buoni Poliennali Del Tesoro EUR 0.300% Oct 15 2018	0.7
Apple Inc.	0.7
Christian Hansen Holding A/S	0.6
Province of Ontario 2.900% Dec 2 2046	0.6
Roche Holdings AG Genusscheine	0.6
Top 25 Holdings	26.1

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.



BALANCED FUND

**RBC CONSERVATIVE
GROWTH & INCOME FUND**

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide a combination of capital growth and modest income.

To achieve the objective, the Fund invests primarily in a diversified portfolio of income-producing equity and fixed-income securities anywhere in the world, either directly or indirectly, through investments in other mutual funds managed by RBC GAM or an affiliate. The Fund may also invest in emerging-market equity securities and emerging-market government and corporate bonds.

The Fund's target weightings for each asset class are 80% for fixed-income and 20% for equities. The target weightings for each class may be adjusted based on changes in the market outlook for each asset class.

Results of Operations

The Fund's net asset value was \$63 million as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 3.8%. 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 any other series, which may vary because of differences in management fees and expenses.

U.S. economic growth continued to lead the world's developed markets, while growth in Japan and in much of Europe and emerging markets continued to disappoint. Signs of significantly slower global economic growth appeared early in January 2016, leading to sharp financial-market declines in the first few weeks of the year. Oil prices followed growth expectations lower and by February had touched the lowest level in more than a decade, depressed in part by a surge in supply relative to demand. Oil prices and financial markets recovered somewhat beginning in February, and the rebound continued for much of the first quarter. In the second half of the period, the debate leading up to the U.K.'s eventual decision to exit the EU ("Brexit") largely replaced growth concerns as the main driver of markets.

The Fund's overweight position in equities and underweight position in fixed income were negative for performance. Government-bond yields in the U.S., Japan, Germany and Canada fell to record lows during the period amid Brexit concerns, leading to gains for investors as bond prices rose. Prices of non-government bonds also increased, with high-yield bonds performing particularly well following the oil-price rebound. Among fixed-income investments in the portfolio, the RBC Bond Fund and the Phillips, Hager & North Total Return Bond Fund had a positive impact on returns.

North American equities posted gains during the period led by Canadian markets, which benefited from the rebound in commodity prices. U.S. equities had gains in the low single digits, while Brexit worries resulted in losses for markets in Europe and Asia. The RBC Canadian Equity Fund had a positive impact on performance, while the RBC European Equity Fund had a negative effect on returns.

Recent Developments

The portfolio manager's core scenario contemplates sluggish global economic growth and low inflation, and the threats to the forecast appear tilted to the downside. Negative interest rates and full-fledged quantitative-easing programs are now in force in the Eurozone and Japan, and the Bank of England may cut interest rates in response to Brexit. The U.S. Federal Reserve, meanwhile, is likely to push ahead with rate hikes, although the timing is uncertain and data-dependent. While interest rates are at unusually low levels, the path to higher yields will likely be gradual and stretched over a very long period given current and forecast economic conditions. The Fund remains underweight bonds as even a small increase in yields could lead to negative total returns. The bulk of recent equity-market gains have been delivered through expanding valuations, so profit growth is, in the view of the portfolio manager, now critical to keeping the bull market alive. Total-return prospects continue to favour equities over bonds, so the Fund remains overweight stocks.

Effective June 30, 2016, Series H units were closed to all investors, and Series I units were capped and no longer available for purchase by new investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, Advisor T5 Series and Series T5 units.



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 units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	9.57	0.17	(0.08)	(0.07)	0.34	0.36	—	(0.07)	—	—	(0.07)	9.85
Dec. 31, 2015	10.00	0.37	(0.15)	(0.08)	(0.42)	(0.28)	(0.14)	(0.05)	(0.09)	—	(0.28)	9.57
Dec. 31, 2014 ³	10.00 [†]	—	—	—	—	—	—	—	—	—	—	10.00
Advisor Series												
June 30, 2016	9.57	0.17	(0.08)	(0.07)	0.34	0.36	—	(0.07)	—	—	(0.07)	9.85
Dec. 31, 2015	10.00	0.36	(0.15)	(0.08)	(0.41)	(0.28)	(0.14)	(0.05)	(0.09)	—	(0.28)	9.57
Dec. 31, 2014 ³	10.00 [†]	—	—	—	—	—	—	—	—	—	—	10.00
Advisor T5 Series												
June 30, 2016	9.39	0.17	(0.08)	(0.07)	0.34	0.36	—	(0.16)	—	(0.07)	(0.23)	9.50
Dec. 31, 2015	10.00	0.36	(0.15)	(0.08)	(0.41)	(0.28)	(0.13)	(0.05)	(0.14)	(0.14)	(0.46)	9.39
Dec. 31, 2014 ³	10.00 [†]	—	—	—	—	—	—	—	—	—	—	10.00
Series T5												
June 30, 2016	9.39	0.16	(0.08)	(0.07)	0.33	0.34	—	(0.14)	—	(0.09)	(0.23)	9.50
Dec. 31, 2015	10.00	0.35	(0.15)	(0.07)	(0.40)	(0.27)	(0.12)	(0.03)	(0.13)	(0.18)	(0.46)	9.39
Dec. 31, 2014 ³	10.00 [†]	—	—	—	—	—	—	—	—	—	—	10.00
Series F												
June 30, 2016	9.57	0.17	(0.04)	(0.07)	0.34	0.40	—	(0.11)	—	—	(0.11)	9.85
Dec. 31, 2015	10.00	0.34	(0.08)	(0.07)	(0.39)	(0.20)	(0.20)	(0.06)	(0.10)	—	(0.36)	9.57
Dec. 31, 2014 ³	10.00 [†]	—	—	—	—	—	—	—	—	—	—	10.00
Series FT5												
June 30, 2016	9.45	0.16	(0.04)	(0.07)	0.33	0.38	—	(0.24)	—	—	(0.24)	9.60
Dec. 31, 2015	10.00	0.33	(0.08)	(0.07)	(0.38)	(0.20)	(0.11)	(0.03)	(0.34)	—	(0.48)	9.45
Dec. 31, 2014 ³	10.00 [†]	—	—	—	—	—	—	—	—	—	—	10.00
Series I												
June 30, 2016	9.56	0.17	(0.04)	(0.07)	0.34	0.40	—	(0.12)	—	—	(0.12)	9.85
Dec. 31, 2015	10.00	0.35	(0.07)	(0.07)	(0.40)	(0.19)	(0.21)	(0.06)	(0.10)	—	(0.37)	9.56
Dec. 31, 2014 ³	10.00 [†]	—	—	—	—	—	—	—	—	—	—	10.00
Series O												
June 30, 2016	9.56	0.17	—	(0.07)	0.34	0.44	—	(0.15)	—	—	(0.15)	9.84
Dec. 31, 2015	10.00	0.66	—	(0.14)	(0.76)	(0.24)	(0.25)	(0.08)	(0.11)	—	(0.44)	9.56
Dec. 31, 2014 ³	10.00 [†]	—	—	—	—	—	—	—	—	—	—	10.00

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From November 12, 2014.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	9.85	31 447	3 192	1.69	1.69	41.75	—
Dec. 31, 2015	9.57	30 139	3 151	1.68	1.69	51.34	0.06
Dec. 31, 2014 ⁴	10.00	1 000	100	1.73	1.73	—	—
Advisor Series							
June 30, 2016	9.85	16 055	1 630	1.72	1.72	41.75	—
Dec. 31, 2015	9.57	14 475	1 513	1.74	1.75	51.34	0.06
Dec. 31, 2014 ⁴	10.00	1 000	100	1.73	1.73	—	—
Advisor T5 Series							
June 30, 2016	9.50	1 202	127	1.75	1.75	41.75	—
Dec. 31, 2015	9.39	1 215	129	1.70	1.71	51.34	0.06
Dec. 31, 2014 ⁴	10.00	1 000	100	1.73	1.73	—	—
Series T5							
June 30, 2016	9.50	979	103	1.75	1.75	41.75	—
Dec. 31, 2015	9.39	816	87	1.75	1.76	51.34	0.06
Dec. 31, 2014 ⁴	10.00	1 000	100	1.73	1.73	—	—
Series F							
June 30, 2016	9.85	7 260	737	0.88	0.88	41.75	—
Dec. 31, 2015	9.57	10 234	1 070	0.89	0.90	51.34	0.06
Dec. 31, 2014 ⁴	10.00	1 000	100	0.89	0.89	—	—
Series FT5							
June 30, 2016	9.60	2 633	274	0.85	0.85	41.75	—
Dec. 31, 2015	9.45	2 310	245	0.90	0.90	51.34	0.06
Dec. 31, 2014 ⁴	10.00	1 000	100	0.89	0.89	—	—
Series I							
June 30, 2016	9.85	2 189	222	0.78	0.78	41.75	—
Dec. 31, 2015	9.56	2 622	274	0.78	0.79	51.34	0.06
Dec. 31, 2014 ⁴	10.00	1 000	100	0.77	0.77	—	—
Series O							
June 30, 2016	9.84	1 311	133	0.07	0.07	41.75	—
Dec. 31, 2015	9.56	128	13	0.07	0.07	51.34	0.06
Dec. 31, 2014 ⁴	10.00	142 000	14 200	0.06	0.06	—	—

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

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

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

⁴ From November 12, 2014.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager 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	1.40%	54%	46%
Advisor Series	1.40%	54%	46%
Advisor T5 Series	1.40%	54%	46%
Series T5	1.40%	54%	46%
Series F	0.65%	—	100%
Series FT5	0.65%	—	100%
Series I	0.55%	—	100%

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.

* Includes all costs related to management, trustee, 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.

Series A (%)



Advisor Series (%)



Advisor T5 Series (%)



Series T5 (%)



Series F (%)





PAST PERFORMANCE (cont.)



Series A, Advisor Series, Advisor T5 Series, Series T5, Series F, Series FT5, Series I and Series O units have been available for sale to unitholders since January 26, 2015.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Income Funds	75.7
Canadian Equity Funds	10.7
United States Equity Funds	7.6
International Equity Funds	7.3
Cash/Other	(1.3)

Top 25 Holdings*

	% of Net Asset Value
RBC Bond Fund	26.0
Phillips, Hager & North Total Return Bond Fund	26.0
RBC Canadian Equity Income Fund	10.6
RBC Global Corporate Bond Fund	8.9
RBC U.S. Dividend Fund	7.5
RBC Global High Yield Bond Fund	6.9
BlueBay Global Monthly Income Bond Fund	6.9
RBC European Dividend Fund	3.6
RBC Emerging Markets Dividend Fund	3.6
Total	100.0

* 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.

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



BALANCED FUND

**RBC BALANCED
GROWTH & INCOME FUND**

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide a combination of capital growth and modest income by investing primarily in a diversified portfolio of income-producing equity and fixed-income securities from anywhere around the world either directly or indirectly through investment in other mutual funds managed by RBC GAM or an affiliate. The Fund may invest in emerging-market equity securities and emerging-market government and corporate bonds.

The Fund's target weightings for each asset class are 40% for fixed-income and 60% for equities. The target weightings for each class may be adjusted based on changes in the market outlook for each asset class.

Results of Operations

The Fund's net asset value was \$1.0 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 3.5%. 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 any other series, which may vary because of differences in management fees and expenses.

U.S. economic growth continued to lead the world's developed markets, while growth in Japan and in much of Europe and emerging markets continued to disappoint. Signs of significantly slower global economic growth appeared early in January 2016, leading to sharp financial-market declines in the first few weeks of the year. Oil prices followed growth expectations lower and by February had touched the lowest level in more than a decade, depressed in part by a surge in supply relative to demand. Oil prices and financial markets recovered somewhat beginning in February, and the rebound continued for much of the first quarter. In the second half of the period, the debate leading up to the U.K.'s eventual decision to exit the EU ("Brexit") largely replaced growth concerns as the main driver of markets.

The Fund's overweight position in equities and underweight position in fixed income were negative for performance. North American equities posted gains during the period led by Canadian markets, which benefited from the rebound in commodity prices. U.S. equities had gains in the low single digits, while Brexit worries resulted in losses for markets in Europe and Asia. The Fund's returns were aided by security selection in Canadian and emerging-market equities, offset by the negative impact of Brexit on European and Asian stocks.

Government-bond yields in the U.S., Japan, Germany and Canada fell to record lows during the period amid Brexit concerns, leading to gains for investors as bond prices rose. Prices of non-government bonds also increased, with high-yield bonds performing particularly well following the oil-price rebound. The fixed-income portion of the portfolio contributed positively to returns, bolstered by security selection.

Recent Developments

The portfolio manager's core scenario contemplates sluggish global economic growth and low inflation, and the threats to the forecast appear tilted to the downside. Negative interest rates and full-fledged quantitative-easing programs are now in force in the Eurozone and Japan, and the Bank of England may cut interest rates in response to Brexit. The U.S. Federal Reserve, meanwhile, is likely to push ahead with rate hikes, although the timing is uncertain and data-dependent. While interest rates are at unusually low levels, the path to higher yields will likely be gradual and stretched over a very long period given current and forecast economic conditions. The Fund remains underweight bonds as even a small increase in yields could lead to negative total returns. The bulk of recent equity-market gains have been delivered through expanding valuations, so profit growth is, in the view of the portfolio manager, now critical to keeping the bull market alive. Total-return prospects continue to favour equities over bonds, so the Fund remains overweight stocks.

Effective June 30, 2016, Series H and Series I units were capped and no longer available for purchase by new investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units 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 units.

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 units of the Fund.



Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$47,000 (2015 – \$53,000) or 13% (2015 – 11%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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			
Series A													
June 30, 2016	11.02	0.19	(0.11)	(0.04)	0.33	0.37	—	(0.05)	—	—	(0.05)	11.36	
Dec. 31, 2015	11.30	0.41	(0.23)	0.22	(0.40)	—	(0.02)	(0.13)	(0.27)	—	(0.42)	11.02	
Dec. 31, 2014	10.62	0.39	(0.23)	0.34	0.47	0.97	(0.02)	(0.11)	(0.27)	—	(0.40)	11.30	
Dec. 31, 2013 ³	10.00 [†]	0.20	(0.09)	0.04	0.63	0.78	(0.05)	(0.02)	(0.03)	—	(0.10)	10.62	
Advisor Series													
June 30, 2016	11.03	0.19	(0.11)	(0.04)	0.33	0.37	—	(0.05)	—	—	(0.05)	11.36	
Dec. 31, 2015	11.30	0.41	(0.24)	0.22	(0.39)	—	(0.02)	(0.13)	(0.27)	—	(0.42)	11.03	
Dec. 31, 2014	10.62	0.39	(0.23)	0.34	0.48	0.98	(0.02)	(0.12)	(0.27)	—	(0.41)	11.30	
Dec. 31, 2013 ³	10.00 [†]	0.20	(0.09)	0.04	0.63	0.78	(0.04)	(0.02)	(0.03)	—	(0.09)	10.62	
Advisor T5 Series													
June 30, 2016	10.64	0.19	(0.11)	(0.04)	0.33	0.37	—	(0.15)	—	(0.12)	(0.27)	10.74	
Dec. 31, 2015	11.04	0.41	(0.24)	0.22	(0.39)	—	(0.01)	(0.08)	(0.22)	(0.24)	(0.55)	10.64	
Dec. 31, 2014	10.51	0.39	(0.23)	0.34	0.48	0.98	(0.02)	(0.11)	(0.32)	(0.08)	(0.53)	11.04	
Dec. 31, 2013 ³	10.00 [†]	0.20	(0.09)	0.04	0.63	0.78	(0.05)	(0.03)	(0.04)	(0.09)	(0.21)	10.51	
Series T5													
June 30, 2016	10.64	0.18	(0.11)	(0.04)	0.32	0.35	—	(0.16)	—	(0.11)	(0.27)	10.74	
Dec. 31, 2015	11.03	0.39	(0.22)	0.21	(0.38)	—	(0.01)	(0.09)	(0.22)	(0.23)	(0.55)	10.64	
Dec. 31, 2014	10.50	0.37	(0.22)	0.33	0.45	0.93	(0.02)	(0.11)	(0.33)	(0.07)	(0.53)	11.03	
Dec. 31, 2013 ³	10.00 [†]	0.20	(0.09)	0.04	0.63	0.78	(0.06)	(0.03)	(0.04)	(0.08)	(0.21)	10.50	
Series H													
June 30, 2016	11.03	0.19	(0.10)	(0.04)	0.33	0.38	—	(0.06)	—	—	(0.06)	11.37	
Dec. 31, 2015	11.31	0.41	(0.21)	0.22	(0.40)	0.02	(0.02)	(0.15)	(0.27)	—	(0.44)	11.03	
Dec. 31, 2014	10.61	0.39	(0.21)	0.34	0.47	0.99	(0.02)	(0.13)	(0.26)	—	(0.41)	11.31	
Dec. 31, 2013 ³	10.00 [†]	0.20	(0.08)	0.04	0.63	0.79	(0.05)	(0.03)	(0.03)	—	(0.11)	10.61	
Series D													
June 30, 2016	11.08	0.19	(0.07)	(0.04)	0.33	0.41	—	(0.10)	—	—	(0.10)	11.42	
Dec. 31, 2015	11.33	0.41	(0.14)	0.22	(0.40)	0.09	(0.03)	(0.18)	(0.27)	—	(0.48)	11.08	
Dec. 31, 2014	10.63	0.39	(0.14)	0.34	0.47	1.06	(0.03)	(0.18)	(0.27)	—	(0.48)	11.33	
Dec. 31, 2013 ³	10.00 [†]	0.20	(0.05)	0.03	0.63	0.81	(0.06)	(0.03)	(0.03)	—	(0.12)	10.63	
Series F													
June 30, 2016	11.12	0.19	(0.05)	(0.04)	0.33	0.43	—	(0.11)	—	—	(0.11)	11.46	
Dec. 31, 2015	11.36	0.41	(0.11)	0.22	(0.40)	0.12	(0.03)	(0.20)	(0.27)	—	(0.50)	11.12	
Dec. 31, 2014	10.65	0.39	(0.11)	0.34	0.47	1.09	(0.04)	(0.19)	(0.27)	—	(0.50)	11.36	
Dec. 31, 2013 ³	10.00 [†]	0.20	(0.04)	0.04	0.63	0.83	(0.06)	(0.03)	(0.03)	—	(0.12)	10.64	



FINANCIAL HIGHLIGHTS (cont.)

Change in Net Assets Per Unit (\$) (cont.)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					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	Total	
Series FT5												
June 30, 2016	10.91	0.18	(0.05)	(0.04)	0.33	0.42	—	(0.22)	—	(0.05)	(0.27)	11.07
Dec. 31, 2015	11.19	0.39	(0.11)	0.21	(0.38)	0.11	(0.03)	(0.19)	(0.23)	(0.11)	(0.56)	10.91
Dec. 31, 2014	10.55	0.40	(0.11)	0.35	0.49	1.13	(0.04)	(0.21)	(0.30)	—	(0.55)	11.19
Dec. 31, 2013 ³	10.00 [†]	0.20	(0.04)	0.04	0.63	0.83	(0.08)	(0.04)	(0.03)	(0.06)	(0.21)	10.55
Series I												
June 30, 2016	11.13	0.19	(0.04)	(0.04)	0.33	0.44	—	(0.12)	—	—	(0.12)	11.47
Dec. 31, 2015	11.36	0.41	(0.09)	0.22	(0.40)	0.14	(0.03)	(0.22)	(0.27)	—	(0.52)	11.13
Dec. 31, 2014	10.64	0.38	(0.09)	0.33	0.46	1.08	(0.04)	(0.21)	(0.26)	—	(0.51)	11.36
Dec. 31, 2013 ³	10.00 [†]	0.20	(0.03)	0.04	0.63	0.84	(0.07)	(0.03)	(0.03)	—	(0.13)	10.64
Series O												
June 30, 2016	10.76	0.18	—	(0.04)	0.32	0.46	—	(0.16)	—	—	(0.16)	11.09
Dec. 31, 2015	10.97	0.38	—	0.20	(0.37)	0.21	(0.04)	(0.27)	(0.26)	—	(0.57)	10.76
Dec. 31, 2014	10.59	0.39	—	0.34	0.47	1.20	(0.10)	(0.57)	(0.24)	—	(0.91)	10.97
Dec. 31, 2013 ³	10.00 [†]	0.20	—	0.04	0.63	0.87	(0.11)	(0.06)	(0.03)	—	(0.20)	10.59

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From August 12, 2013.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	11.36	389 254	34 265	2.08	2.08	65.51	0.07
Dec. 31, 2015	11.02	416 675	37 798	2.08	2.08	68.27	0.17
Dec. 31, 2014	11.30	297 822	26 357	2.09	2.09	78.13	0.19
Dec. 31, 2013 ⁴	10.62	77 723	7 320	2.14	2.14	16.54	0.12
Advisor Series							
June 30, 2016	11.36	276 069	24 295	2.09	2.09	65.51	0.07
Dec. 31, 2015	11.03	300 450	27 249	2.08	2.08	68.27	0.17
Dec. 31, 2014	11.30	211 437	18 708	2.08	2.08	78.13	0.19
Dec. 31, 2013 ⁴	10.62	61 998	5 838	2.14	2.14	16.54	0.12
Advisor T5 Series							
June 30, 2016	10.74	51 833	4 827	2.10	2.10	65.51	0.07
Dec. 31, 2015	10.64	57 484	5 402	2.09	2.09	68.27	0.17
Dec. 31, 2014	11.04	42 541	3 852	2.08	2.08	78.13	0.19
Dec. 31, 2013 ⁴	10.51	12 961	1 233	2.14	2.14	16.54	0.12
Series T5							
June 30, 2016	10.74	16 752	1 560	2.07	2.07	65.51	0.07
Dec. 31, 2015	10.64	17 998	1 692	2.05	2.05	68.27	0.17
Dec. 31, 2014	11.03	12 360	1 120	2.10	2.10	78.13	0.19
Dec. 31, 2013 ⁴	10.50	2 977	283	2.14	2.14	16.54	0.12



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data (cont.)

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series H							
June 30, 2016	11.37	61 081	5 373	1.89	1.89	65.51	0.07
Dec. 31, 2015	11.03	53 660	4 864	1.87	1.87	68.27	0.17
Dec. 31, 2014	11.31	43 817	3 875	1.87	1.87	78.13	0.19
Dec. 31, 2013 ⁴	10.61	11 609	1 094	1.97	1.97	16.54	0.12
Series D							
June 30, 2016	11.42	15 627	1 368	1.27	1.27	65.51	0.07
Dec. 31, 2015	11.08	15 968	1 441	1.26	1.26	68.27	0.17
Dec. 31, 2014	11.33	11 005	971	1.24	1.24	78.13	0.19
Dec. 31, 2013 ⁴	10.63	3 076	289	1.29	1.29	16.54	0.12
Series F							
June 30, 2016	11.46	113 840	9 931	0.99	0.99	65.51	0.07
Dec. 31, 2015	11.12	110 738	9 955	0.99	0.99	68.27	0.17
Dec. 31, 2014	11.36	63 363	5 579	0.98	0.98	78.13	0.19
Dec. 31, 2013 ⁴	10.65	14 876	1 397	1.01	1.01	16.54	0.12
Series FT5							
June 30, 2016	11.07	19 247	1 738	0.99	0.99	65.51	0.07
Dec. 31, 2015	10.91	18 850	1 728	0.98	0.98	68.27	0.17
Dec. 31, 2014	11.19	10 586	946	1.00	1.00	78.13	0.19
Dec. 31, 2013 ⁴	10.55	5 044	478	1.01	1.01	16.54	0.12
Series I							
June 30, 2016	11.47	40 493	3 531	0.81	0.81	65.51	0.07
Dec. 31, 2015	11.13	35 373	3 178	0.80	0.80	68.27	0.17
Dec. 31, 2014	11.36	32 103	2 826	0.82	0.82	78.13	0.19
Dec. 31, 2013 ⁴	10.64	6 425	604	0.84	0.84	16.54	0.12
Series O							
June 30, 2016	11.09	16 171	1 458	0.07	0.07	65.51	0.07
Dec. 31, 2015	10.76	10 509	976	0.07	0.07	68.27	0.17
Dec. 31, 2014	10.97	399	36	0.07	0.07	78.13	0.19
Dec. 31, 2013 ⁴	10.59	16	1	0.07	0.07	16.54	0.12

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

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

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

⁴ From August 12, 2013.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.75%	57%	43%
Advisor Series	1.75%	57%	43%
Advisor T5 Series	1.75%	57%	43%
Series T5	1.75%	57%	43%
Series H	1.60%	63%	37%
Series D	1.00%	25%	75%
Series F	0.75%	—	100%
Series FT5	0.75%	—	100%
Series I	0.60%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, trustee, 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.

Series A (%)



Advisor Series (%)



Advisor T5 Series (%)



Series T5 (%)



Series H (%)





PAST PERFORMANCE (cont.)



Series A, Advisor Series, Advisor T5 Series, Series T5, Series H, Series D, Series F, Series FT5, Series I and Series O units have been available for sale to unitholders since August 12, 2013.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Investment Funds	50.0
Canadian Equities	28.9
United States Equities	19.7
Cash/Other	1.4

Top 25 Holdings

	% of Net Asset Value
Phillips, Hager & North Total Return Bond Fund	12.0
RBC Emerging Markets Dividend Fund	10.3
RBC Global Corporate Bond Fund	8.2
RBC European Dividend Fund	6.6
BlueBay Global Monthly Income Bond Fund	6.4
RBC Global High Yield Bond Fund	6.3
Royal Bank of Canada	1.7
Cash & Cash Equivalents	1.5
Bank of Nova Scotia	1.1
Brookfield Asset Management Inc., Class A	1.0
Suncor Energy Inc.	1.0
Microsoft Corp.	1.0
TransCanada Corp.	1.0
Manulife Financial Corporation	0.9
Altria Group Inc.	0.8
AT&T Inc.	0.7
Johnson & Johnson	0.7
Canadian Natural Resources Ltd.	0.6
Toronto-Dominion Bank	0.6
iShares Dow Jones US Real Estate Index Fund	0.6
Enbridge Inc.	0.6
TELUS Corp.	0.6
Chevron Corp.	0.6
JPMorgan Chase & Co.	0.6
Vermilion Energy Inc.	0.6
Top 25 Holdings	66.0

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



BALANCED FUND

**RBC GLOBAL
GROWTH & INCOME FUND**

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide a combination of capital growth and modest income by investing primarily in a diversified portfolio of equity and fixed-income securities from anywhere around the world either directly or indirectly through investment in other mutual funds managed by RBC GAM or an affiliate. The Fund may also invest in emerging market equity securities, emerging market currencies and emerging market government and corporate bonds.

The Fund's target weightings for each asset class are 40% for fixed income and 60% for equities. The target weightings for each class may be adjusted based on changes in the market outlook for each asset class.

Results of Operations

The Fund was launched on January 25, 2016, and its net asset value was \$16 million as of June 30, 2016. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

The portfolio manager's core scenario contemplates sluggish global economic growth and low inflation, and the threats to the forecast appear tilted to the downside. Negative interest rates and full-fledged quantitative-easing programs are now in force in the Eurozone and Japan. The Bank of England may cut interest rates in response to the U.K.'s decision to leave the EU, and the U.S. is likely to hold off on rate hikes for the rest of the year. While interest rates are at unusually low levels, the path to higher yields will likely be gradual and stretched over a very long period given current and forecast economic conditions. The Fund remains underweight bonds as even a small increase in yields could lead to negative total returns. The bulk of recent equity market gains have been delivered through expanding valuations. Profit growth is, in the view of the portfolio manager, now critical to keeping the bull market alive. Total-return prospects continue to favour equities over bonds, so the Fund remains overweight stocks.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, Advisor T5 Series and Series T5 units.

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 units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016³	10.00[†]	0.07	(0.09)	0.01	0.26	0.25	—	—	—	—	—	10.15	
Advisor Series													
June 30, 2016³	10.00[†]	0.07	(0.09)	0.01	0.27	0.26	—	—	—	—	—	10.15	
Advisor T5 Series													
June 30, 2016³	10.00[†]	0.07	(0.09)	0.01	0.27	0.26	—	(0.21)	—	—	(0.21)	9.94	
Series T5													
June 30, 2016³	10.00[†]	0.06	(0.09)	0.01	0.22	0.20	—	(0.21)	—	—	(0.21)	9.94	
Series F													
June 30, 2016³	10.00[†]	0.07	(0.04)	0.01	0.26	0.30	—	(0.03)	—	—	(0.03)	10.17	
Series FT5													
June 30, 2016³	10.00[†]	0.06	(0.04)	0.01	0.24	0.27	—	(0.21)	—	—	(0.21)	9.98	
Series O													
June 30, 2016³	10.00[†]	0.09	—	0.01	0.32	0.42	—	(0.06)	—	—	(0.06)	10.18	

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From January 11, 2016.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016⁴	10.15	6 040	595	2.15	2.18	4.71	—
Advisor Series							
June 30, 2016⁴	10.15	4 828	476	2.15	2.18	4.71	—
Advisor T5 Series							
June 30, 2016⁴	9.94	11	1	2.15	2.18	4.71	—
Series T5							
June 30, 2016⁴	9.94	197	20	2.15	2.18	4.71	—
Series F							
June 30, 2016⁴	10.17	2 936	289	1.02	1.05	4.71	—
Series FT5							
June 30, 2016⁴	9.98	141	14	1.02	1.05	4.71	—
Series O							
June 30, 2016⁴	10.18	2 042	201	0.09	0.11	4.71	—

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

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

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

⁴ From January 11, 2016.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.75%	57%	43%
Advisor Series	1.75%	57%	43%
Advisor T5 Series	1.75%	57%	43%
Series T5	1.75%	57%	43%
Series F	0.75%	—	100%
Series FT5	0.75%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, trustee, 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. Series A, Advisor Series, Advisor T5 Series, Series T5, Series F, Series FT5 and Series O units of this Fund were launched on January 25, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
International Equity Funds	55.9
Income Funds	31.4
United States Equity Funds	9.9
Cash/Other	2.8

Top 25 Holdings*

	% of Net Asset Value
RBC Global Dividend Growth Fund	22.4
RBC Global Equity Focus Fund	22.4
RBC Global Bond Fund	12.4
RBC Emerging Markets Equity Fund	11.1
RBC Global Corporate Bond Fund	10.3
RBC U.S. Mid-Cap Value Equity Fund	9.9
RBC Global High Yield Bond Fund	6.5
BlueBay Global Monthly Income Bond Fund	2.2
RBC Emerging Markets Foreign Exchange Fund	2.1
Cash & Cash Equivalents	0.7
Total	100.0

* 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.

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



PORTFOLIO SOLUTION

**RBC SELECT VERY
CONSERVATIVE PORTFOLIO**

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund 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 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's net asset value was \$11.0 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 2.6%. 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 any other series, which may vary because of differences in management fees and expenses.

U.S. economic growth continued to lead the world's developed markets, while growth in Japan and in much of Europe and emerging markets continued to disappoint. Signs of significantly slower global economic growth appeared early in January 2016, leading to sharp financial-market declines in the first few weeks of the year. Oil prices followed growth expectations lower and by February had touched the lowest level in more than a decade, depressed in part by a surge in supply relative to demand. Oil prices and financial markets recovered somewhat beginning in February, and the rebound continued for much of the first quarter. In the second half of the period, the debate leading up to the U.K.'s eventual decision to exit the EU ("Brexit") largely replaced growth concerns as the main driver of markets.

The Fund's overweight position in equities and underweight position in fixed income were negative for performance. Government-bond yields in the U.S., Japan, Germany and Canada fell to record lows during the period amid Brexit concerns, leading to gains for investors as bond prices rose. Prices of non-government bonds also increased, with high-yield bonds performing particularly well following the oil-price rebound. Among fixed-income investments in the portfolio, the Phillips, Hager & North Bond Fund and the RBC Global Bond Fund contributed the most to returns.

North American equities posted gains during the period led by Canadian markets, which benefited from the rebound in commodity prices. U.S. equities had gains in the low single digits, while Brexit worries resulted in losses for markets in Europe and Asia. The

RBC Canadian Dividend Fund and the RBC Private Canadian Equity Pool had a positive impact on returns, while the RBC European Equity Fund and the Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund had a negative effect.

Recent Developments

The portfolio manager's core scenario contemplates sluggish global economic growth and low inflation, and the threats to the forecast appear tilted to the downside. Negative interest rates and full-fledged quantitative-easing programs are now in force in the Eurozone and Japan, and the Bank of England may cut interest rates in response to Brexit. The U.S. Federal Reserve, meanwhile, is likely to push ahead with rate hikes, although the timing is uncertain and data-dependent. While interest rates are at unusually low levels, the path to higher yields will likely be gradual and stretched over a very long period given current and forecast economic conditions. The Fund remains underweight bonds as even a small increase in yields could lead to negative total returns. The bulk of recent equity-market gains have been delivered through expanding valuations, so profit growth is, in the view of the portfolio manager, now critical to keeping the bull market alive. Total-return prospects continue to favour equities over bonds, so the Fund remains overweight stocks.

Effective June 30, 2016, the management fee in respect of Series F units of the Fund is a fixed fee, and the MER of Series F units comprises: (a) the management fee, (b) the administration fee (including that of the underlying funds in which the Fund invests), (c) taxes and (d) other fund costs.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, provides investment advice and portfolio management services to the Fund and appoints distributors for 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. and RBC Dominion Securities Inc. are principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series T5 units.



Custodian

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

Registrars

Royal Bank and RBC IS are the registrars of the Fund and keep records of who owns the units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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		
Series A												
June 30, 2016	12.04	0.16	(0.10)	0.02	0.24	0.32	(0.02)	—	—	—	(0.02)	12.34
Dec. 31, 2015	12.14	0.38	(0.21)	0.34	(0.22)	0.29	(0.10)	(0.06)	(0.27)	—	(0.43)	12.04
Dec. 31, 2014	11.83	0.35	(0.20)	0.48	0.15	0.78	(0.08)	(0.05)	(0.35)	—	(0.48)	12.14
Dec. 31, 2013	11.52	0.36	(0.20)	0.18	0.23	0.57	(0.10)	(0.06)	(0.11)	—	(0.27)	11.83
Dec. 31, 2012	11.27	0.36	(0.19)	0.14	0.18	0.49	(0.10)	(0.07)	(0.08)	—	(0.25)	11.52
Dec. 31, 2011	11.21	0.38	(0.18)	0.08	0.03	0.31	(0.17)	—	(0.05)	—	(0.22)	11.27
Advisor Series												
June 30, 2016	12.10	0.16	(0.10)	0.02	0.24	0.32	(0.01)	—	—	—	(0.01)	12.40
Dec. 31, 2015	12.20	0.38	(0.21)	0.34	(0.22)	0.29	(0.09)	(0.07)	(0.27)	—	(0.43)	12.10
Dec. 31, 2014	11.87	0.35	(0.21)	0.47	0.15	0.76	(0.06)	(0.05)	(0.35)	—	(0.46)	12.20
Dec. 31, 2013	11.54	0.35	(0.20)	0.18	0.23	0.56	(0.08)	(0.05)	(0.11)	—	(0.24)	11.87
Dec. 31, 2012	11.28	0.37	(0.19)	0.14	0.19	0.51	(0.10)	(0.07)	(0.08)	—	(0.25)	11.54
Dec. 31, 2011	11.23	0.38	(0.18)	0.08	0.03	0.31	(0.18)	—	(0.05)	—	(0.23)	11.28
Series T5												
June 30, 2016	11.48	0.15	(0.09)	0.02	0.23	0.31	(0.22)	—	—	(0.07)	(0.29)	11.49
Dec. 31, 2015	11.74	0.36	(0.19)	0.32	(0.20)	0.29	(0.09)	(0.08)	(0.29)	(0.13)	(0.59)	11.48
Dec. 31, 2014	11.56	0.34	(0.19)	0.45	0.15	0.75	(0.08)	(0.05)	(0.40)	(0.05)	(0.58)	11.74
Dec. 31, 2013	11.57	0.34	(0.19)	0.17	0.22	0.54	(0.09)	(0.05)	(0.13)	(0.31)	(0.58)	11.55
Dec. 31, 2012 ³	11.60 [†]	0.08	(0.05)	0.03	0.04	0.10	(0.02)	—	(0.10)	(0.02)	(0.14)	11.57
Series F												
June 30, 2016	12.13	0.16	(0.04)	0.02	0.24	0.38	(0.13)	—	—	—	(0.13)	12.37
Dec. 31, 2015	12.24	0.38	(0.09)	0.34	(0.22)	0.41	(0.16)	(0.12)	(0.29)	—	(0.57)	12.13
Dec. 31, 2014	11.90	0.35	(0.09)	0.47	0.15	0.88	(0.14)	(0.09)	(0.35)	—	(0.58)	12.24
Dec. 31, 2013	11.55	0.35	(0.08)	0.17	0.23	0.67	(0.14)	(0.08)	(0.11)	—	(0.33)	11.90
Dec. 31, 2012	11.28	0.36	(0.08)	0.14	0.18	0.60	(0.15)	(0.11)	(0.08)	—	(0.34)	11.55
Dec. 31, 2011	11.19	0.37	(0.08)	0.07	0.03	0.39	(0.25)	—	(0.05)	—	(0.30)	11.28
Series O												
June 30, 2016	9.91	0.13	—	0.02	0.20	0.35	(0.18)	—	—	—	(0.18)	10.07
Dec. 31, 2015	9.99	0.30	—	0.27	(0.17)	0.40	(0.18)	(0.13)	(0.22)	—	(0.53)	9.91
Dec. 31, 2014 ⁴	10.00 [†]	0.24	—	0.32	0.10	0.66	(0.16)	(0.11)	(0.30)	—	(0.57)	9.99

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From September 24, 2012.

⁴ From February 24, 2014.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	12.34	10 529 584	853 415	1.68	1.68	10.63	—
Dec. 31, 2015	12.04	9 632 305	799 747	1.69	1.69	11.22	0.04
Dec. 31, 2014	12.14	7 742 891	637 751	1.69	1.69	24.72	0.04
Dec. 31, 2013	11.83	5 841 347	493 870	1.69	1.69	13.48	0.04
Dec. 31, 2012	11.52	4 497 108	390 215	1.68	1.68	6.21	0.06
Dec. 31, 2011	11.27	3 042 485	269 964	1.68	1.68	11.24	0.08
Advisor Series							
June 30, 2016	12.40	75 698	6 103	1.73	1.73	10.63	—
Dec. 31, 2015	12.10	70 223	5 803	1.73	1.73	11.22	0.04
Dec. 31, 2014	12.20	50 737	4 159	1.71	1.71	24.72	0.04
Dec. 31, 2013	11.87	20 520	1 729	1.70	1.70	13.48	0.04
Dec. 31, 2012	11.54	9 485	822	1.64	1.64	6.21	0.06
Dec. 31, 2011	11.28	7 468	662	1.68	1.68	11.24	0.08
Series T5							
June 30, 2016	11.49	260 103	22 643	1.67	1.67	10.63	—
Dec. 31, 2015	11.48	220 953	19 246	1.68	1.68	11.22	0.04
Dec. 31, 2014	11.74	135 201	11 513	1.69	1.69	24.72	0.04
Dec. 31, 2013	11.56	65 990	5 711	1.69	1.69	13.48	0.04
Dec. 31, 2012 ⁴	11.57	14 609	1 263	1.72	1.72	6.21	0.06
Series F							
June 30, 2016	12.37	88 185	7 127	0.74⁵	0.74	10.63	—
Dec. 31, 2015	12.13	69 807	5 755	0.74	0.74	11.22	0.04
Dec. 31, 2014	12.24	77 195	6 305	0.75	0.75	24.72	0.04
Dec. 31, 2013	11.90	20 194	1 696	0.74	0.74	13.48	0.04
Dec. 31, 2012	11.55	6 573	569	0.75	0.75	6.21	0.06
Dec. 31, 2011	11.28	2 966	263	0.75	0.75	11.24	0.08
Series O							
June 30, 2016	10.07	2 175	216	0.05	0.05	10.63	—
Dec. 31, 2015	9.91	2 573	260	0.05	0.05	11.22	0.04
Dec. 31, 2014 ⁶	9.99	8	1	0.04	0.04	24.72	0.04

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

² The 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 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. The portfolio turnover rate is not applicable to money market funds.

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

⁴ From September 24, 2012.

⁵ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for Series F would be 0.87%.

⁶ From February 24, 2014.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. The management fee payable in respect of each of Series A, Advisor Series and Series T5 units 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 of Series A, Advisor Series and Series T5 units 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.

Effective June 30, 2016, the management fee payable in respect of Series F units of the Fund is a fixed fee and the MER of Series F units comprises the management fee, administration fee, taxes, other fund costs and any fees and expenses of the underlying funds.

The MER paid by Series A, Advisor Series and Series T5 units of the Fund is calculated at the applicable annual Specified Percentage of the daily net asset value of each of Series A, Advisor Series and Series T5 units of the Fund, plus the additional cost of the GST/HST as of July 1, 2010. The management fee of Series F units of the Fund is calculated at the annual percentage, before GST/HST, of the daily net asset value of Series F units of the Fund. The breakdown of the services received in consideration of the management fee component of the MER for Series A, Advisor Series and Series T5 units, as a percentage of the management fees, is as follows:

	Management Fees*†	Breakdown of Services	
		Distribution	Other‡
Series A	1.45%	52%	48%
Advisor Series	1.45%	52%	48%
Series T5	1.44%	52%	48%
Series F	0.70%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Management fees for Series A, Advisor Series and Series T5 units represent the actual average management fee rate for the period ended June 30, 2016.

† Effective June 30, 2016, the management fee for Series F units is a fixed rate of 0.70%, which is an increase from the previous variable rate of 0.59%.

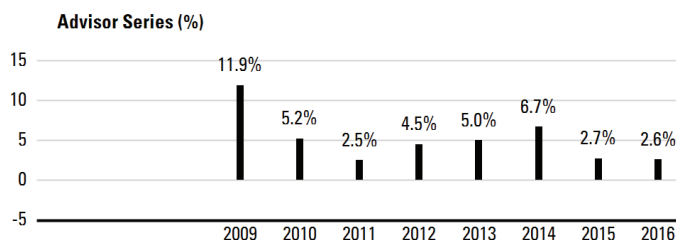
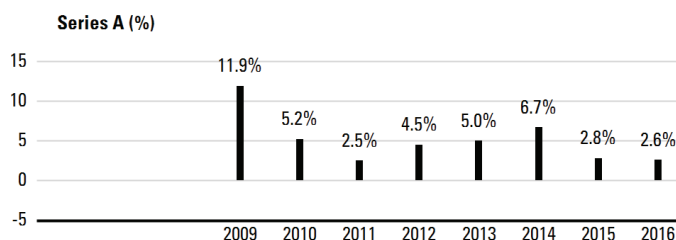
‡ Includes all costs related to management, trustee, investment advisory services, general administration and profit.

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.

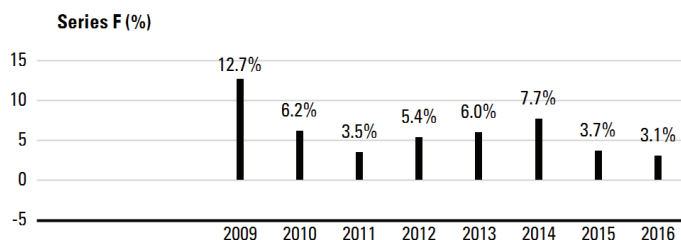
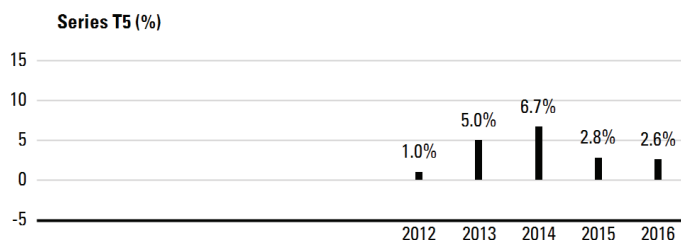
Year-by-Year Returns (%)

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.





PAST PERFORMANCE (cont.)



Series O units have been available for sale to unitholders since February 24, 2014, Series T5 units since September 24, 2012, and Series A, Advisor Series and Series F units since March 9, 2009.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Income Funds	63.6
Canadian Equity Funds	20.0
International Equity Funds	7.4
United States Equity Funds	6.7
Cash/Other	2.3

Top 25 Holdings*

	% of Net Asset Value
Phillips, Hager & North Bond Fund	15.5
RBC Global Bond Fund	9.7
RBC Bond Fund	9.7
RBC Global Corporate Bond Fund	9.6
Phillips, Hager & North Total Return Bond Fund	9.6
Phillips, Hager & North Short Term Bond & Mortgage Fund	7.2
RBC Canadian Short-Term Income Fund	7.2
RBC Canadian Dividend Fund	5.9
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	5.7
RBC European Equity Fund	4.8
RBC Private Canadian Equity Pool	2.4
Cash & Cash Equivalents	2.1
Phillips, Hager & North Canadian Equity Underlying Fund II	2.0
RBC Global High Yield Bond Fund	2.0
Phillips, Hager & North Canadian Equity Underlying Fund	1.5
RBC Global Equity Fund	1.3
RBC QUBE Low Volatility Canadian Equity Fund	1.0
RBC QUBE Low Volatility U.S. Equity Fund	1.0
RBC Asia Pacific ex-Japan Equity Fund	0.8
RBC Japanese Equity Fund	0.5
The S&P 500 Mini Index Future, September 2016	0.4
The S&P/TSX 60 Index Future, September 2016	0.1
Total	100.0

* The Fund holds fewer than 25 holdings.

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RBC SELECT CONSERVATIVE PORTFOLIO

June 30, 2016

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

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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 other funds managed by RBC GAM or an affiliate.

The Fund's target weightings for each asset class are 65% fixed income, 15% Canadian equities, 10% U.S. equities and 10% 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's net asset value was \$21.5 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 1.6%. 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 any other series, which may vary because of differences in management fees and expenses.

U.S. economic growth continued to lead the world's developed markets, while growth in Japan and in much of Europe and emerging markets continued to disappoint. Signs of significantly slower global economic growth appeared early in January 2016, leading to sharp financial-market declines in the first few weeks of the year. Oil prices followed growth expectations lower and by February had touched the lowest level in more than a decade, depressed in part by a surge in supply relative to demand. Oil prices and financial markets recovered somewhat beginning in February, and the rebound continued for much of the first quarter. In the second half of the period, the debate leading up to the U.K.'s eventual decision to exit the EU ("Brexit") largely replaced growth concerns as the main driver of markets.

The Fund's overweight position in equities and underweight position in fixed income were negative for performance. Government-bond yields in the U.S., Japan, Germany and Canada fell to record lows during the period amid Brexit concerns, leading to gains for investors as bond prices rose. Prices of non-government bonds also increased, with high-yield bonds performing particularly well following the oil-price rebound. Among fixed-income investments in the portfolio, the RBC Bond Fund and the Phillips, Hager & North Total Return Bond Fund contributed positively to returns.

North American equities posted gains during the period led by Canadian markets, which benefited from the rebound in commodity prices. U.S. equities had gains in the low single digits, while Brexit worries resulted in losses for markets in Europe and Asia. The

RBC Canadian Dividend Fund and the RBC Private Canadian Equity Pool had a positive impact on performance, while the RBC European Equity Fund and the Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund had a negative effect.

Recent Developments

The portfolio manager's core scenario contemplates sluggish global economic growth and low inflation, and the threats to the forecast appear tilted to the downside. Negative interest rates and full-fledged quantitative-easing programs are now in force in the Eurozone and Japan, and the Bank of England may cut interest rates in response to Brexit. The U.S. Federal Reserve, meanwhile, is likely to push ahead with rate hikes, although the timing is uncertain and data-dependent. While interest rates are at unusually low levels, the path to higher yields will likely be gradual and stretched over a very long period given current and forecast economic conditions. The Fund remains underweight bonds as even a small increase in yields could lead to negative total returns. The bulk of recent equity-market gains have been delivered through expanding valuations, so profit growth is, in the view of the portfolio manager, now critical to keeping the bull market alive. Total-return prospects continue to favour equities over bonds, so the Fund remains overweight stocks.

Effective June 30, 2016, the management fee in respect of Series F units of the Fund is a fixed fee, and the MER of Series F units comprises: (a) the management fee, (b) the administration fee (including that of the underlying funds in which the Fund invests), (c) taxes and (d) other fund costs.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, provides investment advice and portfolio management services to the Fund and appoints distributors for 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. and RBC Dominion Securities Inc. are principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series T5 units.



Custodian

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

Registrars

Royal Bank and RBC IS are the registrars of the Fund and keep records of who owns the units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	Year/Period	
Series A													
June 30, 2016	20.37	0.23	(0.18)	0.04	0.25	0.34	(0.01)	—	—	—	(0.01)	20.68	
Dec. 31, 2015	20.50	0.61	(0.38)	0.90	(0.35)	0.78	(0.02)	(0.20)	(0.74)	—	(0.96)	20.37	
Dec. 31, 2014	20.06	0.57	(0.38)	1.25	0.12	1.56	(0.02)	(0.14)	(0.98)	—	(1.14)	20.50	
Dec. 31, 2013	18.81	0.58	(0.36)	0.37	1.10	1.69	(0.05)	(0.17)	(0.22)	—	(0.44)	20.06	
Dec. 31, 2012	18.07	0.57	(0.33)	0.22	0.62	1.08	(0.04)	(0.18)	(0.13)	—	(0.35)	18.81	
Dec. 31, 2011	18.31	0.55	(0.32)	0.13	(0.25)	0.11	(0.20)	—	(0.15)	—	(0.35)	18.07	
Advisor Series													
June 30, 2016	20.56	0.24	(0.18)	0.04	0.25	0.35	(0.01)	—	—	—	(0.01)	20.88	
Dec. 31, 2015	20.68	0.61	(0.39)	0.90	(0.35)	0.77	(0.02)	(0.20)	(0.74)	—	(0.96)	20.56	
Dec. 31, 2014	20.21	0.57	(0.38)	1.26	0.12	1.57	(0.02)	(0.14)	(0.96)	—	(1.12)	20.68	
Dec. 31, 2013	18.91	0.58	(0.35)	0.37	1.11	1.71	(0.05)	(0.14)	(0.22)	—	(0.41)	20.21	
Dec. 31, 2012	18.19	0.57	(0.33)	0.23	0.63	1.10	(0.04)	(0.20)	(0.13)	—	(0.37)	18.91	
Dec. 31, 2011	18.43	0.56	(0.32)	0.14	(0.25)	0.13	(0.21)	—	(0.15)	—	(0.36)	18.19	
Series T5													
June 30, 2016	19.66	0.22	(0.17)	0.04	0.24	0.33	(0.49)	—	—	—	(0.49)	19.47	
Dec. 31, 2015	19.91	0.58	(0.36)	0.85	(0.33)	0.74	(0.02)	(0.19)	(0.85)	—	(1.06)	19.66	
Dec. 31, 2014	19.62	0.54	(0.36)	1.19	0.11	1.48	(0.02)	(0.14)	(1.07)	—	(1.23)	19.91	
Dec. 31, 2013	18.89	0.55	(0.35)	0.35	1.04	1.59	(0.05)	(0.14)	(0.39)	(0.36)	(0.94)	19.62	
Dec. 31, 2012 ³	18.86 [†]	0.14	(0.10)	0.06	0.16	0.26	(0.01)	(0.01)	(0.18)	(0.03)	(0.23)	18.89	
Series F													
June 30, 2016	20.67	0.24	(0.08)	0.04	0.25	0.45	(0.22)	—	—	—	(0.22)	20.88	
Dec. 31, 2015	20.74	0.62	(0.16)	0.90	(0.35)	1.01	(0.04)	(0.35)	(0.75)	—	(1.14)	20.67	
Dec. 31, 2014	20.25	0.57	(0.16)	1.26	0.12	1.79	(0.04)	(0.30)	(0.99)	—	(1.33)	20.74	
Dec. 31, 2013	18.93	0.58	(0.15)	0.37	1.10	1.90	(0.09)	(0.27)	(0.22)	—	(0.58)	20.25	
Dec. 31, 2012	18.15	0.57	(0.15)	0.22	0.63	1.27	(0.07)	(0.31)	(0.13)	—	(0.51)	18.93	
Dec. 31, 2011	18.38	0.55	(0.13)	0.14	(0.25)	0.31	(0.39)	—	(0.15)	—	(0.54)	18.15	



FINANCIAL HIGHLIGHTS (cont.)

Change in Net Assets Per Unit (\$) (cont.)

							Annual Distributions ²							
		Increase (Decrease) from Operations ¹					From Income (Excluding Dividends)		From Capital Gains		Return of Capital		Net Assets End of Year/Period	
For the Year/ Period Ended	Net Assets Beginning of Year/Period	Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total						Total		
Series O														
June 30, 2016	20.97	0.24	—	0.04	0.26	0.54	(0.39)	—	—	—	(0.39)	21.10		
Dec. 31, 2015	21.01	0.63	—	0.92	(0.36)	1.19	(0.05)	(0.47)	(0.77)	—	(1.29)	20.97		
Dec. 31, 2014	20.51	0.58	—	1.27	0.12	1.97	(0.05)	(0.44)	(1.00)	—	(1.49)	21.01		
Dec. 31, 2013	19.20	0.60	—	0.38	1.13	2.11	(0.14)	(0.42)	(0.22)	—	(0.78)	20.51		
Dec. 31, 2012	18.43	0.58	—	0.23	0.64	1.45	(0.10)	(0.45)	(0.13)	—	(0.68)	19.20		
Dec. 31, 2011	18.64	0.56	—	0.14	(0.25)	0.45	(0.51)	—	(0.15)	—	(0.66)	18.43		

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From September 24, 2012.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	20.68	20 670 711	999 462	1.84	1.84	14.66	—
Dec. 31, 2015	20.37	19 307 267	947 789	1.84	1.84	16.35	0.06
Dec. 31, 2014	20.50	16 325 444	796 534	1.84	1.84	33.00	0.07
Dec. 31, 2013	20.06	13 077 664	651 959	1.85	1.85	15.96	0.08
Dec. 31, 2012	18.81	9 780 551	520 088	1.83	1.83	12.66	0.10
Dec. 31, 2011	18.07	7 842 051	433 886	1.83	1.83	15.92	0.15
Advisor Series							
June 30, 2016	20.88	48 712	2 333	1.83	1.83	14.66	—
Dec. 31, 2015	20.56	38 102	1 853	1.84	1.84	16.35	0.06
Dec. 31, 2014	20.68	28 791	1 392	1.84	1.84	33.00	0.07
Dec. 31, 2013	20.21	24 859	1 230	1.82	1.82	15.96	0.08
Dec. 31, 2012	18.91	15 102	799	1.80	1.80	12.66	0.10
Dec. 31, 2011	18.19	14 896	819	1.83	1.83	15.92	0.15
Series T5							
June 30, 2016	19.47	444 606	22 837	1.82	1.82	14.66	—
Dec. 31, 2015	19.66	376 825	19 169	1.83	1.83	16.35	0.06
Dec. 31, 2014	19.91	209 456	10 520	1.83	1.83	33.00	0.07
Dec. 31, 2013	19.62	99 674	5 081	1.84	1.84	15.96	0.08
Dec. 31, 2012 ⁴	18.89	7 148	378	1.88	1.88	12.66	0.10
Series F							
June 30, 2016	20.88	77 706	3 722	0.79⁵	0.79	14.66	—
Dec. 31, 2015	20.67	62 316	3 016	0.79	0.79	16.35	0.06
Dec. 31, 2014	20.74	35 950	1 734	0.79	0.79	33.00	0.07
Dec. 31, 2013	20.25	17 052	842	0.80	0.80	15.96	0.08
Dec. 31, 2012	18.93	10 044	531	0.80	0.80	12.66	0.10
Dec. 31, 2011	18.15	6 529	360	0.80	0.80	15.92	0.15



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data (cont.)

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series O							
June 30, 2016	21.10	305 689	14 485	0.05	0.05	14.66	—
Dec. 31, 2015	20.97	235 913	11 248	0.05	0.05	16.35	0.06
Dec. 31, 2014	21.01	173 167	8 241	0.05	0.05	33.00	0.07
Dec. 31, 2013	20.51	79 726	3 888	0.04	0.04	15.96	0.08
Dec. 31, 2012	19.20	59 581	3 103	0.05	0.05	12.66	0.10
Dec. 31, 2011	18.43	48 001	2 604	0.04	0.04	15.92	0.15

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

² The 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 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. The portfolio turnover rate is not applicable to money market funds.

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

⁴ From September 24, 2012.

⁵ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for Series F would be 0.92%.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. The management fee payable in respect of each of Series A, Advisor Series and Series T5 units 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 of Series A, Advisor Series and Series T5 units 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.

Effective June 30, 2016, the management fee payable in respect of Series F units of the Fund is a fixed fee and the MER of Series F units comprises the management fee, administration fee, taxes, other fund costs and any fees and expenses of the underlying funds.

The MER paid by Series A, Advisor Series and Series T5 units of the Fund is calculated at the applicable annual Specified Percentage of the daily net asset value of each of Series A, Advisor Series and Series T5 units of the Fund, plus the additional cost of the GST/HST as of July 1, 2010. The management fee of Series F units of the Fund is calculated at the annual percentage, before GST/HST, of the daily net asset value of Series F units of the Fund. The breakdown of the services received in consideration of the management fee component of the MER for Series A, Advisor Series and Series T5 units, as a percentage of the management fees, is as follows:

	Management Fees* [†]	Breakdown of Services	
		Distribution	Other [‡]
Series A	1.59%	47%	53%
Advisor Series	1.59%	47%	53%
Series T5	1.59%	47%	53%
Series F	0.75%	—	100%

Series O — no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Management fees for Series A, Advisor Series and Series T5 units represent the actual average management fee rate for the period ended June 30, 2016.

[†] Effective June 30, 2016, the management fee for Series F units is a fixed rate of 0.75%, which is an increase from the previous variable rate of 0.64%.

[‡] Includes all costs related to management, trustee, investment advisory services, general administration and profit.

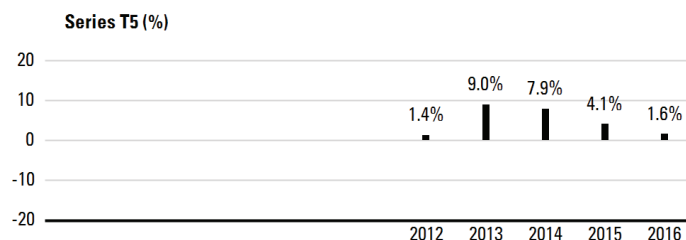
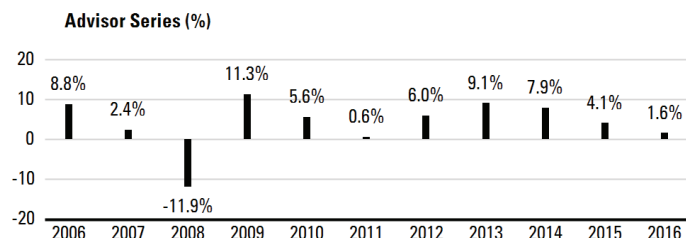
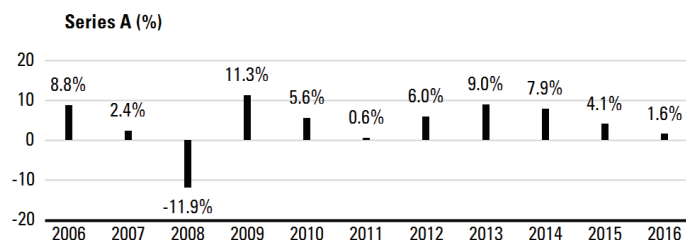


PAST PERFORMANCE

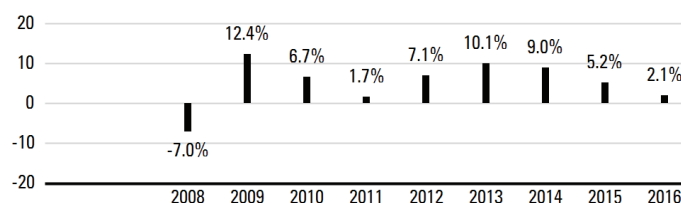
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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 (%)

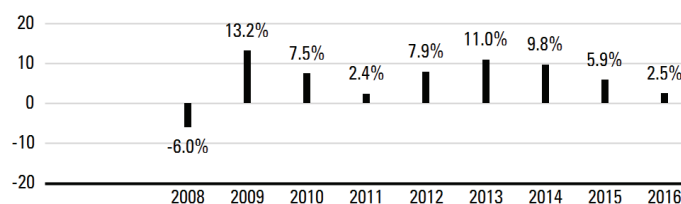
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



Series F (%)



Series O (%)



Series T5 units have been available for sale to unitholders since September 24, 2012, Series O units since September 22, 2008, and Series F units since January 21, 2008.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Income Funds	48.0
Canadian Equity Funds	25.2
International Equity Funds	12.4
United States Equity Funds	11.5
Cash/Other	2.9

Top 25 Holdings

	% of Net Asset Value
RBC Bond Fund	19.1
Phillips, Hager & North Total Return Bond Fund	9.6
RBC Canadian Short-Term Income Fund	7.6
RBC European Equity Fund	7.6
RBC Canadian Dividend Fund	7.2
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	5.1
RBC Global Bond Fund	4.8
RBC Global Corporate Bond Fund	4.8
Phillips, Hager & North Short Term Bond & Mortgage Fund	3.8
RBC Private Canadian Equity Pool	3.8
RBC Global High Yield Bond Fund	2.9
Phillips, Hager & North Bond Fund	2.9
Phillips, Hager & North Canadian Equity Underlying Fund II	2.8
Phillips, Hager & North Canadian Equity Underlying Fund	2.8
RBC Asia Pacific ex-Japan Equity Fund	2.2
RBC U.S. Dividend Fund	2.2
RBC QUBE U.S. Equity Fund	2.1
Cash & Cash Equivalents	2.0
RBC Japanese Equity Fund	1.5
RBC Global Equity Fund	1.1
RBC U.S. Equity Fund	1.1
RBC QUBE Low Volatility Canadian Equity Fund	1.0
RBC QUBE Low Volatility U.S. Equity Fund	1.0
The S&P 500 Mini Index Future, September 2016	0.8
The S&P/TSX 60 Index Future, September 2016	0.2
Top 25 Holdings	100.0

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



PORTFOLIO SOLUTION

RBC SELECT BALANCED PORTFOLIO

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund 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 other funds managed by RBC GAM or an affiliate.

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's net asset value was \$20.6 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 0.4%. 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 any other series, which may vary because of differences in management fees and expenses.

U.S. economic growth continued to lead the world's developed markets, while growth in Japan and in much of Europe and emerging markets continued to disappoint. Signs of significantly slower global economic growth appeared early in January 2016, leading to sharp financial-market declines in the first few weeks of the year. Oil prices followed growth expectations lower and by February had touched the lowest level in more than a decade, depressed in part by a surge in supply relative to demand. Oil prices and financial markets recovered somewhat beginning in February, and the rebound continued for much of the first quarter. In the second half of the period, the debate leading up to the U.K.'s eventual decision to exit the EU ("Brexit") largely replaced growth concerns as the main driver of markets.

The Fund's overweight position in equities and underweight position in fixed income were negative for performance. North American equities posted gains during the period led by Canadian markets, which benefited from the rebound in commodity prices. U.S. equities had gains in the low single digits, while Brexit worries resulted in losses for markets in Europe and Asia. The RBC Private Canadian Equity Pool and the RBC Canadian Dividend Fund had a positive impact on performance, while the RBC European Equity Fund and the RBC QUBE U.S. Equity Fund had a negative effect on returns.

Government-bond yields in the U.S., Japan, Germany and Canada fell to record lows during the period amid Brexit concerns, leading to gains for investors as bond prices rose. Prices of non-government bonds also increased, with high-yield bonds performing particularly well following the oil-price rebound. The RBC Bond Fund and the RBC Global Corporate Bond Fund contributed positively to the portfolio's performance.

Recent Developments

The portfolio manager's core scenario contemplates sluggish global economic growth and low inflation, and the threats to the forecast appear tilted to the downside. Negative interest rates and full-fledged quantitative-easing programs are now in force in the Eurozone and Japan, and the Bank of England may cut interest rates in response to Brexit. The U.S. Federal Reserve, meanwhile, is likely to push ahead with rate hikes, although the timing is uncertain and data-dependent. While interest rates are at unusually low levels, the path to higher yields will likely be gradual and stretched over a very long period given current and forecast economic conditions. The Fund remains underweight bonds as even a small increase in yields could lead to negative total returns. The bulk of recent equity-market gains have been delivered through expanding valuations, so profit growth is, in the view of the portfolio manager, now critical to keeping the bull market alive. Total-return prospects continue to favour equities over bonds, so the Fund remains overweight stocks.

Effective June 30, 2016, the management fee in respect of Series F units of the Fund is a fixed fee, and the MER of Series F units comprises: (a) the management fee, (b) the administration fee (including that of the underlying funds in which the Fund invests), (c) taxes and (d) other fund costs.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, provides investment advice and portfolio management services to the Fund and appoints distributors for 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. and RBC Dominion Securities Inc. are principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series T5 units.



Custodian

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

Registrars

Royal Bank and RBC IS are the registrars of the Fund and keep records of who owns the units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016	24.70	0.23	(0.23)	0.03	0.11	0.14	—	—	—	—	—	24.79	
Dec. 31, 2015	24.65	0.72	(0.49)	1.34	(0.36)	1.21	—	(0.24)	(1.07)	—	(1.31)	24.70	
Dec. 31, 2014	24.26	0.62	(0.48)	2.28	(0.04)	2.38	(0.05)	(0.05)	(1.92)	—	(2.02)	24.65	
Dec. 31, 2013	21.72	0.64	(0.44)	0.56	2.31	3.07	(0.02)	(0.18)	(0.30)	—	(0.50)	24.26	
Dec. 31, 2012	20.45	0.59	(0.40)	0.23	1.14	1.56	—	(0.18)	(0.12)	—	(0.30)	21.72	
Dec. 31, 2011	21.24	0.54	(0.38)	0.18	(0.71)	(0.37)	(0.12)	—	(0.30)	—	(0.42)	20.45	
Advisor Series													
June 30, 2016	25.03	0.23	(0.23)	0.03	0.11	0.14	—	—	—	—	—	25.13	
Dec. 31, 2015	24.97	0.73	(0.50)	1.36	(0.36)	1.23	—	(0.24)	(1.07)	—	(1.31)	25.03	
Dec. 31, 2014	24.54	0.61	(0.49)	2.26	(0.03)	2.35	(0.03)	(0.04)	(1.92)	—	(1.99)	24.97	
Dec. 31, 2013	21.94	0.65	(0.45)	0.56	2.33	3.09	(0.01)	(0.16)	(0.30)	—	(0.47)	24.54	
Dec. 31, 2012	20.64	0.59	(0.40)	0.24	1.16	1.59	—	(0.18)	(0.12)	—	(0.30)	21.94	
Dec. 31, 2011	21.44	0.54	(0.39)	0.18	(0.71)	(0.38)	(0.13)	—	(0.30)	—	(0.43)	20.64	
Series T5													
June 30, 2016	23.97	0.22	(0.22)	0.03	0.11	0.14	(0.60)	—	—	—	(0.60)	23.45	
Dec. 31, 2015	24.05	0.68	(0.47)	1.28	(0.34)	1.15	—	(0.23)	(1.16)	—	(1.39)	23.97	
Dec. 31, 2014	23.61	0.59	(0.47)	2.17	(0.03)	2.26	(0.04)	(0.05)	(1.78)	—	(1.87)	24.05	
Dec. 31, 2013	21.72	0.59	(0.43)	0.52	2.14	2.82	(0.01)	(0.16)	(0.67)	(0.25)	(1.09)	23.61	
Dec. 31, 2012 ³	21.60 [†]	0.15	(0.12)	0.06	0.30	0.39	—	(0.03)	(0.12)	(0.11)	(0.26)	21.72	
Series F													
June 30, 2016	25.47	0.23	(0.11)	0.03	0.12	0.27	—	—	—	—	—	25.70	
Dec. 31, 2015	25.27	0.73	(0.23)	1.38	(0.37)	1.51	(0.01)	(0.37)	(1.09)	—	(1.47)	25.47	
Dec. 31, 2014	24.70	0.62	(0.22)	2.29	(0.04)	2.65	(0.11)	(0.13)	(1.91)	—	(2.15)	25.27	
Dec. 31, 2013	22.04	0.66	(0.21)	0.57	2.36	3.38	(0.03)	(0.35)	(0.30)	—	(0.68)	24.70	
Dec. 31, 2012	20.68	0.60	(0.18)	0.24	1.16	1.82	—	(0.34)	(0.12)	—	(0.46)	22.04	
Dec. 31, 2011	21.45	0.54	(0.18)	0.18	(0.72)	(0.18)	(0.32)	—	(0.30)	—	(0.62)	20.68	



FINANCIAL HIGHLIGHTS (cont.)

Change in Net Assets Per Unit (\$) (cont.)

							Annual Distributions ²					
Increase (Decrease) from Operations ¹							From		From			Net Assets
For the Year/ Period Ended	Net Assets Beginning of Year/Period	Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	Income (Excluding Dividends)	From Dividends	Capital Gains	Return of Capital	Total	End of Year/Period
Series O												
June 30, 2016	25.62	0.24	—	0.03	0.12	0.39	—	—	—	—	—	25.95
Dec. 31, 2015	25.32	0.74	(0.01)	1.38	(0.37)	1.74	(0.01)	(0.48)	(1.10)	—	(1.59)	25.62
Dec. 31, 2014	24.87	0.64	(0.01)	2.35	(0.04)	2.94	(0.26)	(0.30)	(1.96)	—	(2.52)	25.32
Dec. 31, 2013	22.19	0.66	(0.01)	0.57	2.38	3.60	(0.05)	(0.55)	(0.30)	—	(0.90)	24.87
Dec. 31, 2012	20.86	0.60	—	0.24	1.18	2.02	—	(0.58)	(0.12)	—	(0.70)	22.19
Dec. 31, 2011	21.56	0.55	—	0.18	(0.72)	0.01	(0.43)	—	(0.30)	—	(0.73)	20.86

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From September 24, 2012.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	24.79	20 068 690	809 433	1.94	1.94	14.29	—
Dec. 31, 2015	24.70	18 504 874	749 112	1.94	1.94	16.43	0.09
Dec. 31, 2014	24.65	14 592 897	591 902	1.94	1.94	35.26	0.10
Dec. 31, 2013	24.26	10 933 044	450 649	1.94	1.94	18.04	0.12
Dec. 31, 2012	21.72	7 769 213	357 724	1.93	1.93	16.08	0.16
Dec. 31, 2011	20.45	6 757 255	330 498	1.93	1.93	20.38	0.23
Advisor Series							
June 30, 2016	25.13	108 393	4 314	1.94	1.94	14.29	—
Dec. 31, 2015	25.03	105 271	4 205	1.94	1.94	16.43	0.09
Dec. 31, 2014	24.97	99 506	3 985	1.94	1.94	35.26	0.10
Dec. 31, 2013	24.54	26 788	1 091	1.94	1.94	18.04	0.12
Dec. 31, 2012	21.94	16 305	743	1.91	1.91	16.08	0.16
Dec. 31, 2011	20.64	15 337	743	1.93	1.93	20.38	0.23
Series T5							
June 30, 2016	23.45	195 182	8 323	1.93	1.93	14.29	—
Dec. 31, 2015	23.97	173 316	7 230	1.95	1.95	16.43	0.09
Dec. 31, 2014	24.05	106 581	4 431	1.95	1.95	35.26	0.10
Dec. 31, 2013	23.61	49 554	2 098	1.90	1.90	18.04	0.12
Dec. 31, 2012 ⁴	21.72	925	43	2.04	2.04	16.08	0.16
Series F							
June 30, 2016	25.70	55 737	2 169	0.89⁵	0.89	14.29	—
Dec. 31, 2015	25.47	44 100	1 731	0.90	0.90	16.43	0.09
Dec. 31, 2014	25.27	27 272	1 079	0.89	0.89	35.26	0.10
Dec. 31, 2013	24.70	6 719	272	0.90	0.90	18.04	0.12
Dec. 31, 2012	22.04	4 949	225	0.89	0.89	16.08	0.16
Dec. 31, 2011	20.68	3 631	176	0.89	0.89	20.38	0.23



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data (cont.)

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series O							
June 30, 2016	25.95	203 428	7 839	0.07	0.07	14.29	—
Dec. 31, 2015	25.62	179 680	7 014	0.07	0.07	16.43	0.09
Dec. 31, 2014	25.32	122 851	4 852	0.06	0.06	35.26	0.10
Dec. 31, 2013	24.87	85 337	3 431	0.05	0.05	18.04	0.12
Dec. 31, 2012	22.19	62 850	2 832	0.06	0.06	16.08	0.16
Dec. 31, 2011	20.86	52 571	2 520	0.05	0.05	20.38	0.23

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

² The 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 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. The portfolio turnover rate is not applicable to money market funds.

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

⁴ From September 24, 2012.

⁵ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for Series F would be 0.98%.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. The management fee payable in respect of each of Series A, Advisor Series and Series T5 units 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 of Series A, Advisor Series and Series T5 units 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.

Effective June 30, 2016, the management fee payable in respect of Series F units of the Fund is a fixed fee and the MER of Series F units comprises the management fee, administration fee, taxes, other fund costs and any fees and expenses of the underlying funds.

The MER paid by Series A, Advisor Series and Series T5 units of the Fund is calculated at the applicable annual Specified Percentage of the daily net asset value of each of Series A, Advisor Series and Series T5 units of the Fund, plus the additional cost of the GST/HST as of July 1, 2010. The management fee of Series F units of the Fund is calculated at the annual percentage, before GST/HST, of the daily net asset value of Series F units of the Fund. The breakdown of the services received in consideration of the management fee component of the MER for Series A, Advisor Series and Series T5 units, as a percentage of the management fees, is as follows:

	Management Fees* [†]	Breakdown of Services	
		Distribution	Other [‡]
Series A	1.67%	60%	40%
Advisor Series	1.67%	60%	40%
Series T5	1.67%	60%	40%
Series F	0.80%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Management fees for Series A, Advisor Series and Series T5 units represent the actual average management fee rate for the period ended June 30, 2016.

[†] Effective June 30, 2016, the management fee for Series F units is a fixed rate of 0.80%, which is an increase from the previous variable rate of 0.73%.

[‡] Includes all costs related to management, trustee, investment advisory services, general administration and profit.

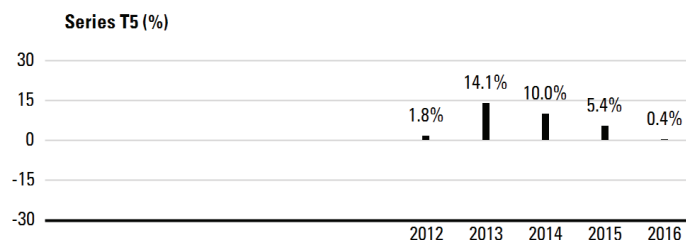
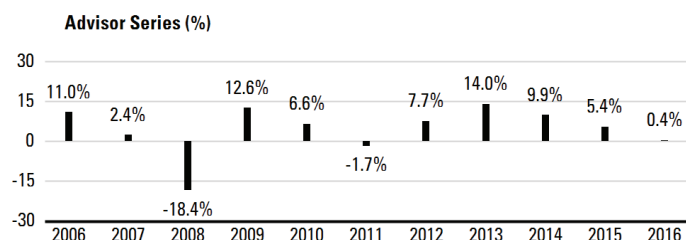
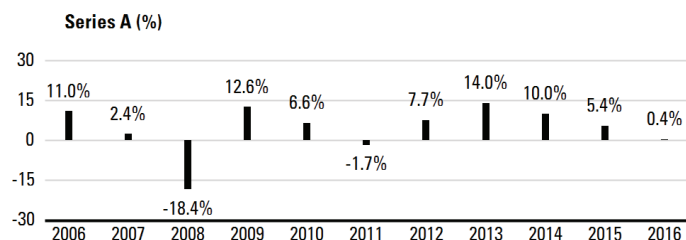


PAST PERFORMANCE

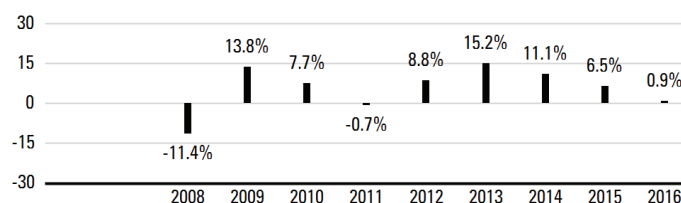
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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 (%)

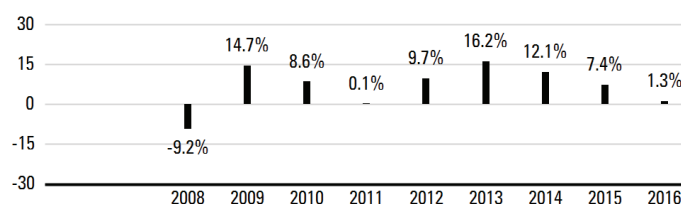
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



Series F (%)



Series O (%)



Series T5 units have been available for sale to unitholders since September 24, 2012, Series O units since September 22, 2008, and Series F units since January 21, 2008.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Income Funds	37.2
International Equity Funds	20.8
Canadian Equity Funds	20.6
United States Equity Funds	18.2
Cash/Other	3.2

Top 25 Holdings

	% of Net Asset Value
RBC Bond Fund	19.9
RBC European Equity Fund	7.3
RBC Global Corporate Bond Fund	6.9
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	5.8
RBC Canadian Dividend Fund	5.4
RBC Private Canadian Equity Pool	5.3
RBC QUBE U.S. Equity Fund	5.1
Phillips, Hager & North Total Return Bond Fund	4.3
Phillips, Hager & North Canadian Equity Underlying Fund	3.6
RBC Emerging Markets Equity Fund	3.4
RBC QUBE Canadian Equity Fund	3.2
Phillips, Hager & North Canadian Equity Underlying Fund II	3.0
RBC Global Equity Focus Fund	2.8
RBC Global Dividend Growth Fund	2.7
BlueBay Global Monthly Income Bond Fund	2.6
RBC Global Bond Fund	2.6
RBC Asia Pacific ex-Japan Equity Fund	2.4
RBC U.S. Dividend Fund	2.1
RBC Private U.S. Large-Cap Core Equity Pool	2.1
Cash & Cash Equivalents	2.1
RBC Japanese Equity Fund	1.2
RBC U.S. Equity Fund	1.1
RBC U.S. Mid-Cap Equity Fund	1.1
RBC U.S. Mid-Cap Value Equity Fund	0.9
RBC Global High Yield Bond Fund	0.9
Top 25 Holdings	97.8

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



PORTFOLIO SOLUTION

RBC SELECT GROWTH PORTFOLIO

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund 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 other funds managed by RBC GAM or an affiliate.

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's net asset value was \$6.8 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 0.8%. 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 any other series, which may vary because of differences in management fees and expenses.

U.S. economic growth continued to lead the world's developed markets, while growth in Japan and in much of Europe and emerging markets continued to disappoint. Signs of significantly slower global economic growth appeared early in January 2016, leading to sharp financial-market declines in the first few weeks of the year. Oil prices followed growth expectations lower and by February had touched the lowest level in more than a decade, depressed in part by a surge in supply relative to demand. Oil prices and financial markets recovered somewhat beginning in February, and the rebound continued for much of the first quarter. In the second half of the period, the debate leading up to the U.K.'s eventual decision to exit the EU ("Brexit") largely replaced growth concerns as the main driver of markets.

The Fund's overweight position in equities and underweight position in fixed income were negative for performance. North American equities posted gains during the period led by Canadian markets, which benefited from the rebound in commodity prices. U.S. equities had gains in the low single digits, while Brexit worries resulted in losses for markets in Europe and Asia. The RBC Private Canadian Equity Pool and the Phillips, Hager & North Canadian Equity Underlying Fund contributed positively to the Fund's returns, while the RBC European Equity Fund and the RBC QUBE U.S. Equity Fund had a negative impact on performance.

Government-bond yields in the U.S., Japan, Germany and Canada fell to record lows during the period amid Brexit concerns, leading to gains for investors as bond prices rose. Prices of non-government bonds also increased, with high-yield bonds performing particularly well following the oil-price rebound. Among fixed-income investments in the portfolio, the RBC Bond Fund and the RBC Global Corporate Bond Fund contributed positively to the Fund's returns.

Recent Developments

The portfolio manager's core scenario contemplates sluggish global economic growth and low inflation, and the threats to the forecast appear tilted to the downside. Negative interest rates and full-fledged quantitative-easing programs are now in force in the Eurozone and Japan, and the Bank of England may cut interest rates in response to Brexit. The U.S. Federal Reserve, meanwhile, is likely to push ahead with rate hikes, although the timing is uncertain and data-dependent. While interest rates are at unusually low levels, the path to higher yields will likely be gradual and stretched over a very long period given current and forecast economic conditions. The Fund remains underweight bonds as even a small increase in yields could lead to negative total returns. The bulk of recent equity-market gains have been delivered through expanding valuations, so profit growth is, in the view of the portfolio manager, now critical to keeping the bull market alive. Total-return prospects continue to favour equities over bonds, so the Fund remains overweight stocks.

Effective June 30, 2016, the management fee in respect of Series F units of the Fund is a fixed fee, and the MER of Series F units comprises: (a) the management fee, (b) the administration fee (including that of the underlying funds in which the Fund invests), (c) taxes and (d) other fund costs.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, provides investment advice and portfolio management services to the Fund and appoints distributors for 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. and RBC Dominion Securities Inc. are principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series T5 units.



Custodian

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

Registrars

Royal Bank and RBC IS are the registrars of the Fund and keep records of who owns the units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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			
Series A													
June 30, 2016	26.19	0.17	(0.25)	0.04	(0.10)	(0.14)	—	—	—	—	—	25.99	
Dec. 31, 2015	26.02	0.70	(0.55)	1.75	(0.28)	1.62	(0.01)	(0.16)	(1.43)	—	(1.60)	26.19	
Dec. 31, 2014	25.90	0.57	(0.54)	3.07	(0.39)	2.71	—	(0.01)	(2.61)	—	(2.62)	26.02	
Dec. 31, 2013	22.28	0.59	(0.49)	0.65	3.28	4.03	(0.02)	(0.09)	(0.28)	—	(0.39)	25.90	
Dec. 31, 2012	20.71	0.52	(0.43)	0.12	1.54	1.75	—	(0.09)	(0.09)	—	(0.18)	22.28	
Dec. 31, 2011	22.10	0.45	(0.41)	0.14	(1.34)	(1.16)	—	—	(0.23)	—	(0.23)	20.71	
Advisor Series													
June 30, 2016	26.69	0.17	(0.26)	0.04	(0.10)	(0.15)	—	—	—	—	—	26.48	
Dec. 31, 2015	26.51	0.71	(0.56)	1.79	(0.29)	1.65	(0.01)	(0.15)	(1.46)	—	(1.62)	26.69	
Dec. 31, 2014	26.47	0.57	(0.56)	3.04	(0.39)	2.66	—	—	(2.71)	—	(2.71)	26.51	
Dec. 31, 2013	22.76	0.60	(0.50)	0.66	3.35	4.11	(0.02)	(0.09)	(0.28)	—	(0.39)	26.47	
Dec. 31, 2012	21.15	0.53	(0.44)	0.12	1.57	1.78	—	(0.09)	(0.09)	—	(0.18)	22.76	
Dec. 31, 2011	22.57	0.46	(0.42)	0.14	(1.37)	(1.19)	—	—	(0.23)	—	(0.23)	21.15	
Series T5													
June 30, 2016	25.10	0.16	(0.24)	0.04	(0.10)	(0.14)	(0.63)	—	—	—	(0.63)	24.27	
Dec. 31, 2015	25.23	0.66	(0.53)	1.65	(0.27)	1.51	(0.01)	(0.13)	(1.67)	—	(1.81)	25.10	
Dec. 31, 2014	24.98	0.54	(0.52)	2.89	(0.37)	2.54	—	—	(2.35)	—	(2.35)	25.23	
Dec. 31, 2013	22.19	0.56	(0.48)	0.61	3.11	3.80	(0.01)	(0.07)	(0.45)	(0.58)	(1.11)	24.98	
Dec. 31, 2012 ³	21.99 [†]	0.14	(0.12)	0.03	0.41	0.46	—	(0.02)	(0.07)	(0.18)	(0.27)	22.19	
Series F													
June 30, 2016	26.10	0.17	(0.12)	0.04	(0.10)	(0.01)	—	—	—	—	—	26.04	
Dec. 31, 2015	25.95	0.70	(0.26)	1.75	(0.28)	1.91	(0.02)	(0.43)	(1.44)	—	(1.89)	26.10	
Dec. 31, 2014	25.77	0.56	(0.26)	3.00	(0.38)	2.92	(0.01)	(0.16)	(2.66)	—	(2.83)	25.95	
Dec. 31, 2013	22.09	0.58	(0.24)	0.64	3.26	4.24	(0.04)	(0.24)	(0.28)	—	(0.56)	25.77	
Dec. 31, 2012	20.48	0.52	(0.21)	0.12	1.53	1.96	—	(0.26)	(0.09)	—	(0.35)	22.09	
Dec. 31, 2011	21.62	0.44	(0.20)	0.13	(1.32)	(0.95)	—	—	(0.22)	—	(0.22)	20.48	



FINANCIAL HIGHLIGHTS (cont.)

Change in Net Assets Per Unit (\$) (cont.)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					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	Total	
		Series 0										
June 30, 2016	27.05	0.17	—	0.05	(0.10)	0.12	—	—	—	—	—	27.11
Dec. 31, 2015	26.92	0.73	(0.01)	1.83	(0.29)	2.26	(0.04)	(0.71)	(1.51)	—	(2.26)	27.05
Dec. 31, 2014	26.77	0.60	(0.01)	3.20	(0.40)	3.39	(0.03)	(0.49)	(2.74)	—	(3.26)	26.92
Dec. 31, 2013	22.96	0.61	(0.01)	0.67	3.41	4.68	(0.09)	(0.50)	(0.28)	—	(0.87)	26.77
Dec. 31, 2012	21.32	0.54	—	0.12	1.60	2.26	—	(0.53)	(0.09)	—	(0.62)	22.96
Dec. 31, 2011	22.30	0.46	—	0.14	(1.37)	(0.77)	—	—	(0.23)	—	(0.23)	21.32

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From September 24, 2012.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	25.99	6 643 670	255 628	2.04	2.04	17.64	—
Dec. 31, 2015	26.19	6 290 444	240 217	2.04	2.04	18.97	0.12
Dec. 31, 2014	26.02	5 138 120	197 442	2.04	2.04	42.85	0.14
Dec. 31, 2013	25.90	4 105 012	158 478	2.05	2.05	21.21	0.16
Dec. 31, 2012	22.28	3 128 331	140 418	2.04	2.04	18.18	0.21
Dec. 31, 2011	20.71	2 877 137	138 922	2.04	2.04	21.24	0.29
Advisor Series							
June 30, 2016	26.48	64 878	2 450	2.05	2.05	17.64	—
Dec. 31, 2015	26.69	66 786	2 503	2.04	2.04	18.97	0.12
Dec. 31, 2014	26.51	66 135	2 494	2.04	2.04	42.85	0.14
Dec. 31, 2013	26.47	6 963	263	2.05	2.05	21.21	0.16
Dec. 31, 2012	22.76	5 270	232	2.05	2.05	18.18	0.21
Dec. 31, 2011	21.15	5 108	241	2.05	2.05	21.24	0.29
Series T5							
June 30, 2016	24.27	14 847	612	2.06	2.06	17.64	—
Dec. 31, 2015	25.10	14 176	565	2.07	2.07	18.97	0.12
Dec. 31, 2014	25.23	7 634	303	2.08	2.08	42.85	0.14
Dec. 31, 2013	24.98	3 893	156	2.04	2.04	21.21	0.16
Dec. 31, 2012 ⁴	22.19	103	5	2.15	2.15	18.18	0.21
Series F							
June 30, 2016	26.04	19 763	759	1.00⁵	1.00	17.64	—
Dec. 31, 2015	26.10	16 976	650	1.00	1.00	18.97	0.12
Dec. 31, 2014	25.95	11 555	445	1.00	1.00	42.85	0.14
Dec. 31, 2013	25.77	1 669	65	1.00	1.00	21.21	0.16
Dec. 31, 2012	22.09	876	40	1.00	1.00	18.18	0.21
Dec. 31, 2011	20.48	496	24	1.02	1.02	21.24	0.29



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data (cont.)

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series O							
June 30, 2016	27.11	70 577	2 603	0.07	0.07	17.64	—
Dec. 31, 2015	27.05	64 969	2 402	0.07	0.07	18.97	0.12
Dec. 31, 2014	26.92	43 467	1 615	0.07	0.07	42.85	0.14
Dec. 31, 2013	26.77	32 602	1 218	0.05	0.05	21.21	0.16
Dec. 31, 2012	22.96	25 699	1 119	0.06	0.06	18.18	0.21
Dec. 31, 2011	21.32	22 468	1 054	0.06	0.06	21.24	0.29

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

² The 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 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. The portfolio turnover rate is not applicable to money market funds.

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

⁴ From September 24, 2012.

⁵ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for Series F would be 1.04%.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. The management fee payable in respect of each of Series A, Advisor Series and Series T5 units 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 of Series A, Advisor Series and Series T5 units 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.

Effective June 30, 2016, the management fee payable in respect of Series F units of the Fund is a fixed fee and the MER of Series F units comprises the management fee, administration fee, taxes, other fund costs and any fees and expenses of the underlying funds.

The MER paid by Series A, Advisor Series and Series T5 units of the Fund is calculated at the applicable annual Specified Percentage of the daily net asset value of each of Series A, Advisor Series and Series T5 units of the Fund, plus the additional cost of the GST/HST as of July 1, 2010. The management fee of Series F units of the Fund is calculated at the annual percentage, before GST/HST, of the daily net asset value of Series F units of the Fund. The breakdown of the services received in consideration of the management fee component of the MER for Series A, Advisor Series and Series T5 units, as a percentage of the management fees, is as follows:

	Management Fees* [†]	Breakdown of Services	
		Distribution	Other [‡]
Series A	1.76%	56%	44%
Advisor Series	1.76%	56%	44%
Series T5	1.76%	56%	44%
Series F	0.85%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Management fees for Series A, Advisor Series and Series T5 units represent the actual average management fee rate for the period ended June 30, 2016.

[†] Effective June 30, 2016, the management fee for Series F units is a fixed rate of 0.85%, which is an increase from the previous variable rate of 0.82%.

[‡] Includes all costs related to management, trustee, investment advisory services, general administration and profit.

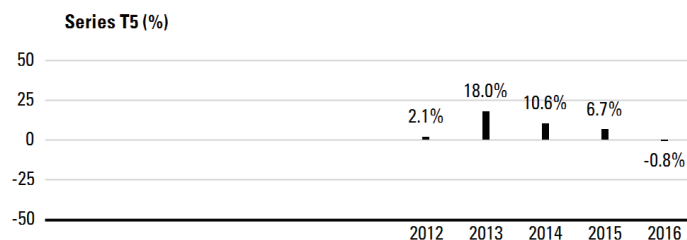
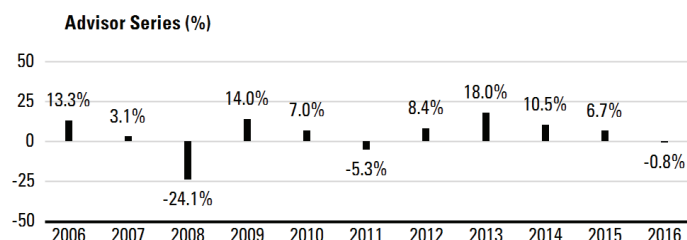
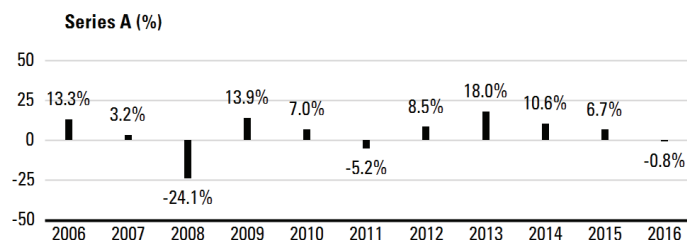


PAST PERFORMANCE

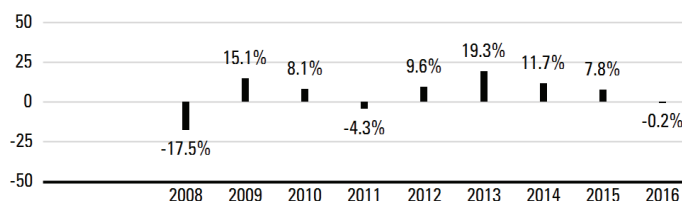
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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 (%)

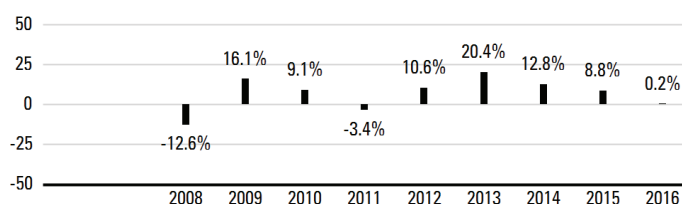
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



Series F (%)



Series O (%)



Series T5 units have been available for sale to unitholders since September 24, 2012, Series O units since September 22, 2008, and Series F units since January 21, 2008.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
International Equity Funds	28.7
Canadian Equity Funds	24.5
United States Equity Funds	22.3
Income Funds	22.0
Cash/Other	2.5

Top 25 Holdings

	% of Net Asset Value
RBC Bond Fund	9.3
RBC European Equity Fund	9.1
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	6.9
RBC Private Canadian Equity Pool	6.3
RBC Global Corporate Bond Fund	6.3
Phillips, Hager & North Canadian Equity Underlying Fund	5.3
RBC QUBE U.S. Equity Fund	5.3
RBC Emerging Markets Equity Fund	4.5
RBC Global Equity Focus Fund	4.3
RBC Global Dividend Growth Fund	4.3
Phillips, Hager & North Canadian Growth Fund	4.2
RBC Canadian Dividend Fund	4.2
RBC U.S. Dividend Fund	3.2
RBC Private U.S. Large-Cap Core Equity Pool	3.2
RBC QUBE Canadian Equity Fund	3.2
RBC Asia Pacific ex-Japan Equity Fund	2.6
RBC Global Bond Fund	2.4
Phillips, Hager & North Total Return Bond Fund	2.4
Cash & Cash Equivalents	2.1
RBC Japanese Equity Fund	1.7
RBC U.S. Equity Fund	1.6
BlueBay Global Monthly Income Bond Fund	1.6
Phillips, Hager & North Canadian Equity Underlying Fund II	1.2
RBC Emerging Markets Dividend Fund	1.1
RBC U.S. Mid-Cap Equity Fund	1.1
Top 25 Holdings	97.4

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



PORTFOLIO SOLUTION

**RBC SELECT AGGRESSIVE
GROWTH PORTFOLIO**

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund 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 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's net asset value was \$1.4 billion as of June 30, 2016.

Over the past six months, the Fund's Series A 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 the returns of any other series, which may vary because of differences in management fees and expenses.

U.S. economic growth continued to lead the world's developed markets, while growth in Japan and in much of Europe and emerging markets continued to disappoint. Signs of significantly slower global economic growth appeared early in January 2016, leading to sharp financial-market declines in the first few weeks of the year. Oil prices followed growth expectations lower and by February had touched the lowest level in more than a decade, depressed in part by a surge in supply relative to demand. Oil prices and financial markets recovered somewhat beginning in February, and the rebound continued for much of the first quarter. In the second half of the period, the debate leading up to the U.K.'s eventual decision to exit the EU ("Brexit") largely replaced growth concerns as the main driver of markets.

North American equities posted gains during the period led by Canadian markets, which benefited from the rebound in commodity prices. U.S. equities had gains in the low single digits, while Brexit worries resulted in losses for markets in Europe and Asia. Portfolio investments that contributed to performance included the RBC Private Canadian Equity Pool, the Phillips, Hager & North Canadian Equity Underlying Fund and the Phillips, Hager & North Canadian Growth Fund. However, returns were held back by the RBC European Equity Fund, the RBC QUBE U.S. Equity Fund and the Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund.

Recent Developments

The portfolio manager's core scenario contemplates sluggish global economic growth and low inflation, and the threats to the forecast appear tilted to the downside. The bulk of recent equity-market gains have been delivered through expanding valuations. Profit growth is now critical to keeping the bull market alive. Several of the headwinds that have held back earnings in recent quarters appear to have stabilized, and the earnings outlook has improved. A resurgence in earnings could support a further leg higher in stocks.

Effective June 30, 2016, the management fee in respect of Series F units of the Fund is a fixed fee, and the MER of Series F units comprises: (a) the management fee, (b) the administration fee (including that of the underlying funds in which the Fund invests), (c) taxes and (d) other fund costs.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, provides investment advice and portfolio management services to the Fund and appoints distributors for 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. and RBC Dominion Securities Inc. are principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series T5 units.

Custodian

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

Registrars

Royal Bank and RBC IS are the registrars of the Fund and keep records of who owns the units of the Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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			
Series A													
June 30, 2016	10.56	0.03	(0.11)	—	(0.10)	(0.18)	—	—	—	—	—	10.36	
Dec. 31, 2015	10.43	0.25	(0.23)	0.88	(0.12)	0.78	—	(0.03)	(0.68)	—	(0.71)	10.56	
Dec. 31, 2014	10.41	0.21	(0.23)	1.54	(0.34)	1.18	—	—	(1.17)	—	(1.17)	10.43	
Dec. 31, 2013	8.38	0.21	(0.20)	0.10	1.95	2.06	—	(0.02)	—	—	(0.02)	10.41	
Dec. 31, 2012	7.64	0.18	(0.17)	0.04	0.71	0.76	—	(0.01)	(0.03)	—	(0.04)	8.38	
Dec. 31, 2011	8.33	0.15	(0.16)	0.08	(0.79)	(0.72)	—	—	—	—	—	7.64	
Advisor Series													
June 30, 2016	10.47	0.03	(0.11)	—	(0.10)	(0.18)	—	—	—	—	—	10.26	
Dec. 31, 2015	10.34	0.25	(0.23)	0.87	(0.12)	0.77	—	(0.04)	(0.68)	—	(0.72)	10.47	
Dec. 31, 2014	10.35	0.20	(0.24)	1.46	(0.32)	1.10	—	—	(1.17)	—	(1.17)	10.34	
Dec. 31, 2013	8.34	0.21	(0.20)	0.10	1.94	2.05	—	(0.02)	—	—	(0.02)	10.35	
Dec. 31, 2012	7.61	0.18	(0.17)	0.04	0.70	0.75	—	(0.01)	(0.03)	—	(0.04)	8.34	
Dec. 31, 2011	8.29	0.15	(0.16)	0.08	(0.79)	(0.72)	—	—	—	—	—	7.61	
Series T5													
June 30, 2016	10.13	0.03	(0.10)	—	(0.10)	(0.17)	(0.25)	—	—	—	(0.25)	9.68	
Dec. 31, 2015	10.06	0.24	(0.22)	0.82	(0.11)	0.73	—	(0.03)	(0.71)	—	(0.74)	10.13	
Dec. 31, 2014	9.89	0.20	(0.21)	1.44	(0.31)	1.12	—	—	(0.94)	—	(0.94)	10.06	
Dec. 31, 2013	8.31	0.20	(0.19)	0.09	1.81	1.91	—	(0.02)	—	(0.39)	(0.41)	9.89	
Dec. 31, 2012 ³	8.19 [†]	0.05	(0.05)	0.01	0.18	0.19	—	—	(0.06)	(0.04)	(0.10)	8.31	
Series F													
June 30, 2016	11.27	0.04	(0.06)	—	(0.11)	(0.13)	—	—	—	—	—	11.10	
Dec. 31, 2015	11.13	0.27	(0.13)	0.94	(0.13)	0.95	(0.02)	(0.14)	(0.74)	—	(0.90)	11.27	
Dec. 31, 2014	11.00	0.21	(0.13)	1.58	(0.34)	1.32	—	—	(1.25)	—	(1.25)	11.13	
Dec. 31, 2013	8.78	0.22	(0.11)	0.11	2.03	2.25	—	(0.04)	—	—	(0.04)	11.00	
Dec. 31, 2012	7.96	0.19	(0.09)	0.04	0.74	0.88	—	(0.04)	(0.03)	—	(0.07)	8.78	
Dec. 31, 2011	8.58	0.15	(0.08)	0.08	(0.81)	(0.66)	—	—	—	—	—	7.96	



FINANCIAL HIGHLIGHTS (cont.)

Change in Net Assets Per Unit (\$) (cont.)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					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	Total	
		Series 0										
June 30, 2016	11.70	0.04	—	—	(0.11)	(0.07)	—	—	—	—	—	11.58
Dec. 31, 2015	11.56	0.28	—	0.98	(0.13)	1.13	(0.03)	(0.27)	(0.77)	—	(1.07)	11.70
Dec. 31, 2014	11.30	0.23	—	1.69	(0.37)	1.55	—	—	(1.30)	—	(1.30)	11.56
Dec. 31, 2013	9.07	0.23	—	0.11	2.13	2.47	—	(0.22)	—	—	(0.22)	11.30
Dec. 31, 2012	8.17	0.20	—	0.04	0.76	1.00	—	(0.08)	(0.03)	—	(0.11)	9.07
Dec. 31, 2011	8.72	0.16	—	0.09	(0.83)	(0.58)	—	—	—	—	—	8.17

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From September 24, 2012.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	10.36	1 298 782	125 420	2.14	2.14	14.39	—
Dec. 31, 2015	10.56	1 215 268	115 071	2.13	2.13	14.81	0.14
Dec. 31, 2014	10.43	952 321	91 349	2.13	2.13	46.08	0.18
Dec. 31, 2013	10.41	732 435	70 389	2.14	2.14	15.54	0.20
Dec. 31, 2012	8.38	493 552	58 921	2.14	2.14	11.89	0.28
Dec. 31, 2011	7.64	410 424	53 698	2.14	2.14	5.76	0.38
Advisor Series							
June 30, 2016	10.26	26 673	2 599	2.18	2.18	14.39	—
Dec. 31, 2015	10.47	28 628	2 734	2.17	2.17	14.81	0.14
Dec. 31, 2014	10.34	29 362	2 838	2.17	2.17	46.08	0.18
Dec. 31, 2013	10.35	1 100	106	2.16	2.16	15.54	0.20
Dec. 31, 2012	8.34	646	77	2.12	2.12	11.89	0.28
Dec. 31, 2011	7.61	526	69	2.11	2.11	5.76	0.38
Series T5							
June 30, 2016	9.68	3 263	337	2.16	2.16	14.39	—
Dec. 31, 2015	10.13	2 814	278	2.14	2.14	14.81	0.14
Dec. 31, 2014	10.06	1 679	167	2.12	2.12	46.08	0.18
Dec. 31, 2013	9.89	1 379	139	2.07	2.07	15.54	0.20
Dec. 31, 2012 ⁴	8.31	23	3	2.24	2.24	11.89	0.28
Series F							
June 30, 2016	11.10	6 237	562	1.11⁵	1.11	14.39	—
Dec. 31, 2015	11.27	6 026	535	1.11	1.11	14.81	0.14
Dec. 31, 2014	11.13	5 460	491	1.11	1.11	46.08	0.18
Dec. 31, 2013	11.00	1 741	158	1.13	1.13	15.54	0.20
Dec. 31, 2012	8.78	307	35	1.09	1.09	11.89	0.28
Dec. 31, 2011	7.96	153	19	1.12	1.12	5.76	0.38



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data (cont.)

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series O							
June 30, 2016	11.58	20 696	1 786	0.08	0.08	14.39	—
Dec. 31, 2015	11.70	18 500	1 582	0.08	0.08	14.81	0.14
Dec. 31, 2014	11.56	11 247	973	0.07	0.07	46.08	0.18
Dec. 31, 2013	11.30	9 005	797	0.05	0.05	15.54	0.20
Dec. 31, 2012	9.07	6 265	691	0.07	0.07	11.89	0.28
Dec. 31, 2011	8.17	6 368	779	0.07	0.07	5.76	0.38

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

² The 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 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. The portfolio turnover rate is not applicable to money market funds.

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

⁴ From September 24, 2012.

⁵ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for Series F would be 1.11%.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. The management fee payable in respect of each of Series A, Advisor Series and Series T5 units 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 of Series A, Advisor Series and Series T5 units 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.

Effective June 30, 2016, the management fee payable in respect of Series F units of the Fund is a fixed fee and the MER of Series F units comprises the management fee, administration fee, taxes, other fund costs and any fees and expenses of the underlying funds.

The MER paid by Series A, Advisor Series and Series T5 units of the Fund is calculated at the applicable annual Specified Percentage of the daily net asset value of each of Series A, Advisor Series and Series T5 units of the Fund, plus the additional cost of the GST/HST as of July 1, 2010. The management fee of Series F units of the Fund is calculated at the annual percentage, before GST/HST, of the daily net asset value of Series F units of the Fund. The breakdown of the services received in consideration of the management fee component of the MER for Series A, Advisor Series and Series T5 units, 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 T5	1.85%	54%	46%
Series F	0.90%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Management fees for Series A, Advisor Series and Series T5 units represent the actual average management fee rate for the period ended June 30, 2016.

[†] Effective June 30, 2016, the management fee for Series F units is a fixed rate of 0.90%, which is a decrease from the previous variable rate of 0.91%.

[‡] Includes all costs related to management, trustee, investment advisory services, general administration and profit.

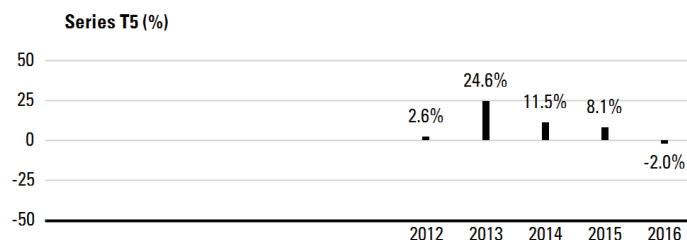
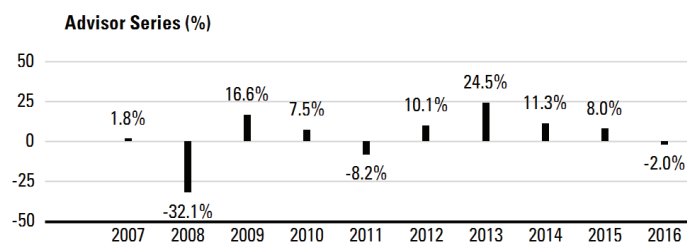
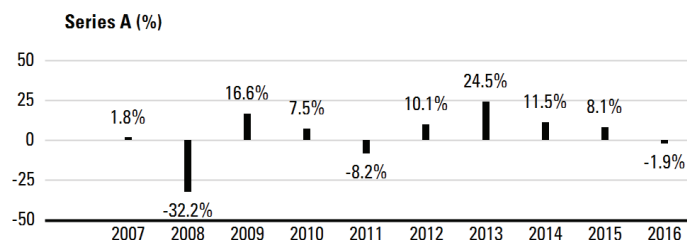


PAST PERFORMANCE

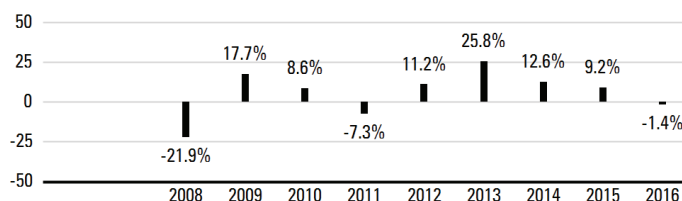
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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 (%)

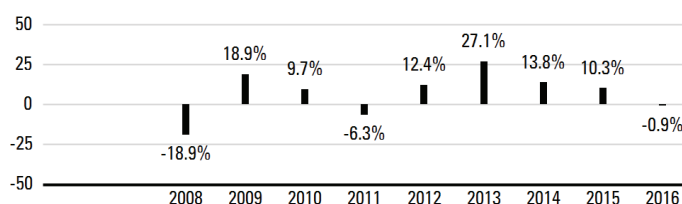
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



Series F (%)



Series O (%)



Series T5 units have been available for sale to unitholders since September 24, 2012, Series O units since September 22, 2008, Series F units since January 21, 2008, and Series A and Advisor Series units since January 22, 2007.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
International Equity Funds	35.8
Canadian Equity Funds	32.6
United States Equity Funds	30.7
Cash/Other	0.9

Top 25 Holdings

	% of Net Asset Value
RBC European Equity Fund	12.0
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	9.6
RBC QUBE U.S. Equity Fund	8.1
RBC Private Canadian Equity Pool	7.9
RBC Emerging Markets Equity Fund	6.5
RBC QUBE Canadian Equity Fund	6.0
Phillips, Hager & North Canadian Growth Fund	5.9
Phillips, Hager & North Canadian Equity Underlying Fund	5.8
RBC Canadian Dividend Fund	5.0
RBC Global Equity Focus Fund	4.5
RBC Global Dividend Growth Fund	4.4
RBC U.S. Dividend Fund	4.1
RBC Private U.S. Large-Cap Core Equity Pool	4.0
RBC Asia Pacific ex-Japan Equity Fund	3.1
RBC Japanese Equity Fund	2.0
Phillips, Hager & North Canadian Equity Underlying Fund II	2.0
RBC U.S. Equity Fund	2.0
RBC Emerging Markets Dividend Fund	1.6
RBC Emerging Markets Small-Cap Equity Fund	1.6
RBC U.S. Mid-Cap Equity Fund	1.5
RBC U.S. Mid-Cap Value Equity Fund	1.4
Cash & Cash Equivalents	0.5
The S&P 500 Mini Index Future, September 2016	0.3
The S&P/TSX 60 Index Future, September 2016	0.1
Mini MSCI Emerging Markets Index Future, September 2016	0.1
Top 25 Holdings	100.0

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



PORTFOLIO SOLUTION

**RBC SELECT CHOICES
CONSERVATIVE PORTFOLIO**

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund 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 mutual funds managed by RBC GAM or an affiliate, as well as mutual funds of other companies.

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's net asset value was \$175 million as of June 30, 2016.

Over the past six months, the Fund's Series A units 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 any other series, which may vary because of differences in management fees and expenses.

U.S. economic growth continued to lead the world's developed markets, while growth in Japan and in much of Europe and emerging markets continued to disappoint. Signs of significantly slower global economic growth appeared early in January 2016, leading to sharp financial-market declines in the first few weeks of the year. Oil prices followed growth expectations lower and by February had touched the lowest level in more than a decade, depressed in part by a surge in supply relative to demand. Oil prices and financial markets recovered somewhat beginning in February, and the rebound continued for much of the first quarter. In the second half of the period, the debate leading up to the U.K.'s eventual decision to exit the EU ("Brexit") largely replaced growth concerns as the main driver of markets.

The Fund's overweight position in equities and underweight position in fixed income were negative for performance. Government-bond yields in the U.S., Japan, Germany and Canada fell to record lows during the period amid Brexit concerns, leading to gains for investors as bond prices rose. Prices of non-government bonds also increased, with high-yield bonds performing particularly well following the oil-price rebound. Among fixed-income investments in the portfolio, the RBC Bond Fund and the Phillips, Hager & North Total Return Bond Fund contributed the most to performance.

North American equities posted gains during the period led by Canadian markets, which benefited from the rebound in commodity prices. U.S. equities had gains in the low single digits, while Brexit worries resulted in losses for markets in Europe and Asia. The Franklin Bissett Canadian Equity Fund and the RBC Canadian Equity Fund had a positive impact on returns, while the Invesco International Growth Class had a negative effect.

Recent Developments

The portfolio manager's core scenario contemplates sluggish global economic growth and low inflation, and the threats to the forecast appear tilted to the downside. Negative interest rates and full-fledged quantitative-easing programs are now in force in the Eurozone and Japan, and the Bank of England may cut interest rates in response to Brexit. The U.S. Federal Reserve, meanwhile, is likely to push ahead with rate hikes, although the timing is uncertain and data-dependent. While interest rates are at unusually low levels, the path to higher yields will likely be gradual and stretched over a very long period given current and forecast economic conditions. The Fund remains underweight bonds as even a small increase in yields could lead to negative total returns. The bulk of recent equity-market gains have been delivered through expanding valuations, so profit growth is, in the view of the portfolio manager, now critical to keeping the bull market alive. Total-return prospects continue to favour equities over bonds, so the Fund remains overweight stocks.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee as compensation for its services, which is included in the fixed MER paid by each series of the Fund.

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Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc. and RBC Dominion Securities Inc. are principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A and Advisor Series units.



Custodian

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

Registrars

Royal Bank and RBC IS are the registrars of the Fund and keep records of who owns the units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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		
Series A												
June 30, 2016	12.37	0.13	(0.12)	0.15	0.04	0.20	—	—	—	—	—	12.58
Dec. 31, 2015	12.43	0.32	(0.25)	0.47	(0.23)	0.31	—	(0.08)	(0.29)	—	(0.37)	12.37
Dec. 31, 2014	12.00	0.44	(0.24)	0.50	0.24	0.94	(0.01)	(0.18)	(0.31)	—	(0.50)	12.43
Dec. 31, 2013	11.28	0.33	(0.23)	0.42	0.39	0.91	(0.06)	(0.05)	(0.09)	—	(0.20)	12.00
Dec. 31, 2012	10.78	0.28	(0.21)	0.10	0.39	0.56	(0.04)	(0.03)	—	—	(0.07)	11.28
Dec. 31, 2011	10.81	0.31	(0.20)	0.03	(0.06)	0.08	(0.11)	—	—	—	(0.11)	10.78
Advisor Series												
June 30, 2016	12.41	0.13	(0.12)	0.15	0.04	0.20	—	—	—	—	—	12.63
Dec. 31, 2015	12.49	0.33	(0.25)	0.47	(0.23)	0.32	—	(0.08)	(0.29)	—	(0.37)	12.41
Dec. 31, 2014	12.04	0.44	(0.25)	0.50	0.24	0.93	(0.01)	(0.17)	(0.31)	—	(0.49)	12.49
Dec. 31, 2013	11.29	0.33	(0.23)	0.42	0.39	0.91	(0.04)	(0.04)	(0.09)	—	(0.17)	12.04
Dec. 31, 2012	10.80	0.28	(0.21)	0.10	0.39	0.56	(0.04)	(0.03)	—	—	(0.07)	11.29
Dec. 31, 2011	10.81	0.31	(0.20)	0.03	(0.06)	0.08	(0.10)	—	—	—	(0.10)	10.80

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	12.58	172 963	13 749	1.96	1.96	10.68	—
Dec. 31, 2015	12.37	181 118	14 647	1.95	1.95	12.64	0.02
Dec. 31, 2014	12.43	195 046	15 686	1.95	1.95	17.76	0.03
Dec. 31, 2013	12.00	183 827	15 322	1.96	1.96	24.03	0.03
Dec. 31, 2012	11.28	171 246	15 186	1.95	1.95	35.18	0.05
Dec. 31, 2011	10.78	163 005	15 115	1.95	1.95	22.87	0.07
Advisor Series							
June 30, 2016	12.63	1 756	139	1.98	1.98	10.68	—
Dec. 31, 2015	12.41	1 822	147	1.98	1.98	12.64	0.02
Dec. 31, 2014	12.49	1 570	126	1.98	1.98	17.76	0.03
Dec. 31, 2013	12.04	1 312	109	1.99	1.99	24.03	0.03
Dec. 31, 2012	11.29	757	67	1.96	1.96	35.18	0.05
Dec. 31, 2011	10.80	777	72	1.94	1.94	22.87	0.07

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

² The 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 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. The portfolio turnover rate is not applicable to money market funds.

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

Management Fees

RBC GAM is the manager, trustee and portfolio manager 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	1.69%	44%	56%
Advisor Series	1.69%	44%	56%

* Management fees represent the actual average management fee rate for the period ended June 30, 2016.

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

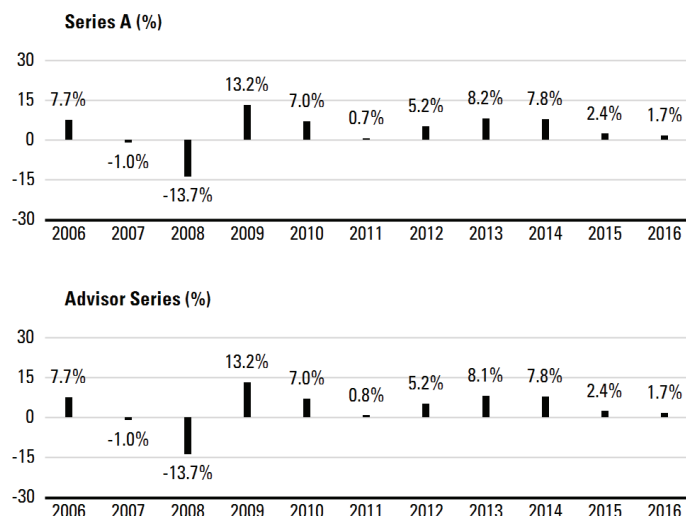


PAST PERFORMANCE

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.



Inception dates are not provided for series that have been in existence for more than 10 years.
For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Income Funds	57.9
Canadian Equity Funds	16.5
International Equity Funds	11.7
United States Equity Funds	11.5
Cash/Other	2.4

Top 25 Holdings*

	% of Net Asset Value
RBC Bond Fund	15.5
Phillips, Hager & North Total Return Bond Fund	15.5
TD Canadian Bond Fund	13.2
Phillips, Hager & North Short Term Bond & Mortgage Fund	13.1
Renaissance International Equity Fund	5.7
Franklin Bissett Canadian Equity Fund	5.5
RBC Canadian Equity Fund	5.5
RBC Canadian Dividend Fund	5.5
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	3.9
CI American Value Fund	3.9
RBC O'Shaughnessy U.S. Value Fund	3.7
Invesco International Growth Class	3.2
Invesco International Growth Fund	2.8
Cash & Cash Equivalents	2.5
RBC Canadian Money Market Fund	0.5
Total	100.0

* 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.

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



PORTFOLIO SOLUTION

**RBC SELECT CHOICES
BALANCED PORTFOLIO**

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund 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 mutual funds managed by RBC GAM or an affiliate, as well as in mutual funds of other companies.

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's net asset value was \$320 million as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 1.0%. 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 any other series, which may vary because of differences in management fees and expenses.

U.S. economic growth continued to lead the world's developed markets, while growth in Japan and in much of Europe and emerging markets continued to disappoint. Signs of significantly slower global economic growth appeared early in January 2016, leading to sharp financial-market declines in the first few weeks of the year. Oil prices followed growth expectations lower and by February had touched the lowest level in more than a decade, depressed in part by a surge in supply relative to demand. Oil prices and financial markets recovered somewhat beginning in February, and the rebound continued for much of the first quarter. In the second half of the period, the debate leading up to the U.K.'s eventual decision to exit the EU ("Brexit") largely replaced growth concerns as the main driver of markets.

The Fund's overweight position in equities and underweight position in fixed income were negative for performance. North American equities posted gains during the period led by Canadian markets, which benefited from the rebound in commodity prices. U.S. equities had gains in the low single digits, while Brexit worries resulted in losses for markets in Europe and Asia. The RBC Canadian Equity Fund and the Franklin Bissett Canadian Equity Fund had a positive impact on performance, while the Invesco International Growth Class had a negative effect on returns.

Government-bond yields in the U.S., Japan, Germany and Canada fell to record lows during the period amid Brexit concerns, leading to gains for investors as bond prices rose. Prices of non-government bonds also increased, with high-yield bonds performing particularly well following the oil-price rebound. Among fixed-income investments in the portfolio, the RBC Bond Fund and the Phillips, Hager & North Total Return Bond Fund contributed positively to performance.

Recent Developments

The portfolio manager's core scenario contemplates sluggish global economic growth and low inflation, and the threats to the forecast appear tilted to the downside. Negative interest rates and full-fledged quantitative-easing programs are now in force in the Eurozone and Japan, and the Bank of England may cut interest rates in response to Brexit. The U.S. Federal Reserve, meanwhile, is likely to push ahead with rate hikes, although the timing is uncertain and data-dependent. While interest rates are at unusually low levels, the path to higher yields will likely be gradual and stretched over a very long period given current and forecast economic conditions. The Fund remains underweight bonds as even a small increase in yields could lead to negative total returns. The bulk of recent equity-market gains have been delivered through expanding valuations, so profit growth is, in the view of the portfolio manager, now critical to keeping the bull market alive. Total-return prospects continue to favour equities over bonds, so the Fund remains overweight stocks.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee as compensation for its services, which is included in the fixed MER paid by each series 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. and RBC Dominion Securities Inc. are principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A and Advisor Series units.



Custodian

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

Registrars

Royal Bank and RBC IS are the registrars of the Fund and keep records of who owns the units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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		
Series A												
June 30, 2016	13.11	0.11	(0.14)	0.18	(0.05)	0.10	—	—	—	—	—	13.24
Dec. 31, 2015	13.12	0.32	(0.29)	0.63	(0.24)	0.42	—	(0.05)	(0.36)	—	(0.41)	13.11
Dec. 31, 2014	12.18	0.44	(0.27)	0.65	0.29	1.11	(0.01)	(0.16)	(0.03)	—	(0.20)	13.12
Dec. 31, 2013	10.73	0.30	(0.25)	0.52	0.96	1.53	(0.01)	(0.05)	—	—	(0.06)	12.18
Dec. 31, 2012	10.01	0.23	(0.22)	0.26	0.45	0.72	—	—	—	—	—	10.73
Dec. 31, 2011	10.24	0.23	(0.21)	(0.10)	(0.11)	(0.19)	(0.04)	—	—	—	(0.04)	10.01
Advisor Series												
June 30, 2016	13.10	0.11	(0.14)	0.18	(0.05)	0.10	—	—	—	—	—	13.23
Dec. 31, 2015	13.10	0.32	(0.29)	0.62	(0.24)	0.41	—	(0.05)	(0.36)	—	(0.41)	13.10
Dec. 31, 2014	12.17	0.44	(0.27)	0.65	0.29	1.11	(0.01)	(0.16)	(0.03)	—	(0.20)	13.10
Dec. 31, 2013	10.72	0.30	(0.25)	0.52	0.96	1.53	(0.01)	(0.05)	—	—	(0.06)	12.17
Dec. 31, 2012	10.00	0.23	(0.22)	0.26	0.45	0.72	—	—	—	—	—	10.72
Dec. 31, 2011	10.22	0.23	(0.21)	(0.10)	(0.11)	(0.19)	(0.04)	—	—	—	(0.04)	10.00

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	13.24	317 437	23 974	2.16	2.16	9.85	—
Dec. 31, 2015	13.11	334 288	25 490	2.16	2.16	12.48	0.04
Dec. 31, 2014	13.12	349 921	26 666	2.16	2.16	18.88	0.04
Dec. 31, 2013	12.18	318 451	26 113	2.16	2.16	26.02	0.05
Dec. 31, 2012	10.73	278 801	25 988	2.15	2.15	48.04	0.07
Dec. 31, 2011	10.01	278 283	27 800	2.16	2.16	26.12	0.12
Advisor Series							
June 30, 2016	13.23	2 174	164	2.14	2.14	9.85	—
Dec. 31, 2015	13.10	2 189	167	2.14	2.14	12.48	0.04
Dec. 31, 2014	13.10	2 395	183	2.18	2.18	18.88	0.04
Dec. 31, 2013	12.17	2 071	170	2.20	2.20	26.02	0.05
Dec. 31, 2012	10.72	1 201	112	2.15	2.15	48.04	0.07
Dec. 31, 2011	10.00	1 201	120	2.15	2.15	26.12	0.12

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

² The 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 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. The portfolio turnover rate is not applicable to money market funds.

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

Management Fees

RBC GAM is the manager, trustee and portfolio manager 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	1.87%	53%	47%
Advisor Series	1.87%	53%	47%

* Management fees represent the actual average management fee rate for the period ended June 30, 2016.

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

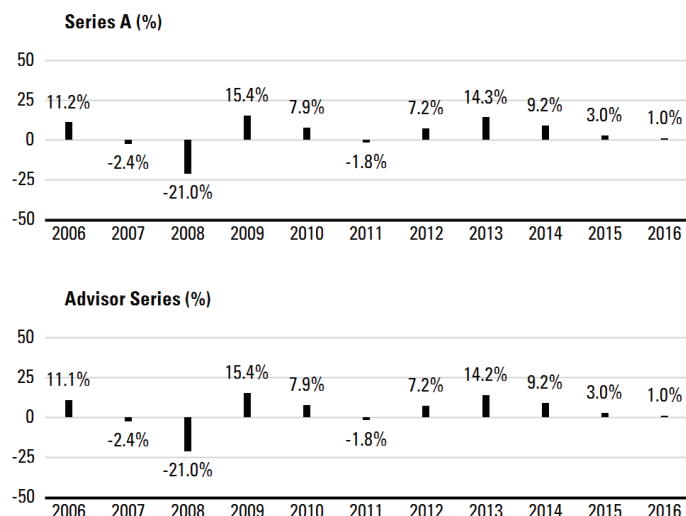


PAST PERFORMANCE

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.



Inception dates are not provided for series that have been in existence for more than 10 years.
For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Income Funds	37.5
United States Equity Funds	21.5
Canadian Equity Funds	20.3
International Equity Funds	18.3
Cash/Other	2.4

Top 25 Holdings*

	% of Net Asset Value
RBC Bond Fund	12.3
Phillips, Hager & North Total Return Bond Fund	12.0
Phillips, Hager & North Short Term Bond & Mortgage Fund	8.6
CI American Value Fund	7.2
RBC O'Shaughnessy U.S. Value Fund	7.0
Renaissance International Equity Fund	6.8
RBC Canadian Equity Fund	6.7
RBC Canadian Dividend Fund	5.6
Franklin Bissett Canadian Equity Fund	4.8
RBC Emerging Markets Equity Fund	4.6
Invesco International Growth Class	4.3
Phillips, Hager & North High Yield Bond Fund	4.1
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	3.6
TD U.S. Mid-Cap Growth Fund	3.6
IA Clarington Canadian Small Cap Fund	3.2
Invesco International Growth Fund	2.6
Cash & Cash Equivalents	2.5
RBC Canadian Money Market Fund	0.5
Total	100.0

* 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.

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



PORTFOLIO SOLUTION

**RBC SELECT CHOICES
GROWTH PORTFOLIO**

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund 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 mutual funds managed by RBC GAM or an affiliate, as well as in mutual funds of other companies.

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's net asset value was \$256 million as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 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 any other series, which may vary because of differences in management fees and expenses.

U.S. economic growth continued to lead the world's developed markets, while growth in Japan and in much of Europe and emerging markets continued to disappoint. Signs of significantly slower global economic growth appeared early in January 2016, leading to sharp financial-market declines in the first few weeks of the year. Oil prices followed growth expectations lower and by February had touched the lowest level in more than a decade, depressed in part by a surge in supply relative to demand. Oil prices and financial markets recovered somewhat beginning in February, and the rebound continued for much of the first quarter. In the second half of the period, the debate leading up to the U.K.'s eventual decision to exit the EU ("Brexit") largely replaced growth concerns as the main driver of markets.

The Fund's overweight position in equities and underweight position in fixed income were negative for performance. North American equities posted gains during the period led by Canadian markets, which benefited from the rebound in commodity prices. U.S. equities had gains in the low single digits, while Brexit worries resulted in losses for markets in Europe and Asia. The RBC Canadian Equity Fund and the Fidelity Canadian Disciplined Equity Fund had a positive impact on returns, while the Invesco International Growth Class and the Invesco European Growth Class had a negative effect.

Government-bond yields in the U.S., Japan, Germany and Canada fell to record lows during the period amid Brexit concerns, leading to gains for investors as bond prices rose. Prices of non-government bonds also increased, with high-yield bonds performing particularly well following the oil-price rebound. Among fixed-income investments in the portfolio, the RBC Bond Fund and the Phillips, Hager & North High Yield Bond Fund contributed positively to returns.

Recent Developments

The portfolio manager's core scenario contemplates sluggish global economic growth and low inflation, and the threats to the forecast appear tilted to the downside. Negative interest rates and full-fledged quantitative-easing programs are now in force in the Eurozone and Japan, and the Bank of England may cut interest rates in response to Brexit. The U.S. Federal Reserve, meanwhile, is likely to push ahead with rate hikes, although the timing is uncertain and data-dependent. While interest rates are at unusually low levels, the path to higher yields will likely be gradual and stretched over a very long period given current and forecast economic conditions. The Fund remains underweight bonds as even a small increase in yields could lead to negative total returns. The bulk of recent equity-market gains have been delivered through expanding valuations, so profit growth is, in the view of the portfolio manager, now critical to keeping the bull market alive. Total-return prospects continue to favour equities over bonds, so the Fund remains overweight stocks.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee as compensation for its services, which is included in the fixed MER paid by each series 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. and RBC Dominion Securities Inc. are principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A and Advisor Series units.



Custodian

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

Registrars

Royal Bank and RBC IS are the registrars of the Fund and keep records of who owns the units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	13.70	0.07	(0.15)	0.13	(0.10)	(0.05)	—	—	—	—	—	13.66
Dec. 31, 2015	13.20	0.28	(0.32)	0.77	—	0.73	—	—	(0.23)	—	(0.23)	13.70
Dec. 31, 2014	11.97	0.42	(0.30)	0.79	0.36	1.27	(0.02)	(0.05)	—	—	(0.07)	13.20
Dec. 31, 2013	10.21	0.24	(0.26)	0.40	1.40	1.78	—	—	—	—	—	11.97
Dec. 31, 2012	9.37	0.19	(0.23)	0.22	0.67	0.85	—	—	—	—	—	10.21
Dec. 31, 2011	9.76	0.17	(0.22)	(0.06)	(0.29)	(0.40)	—	—	—	—	—	9.37
Advisor Series												
June 30, 2016	13.68	0.07	(0.15)	0.13	(0.10)	(0.05)	—	—	—	—	—	13.64
Dec. 31, 2015	13.18	0.28	(0.32)	0.77	—	0.73	—	—	(0.23)	—	(0.23)	13.68
Dec. 31, 2014	11.95	0.42	(0.30)	0.79	0.36	1.27	(0.02)	(0.04)	—	—	(0.06)	13.18
Dec. 31, 2013	10.19	0.24	(0.26)	0.39	1.40	1.77	—	—	—	—	—	11.95
Dec. 31, 2012	9.35	0.19	(0.23)	0.22	0.67	0.85	—	—	—	—	—	10.19
Dec. 31, 2011	9.75	0.17	(0.22)	(0.06)	(0.28)	(0.39)	—	—	—	—	—	9.35

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	13.66	255 715	18 724	2.36	2.36	10.58	—
Dec. 31, 2015	13.70	264 186	19 285	2.36	2.36	15.28	0.06
Dec. 31, 2014	13.20	258 576	19 585	2.36	2.36	19.10	0.08
Dec. 31, 2013	11.97	231 820	19 337	2.36	2.36	21.26	0.05
Dec. 31, 2012	10.21	198 617	19 462	2.36	2.36	62.75	0.10
Dec. 31, 2011	9.37	198 169	21 155	2.37	2.37	28.12	0.17
Advisor Series							
June 30, 2016	13.64	678	50	2.34	2.34	10.58	—
Dec. 31, 2015	13.68	705	52	2.34	2.34	15.28	0.06
Dec. 31, 2014	13.18	593	45	2.39	2.39	19.10	0.08
Dec. 31, 2013	11.95	378	32	2.38	2.38	21.26	0.05
Dec. 31, 2012	10.19	409	40	2.38	2.38	62.75	0.10
Dec. 31, 2011	9.35	408	44	2.39	2.39	28.12	0.17

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

² The 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 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. The portfolio turnover rate is not applicable to money market funds.

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

Management Fees

RBC GAM is the manager, trustee and portfolio manager 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	2.06%	48%	52%
Advisor Series	2.06%	48%	52%

* Management fees represent the actual average management fee rate for the period ended June 30, 2016.

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

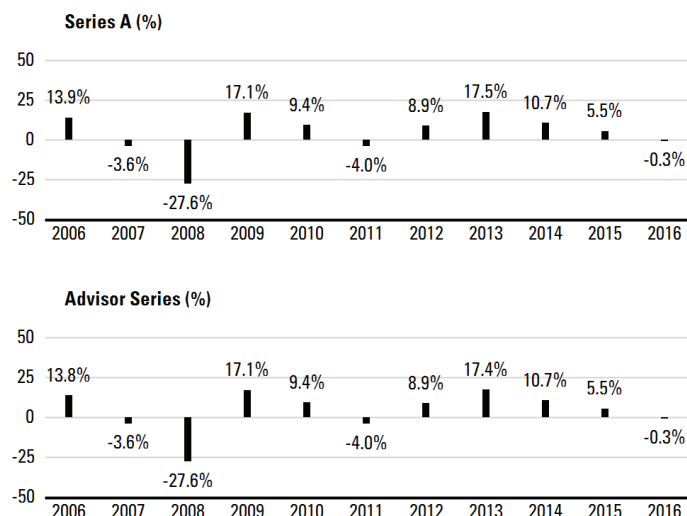


PAST PERFORMANCE

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.



Inception dates are not provided for series that have been in existence for more than 10 years.
For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United States Equity Funds	26.5
Canadian Equity Funds	24.5
International Equity Funds	24.4
Income Funds	22.3
Cash/Other	2.3

Top 25 Holdings*

	% of Net Asset Value
RBC Bond Fund	13.2
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	9.5
RBC Canadian Equity Fund	9.0
Fidelity Canadian Disciplined Equity Fund	8.6
TD U.S. Mid-Cap Growth Fund	7.4
RBC Emerging Markets Equity Fund	6.8
CI American Value Fund	4.8
Invesco International Growth Class	4.7
RBC O'Shaughnessy U.S. Value Fund	4.6
Phillips, Hager & North Total Return Bond Fund	4.3
Phillips, Hager & North High Yield Bond Fund	4.3
Invesco European Growth Class	4.2
Phillips, Hager & North Canadian Growth Fund	3.7
TD Asian Growth Fund	3.4
Renaissance International Equity Fund	3.3
IA Clarington Canadian Small Cap Fund	3.2
Cash & Cash Equivalents	2.5
Invesco International Growth Fund	2.0
RBC Canadian Money Market Fund	0.5
Total	100.0

* 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.

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



PORTFOLIO SOLUTION

**RBC SELECT CHOICES
AGGRESSIVE GROWTH PORTFOLIO**

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 is a strategic asset allocation fund, which focuses on providing long-term capital growth. The Fund maintains a balance of investments in mutual funds managed by RBC GAM or an affiliate, as well as in mutual funds of other companies.

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 equities asset class will not be more than 10% above or below its target weighting.

Results of Operations

The Fund's net asset value was \$186 million as of June 30, 2016.

Over the past six months, the Fund's Series A 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 the returns of any other series, which may vary because of differences in management fees and expenses.

U.S. economic growth continued to lead the world's developed markets, while growth in Japan and in much of Europe and emerging markets continued to disappoint. Signs of significantly slower global economic growth appeared early in January 2016, leading to sharp financial-market declines in the first few weeks of the year. Oil prices followed growth expectations lower and by February had touched the lowest level in more than a decade, depressed in part by a surge in supply relative to demand. Oil prices and financial markets recovered somewhat beginning in February, and the rebound continued for much of the first quarter. In the second half of the period, the debate leading up to the U.K.'s eventual decision to exit the EU ("Brexit") largely replaced growth concerns as the main driver of markets.

North American equities posted gains during the period led by Canadian markets, which benefited from the rebound in commodity prices. U.S. equities had gains in the low single digits, while Brexit worries resulted in losses for markets in Europe and Asia. The RBC Canadian Equity Fund and the Fidelity Canadian Disciplined Equity Fund aided portfolio performance, while the Invesco International Growth Class and the AGF American Growth Class held back performance.

Recent Developments

The portfolio manager's core scenario contemplates sluggish global economic growth and low inflation, and the threats to the forecast appear tilted to the downside. The bulk of recent equity-market gains have been delivered through expanding valuations. Profit growth is now critical to keeping the bull market alive. Several of the headwinds that have held back earnings in recent quarters appear to have stabilized, and the earnings outlook has improved. A resurgence in earnings could support a further leg higher in stocks.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee as compensation for its services, which is included in the fixed MER paid by each series 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. and RBC Dominion Securities Inc. are principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A and Advisor Series units.

Custodian

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

Registrars

Royal Bank and RBC IS are the registrars of the Fund and keep records of who owns the units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	12.85	0.02	(0.15)	0.20	(0.37)	(0.30)	—	—	—	—	—	12.57
Dec. 31, 2015	11.97	0.16	(0.32)	0.72	0.32	0.88	—	—	—	—	—	12.85
Dec. 31, 2014	10.73	0.29	(0.29)	0.77	0.44	1.21	—	—	—	—	—	11.97
Dec. 31, 2013	8.59	0.14	(0.24)	0.24	2.03	2.17	—	—	—	—	—	10.73
Dec. 31, 2012	7.78	0.10	(0.21)	0.10	0.82	0.81	—	—	—	—	—	8.59
Dec. 31, 2011	8.39	0.10	(0.20)	(0.12)	(0.39)	(0.61)	—	—	—	—	—	7.78
Advisor Series												
June 30, 2016	12.96	0.02	(0.15)	0.21	(0.37)	(0.29)	—	—	—	—	—	12.68
Dec. 31, 2015	12.06	0.16	(0.31)	0.73	0.32	0.90	—	—	—	—	—	12.96
Dec. 31, 2014	10.80	0.29	(0.29)	0.78	0.45	1.23	—	—	—	—	—	12.06
Dec. 31, 2013	8.62	0.14	(0.24)	0.24	2.04	2.18	—	—	—	—	—	10.80
Dec. 31, 2012	7.80	0.10	(0.20)	0.10	0.82	0.82	—	—	—	—	—	8.62
Dec. 31, 2011	8.41	0.10	(0.20)	(0.12)	(0.40)	(0.62)	—	—	—	—	—	7.80

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	12.57	185 282	14 744	2.56	2.56	6.99	—
Dec. 31, 2015	12.85	196 269	15 271	2.56	2.56	11.42	0.10
Dec. 31, 2014	11.97	184 103	15 382	2.56	2.56	14.20	0.11
Dec. 31, 2013	10.73	165 262	15 369	2.57	2.57	15.25	0.11
Dec. 31, 2012	8.59	133 208	15 506	2.56	2.56	67.06	0.15
Dec. 31, 2011	7.78	126 381	16 238	2.57	2.57	25.46	0.22
Advisor Series							
June 30, 2016	12.68	1 090	86	2.49	2.49	6.99	—
Dec. 31, 2015	12.96	1 184	91	2.47	2.47	11.42	0.10
Dec. 31, 2014	12.06	1 034	86	2.52	2.52	14.20	0.11
Dec. 31, 2013	10.80	347	32	2.53	2.53	15.25	0.11
Dec. 31, 2012	8.62	129	15	2.50	2.50	67.06	0.15
Dec. 31, 2011	7.80	159	20	2.48	2.48	25.46	0.22

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

² The 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 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. The portfolio turnover rate is not applicable to money market funds.

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

Management Fees

RBC GAM is the manager, trustee and portfolio manager 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	2.25%	44%	56%
Advisor Series	2.25%	44%	56%

* Management fees represent the actual average management fee rate for the period ended June 30, 2016.

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

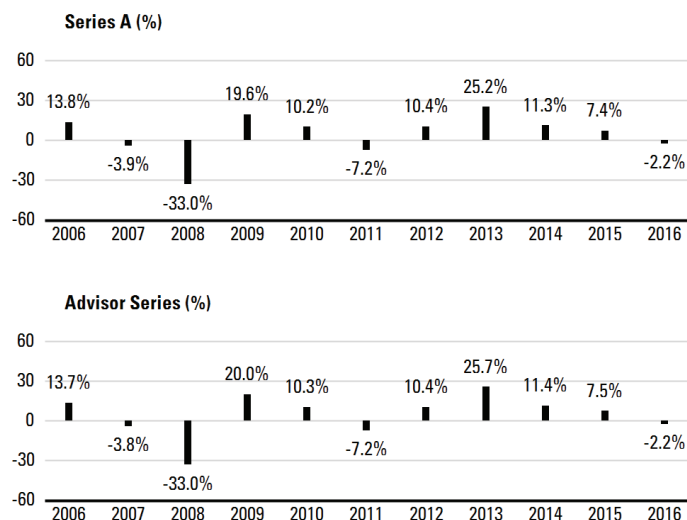


PAST PERFORMANCE

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.



Inception dates are not provided for series that have been in existence for more than 10 years.
For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United States Equity Funds	35.3
Canadian Equity Funds	32.5
International Equity Funds	31.3
Cash/Other	0.9

Top 25 Holdings*

	% of Net Asset Value
RBC Emerging Markets Equity Fund	9.5
RBC Canadian Equity Fund	8.3
AGF American Growth Class	8.1
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	8.1
Fidelity Canadian Disciplined Equity Fund	7.4
Synergy Canadian Corporate Class	7.4
TD U.S. Mid-Cap Growth Fund	7.1
CI American Value Fund	6.1
RBC O'Shaughnessy U.S. Value Fund	5.9
Invesco International Growth Class	5.8
Renaissance International Equity Fund	5.5
Phillips, Hager & North Canadian Growth Fund	5.4
Invesco European Growth Class	5.4
IA Clarington Canadian Small Cap Fund	3.9
TD Asian Growth Fund	3.1
Invesco International Growth Fund	1.8
Cash & Cash Equivalents	1.2
Total	100.0

* 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.

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



PORTFOLIO SOLUTION

RBC TARGET 2020 EDUCATION FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund is an asset allocation fund specifically designed to meet the changing needs of investors who are saving money for the purpose of funding their child's post-secondary education that commences around 2020. The Fund gradually shifts its asset mix from an emphasis on equity funds in its early years, to an emphasis on money market funds as its "target" year of 2020 approaches. The Fund invests its assets primarily in units of other funds managed by RBC GAM or an affiliate.

Over the life of the Fund, its portfolio will shift from a focus on funds with growth potential to a focus on funds that preserve capital.

Results of Operations

The Fund's net asset value was \$837 million as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 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 the returns of any other series, which may vary because of differences in management fees and expenses.

U.S. economic growth continued to lead the world's developed markets, while growth in Japan and in much of Europe and emerging markets continued to disappoint. Signs of significantly slower global economic growth appeared early in January 2016, leading to sharp financial-market declines in the first few weeks of the year. Oil prices followed growth expectations lower and by February had touched the lowest level in more than a decade, depressed in part by a surge in supply relative to demand. Oil prices and financial markets recovered somewhat beginning in February, and the rebound continued for much of the first quarter. In the second half of the period, the debate leading up to the U.K.'s eventual decision to exit the EU ("Brexit") largely replaced growth concerns as the main driver of markets.

Government-bond yields in the U.S., Japan, Germany and Canada fell to record lows during the period amid Brexit concerns, leading to gains for investors as bond prices rose. Prices of non-government bonds also increased, with high-yield bonds performing particularly well following the oil-price rebound. Among fixed-income investments in the portfolio, the RBC Bond Fund and the RBC Global Bond Fund had a positive impact on performance.

North American equities posted gains during the period led by Canadian markets, which benefited from the rebound in commodity prices. U.S. equities had gains in the low single digits, while Brexit worries resulted in losses for markets in Europe and Asia. The RBC Canadian Equity Fund and the RBC QUBE Low Volatility Canadian Equity Fund aided returns, while the RBC European Equity Fund had a negative effect.

Recent Developments

The portfolio manager's core scenario contemplates sluggish global economic growth and low inflation, and the threats to the forecast appear tilted to the downside. Negative interest rates and full-fledged quantitative-easing programs are now in force in the Eurozone and Japan, and the Bank of England may cut interest rates in response to Brexit. The U.S. Federal Reserve, meanwhile, is likely to push ahead with rate hikes, although the timing is uncertain and data-dependent. While interest rates are at unusually low levels, the path to higher yields will likely be gradual and stretched over a very long period given current and forecast economic conditions. The bulk of recent equity-market gains have been delivered through expanding valuations, so profit growth is, in the view of the portfolio manager, now critical to keeping the bull market alive.

Effective January 1, 2018, the specified percentage will decline to 1.00% for Series A units and to 0.80% for Series D units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, provides investment advice and portfolio management services to the Fund and appoints distributors for 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. and RBC Dominion Securities Inc. are principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A and Series D units.

Custodian

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

Registrars

Royal Bank and RBC IS are the registrars of the Fund and keep records of who owns the units of the Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	12.09	0.15	(0.10)	0.06	0.15	0.26	—	—	—	—	—	12.35
Dec. 31, 2015	12.17	0.37	(0.20)	0.27	(0.12)	0.32	(0.10)	(0.07)	(0.25)	—	(0.42)	12.09
Dec. 31, 2014	11.90	0.45	(0.22)	0.48	0.18	0.89	(0.05)	(0.16)	(0.41)	—	(0.62)	12.17
Dec. 31, 2013	11.49	0.37	(0.22)	0.37	0.38	0.90	(0.06)	(0.09)	(0.33)	—	(0.48)	11.90
Dec. 31, 2012	11.02	0.35	(0.21)	0.05	0.46	0.65	(0.01)	(0.13)	(0.05)	—	(0.19)	11.49
Dec. 31, 2011	11.32	0.31	(0.20)	0.12	(0.31)	(0.08)	(0.10)	—	(0.13)	—	(0.23)	11.02
Series D												
June 30, 2016	12.10	0.15	(0.06)	0.06	0.15	0.30	—	—	—	—	—	12.40
Dec. 31, 2015	12.18	0.37	(0.11)	0.27	(0.12)	0.41	(0.15)	(0.11)	(0.25)	—	(0.51)	12.10
Dec. 31, 2014	11.87	0.45	(0.13)	0.47	0.18	0.97	(0.06)	(0.21)	(0.41)	—	(0.68)	12.18
Dec. 31, 2013	11.37	0.36	(0.12)	0.36	0.37	0.97	(0.06)	(0.10)	(0.33)	—	(0.49)	11.87
Dec. 31, 2012	10.84	0.34	(0.12)	0.05	0.44	0.71	(0.01)	(0.13)	(0.05)	—	(0.19)	11.37
Dec. 31, 2011 ³	11.18 [†]	0.05	(0.02)	0.02	(0.05)	—	(0.30)	—	(0.13)	—	(0.43)	10.84

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From November 1, 2011.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	12.35	832 815	67 412	1.62	1.62	10.78	—
Dec. 31, 2015	12.09	782 032	64 676	1.62	1.62	12.64	0.03
Dec. 31, 2014	12.17	678 561	55 760	1.83	1.83	9.67	0.04
Dec. 31, 2013	11.90	554 660	46 598	1.84	1.84	33.41	0.07
Dec. 31, 2012	11.49	444 453	38 695	1.84	1.84	9.21	0.12
Dec. 31, 2011	11.02	357 412	32 435	1.84	1.84	14.74	0.16
Series D							
June 30, 2016	12.40	3 848	310	0.94	0.94	10.78	—
Dec. 31, 2015	12.10	3 126	258	0.94	0.94	12.64	0.03
Dec. 31, 2014	12.18	2 251	185	1.06	1.06	9.67	0.04
Dec. 31, 2013	11.87	1 207	102	1.06	1.06	33.41	0.07
Dec. 31, 2012	11.37	438	38	1.08	1.08	9.21	0.12
Dec. 31, 2011 ⁴	10.84	6	1	1.08	1.08	14.74	0.16

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

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

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

⁴ From November 1, 2011.

Management Fees

RBC GAM is the manager, trustee and portfolio manager 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	1.40%	53%	47%
Series D	0.78%	28%	72%

* Management fees represent the actual average management fee rate for the period ended June 30, 2016.

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

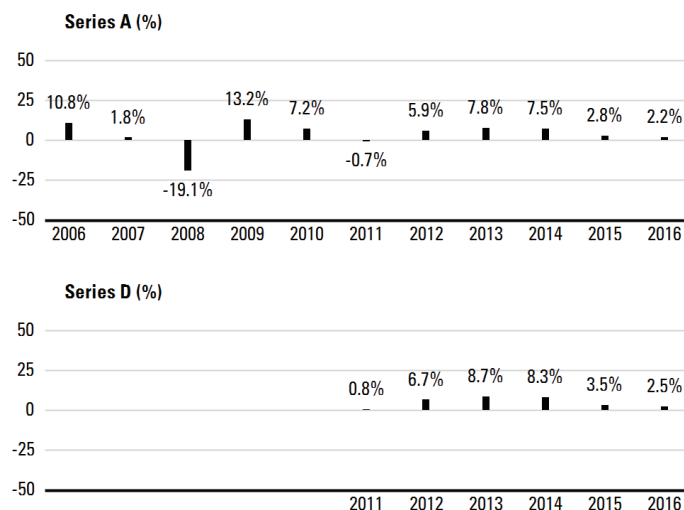


PAST PERFORMANCE

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.



Series D units have been available for sale to unitholders since November 1, 2011.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Income Funds	79.7
Canadian Equity Funds	7.2
United States Equity Funds	7.2
International Equity Funds	5.5
Cash/Other	0.4

Top 25 Holdings*

	% of Net Asset Value
RBC Bond Fund	34.9
RBC Canadian Short-Term Income Fund	29.6
RBC Global Bond Fund	10.0
Phillips, Hager & North Total Return Bond Fund	5.0
RBC Canadian Equity Fund	3.6
RBC European Equity Fund	2.9
RBC QUBE Low Volatility Canadian Equity Fund	1.8
RBC Canadian Dividend Fund	1.8
RBC O'Shaughnessy U.S. Value Fund	1.7
RBC Private U.S. Large-Cap Core Equity Pool	1.5
RBC U.S. Equity Fund	1.5
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	1.5
RBC Emerging Markets Equity Fund	1.1
RBC U.S. Mid-Cap Equity Fund	1.0
RBC Asia Pacific ex-Japan Equity Fund	0.9
RBC Japanese Equity Fund	0.6
Cash & Cash Equivalents	0.6
Total	100.0

* 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.

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



PORTFOLIO SOLUTION

RBC TARGET 2025 EDUCATION FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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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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MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund is an asset allocation fund specifically designed to meet the changing needs of investors who are saving money for the purpose of funding their child's post-secondary education that commences around 2025. The Fund gradually shifts its asset mix from an emphasis on equity funds in its early years, to an emphasis on money market funds as its "target" year of 2025 approaches. The Fund invests its assets primarily in units of other funds managed by RBC GAM or an affiliate.

Over the life of the Fund, its portfolio will shift from a focus on funds with growth potential to a focus on funds that preserve capital.

Results of Operations

The Fund's net asset value was \$910 million as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 1.4%. 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 any other series, which may vary because of differences in management fees and expenses.

U.S. economic growth continued to lead the world's developed markets, while growth in Japan and in much of Europe and emerging markets continued to disappoint. Signs of significantly slower global economic growth appeared early in January 2016, leading to sharp financial-market declines in the first few weeks of the year. Oil prices followed growth expectations lower and by February had touched the lowest level in more than a decade, depressed in part by a surge in supply relative to demand. Oil prices and financial markets recovered somewhat beginning in February, and the rebound continued for much of the first quarter. In the second half of the period, the debate leading up to the U.K.'s eventual decision to exit the EU ("Brexit") largely replaced growth concerns as the main driver of markets.

Government-bond yields in the U.S., Japan, Germany and Canada fell to record lows during the period amid Brexit concerns, leading to gains for investors as bond prices rose. Prices of non-government bonds also increased, with high-yield bonds performing particularly well following the oil-price rebound. Among fixed-income investments in the portfolio, the RBC Bond Fund and the RBC High Yield Bond Fund had a positive impact on performance.

North American equities posted gains during the period led by Canadian markets, which benefited from the rebound in commodity prices. U.S. equities had gains in the low single digits, while Brexit worries resulted in losses for markets in Europe and Asia. The RBC Canadian Equity Fund and the RBC QUBE Low Volatility Canadian Equity Fund aided returns, while the RBC European Equity Fund had a negative effect.

Recent Developments

The portfolio manager's core scenario contemplates sluggish global economic growth and low inflation, and the threats to the forecast appear tilted to the downside. Negative interest rates and full-fledged quantitative-easing programs are now in force in the Eurozone and Japan, and the Bank of England may cut interest rates in response to Brexit. The U.S. Federal Reserve, meanwhile, is likely to push ahead with rate hikes, although the timing is uncertain and data-dependent. While interest rates are at unusually low levels, the path to higher yields will likely be gradual and stretched over a very long period given current and forecast economic conditions. The bulk of recent equity-market gains have been delivered through expanding valuations, so profit growth is, in the view of the portfolio manager, now critical to keeping the bull market alive.

Effective January 1, 2020, the specified percentage will decline to 1.55% for Series A units and 0.90% for Series D units.

Effective January 1, 2023, the specified percentage will decline to 1.00% for Series A units and 0.80% for Series D units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, provides investment advice and portfolio management services to the Fund and appoints distributors for 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. and RBC Dominion Securities Inc. are principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A and Series D units.

Custodian

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

Registrars

Royal Bank and RBC IS are the registrars of the Fund and keep records of who owns the units of the Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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			
Series A													
June 30, 2016	10.15	0.11	(0.09)	0.04	0.10	0.16	—	—	—	—	—	10.29	
Dec. 31, 2015	10.16	0.32	(0.19)	0.33	(0.09)	0.37	—	(0.13)	(0.30)	—	(0.43)	10.15	
Dec. 31, 2014	9.96	0.45	(0.20)	0.60	0.08	0.93	—	(0.23)	(0.52)	—	(0.75)	10.16	
Dec. 31, 2013	9.08	0.30	(0.18)	0.34	0.83	1.29	—	(0.12)	(0.28)	—	(0.40)	9.96	
Dec. 31, 2012	8.62	0.27	(0.17)	0.04	0.43	0.57	—	(0.09)	(0.03)	—	(0.12)	9.08	
Dec. 31, 2011	8.99	0.23	(0.16)	0.13	(0.41)	(0.21)	(0.05)	—	(0.12)	—	(0.17)	8.62	
Series D													
June 30, 2016	10.13	0.11	(0.05)	0.04	0.10	0.20	—	—	—	—	—	10.32	
Dec. 31, 2015	10.15	0.32	(0.11)	0.33	(0.09)	0.45	(0.01)	(0.20)	(0.30)	—	(0.51)	10.13	
Dec. 31, 2014	9.90	0.44	(0.12)	0.60	0.08	1.00	—	(0.25)	(0.52)	—	(0.77)	10.15	
Dec. 31, 2013	8.98	0.30	(0.11)	0.33	0.81	1.33	—	(0.15)	(0.28)	—	(0.43)	9.90	
Dec. 31, 2012	8.47	0.25	(0.10)	0.04	0.41	0.60	—	(0.10)	(0.03)	—	(0.13)	8.98	
Dec. 31, 2011 ³	8.74 [†]	0.03	(0.02)	0.02	(0.06)	(0.03)	(0.22)	—	(0.12)	—	(0.34)	8.47	

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From November 1, 2011.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	10.29	903 636	87 797	1.83	1.83	13.10	—
Dec. 31, 2015	10.15	822 747	81 096	1.83	1.83	9.39	0.06
Dec. 31, 2014	10.16	669 585	65 917	1.93	1.93	11.95	0.08
Dec. 31, 2013	9.96	504 952	50 673	1.94	1.94	39.20	0.11
Dec. 31, 2012	9.08	346 974	38 198	1.94	1.94	4.40	0.15
Dec. 31, 2011	8.62	234 493	27 189	1.94	1.94	10.11	0.20
Series D							
June 30, 2016	10.32	6 313	612	1.05	1.05	13.10	—
Dec. 31, 2015	10.13	4 796	473	1.06	1.06	9.39	0.06
Dec. 31, 2014	10.15	2 489	245	1.15	1.15	11.95	0.08
Dec. 31, 2013	9.90	979	99	1.18	1.18	39.20	0.11
Dec. 31, 2012	8.98	245	27	1.18	1.18	4.40	0.15
Dec. 31, 2011 ⁴	8.47	6	1	1.18	1.18	10.11	0.20

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

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

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

⁴ From November 1, 2011.

Management Fees

RBC GAM is the manager, trustee and portfolio manager 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	1.58%	57%	43%
Series D	0.87%	26%	74%

* Management fees represent the actual average management fee rate for the period ended June 30, 2016.

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

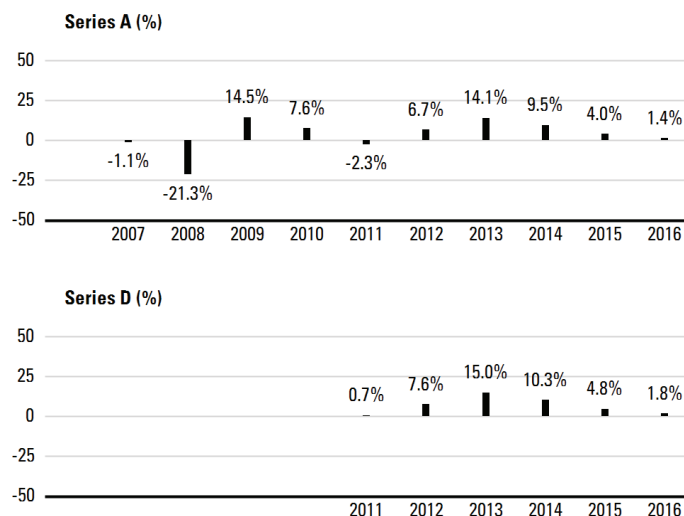


PAST PERFORMANCE

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.



Series D units have been available for sale to unitholders since November 1, 2011, and Series A units since July 3, 2007.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Income Funds	50.8
United States Equity Funds	17.8
Canadian Equity Funds	17.7
International Equity Funds	13.2
Cash/Other	0.5

Top 25 Holdings*

	% of Net Asset Value
RBC Bond Fund	31.1
RBC Canadian Equity Fund	8.7
RBC Canadian Short-Term Income Fund	7.6
RBC European Equity Fund	7.0
Phillips, Hager & North Total Return Bond Fund	7.0
RBC High Yield Bond Fund	5.0
RBC QUBE Low Volatility Canadian Equity Fund	4.5
RBC Canadian Dividend Fund	4.4
RBC O'Shaughnessy U.S. Value Fund	4.1
RBC U.S. Equity Fund	3.7
RBC Private U.S. Large-Cap Core Equity Pool	3.7
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	3.6
RBC Emerging Markets Equity Fund	2.7
RBC U.S. Mid-Cap Equity Fund	2.7
RBC Asia Pacific ex-Japan Equity Fund	2.1
RBC Japanese Equity Fund	1.4
Cash & Cash Equivalents	0.7
Total	100.0

* 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.

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



PORTFOLIO SOLUTION

RBC TARGET 2030 EDUCATION FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund is an asset allocation fund specifically designed to meet the changing needs of investors who are saving money for the purpose of funding their child's post-secondary education that commences around 2030. The Fund gradually shifts its asset mix from an emphasis on equity funds in its early years, to an emphasis on money market funds as its "target" year of 2030 approaches. The Fund invests its assets primarily in units of other funds managed by RBC GAM or an affiliate.

Over the life of the Fund, its portfolio will shift from a focus on funds with growth potential to a focus on funds that preserve capital.

Results of Operations

The Fund's net asset value was \$335 million as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 1.0%. 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 any other series, which may vary because of differences in management fees and expenses.

U.S. economic growth continued to lead the world's developed markets, while growth in Japan and in much of Europe and emerging markets continued to disappoint. Signs of significantly slower global economic growth appeared early in January 2016, leading to sharp financial-market declines in the first few weeks of the year. Oil prices followed growth expectations lower and by February had touched the lowest level in more than a decade, depressed in part by a surge in supply relative to demand. Oil prices and financial markets recovered somewhat beginning in February, and the rebound continued for much of the first quarter. In the second half of the period, the debate leading up to the U.K.'s eventual decision to exit the EU ("Brexit") largely replaced growth concerns as the main driver of markets.

North American equities posted gains during the period led by Canadian markets, which benefited from the rebound in commodity prices. U.S. equities had gains in the low single digits, while Brexit worries resulted in losses for markets in Europe and Asia. The RBC Canadian Equity Fund and the RBC Canadian Dividend Fund had a positive impact on returns, while the RBC European Equity Fund had a negative effect.

Government-bond yields in the U.S., Japan, Germany and Canada fell to record lows during the period amid Brexit concerns, leading to gains for investors as bond prices rose. Prices of non-government bonds also increased, with high-yield bonds performing particularly well following the oil-price rebound. The Fund's two fixed-income investments, the RBC Bond Fund and the RBC High Yield Bond Fund, contributed positively to returns.

Recent Developments

The portfolio manager's core scenario contemplates sluggish global economic growth and low inflation, and the threats to the forecast appear tilted to the downside. Negative interest rates and full-fledged quantitative-easing programs are now in force in the Eurozone and Japan, and the Bank of England may cut interest rates in response to Brexit. The U.S. Federal Reserve, meanwhile, is likely to push ahead with rate hikes, although the timing is uncertain and data-dependent. While interest rates are at unusually low levels, the path to higher yields will likely be gradual and stretched over a very long period given current and forecast economic conditions. The bulk of recent equity-market gains have been delivered through expanding valuations, so profit growth is, in the view of the portfolio manager, now critical to keeping the bull market alive.

Effective January 1, 2020, the specified percentage will decline to 1.75% for Series A units and 1.00% for Series D units.

Effective January 1, 2025, the specified percentage will decline to 1.55% for Series A units and 0.90% for Series D units.

Effective January 1, 2028, the specified percentage will decline to 1.00% for Series A units and 0.80% for Series D units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, provides investment advice and portfolio management services to the Fund and appoints distributors for 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. and RBC Dominion Securities Inc. are principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A and Series D units.

Custodian

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

Registrars

Royal Bank and RBC IS are the registrars of the Fund and keep records of who owns the units of the Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	12.06	0.11	(0.11)	(0.01)	0.21	0.20	—	—	—	—	—	12.19
Dec. 31, 2015	12.00	0.43	(0.24)	0.42	(0.23)	0.38	—	(0.15)	(0.34)	—	(0.49)	12.06
Dec. 31, 2014	11.81	0.66	(0.25)	0.84	(0.20)	1.05	—	(0.30)	(0.60)	—	(0.90)	12.00
Dec. 31, 2013	10.29	0.46	(0.22)	0.20	1.50	1.94	—	(0.15)	(0.11)	—	(0.26)	11.81
Dec. 31, 2012 ³	10.00 [†]	0.40	(0.10)	0.07	0.14	0.51	—	(0.14)	(0.03)	—	(0.17)	10.29
Series D												
June 30, 2016	12.13	0.11	(0.07)	(0.02)	0.21	0.23	—	—	—	—	—	12.31
Dec. 31, 2015	12.07	0.43	(0.14)	0.42	(0.23)	0.48	(0.01)	(0.25)	(0.34)	—	(0.60)	12.13
Dec. 31, 2014	11.82	0.65	(0.15)	0.83	(0.19)	1.14	(0.01)	(0.34)	(0.60)	—	(0.95)	12.07
Dec. 31, 2013	10.24	0.46	(0.14)	0.21	1.50	2.03	—	(0.17)	(0.11)	—	(0.28)	11.82
Dec. 31, 2012 ³	10.00 [†]	0.49	(0.06)	0.08	0.17	0.68	—	(0.23)	(0.03)	—	(0.26)	10.24

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From July 9, 2012.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	12.19	330 252	27 096	1.93	1.93	7.92	—
Dec. 31, 2015	12.06	255 378	21 168	1.94	1.94	3.06	0.08
Dec. 31, 2014	12.00	134 600	11 213	2.03	2.03	5.75	0.10
Dec. 31, 2013	11.81	52 715	4 464	2.03	2.03	22.09	0.13
Dec. 31, 2012 ⁴	10.29	8 748	850	2.10	2.10	—	0.17
Series D							
June 30, 2016	12.31	4 521	367	1.16	1.16	7.92	—
Dec. 31, 2015	12.13	3 482	287	1.17	1.17	3.06	0.08
Dec. 31, 2014	12.07	1 494	124	1.25	1.25	5.75	0.10
Dec. 31, 2013	11.82	389	33	1.28	1.28	22.09	0.13
Dec. 31, 2012 ⁴	10.24	64	6	1.30	1.30	—	0.17

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

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

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

⁴ From July 9, 2012.

Management Fees

RBC GAM is the manager, trustee and portfolio manager 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	1.67%	56%	44%
Series D	0.96%	23%	77%

* Management fees represent the actual average management fee rate for the period ended June 30, 2016.

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

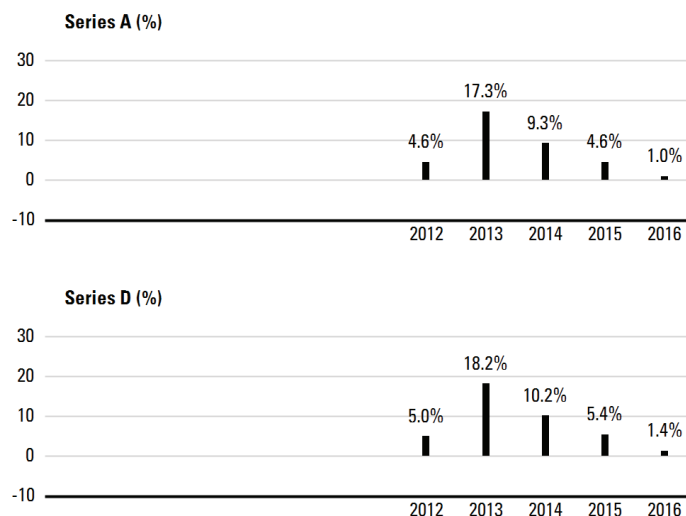


PAST PERFORMANCE

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.



Series A and Series D units have been available for sale to unitholders since July 9, 2012.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Income Funds	32.8
United States Equity Funds	24.1
Canadian Equity Funds	23.8
International Equity Funds	18.9
Cash/Other	0.4

Top 25 Holdings*

	% of Net Asset Value
RBC Bond Fund	21.3
RBC High Yield Bond Fund	11.5
RBC Canadian Equity Fund	11.5
RBC European Equity Fund	9.5
RBC Private U.S. Large-Cap Core Equity Pool	5.5
RBC U.S. Equity Fund	5.5
RBC Canadian Dividend Fund	4.9
RBC U.S. Mid-Cap Equity Fund	4.8
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	4.3
Phillips, Hager & North Canadian Growth Fund	4.0
RBC O'Shaughnessy U.S. Value Fund	3.9
RBC Emerging Markets Equity Fund	3.8
RBC Asia Pacific ex-Japan Equity Fund	3.4
RBC QUBE Low Volatility Canadian Equity Fund	3.4
RBC Japanese Equity Fund	2.2
Cash & Cash Equivalents	0.5
Total	100.0

* 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.

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



CANADIAN EQUITY FUND

RBC CANADIAN DIVIDEND FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to achieve long-term returns consisting of regular dividend income and modest long-term capital growth.

The Fund invests primarily in common and preferred shares of major Canadian companies with above-average dividend yields, as well as income trusts. Stocks that qualify as investments will generally carry above-average dividend yields and offer the potential for increased payouts. The Fund may also invest in foreign securities with similar attributes.

Results of Operations

The Fund's net asset value was \$16.9 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 6.9%. 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 any other series, which may vary because of differences in management fees and expenses.

The S&P/TSX Composite Index, Canada's equity benchmark, outperformed most other global indexes during the period, as the resource-heavy Canadian index was positively impacted by surging commodity prices. Crude oil prices found a bottom and started recovering from levels that were well below the marginal cost of production, nearly doubling through the first half of the year. As well, gold prices rebounded, and as the fundamental outlook became more constructive, the Energy sector and gold companies began to outperform the broader market. This benefited the S&P/TSX, where energy and gold stocks together account for more than a quarter of the index's market capitalization. Concurrently, global growth concerns made headlines once again after the U.K.'s surprising decision to leave the EU ("Brexit"). The Brexit vote diverted investor focus from some positive economic developments in North America and signs of stabilization emerging from China.

In the first half of 2016, the Fund underperformed, primarily due to an underweight positioning in gold companies. Gold stocks as a whole have historically been challenging for dividend investors to own, as the sector has not been a reliable source of dividends. As well, many companies in the sector have a poor track record of allocating capital.

The Fund's performance was also hindered by overweight and underweight exposures to the Financials and Telecom sectors, respectively. Financials stocks failed to keep pace with the market as concerns over banks' exposure to potential fallout from rapidly appreciating Canadian housing prices and the troubled Energy sector continued to impact their performance.

Valuations for Telecom stocks have increased materially in recent years even though growth rates in dividends and earnings have been modest.

Smaller gains in other sectors served to partially offset losses including holdings in Consumer Staples, Health Care and Utilities.

Recent Developments

An improvement in the performance of Canadian equity markets will require a bigger contribution from stocks in the Financials and Energy sectors. While the supply-demand conditions for a number of commodities have improved, the portfolio manager believes it is hard to envision a surge from here without stronger global economic growth. Meanwhile, the domestic economy's reliance on housing and questions about the ability of consumers to maintain their spending continue to be points of discussion. The interest rate policy divergence between the U.S. Federal Reserve and the Bank of Canada is likely to widen if commodity prices remain weak, which could add further pressure to the Canadian dollar.

Effective June 30, 2016, management fees were reduced as follows: from 1.00% to 0.85% for Series D units; and from 0.75% to 0.60% for Series F and Series FT5 units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units 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 T8 and Series D units.

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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$266,000 (2015 – \$258,000) or 10% (2015 – 13%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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		
Series A												
June 30, 2016	58.12	1.07	(0.52)	0.29	3.12	3.96	—	(0.33)	—	—	(0.33)	61.77
Dec. 31, 2015	63.36	2.01	(1.09)	1.54	(6.95)	(4.49)	—	(0.68)	—	—	(0.68)	58.12
Dec. 31, 2014	57.70	1.81	(1.09)	2.87	3.48	7.07	—	(0.60)	(0.72)	—	(1.32)	63.36
Dec. 31, 2013	49.64	1.69	(0.94)	1.12	6.82	8.69	—	(0.60)	—	—	(0.60)	57.68
Dec. 31, 2012	45.44	1.54	(0.84)	1.23	2.96	4.89	—	(0.55)	(0.10)	—	(0.65)	49.64
Dec. 31, 2011	47.13	1.44	(0.80)	0.83	(2.67)	(1.20)	—	(0.54)	—	—	(0.54)	45.44
Advisor Series												
June 30, 2016	58.47	1.08	(0.52)	0.29	3.14	3.99	—	(0.33)	—	—	(0.33)	62.15
Dec. 31, 2015	63.74	2.02	(1.09)	1.55	(6.99)	(4.51)	—	(0.68)	—	—	(0.68)	58.47
Dec. 31, 2014	58.04	1.82	(1.10)	2.88	3.50	7.10	—	(0.60)	(0.72)	—	(1.32)	63.74
Dec. 31, 2013	49.93	1.70	(0.94)	1.12	6.86	8.74	—	(0.62)	—	—	(0.62)	58.03
Dec. 31, 2012	45.70	1.55	(0.84)	1.24	2.97	4.92	—	(0.55)	(0.10)	—	(0.65)	49.93
Dec. 31, 2011	47.38	1.45	(0.79)	0.83	(2.68)	(1.19)	—	(0.54)	—	—	(0.54)	45.70
Advisor T5 Series												
June 30, 2016	55.78	1.08	(0.52)	0.29	3.14	3.99	—	(0.31)	—	(1.09)	(1.40)	58.16
Dec. 31, 2015	63.42	2.02	(1.09)	1.55	(6.99)	(4.51)	—	(0.70)	—	(2.47)	(3.17)	55.78
Dec. 31, 2014 ³	64.74 [†]	1.82	(1.10)	2.88	3.50	7.10	—	(0.24)	(0.65)	(0.46)	(1.35)	63.42
Series T5												
June 30, 2016	52.00	0.95	(0.47)	0.26	2.76	3.50	—	(0.33)	—	(0.97)	(1.30)	54.22
Dec. 31, 2015	59.08	1.84	(1.00)	1.41	(6.35)	(4.10)	—	(0.75)	—	(2.20)	(2.95)	52.00
Dec. 31, 2014	55.24	1.70	(1.05)	2.69	3.26	6.60	—	(0.62)	(0.75)	(1.39)	(2.76)	59.08
Dec. 31, 2013	49.30	1.64	(0.96)	1.08	6.61	8.37	—	(0.65)	—	(1.82)	(2.47)	55.23
Dec. 31, 2012 ⁴	48.03 [†]	0.41	(0.24)	0.33	0.79	1.29	—	(0.08)	(0.10)	(0.51)	(0.69)	49.30
Series T8												
June 30, 2016	9.70	0.18	(0.09)	0.05	0.51	0.65	—	(0.07)	—	(0.32)	(0.39)	9.97
Dec. 31, 2015	11.39	0.35	(0.19)	0.27	(1.21)	(0.78)	—	(0.15)	—	(0.76)	(0.91)	9.70
Dec. 31, 2014	10.97	0.33	(0.20)	0.53	0.64	1.30	—	(0.14)	(0.12)	(0.62)	(0.88)	11.39
Dec. 31, 2013	10.08	0.33	(0.18)	0.22	1.34	1.71	—	(0.15)	—	(0.66)	(0.81)	10.97
Dec. 31, 2012	9.86	0.33	(0.17)	0.26	0.63	1.05	—	(0.13)	(0.02)	(0.66)	(0.81)	10.08
Dec. 31, 2011	10.98	0.32	(0.18)	0.19	(0.60)	(0.27)	—	(0.13)	—	(0.75)	(0.88)	9.86



FINANCIAL HIGHLIGHTS (cont.)

Change in Net Assets Per Unit (\$) (cont.)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					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	Total	
Series D												
June 30, 2016	58.20	1.08	(0.36)	0.29	3.12	4.13	—	(0.53)	—	—	(0.53)	61.83
Dec. 31, 2015	63.44	2.02	(0.75)	1.54	(6.96)	(4.15)	—	(1.01)	—	—	(1.01)	58.20
Dec. 31, 2014	57.76	1.81	(0.75)	2.87	3.48	7.41	—	(0.93)	(0.72)	—	(1.65)	63.44
Dec. 31, 2013	49.70	1.69	(0.64)	1.12	6.83	9.00	—	(0.91)	—	—	(0.91)	57.75
Dec. 31, 2012	45.49	1.54	(0.57)	1.24	2.97	5.18	—	(0.82)	(0.10)	—	(0.92)	49.70
Dec. 31, 2011	47.18	1.44	(0.54)	0.83	(2.67)	(0.94)	—	(0.81)	—	—	(0.81)	45.49
Series F												
June 30, 2016	59.89	1.11	(0.28)	0.30	3.22	4.35	—	(0.63)	—	—	(0.63)	63.62
Dec. 31, 2015	65.27	2.07	(0.59)	1.59	(7.17)	(4.10)	—	(1.22)	—	—	(1.22)	59.89
Dec. 31, 2014	59.40	1.86	(0.60)	2.95	3.58	7.79	—	(1.11)	(0.72)	—	(1.83)	65.27
Dec. 31, 2013	51.09	1.74	(0.51)	1.15	7.03	9.41	—	(1.07)	—	—	(1.07)	59.38
Dec. 31, 2012	46.77	1.58	(0.46)	1.27	3.05	5.44	—	(0.98)	(0.10)	—	(1.08)	51.09
Dec. 31, 2011	48.52	1.48	(0.43)	0.85	(2.75)	(0.85)	—	(0.97)	—	—	(0.97)	46.77
Series FT5												
June 30, 2016	57.63	1.06	(0.28)	0.29	3.07	4.14	—	(0.57)	—	(0.87)	(1.44)	60.34
Dec. 31, 2015	64.90	2.02	(0.55)	1.55	(6.98)	(3.96)	—	(1.29)	—	(1.96)	(3.25)	57.63
Dec. 31, 2014 ³	66.32 [†]	0.74	(0.24)	1.17	1.42	3.09	—	(0.32)	(1.35)	—	(1.67)	64.90
Series I												
June 30, 2016	58.80	1.08	(0.15)	0.29	3.15	4.37	—	(0.72)	—	—	(0.72)	62.48
Dec. 31, 2015	64.10	2.04	(0.32)	1.56	(7.04)	(3.76)	—	(1.45)	—	—	(1.45)	58.80
Dec. 31, 2014	58.37	1.83	(0.32)	2.90	3.52	7.93	—	(1.40)	(0.72)	—	(2.12)	64.10
Dec. 31, 2013	50.24	1.71	(0.28)	1.13	6.91	9.47	—	(1.31)	—	—	(1.31)	58.35
Dec. 31, 2012	45.97	1.56	(0.24)	1.25	3.00	5.57	—	(1.15)	(0.10)	—	(1.25)	50.24
Dec. 31, 2011	47.64	1.46	(0.23)	0.84	(2.70)	(0.63)	—	(1.12)	—	—	(1.12)	45.97
Series O												
June 30, 2016	59.33	1.10	(0.01)	0.30	3.18	4.57	—	(0.89)	—	—	(0.89)	63.04
Dec. 31, 2015	64.68	2.06	(0.01)	1.57	(7.11)	(3.49)	—	(1.78)	—	—	(1.78)	59.33
Dec. 31, 2014	58.91	1.85	(0.01)	2.93	3.55	8.32	—	(1.73)	(0.72)	—	(2.45)	64.68
Dec. 31, 2013	50.70	1.73	(0.01)	1.14	6.97	9.83	—	(1.59)	—	—	(1.59)	58.89
Dec. 31, 2012	46.38	1.57	(0.01)	1.26	3.02	5.84	—	(1.38)	(0.10)	—	(1.48)	50.70
Dec. 31, 2011	48.09	1.47	(0.01)	0.84	(2.72)	(0.42)	—	(1.38)	—	—	(1.38)	46.38

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From August 11, 2014.

⁴ From September 24, 2012.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	61.77	10 189 374	164 955	1.76	1.76	13.69	0.03
Dec. 31, 2015	58.12	10 062 888	173 144	1.76	1.76	12.92	0.02
Dec. 31, 2014	63.36	11 865 196	187 269	1.76	1.76	17.39	0.03
Dec. 31, 2013	57.70	10 897 203	188 857	1.79	1.79	19.11	0.04
Dec. 31, 2012	49.71	9 520 335	191 524	1.78	1.78	18.42	0.04
Dec. 31, 2011	45.51	9 077 321	199 449	1.77	1.77	29.94	0.05
Advisor Series							
June 30, 2016	62.15	169 748	2 731	1.76	1.76	13.69	0.03
Dec. 31, 2015	58.47	155 684	2 663	1.76	1.76	12.92	0.02
Dec. 31, 2014	63.74	176 324	2 766	1.76	1.76	17.39	0.03
Dec. 31, 2013	58.04	154 034	2 654	1.77	1.77	19.11	0.04
Dec. 31, 2012	50.00	132 232	2 644	1.76	1.76	18.42	0.04
Dec. 31, 2011	45.77	127 267	2 781	1.76	1.76	29.94	0.05
Advisor T5 Series							
June 30, 2016	58.16	1 695	29	1.79	1.79	13.69	0.03
Dec. 31, 2015	55.78	1 406	25	1.84	1.84	12.92	0.02
Dec. 31, 2014 ⁴	63.42	44	1	1.81	1.81	17.39	0.03
Series T5							
June 30, 2016	54.22	7 596	140	1.78	1.78	13.69	0.03
Dec. 31, 2015	52.00	7 177	138	1.78	1.78	12.92	0.02
Dec. 31, 2014	59.08	5 579	94	1.79	1.79	17.39	0.03
Dec. 31, 2013	55.24	1 753	32	1.83	1.83	19.11	0.04
Dec. 31, 2012 ⁵	49.37	50	1	1.81	1.81	18.42	0.04
Series T8							
June 30, 2016	9.97	96 058	9 637	1.78	1.78	13.69	0.03
Dec. 31, 2015	9.70	96 352	9 931	1.78	1.78	12.92	0.02
Dec. 31, 2014	11.39	106 907	9 383	1.77	1.77	17.39	0.03
Dec. 31, 2013	10.97	74 547	6 796	1.76	1.76	19.11	0.04
Dec. 31, 2012	10.10	47 576	4 712	1.70	1.70	18.42	0.04
Dec. 31, 2011	9.88	81 130	8 212	1.71	1.71	29.94	0.05
Series D							
June 30, 2016	61.83	561 400	9 080	1.21⁶	1.21	13.69	0.03
Dec. 31, 2015	58.20	519 006	8 918	1.21	1.21	12.92	0.02
Dec. 31, 2014	63.44	546 615	8 616	1.21	1.21	17.39	0.03
Dec. 31, 2013	57.76	437 312	7 571	1.21	1.21	19.11	0.04
Dec. 31, 2012	49.77	347 063	6 974	1.21	1.21	18.42	0.04
Dec. 31, 2011	45.56	323 957	7 110	1.20	1.20	29.94	0.05
Series F							
June 30, 2016	63.62	266 503	4 189	0.93⁶	0.93	13.69	0.03
Dec. 31, 2015	59.89	218 825	3 654	0.93	0.93	12.92	0.02
Dec. 31, 2014	65.27	190 361	2 916	0.94	0.94	17.39	0.03
Dec. 31, 2013	59.40	142 427	2 398	0.94	0.94	19.11	0.04
Dec. 31, 2012	51.17	111 800	2 185	0.94	0.94	18.42	0.04
Dec. 31, 2011	46.84	102 203	2 182	0.94	0.94	29.94	0.05
Series FT5							
June 30, 2016	60.34	1 154	19	0.95⁶	0.95	13.69	0.03
Dec. 31, 2015	57.63	488	8	0.89	0.89	12.92	0.02
Dec. 31, 2014 ⁴	64.90	213	3	0.96	0.96	17.39	0.03



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series I							
June 30, 2016	62.48	33 425	535	0.51	0.51	13.69	0.03
Dec. 31, 2015	58.80	136 884	2 328	0.51	0.51	12.92	0.02
Dec. 31, 2014	64.10	317 544	4 954	0.51	0.51	17.39	0.03
Dec. 31, 2013	58.37	311 810	5 342	0.52	0.52	19.11	0.04
Dec. 31, 2012	50.31	268 939	5 346	0.50	0.50	18.42	0.04
Dec. 31, 2011	46.04	243 597	5 291	0.50	0.50	29.94	0.05
Series O							
June 30, 2016	63.04	5 523 285	87 612	0.02	0.02	13.69	0.03
Dec. 31, 2015	59.33	5 329 892	89 835	0.02	0.02	12.92	0.02
Dec. 31, 2014	64.68	4 813 115	74 409	0.02	0.02	17.39	0.03
Dec. 31, 2013	58.91	4 532 810	76 947	0.02	0.02	19.11	0.04
Dec. 31, 2012	50.77	3 660 954	72 105	0.02	0.02	18.42	0.04
Dec. 31, 2011	46.45	2 875 416	61 905	0.02	0.02	29.94	0.05

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

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

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

⁴ From August 11, 2014.

⁵ From September 24, 2012.

⁶ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series D – 1.05%, Series F – 0.77% and Series FT5 – 0.79%.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.50%	67%	33%
Advisor Series	1.50%	67%	33%
Advisor T5 Series	1.50%	67%	33%
Series T5	1.50%	67%	33%
Series T8	1.50%	67%	33%
Series D	0.85%	25%	75%
Series F	0.60%	—	100%
Series FT5	0.60%	—	100%
Series I	0.44%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

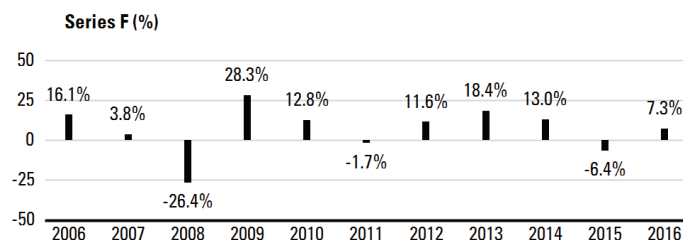
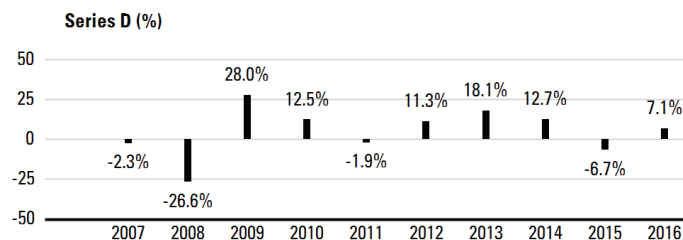
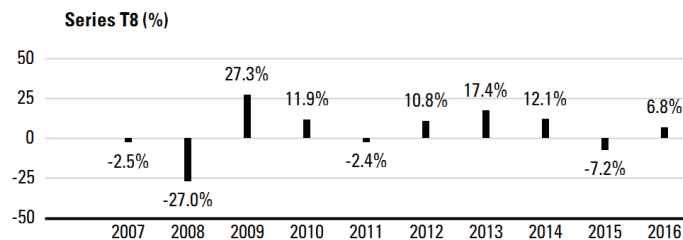
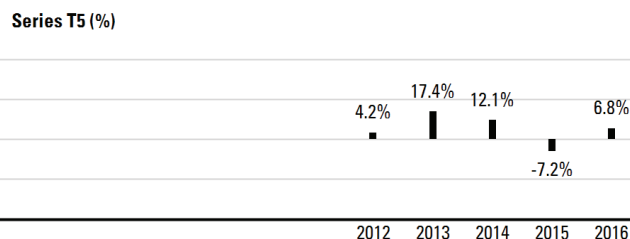
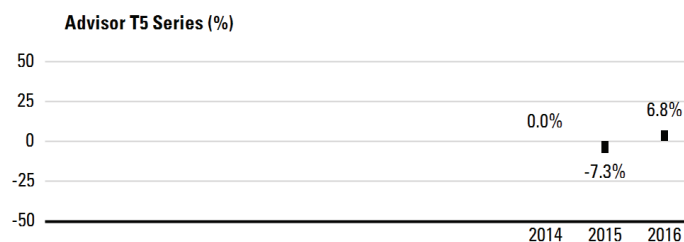
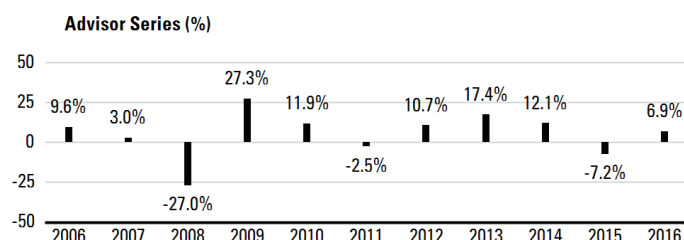
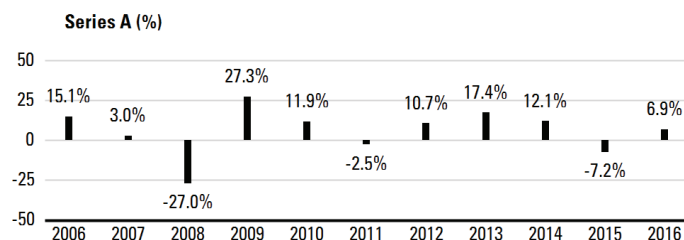


PAST PERFORMANCE

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.

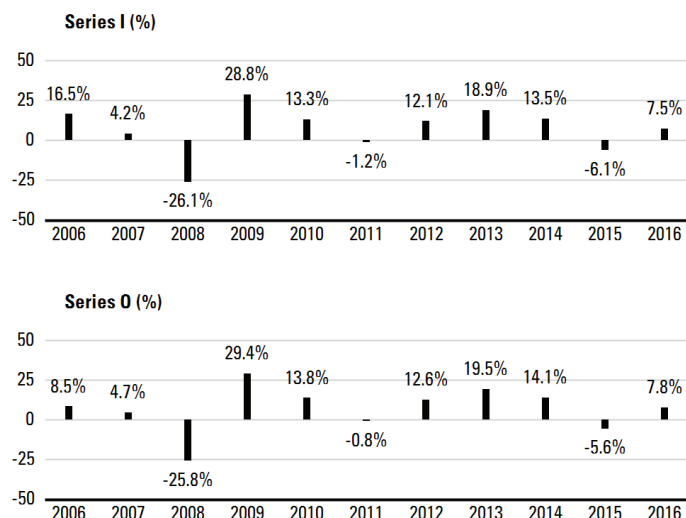
Year-by-Year Returns (%)

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.





PAST PERFORMANCE (cont.)



Advisor T5 Series and Series FT5 units have been available for sale to unitholders since August 11, 2014, Series T5 units since September 24, 2012, Series T8 and Series D units since July 3, 2007, Series O units since September 5, 2006, and Advisor Series units since March 20, 2006.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Financials	43.1
Energy	21.9
Industrials	8.3
Utilities	5.4
Consumer Discretionary	5.0
Telecommunication Services	4.8
Consumer Staples	3.9
Materials	1.6
Health Care	0.5
Information Technology	0.5
Bonds	0.3
Cash/Other	4.7

Top 25 Holdings

	% of Net Asset Value
Royal Bank of Canada	6.9
Toronto-Dominion Bank	6.9
Bank of Nova Scotia	5.8
Cash & Cash Equivalents	4.5
Canadian National Railway Co.	4.3
Brookfield Asset Management Inc., Class A	3.9
Bank of Montreal	3.7
Canadian Imperial Bank of Commerce	3.4
Enbridge Inc.	3.2
TransCanada Corp.	3.2
Suncor Energy Inc.	3.0
Canadian Natural Resources Ltd.	3.0
Manulife Financial Corporation	2.2
TELUS Corp.	1.8
Loblaw Companies Ltd.	1.8
Sun Life Financial Inc.	1.8
Canadian Pacific Railway Ltd.	1.7
Imperial Oil Ltd.	1.6
BCE Inc.	1.6
Power Corporation of Canada	1.5
Rogers Communications Inc., Class B	1.4
Thomson Corp.	1.4
PrairieSky Royalty Ltd.	1.2
Atco Ltd., Class I, Non-Voting	1.2
Brookfield Property Partners LP	1.1
Top 25 Holdings	72.1

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.



CANADIAN EQUITY FUND

RBC CANADIAN EQUITY FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing in equity securities of major Canadian companies to provide broad exposure to economic growth opportunities in Canada.

The Fund seeks to identify the best potential for growth while limiting risk and may hold shares of smaller companies, income-trust units and securities of comparable foreign companies.

Results of Operations

The Fund's net asset value was \$2.4 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 8.3%. 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 any other series, which may vary because of differences in management fees and expenses.

The S&P/TSX Composite Index, Canada's equity benchmark, outperformed most other global indexes during the period. The resource-heavy Canadian index was positively impacted by surging commodity prices. Crude oil prices found a bottom and started recovering from levels that were well below the marginal cost of production, nearly doubling through the first half of the year. Gold prices also rebounded, and as the fundamental outlook became more constructive, the Energy sector and gold companies began to outperform the broader market. This benefited the S&P/TSX, where energy and gold stocks together account for more than a quarter of the index's market capitalization. Concurrently, global growth concerns made headlines once again after the U.K.'s surprising decision to leave the EU ("Brexit"). The Brexit vote diverted investor focus from some positive economic developments in North America and signs of stabilization emerging from China.

In the first half of 2016, the Fund underperformed, primarily due to an underweight positioning in gold companies. Gold stocks as a whole have historically been challenging for investors to own, as the price of gold is unpredictable and many companies in the sector have a poor track record of allocating capital.

This underperformance was partially offset by the Fund's underweight positioning in the Health Care sector due to extreme price weakness from Valeant Pharmaceuticals and, to a lesser extent, Concordia International.

The Fund also underperformed due to overweight exposure to the Financials sector. Financials stocks failed to keep pace with the market as concerns over banks' exposure to potential fallout from rapidly appreciating Canadian housing prices and the troubled Energy sector continued to impact their performance.

Recent Developments

An improvement in the performance of Canadian equity markets will require a bigger contribution from stocks in the Financials and Energy sectors. While the supply-demand equation for a number of commodities has improved, the portfolio manager believes it is hard to envision a surge from here without stronger global economic growth. Meanwhile, the domestic economy's reliance on housing and questions about the ability of consumers to maintain their spending continue to be points of discussion. The interest rate policy divergence between the U.S. Federal Reserve and the Bank of Canada is likely to widen if commodity prices remain weak, which could add further pressure to the Canadian dollar.

Effective June 30, 2016, management fees were reduced as follows: from 1.75% to 1.60% for Series A and Advisor Series units; from 1.00% to 0.85% for Series D units; and from 0.75% to 0.60% for Series F units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series D units.

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 units of the Fund.



Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$42,000 (2015 – \$77,000) or 7% (2015 – 12%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016	20.82	0.34	(0.22)	(0.07)	1.66	1.71	—	—	—	—	—	22.56	
Dec. 31, 2015	23.35	0.69	(0.47)	0.72	(3.06)	(2.12)	—	(0.11)	(0.23)	—	(0.34)	20.82	
Dec. 31, 2014	24.44	0.71	(0.54)	4.96	(1.53)	3.60	—	(0.08)	(3.26)	—	(3.34)	23.35	
Dec. 31, 2013	21.82	0.67	(0.47)	0.97	1.21	2.38	—	(0.16)	—	—	(0.16)	24.44	
Dec. 31, 2012	20.62	0.58	(0.43)	0.03	1.13	1.31	—	(0.06)	—	—	(0.06)	21.82	
Dec. 31, 2011	24.58	0.54	(0.47)	1.05	(3.86)	(2.74)	—	—	(1.18)	—	(1.18)	20.62	
Advisor Series													
June 30, 2016	20.93	0.34	(0.22)	(0.07)	1.67	1.72	—	—	—	—	—	22.68	
Dec. 31, 2015	23.47	0.69	(0.47)	0.73	(3.08)	(2.13)	—	(0.11)	(0.23)	—	(0.34)	20.93	
Dec. 31, 2014	24.55	0.71	(0.54)	4.97	(1.53)	3.61	—	(0.08)	(3.26)	—	(3.34)	23.47	
Dec. 31, 2013	21.90	0.67	(0.47)	0.97	1.22	2.39	—	(0.16)	—	—	(0.16)	24.54	
Dec. 31, 2012	20.68	0.58	(0.43)	0.03	1.13	1.31	—	(0.06)	—	—	(0.06)	21.90	
Dec. 31, 2011	24.64	0.54	(0.46)	1.05	(3.87)	(2.74)	—	—	(1.18)	—	(1.18)	20.68	
Series D													
June 30, 2016	21.35	0.35	(0.13)	(0.07)	1.70	1.85	—	—	—	—	—	23.22	
Dec. 31, 2015	23.93	0.71	(0.28)	0.74	(3.15)	(1.98)	—	(0.30)	(0.23)	—	(0.53)	21.35	
Dec. 31, 2014	25.08	0.74	(0.33)	5.13	(1.58)	3.96	—	(0.31)	(3.37)	—	(3.68)	23.93	
Dec. 31, 2013	22.37	0.69	(0.28)	1.00	1.25	2.66	—	(0.36)	—	—	(0.36)	25.07	
Dec. 31, 2012	21.14	0.60	(0.26)	0.03	1.16	1.53	—	(0.25)	—	—	(0.25)	22.37	
Dec. 31, 2011	25.07	0.55	(0.28)	1.07	(3.95)	(2.61)	—	(0.06)	(1.22)	—	(1.28)	21.14	
Series F													
June 30, 2016	23.17	0.38	(0.11)	(0.08)	1.85	2.04	—	—	—	—	—	25.23	
Dec. 31, 2015	25.96	0.77	(0.24)	0.81	(3.42)	(2.08)	—	(0.37)	(0.26)	—	(0.63)	23.17	
Dec. 31, 2014	26.90	0.80	(0.28)	5.60	(1.72)	4.40	—	(0.36)	(3.37)	—	(3.73)	25.96	
Dec. 31, 2013	23.97	0.74	(0.24)	1.07	1.35	2.92	—	(0.43)	—	—	(0.43)	26.89	
Dec. 31, 2012	22.66	0.64	(0.22)	0.04	1.25	1.71	—	(0.34)	—	—	(0.34)	23.97	
Dec. 31, 2011	26.85	0.59	(0.23)	1.15	(4.24)	(2.73)	—	(0.11)	(1.30)	—	(1.41)	22.66	
Series I													
June 30, 2016	23.26	0.38	(0.03)	(0.08)	1.86	2.13	—	—	—	—	—	25.42	
Dec. 31, 2015	26.07	0.78	(0.06)	0.81	(3.45)	(1.92)	—	(0.55)	(0.26)	—	(0.81)	23.26	
Dec. 31, 2014	27.35	0.81	(0.07)	5.64	(1.73)	4.65	—	(0.62)	(3.70)	—	(4.32)	26.07	
Dec. 31, 2013	24.38	0.75	(0.06)	1.09	1.37	3.15	—	(0.64)	—	—	(0.64)	27.34	
Dec. 31, 2012	23.04	0.66	(0.06)	0.04	1.27	1.91	—	(0.50)	—	—	(0.50)	24.38	
Dec. 31, 2011	27.19	0.60	(0.06)	1.16	(4.29)	(2.59)	—	(0.19)	(1.32)	—	(1.51)	23.04	



FINANCIAL HIGHLIGHTS (cont.)

Change in Net Assets Per Unit (\$) (cont.)

							Annual Distributions ²					
		Increase (Decrease) from Operations ¹										
	Net Assets	Total		Realized	Unrealized		From		From			Net Assets
For the Year/ Period Ended	Beginning of Year/Period	Revenue (Loss)	Total Expenses	Gains (Losses)	Gains (Losses)	Total	(Excluding Dividends)	Dividends	Capital Gains	Return of Capital	Total	End of Year/Period
Series O												
June 30, 2016	19.24	0.31	—	(0.07)	1.54	1.78	—	—	—	—	—	21.05
Dec. 31, 2015	21.59	0.64	—	0.67	(2.86)	(1.55)	—	(0.51)	(0.22)	—	(0.73)	19.24
Dec. 31, 2014	26.16	0.65	(0.01)	4.53	(1.39)	3.78	—	(4.00)	(3.51)	—	(7.51)	21.59
Dec. 31, 2013	23.51	0.70	(0.01)	1.01	1.27	2.97	—	(0.88)	—	—	(0.88)	26.15
Dec. 31, 2012	22.18	0.63	(0.01)	0.04	1.22	1.88	—	(0.50)	—	—	(0.50)	23.51
Dec. 31, 2011	26.20	0.58	—	1.13	(4.15)	(2.44)	—	(0.25)	(1.28)	—	(1.53)	22.18

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	22.56	1 817 593	80 585	2.06⁴	2.06	19.10	0.05
Dec. 31, 2015	20.82	1 795 493	86 232	2.06	2.06	18.00	0.06
Dec. 31, 2014	23.35	2 268 583	97 169	2.06	2.06	24.24	0.07
Dec. 31, 2013	24.44	2 326 759	95 185	2.06	2.06	41.26	0.12
Dec. 31, 2012	21.86	2 357 629	107 850	2.05	2.05	46.00	0.12
Dec. 31, 2011	20.66	2 492 473	120 626	2.05	2.05	58.58	0.13
Advisor Series							
June 30, 2016	22.68	15 824	698	2.04⁴	2.04	19.10	0.05
Dec. 31, 2015	20.93	13 517	646	2.04	2.04	18.00	0.06
Dec. 31, 2014	23.47	16 285	694	2.04	2.04	24.24	0.07
Dec. 31, 2013	24.55	16 307	664	2.05	2.05	41.26	0.12
Dec. 31, 2012	21.95	16 413	748	2.03	2.03	46.00	0.12
Dec. 31, 2011	20.73	16 278	785	2.03	2.03	58.58	0.13
Series D							
June 30, 2016	23.22	119 265	5 137	1.21⁴	1.21	19.10	0.05
Dec. 31, 2015	21.35	112 814	5 285	1.21	1.21	18.00	0.06
Dec. 31, 2014	23.93	128 683	5 378	1.21	1.21	24.24	0.07
Dec. 31, 2013	25.08	120 365	4 800	1.22	1.22	41.26	0.12
Dec. 31, 2012	22.41	116 599	5 202	1.21	1.21	46.00	0.12
Dec. 31, 2011	21.19	120 207	5 673	1.20	1.20	58.58	0.13
Series F							
June 30, 2016	25.23	16 006	634	0.94⁴	0.94	19.10	0.05
Dec. 31, 2015	23.17	14 404	622	0.94	0.94	18.00	0.06
Dec. 31, 2014	25.96	14 653	564	0.95	0.95	24.24	0.07
Dec. 31, 2013	26.90	10 452	389	0.94	0.94	41.26	0.12
Dec. 31, 2012	24.02	9 119	380	0.94	0.94	46.00	0.12
Dec. 31, 2011	22.71	9 544	420	0.93	0.93	58.58	0.13



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data (cont.)

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series I							
June 30, 2016	25.42	154 452	6 077	0.25	0.25	19.10	0.05
Dec. 31, 2015	23.26	140 645	6 048	0.25	0.25	18.00	0.06
Dec. 31, 2014	26.07	152 917	5 865	0.25	0.25	24.24	0.07
Dec. 31, 2013	27.35	135 874	4 968	0.25	0.25	41.26	0.12
Dec. 31, 2012	24.43	121 403	4 969	0.24	0.24	46.00	0.12
Dec. 31, 2011	23.09	111 961	4 849	0.22	0.22	58.58	0.13
Series O							
June 30, 2016	21.05	255 861	12 153	0.02	0.02	19.10	0.05
Dec. 31, 2015	19.24	259 273	13 473	0.02	0.02	18.00	0.06
Dec. 31, 2014	21.59	244 885	11 344	0.02	0.02	24.24	0.07
Dec. 31, 2013	26.16	1 892 407	72 348	0.02	0.02	41.26	0.12
Dec. 31, 2012	23.55	2 747 119	116 643	0.02	0.02	46.00	0.12
Dec. 31, 2011	22.23	2 272 998	102 255	0.02	0.02	58.58	0.13

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 1.89%, Advisor Series – 1.87%, Series D – 1.05% and Series F – 0.77%.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.60%	66%	34%
Advisor Series	1.60%	66%	34%
Series D	0.85%	25%	75%
Series F	0.60%	—	100%
Series I	up to 0.60%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

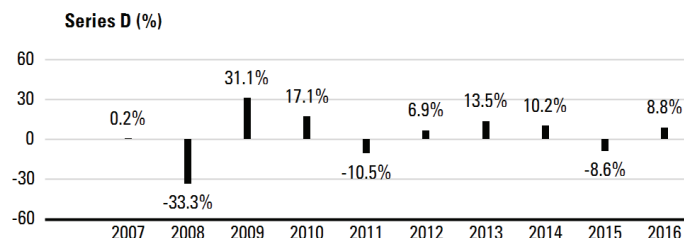
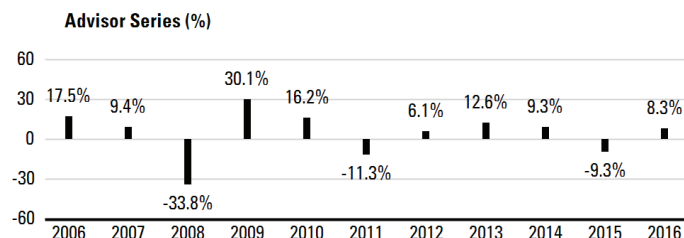
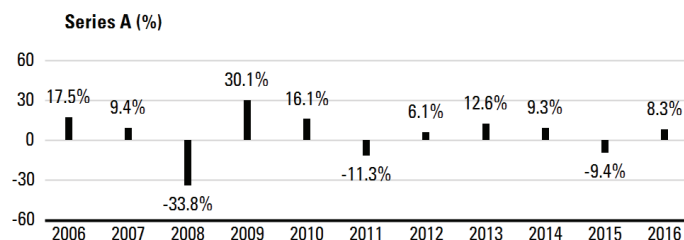


PAST PERFORMANCE

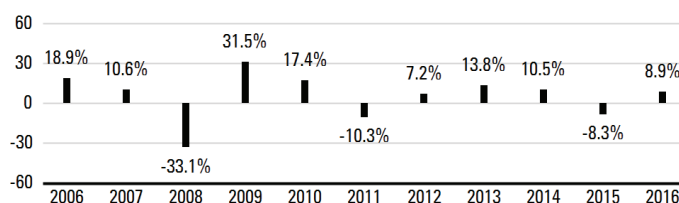
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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 (%)

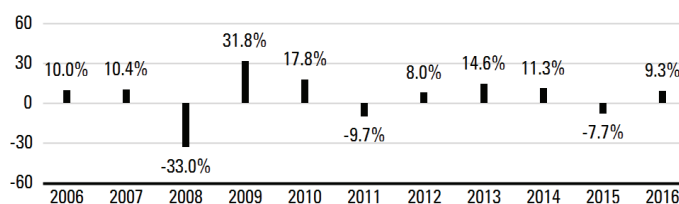
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



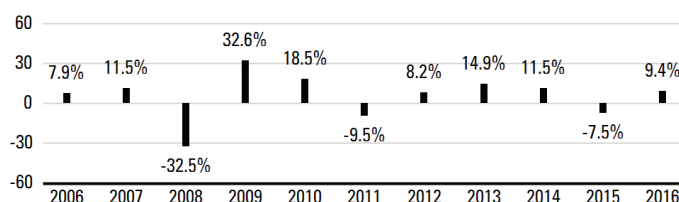
Series F (%)



Series I (%)



Series O (%)



Series D units have been available for sale to unitholders since July 3, 2007, Series O units since September 5, 2006, and Series I units since August 8, 2006.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Financials	37.4
Energy	20.5
Materials	8.8
Industrials	7.7
Consumer Discretionary	6.3
Telecommunication Services	4.7
Investment Funds	4.5
Consumer Staples	4.2
Information Technology	2.2
Utilities	2.1
Health Care	1.2
Cash/Other	0.4

Top 25 Holdings

	% of Net Asset Value
Royal Bank of Canada	6.9
Toronto-Dominion Bank	5.8
Bank of Nova Scotia	5.0
RBC Canadian Small & Mid-Cap Resources Fund	4.6
Suncor Energy Inc.	4.4
Canadian Natural Resources Ltd.	3.8
Canadian National Railway Co.	3.2
Bank of Montreal	3.0
Brookfield Asset Management Inc., Class A	2.8
Enbridge Inc.	2.8
TransCanada Corp.	2.6
BCE Inc.	2.3
Canadian Imperial Bank of Commerce	2.1
Manulife Financial Corporation	2.0
Canadian Pacific Railway Ltd.	1.7
Loblaw Companies Ltd.	1.6
Rogers Communications Inc., Class B	1.5
Sun Life Financial Inc.	1.5
Thomson Corp.	1.4
Power Corporation of Canada	1.3
CGI Group Inc., Class A	1.3
Alimentation Couche-Tard Inc.	1.3
Cenovus Energy Inc.	1.3
SNC-Lavalin Group Inc.	1.2
Onex Corporation	1.1
Top 25 Holdings	66.5

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



CANADIAN EQUITY FUND

RBC QUBE CANADIAN EQUITY FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

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

The Fund is managed using a quantitative investment model designed to select individual stocks while controlling portfolio-level risk. This involves building a portfolio that maximizes exposure to factors associated with outperformance, while controlling for exposure to risk factors. The portfolio manager will diversify across industries within the Canadian market.

Results of Operations

The Fund's net asset value was \$1.1 billion as of June 30, 2016.

Over the past six months, the Fund's Series O units gained 8.1%. The Fund's return is after the deduction of expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

Canadian stocks began the year with significant declines as prices for oil and some other commodities fell to multi-year lows. However, the Canadian equity market rebounded beginning in February along with a recovery in oil and gold prices and finished the period in positive territory.

The Financials sector was the largest contributor to relative returns during the period, with strong security selection among banks contributing the most to performance in the sector. The Fund's positions in Bank of Nova Scotia and Royal Bank of Canada aided returns, as the banks delivered strong earnings and continued to offer investors attractive income in the current low-yield environment.

The Information Technology sector was among the Fund's weakest-performing sectors during the period. A key reason for the underperformance was the Fund's overweight position in BlackBerry, which lagged revenue expectations given weak hardware sales.

Recent Developments

Slow economic growth and heightened levels of uncertainty are creating a challenging environment for investors. While the overall backdrop seems slightly less murky than a quarter ago, the list of threats to the economy and capital markets remains extensive and clustered to the downside. Profit growth has yet to recover, although there are signs that earnings may now be stabilizing, and the geopolitical and financial risks on the horizon are varied. Most prominent of late was the U.K. vote to leave the EU, which has created near term risks in financial conditions and political developments in the longer term. Globally, the prospect of better growth over the second half of 2016 and into 2017 now appears much less certain.

Effective June 30, 2016, management fees were reduced as follows: from 1.75% to 1.60% for Series A and Advisor Series units; from 1.00% to 0.85% for Series D units; and from 0.75% to 0.60% for Series F units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

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

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

Distributor

RBC GAM is the principal distributor of, or distributes certain series of the units of, the Fund.

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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$151,000 (2015 – \$170,000) or 14% (2015 – 72%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series O												
June 30, 2016	9.94	0.17	—	(0.16)	0.82	0.83	—	—	—	—	—	10.74
Dec. 31, 2015	10.92	0.33	—	(0.25)	(0.98)	(0.90)	(0.01)	(0.23)	—	—	(0.24)	9.94
Dec. 31, 2014	9.87	0.34	—	0.04	0.17	0.55	—	(0.05)	(0.02)	—	(0.07)	10.92
Dec. 31, 2013 ³	9.90 [†]	0.37	(0.01)	0.26	1.15	1.77	(1.45)	(0.35)	—	—	(1.80)	9.87

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From June 27, 2013. Although Series O units of the Fund were created in November 2011, units were not offered for sale under a simplified prospectus until June 27, 2013.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series O							
June 30, 2016	10.74	1 121 595	104 400	0.02	0.02	90.67	0.19
Dec. 31, 2015	9.94	1 038 489	104 465	0.02	0.02	52.28	0.07
Dec. 31, 2014	10.92	685 012	62 726	0.02	0.02	30.18	0.19
Dec. 31, 2013 ⁴	9.87	2 658	269	0.03	0.13	76.14	0.06

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

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

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

⁴ From June 27, 2013. Although Series O units of the Fund were created in November 2011, units were not offered for sale under a simplified prospectus until June 27, 2013.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. No management fees are paid by the Fund with respect to 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.



Series 0 units have been available for sale to unitholders since June 27, 2013.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Financials	36.6
Energy	14.3
Materials	12.8
Utilities	9.3
Industrials	6.6
Telecommunication Services	6.2
Consumer Discretionary	5.6
Consumer Staples	4.6
Information Technology	3.3
Health Care	0.4
Cash/Other	0.3

Top 25 Holdings

	% of Net Asset Value
Toronto-Dominion Bank	7.6
Bank of Nova Scotia	4.7
Royal Bank of Canada	4.4
Canadian Imperial Bank of Commerce	4.1
Canadian Natural Resources Ltd.	3.7
Sun Life Financial Inc.	3.4
BCE Inc.	3.2
Rogers Communications Inc., Class B	3.1
Bank of Montreal	3.0
Fortis Inc.	2.7
Manulife Financial Corporation	2.5
Emera Inc.	2.5
George Weston Ltd.	2.2
Barrick Gold Corp.	2.2
Canadian National Railway Co.	2.2
Agrium Inc.	2.0
Quebecor Inc., Class B	1.8
Magna International Inc., Class A	1.7
Constellation Software Inc.	1.6
Crescent Point Energy Corp.	1.5
Husky Energy Inc.	1.4
Cenovus Energy Inc.	1.4
Capital Power Corp.	1.4
Yamana Gold Inc.	1.4
Genworth MI Canada Inc.	1.3
Top 25 Holdings	67.0

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



CANADIAN EQUITY FUND

**RBC QUBE LOW VOLATILITY
CANADIAN EQUITY FUND**

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in equity securities of Canadian companies using a quantitative approach. The Fund seeks to achieve a reduced level of volatility of returns compared with the broader Canadian equity market.

The Fund is managed using a quantitative investment model designed to select individual stocks while controlling portfolio-level risk. This involves building a portfolio that maximizes exposure to factors associated with outperformance, while controlling for exposure to risk factors. The portfolio manager will diversify across industries within the Canadian market.

Results of Operations

The Fund's net asset value was \$1.7 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 8.9%. 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 any other series, which may vary because of differences in management fees and expenses.

Canadian stocks began the year with significant declines as prices for oil and some other commodities fell to multi-year lows. However, the Canadian equity market rebounded beginning in February along with a recovery in oil and gold prices and finished the period in positive territory.

The Financials sector was the largest contributor to returns during the period, with the Fund's overweight position in real estate investment trusts (REITs) being the strongest-performing group in the sector. The Fund's positions in RioCan REIT and H&R REIT, which offer attractive cash distributions, were key contributors to performance in the current low-yield environment. The Utilities sector was the second-largest contributor to returns. The Fund's overweight position in Fortis aided returns.

Information Technology was the Fund's weakest-performing sector during the period. The sector's underperformance was due mainly to Constellation Software, whose earnings disappointed investors as growth slowed.

Recent Developments

Slow economic growth and heightened levels of uncertainty are creating a challenging environment for investors. While the overall backdrop seems slightly less murky than a quarter ago, the list of threats to the economy and capital markets remains extensive and clustered to the downside. Profit growth has yet to recover, although there are signs that earnings may now be stabilizing,

and the geopolitical and financial risks on the horizon are varied. Most prominent of late was the U.K. vote to leave the EU, which has created near term risks in financial conditions and political developments in the longer term. Globally, the prospect of better growth over the second half of 2016 and into 2017 now appears much less certain.

Effective June 30, 2016, management fees were reduced as follows: from 1.75% to 1.60% for Series A, Advisor Series and Series T5 units; from 1.00% to 0.85% for Series D units; and from 0.75% to 0.60% for Series F and Series FT5 units. Also effective June 30, 2016, Series H and Series I units were closed to all investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, Series T5 and Series D units.

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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$150,000 (2015 – \$70,000) or 39% (2015 – 25%) of the total transaction costs paid for this Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	12.09	0.21	(0.13)	0.18	0.83	1.09	—	—	—	—	—	13.16
Dec. 31, 2015	12.74	0.37	(0.26)	0.24	(0.80)	(0.45)	(0.01)	(0.07)	(0.20)	—	(0.28)	12.09
Dec. 31, 2014	11.34	0.41	(0.26)	0.77	1.20	2.12	(0.01)	(0.09)	(0.59)	—	(0.69)	12.74
Dec. 31, 2013	10.30	0.39	(0.22)	0.17	1.03	1.37	(0.01)	(0.06)	(0.12)	—	(0.19)	11.34
Dec. 31, 2012 ³	10.00 [†]	0.01	(0.03)	—	0.04	0.02	—	(0.01)	(0.03)	—	(0.04)	10.30
Advisor Series												
June 30, 2016	12.02	0.21	(0.12)	0.18	0.81	1.08	—	—	—	—	—	13.09
Dec. 31, 2015	12.68	0.38	(0.25)	0.24	(0.80)	(0.43)	(0.01)	(0.07)	(0.21)	—	(0.29)	12.02
Dec. 31, 2014	11.35	0.41	(0.24)	0.77	1.20	2.14	(0.02)	(0.14)	(0.61)	—	(0.77)	12.68
Dec. 31, 2013	10.30	0.33	(0.22)	0.14	0.86	1.11	(0.01)	(0.06)	(0.12)	—	(0.19)	11.34
Dec. 31, 2012 ³	10.00 [†]	0.01	(0.03)	—	0.04	0.02	—	(0.01)	(0.03)	—	(0.04)	10.30
Series T5												
June 30, 2016 ⁴	11.62 [†]	0.18	(0.11)	0.15	0.68	0.90	—	(0.25)	—	—	(0.25)	12.89
Series D												
June 30, 2016	12.20	0.22	(0.08)	0.18	0.83	1.15	—	—	—	—	—	13.33
Dec. 31, 2015	12.86	0.38	(0.15)	0.24	(0.81)	(0.34)	(0.02)	(0.16)	(0.21)	—	(0.39)	12.20
Dec. 31, 2014	11.41	0.41	(0.15)	0.78	1.21	2.25	(0.01)	(0.14)	(0.61)	—	(0.76)	12.86
Dec. 31, 2013	10.30	0.43	(0.13)	0.18	1.13	1.61	(0.01)	(0.10)	(0.12)	—	(0.23)	11.40
Dec. 31, 2012 ³	10.00 [†]	0.01	(0.02)	—	0.04	0.03	—	(0.01)	(0.03)	—	(0.04)	10.30
Series F												
June 30, 2016	11.98	0.21	(0.06)	0.18	0.81	1.14	—	—	—	—	—	13.12
Dec. 31, 2015	12.64	0.37	(0.11)	0.23	(0.79)	(0.30)	(0.02)	(0.20)	(0.21)	—	(0.43)	11.98
Dec. 31, 2014	11.36	0.41	(0.11)	0.78	1.21	2.29	(0.03)	(0.29)	(0.64)	—	(0.96)	12.64
Dec. 31, 2013	10.31	0.43	(0.10)	0.19	1.13	1.65	(0.02)	(0.18)	(0.12)	—	(0.32)	11.35
Dec. 31, 2012 ³	10.00 [†]	0.01	(0.01)	—	0.04	0.04	—	(0.01)	(0.03)	—	(0.04)	10.31
Series FT5												
June 30, 2016 ⁴	11.53 [†]	0.18	(0.05)	0.15	0.68	0.96	—	(0.25)	—	—	(0.25)	12.86



FINANCIAL HIGHLIGHTS (cont.)

Change in Net Assets Per Unit (\$) (cont.)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					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	Total	
Series O												
June 30, 2016	13.03	0.23	—	0.20	0.90	1.33	—	—	—	—	—	14.33
Dec. 31, 2015	13.75	0.41	—	0.26	(0.87)	(0.20)	(0.03)	(0.32)	(0.23)	—	(0.58)	13.03
Dec. 31, 2014	12.29	0.44	—	0.84	1.31	2.59	(0.04)	(0.39)	(0.67)	—	(1.10)	13.75
Dec. 31, 2013	11.11	0.42	—	0.18	1.10	1.70	(0.03)	(0.24)	(0.12)	—	(0.39)	12.29
Dec. 31, 2012	10.03	0.44	—	0.08	1.21	1.73	—	(0.08)	(0.03)	—	(0.11)	11.11
Dec. 31, 2011 ⁵	10.00 [†]	0.05	—	(0.01)	0.43	0.47	—	—	—	—	—	10.03

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From November 19, 2012.

⁴ From January 25, 2016.

⁵ From November 19, 2011. Although Series O units of the Fund were created in November 2011, units were not offered for sale under a simplified prospectus until November 19, 2012.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	13.16	82 078	6 238	2.04⁴	2.04	39.72	0.05
Dec. 31, 2015	12.09	45 115	3 733	2.04	2.04	34.78	0.04
Dec. 31, 2014	12.74	25 574	2 007	2.05	2.05	51.57	0.03
Dec. 31, 2013	11.34	9 339	823	2.05	2.05	40.52	0.03
Dec. 31, 2012 ⁵	10.32	418	41	2.09	2.09	46.58	0.11
Advisor Series							
June 30, 2016	13.09	12 856	982	1.96⁴	1.96	39.72	0.05
Dec. 31, 2015	12.02	3 938	328	1.97	1.97	34.78	0.04
Dec. 31, 2014	12.68	3 056	241	1.96	1.96	51.57	0.03
Dec. 31, 2013	11.35	2 313	204	1.98	1.98	40.52	0.03
Dec. 31, 2012 ⁵	10.32	28	3	2.09	2.09	46.58	0.11
Series T5							
June 30, 2016⁶	12.89	547	42	2.09⁴	2.09	39.72	0.05
Series D							
June 30, 2016	13.33	21 938	1 645	1.18⁴	1.18	39.72	0.05
Dec. 31, 2015	12.20	10 350	848	1.21	1.21	34.78	0.04
Dec. 31, 2014	12.86	7 752	603	1.19	1.19	51.57	0.03
Dec. 31, 2013	11.41	2 171	190	1.18	1.18	40.52	0.03
Dec. 31, 2012 ⁵	10.32	170	16	1.24	1.24	46.58	0.11
Series F							
June 30, 2016	13.12	17 949	1 368	0.91⁴	0.91	39.72	0.05
Dec. 31, 2015	11.98	3 045	254	0.91	0.91	34.78	0.04
Dec. 31, 2014	12.64	1 321	105	0.90	0.90	51.57	0.03
Dec. 31, 2013	11.36	1 220	107	0.90	0.90	40.52	0.03
Dec. 31, 2012 ⁵	10.32	40	4	0.96	0.96	46.58	0.11
Series FT5							
June 30, 2016⁶	12.86	84	7	0.96⁴	0.96	39.72	0.05



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data (cont.)

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series O							
June 30, 2016	14.33	1 577 740	110 113	0.02	0.02	39.72	0.05
Dec. 31, 2015	13.03	1 214 143	93 160	0.02	0.02	34.78	0.04
Dec. 31, 2014	13.75	830 140	60 389	0.02	0.02	51.57	0.03
Dec. 31, 2013	12.29	672 183	54 672	0.02	0.02	40.52	0.03
Dec. 31, 2012	11.13	155 660	13 990	0.02	0.02	46.58	0.11
Dec. 31, 2011 ⁷	10.04	1 304	130	0.02	0.02	20.87	0.03

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 1.88%, Advisor Series – 1.82%, Series T5 – 1.92%, Series D – 1.03%, Series F – 0.76% and Series FT5 – 0.79%.

⁵ From November 19, 2012.

⁶ From January 25, 2016.

⁷ From November 19, 2011. Although Series O units of the Fund were created in November 2011, units were not offered for sale under a simplified prospectus until November 19, 2012.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.60%	57%	43%
Advisor Series	1.60%	57%	43%
Series T5	1.60%	63%	37%
Series D	0.85%	25%	75%
Series F	0.60%	—	100%
Series FT5	0.60%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

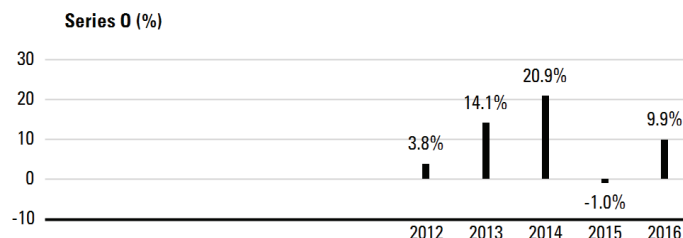
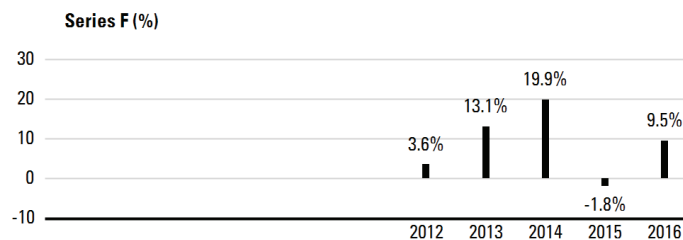
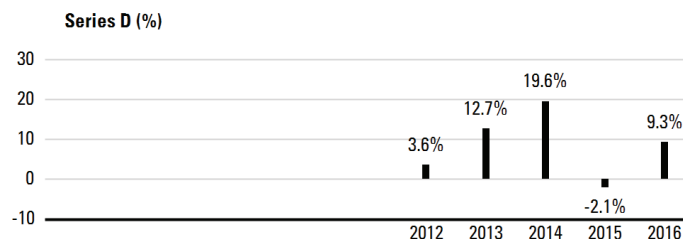
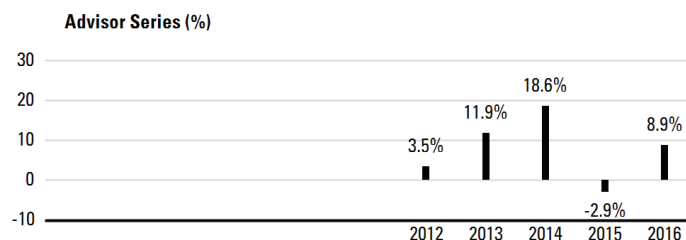
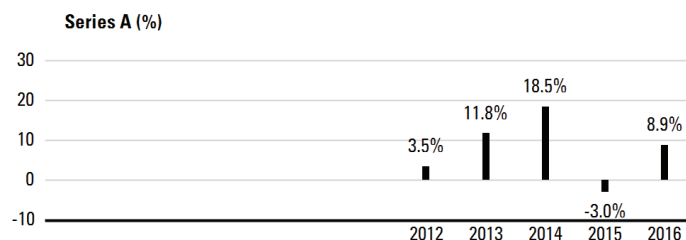


PAST PERFORMANCE

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.



Series T5 and Series FT5 units have been available for sale to unitholders since January 25, 2016, and Series A, Advisor Series, Series D, Series F and Series O units since November 19, 2012.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Financials	28.5
Consumer Staples	16.7
Energy	13.9
Utilities	12.7
Telecommunication Services	8.4
Consumer Discretionary	7.3
Industrials	5.8
Materials	4.9
Information Technology	0.9
Health Care	0.4
Cash/Other	0.5

Top 25 Holdings

	% of Net Asset Value
Fortis Inc.	4.1
Imperial Oil Ltd.	4.0
BCE Inc.	4.0
TELUS Corp.	4.0
Toronto-Dominion Bank	4.0
Suncor Energy Inc.	4.0
Alimentation Couche-Tard Inc.	3.9
Royal Bank of Canada	3.7
Metro Inc., Class A	3.7
George Weston Ltd.	3.6
Bank of Nova Scotia	3.6
Shaw Communications Inc., Class B	3.3
Franco-Nevada Corp.	3.3
TransCanada Corp.	3.2
RioCan Real Estate Investment Trust	3.0
Saputo Group Inc.	3.0
Canadian National Railway Co.	2.8
Emera Inc.	2.8
Intact Financial Corp.	2.8
Peyto Exploration & Development Corp.	2.4
Cineplex Inc.	2.0
Bank of Montreal	2.0
CI Financial Corp.	1.9
H&R Real Estate Investment Trust	1.8
CAE Inc.	1.6
Top 25 Holdings	78.5

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.



CANADIAN EQUITY FUND

RBC JANTZI CANADIAN EQUITY FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund provides the potential for long-term capital growth to investors seeking exposure to “socially responsible investing.” Investments that qualify for inclusion in the portfolio must possess strong environmental, social and governance practices relative to industry peers, as defined by Sustainalytics Best-of-Sector™ methodology. The Fund invests primarily in equities of Canadian companies.

Results of Operations

The Fund's net asset value was \$36 million as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 7.9%. 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 any other series, which may vary because of differences in management fees and expenses.

The S&P/TSX Composite Index, Canada's equity benchmark, outperformed most other global indices during the period. The resource-heavy Canadian index was positively impacted by surging commodity prices. Crude oil prices found a bottom and started recovering from levels that were well below the marginal cost of production, nearly doubling through the first half of the year. As the fundamental outlook became more constructive, the Energy sector began to outperform the broader market. This benefited Canadian energy stocks, which account for about a fifth of the S&P/TSX market capitalization. Concurrently, global growth concerns made headlines once again after the U.K.'s surprising decision to leave the EU (“Brexit”). The Brexit vote diverted investor focus from some positive economic developments in North America and signs of stabilization emerging from China.

In the first half of 2016, positive relative performance in the Health Care and Consumer Staples sectors was offset by weaker relative performance in the Materials and Financials sectors.

Performance in the Health Care sector benefited from a zero-weight position in Valeant Pharmaceuticals. The company's stock came under pressure due to increased scrutiny over its drug pricing practices, declining financial estimates and the delayed filing of its audited financial statements.

In the Consumer Staples sector, stock selection drove positive relative performance, as a lack of exposure to convenience store operator Alimentation Couche-Tard proved beneficial.

Underweight exposure to the Materials sector hindered relative performance. In particular, an underweight position in benchmark heavyweight Barrick Gold detracted from returns as the company, along with the sector, benefited from a rally in gold prices during the first half of the year.

In the Financials sector, an overweight allocation to Manulife Financial detracted from returns. The stock's performance reflected a number of investor concerns, including the company's exposure to oil and gas prices, growth rates in Asia, and equity market volatility.

Sustainalytics completed a semi-annual review of the holdings in the Fund. Eligibility for the Fund was determined in relation to the environmental, social and governance (“ESG”) criteria developed by Sustainalytics for the Jantzi Social Index. In the opinion of Sustainalytics, all holdings in the Fund were eligible based on the above criteria as of June 30, 2016. However, during the first half of the year, one company was removed from the Fund as it no longer met certain ESG criteria.

Recent Developments

An improvement in the performance of Canadian equity markets will require a bigger contribution from stocks in the Financials and Energy sectors. While the supply-demand equation for a number of commodities has improved, the portfolio manager believes it is hard to envision a surge from here without stronger global economic growth. Meanwhile, the domestic economy's reliance on housing and questions about the ability of consumers to maintain their spending continue to be points of discussion. The interest rate policy divergence between the U.S. Federal Reserve and the Bank of Canada is likely to widen if commodity prices remain weak, which could add further pressure to the Canadian dollar.

Effective June 30, 2016, management fees were reduced as follows: from 1.75% to 1.60% for Series A and Advisor Series units; from 1.00% to 0.85% for Series D units; and from 0.75% to 0.60% for Series F units. Also effective June 30, 2016, Series I units were closed to all investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series D units.

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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$1,000 (2015 – \$3,000) or 9% (2015 – 14%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016	11.19	0.18	(0.12)	(0.08)	0.88	0.86	—	—	—	—	—	12.07	
Dec. 31, 2015	12.26	0.37	(0.25)	0.40	(1.53)	(1.01)	—	(0.04)	(0.02)	—	(0.06)	11.19	
Dec. 31, 2014	11.23	0.32	(0.26)	0.20	0.71	0.97	—	(0.01)	—	—	(0.01)	12.26	
Dec. 31, 2013	9.87	0.31	(0.22)	0.21	1.07	1.37	—	(0.04)	—	—	(0.04)	11.22	
Dec. 31, 2012	9.06	0.27	(0.20)	(0.12)	0.89	0.84	—	(0.01)	—	—	(0.01)	9.87	
Dec. 31, 2011	10.32	0.25	(0.20)	0.31	(1.31)	(0.95)	—	—	(0.37)	—	(0.37)	9.06	
Advisor Series													
June 30, 2016	11.22	0.18	(0.12)	(0.08)	0.88	0.86	—	—	—	—	—	12.11	
Dec. 31, 2015	12.30	0.37	(0.25)	0.40	(1.53)	(1.01)	—	(0.05)	(0.02)	—	(0.07)	11.22	
Dec. 31, 2014	11.26	0.32	(0.25)	0.20	0.71	0.98	—	(0.01)	—	—	(0.01)	12.30	
Dec. 31, 2013	9.90	0.31	(0.21)	0.21	1.07	1.38	—	(0.04)	—	—	(0.04)	11.25	
Dec. 31, 2012	9.08	0.26	(0.19)	(0.12)	0.89	0.84	—	(0.01)	—	—	(0.01)	9.90	
Dec. 31, 2011	10.34	0.25	(0.20)	0.31	(1.32)	(0.96)	—	—	(0.37)	—	(0.37)	9.08	
Series D													
June 30, 2016	11.64	0.19	(0.07)	(0.08)	0.92	0.96	—	—	—	—	—	12.62	
Dec. 31, 2015	12.76	0.38	(0.15)	0.42	(1.60)	(0.95)	—	(0.15)	(0.02)	—	(0.17)	11.64	
Dec. 31, 2014	11.68	0.33	(0.15)	0.21	0.74	1.13	—	(0.12)	—	—	(0.12)	12.76	
Dec. 31, 2013	10.27	0.32	(0.13)	0.22	1.11	1.52	—	(0.13)	—	—	(0.13)	11.68	
Dec. 31, 2012	9.40	0.28	(0.12)	(0.13)	0.93	0.96	—	(0.09)	—	—	(0.09)	10.27	
Dec. 31, 2011	10.63	0.25	(0.12)	0.33	(1.36)	(0.90)	—	—	(0.40)	—	(0.40)	9.40	
Series F													
June 30, 2016	11.78	0.19	(0.06)	(0.08)	0.93	0.98	—	—	—	—	—	12.78	
Dec. 31, 2015	12.90	0.39	(0.12)	0.42	(1.62)	(0.93)	—	(0.18)	(0.02)	—	(0.20)	11.78	
Dec. 31, 2014	11.84	0.34	(0.12)	0.21	0.75	1.18	—	(0.19)	—	—	(0.19)	12.90	
Dec. 31, 2013	10.39	0.33	(0.10)	0.22	1.13	1.58	—	(0.15)	—	—	(0.15)	11.84	
Dec. 31, 2012	9.52	0.28	(0.10)	(0.13)	0.94	0.99	—	(0.11)	—	—	(0.11)	10.39	
Dec. 31, 2011	10.73	0.26	(0.10)	0.33	(1.37)	(0.88)	—	—	(0.40)	—	(0.40)	9.52	

¹ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciling of beginning to ending net assets per unit.

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	12.07	28 148	2 332	2.09⁴	2.10	21.95	0.07
Dec. 31, 2015	11.19	26 731	2 389	2.09	2.10	31.91	0.08
Dec. 31, 2014	12.26	30 631	2 498	2.09	2.10	31.99	0.08
Dec. 31, 2013	11.23	26 752	2 383	2.10	2.10	45.26	0.10
Dec. 31, 2012	9.89	25 044	2 532	2.10	2.10	55.48	0.17
Dec. 31, 2011	9.08	23 872	2 629	2.11	2.11	83.04	0.20
Advisor Series							
June 30, 2016	12.11	3 618	299	2.03⁴	2.04	21.95	0.07
Dec. 31, 2015	11.22	3 709	330	2.03	2.04	31.91	0.08
Dec. 31, 2014	12.30	4 080	332	2.02	2.03	31.99	0.08
Dec. 31, 2013	11.26	4 139	368	2.04	2.04	45.26	0.10
Dec. 31, 2012	9.91	3 428	346	2.07	2.07	55.48	0.17
Dec. 31, 2011	9.10	6 160	677	2.08	2.08	83.04	0.20
Series D							
June 30, 2016	12.62	2 712	215	1.22⁴	1.22	21.95	0.07
Dec. 31, 2015	11.64	2 594	223	1.21	1.22	31.91	0.08
Dec. 31, 2014	12.76	2 527	198	1.20	1.21	31.99	0.08
Dec. 31, 2013	11.68	1 639	140	1.21	1.21	45.26	0.10
Dec. 31, 2012	10.29	1 269	123	1.22	1.22	55.48	0.17
Dec. 31, 2011	9.43	956	101	1.22	1.22	83.04	0.20
Series F							
June 30, 2016	12.78	1 733	136	0.94⁴	0.95	21.95	0.07
Dec. 31, 2015	11.78	1 619	137	0.94	0.95	31.91	0.08
Dec. 31, 2014	12.90	1 572	122	0.94	0.95	31.99	0.08
Dec. 31, 2013	11.84	1 641	139	0.96	0.96	45.26	0.10
Dec. 31, 2012	10.41	1 145	110	0.96	0.96	55.48	0.17
Dec. 31, 2011	9.54	813	85	0.96	0.96	83.04	0.20

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 1.92%, Advisor Series – 1.87%, Series D – 1.05% and Series F – 0.78%.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.60%	66%	34%
Advisor Series	1.60%	66%	34%
Series D	0.85%	25%	75%
Series F	0.60%	—	100%

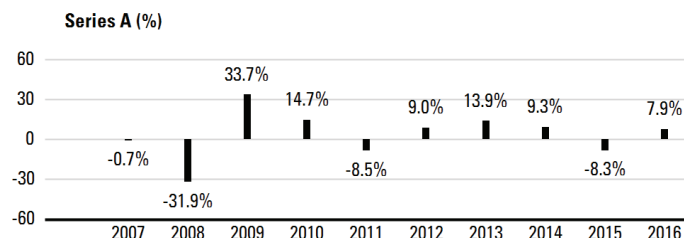
* Includes all costs related to management, trustee, investment advisory services, general administration and profit.

PAST PERFORMANCE

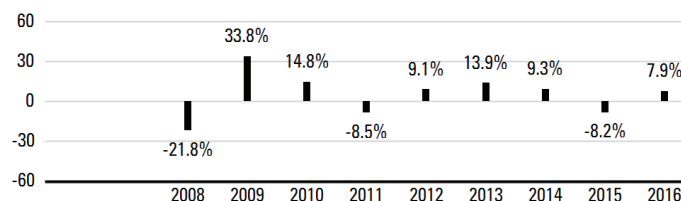
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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 (%)

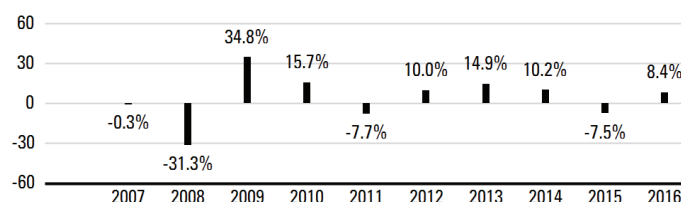
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



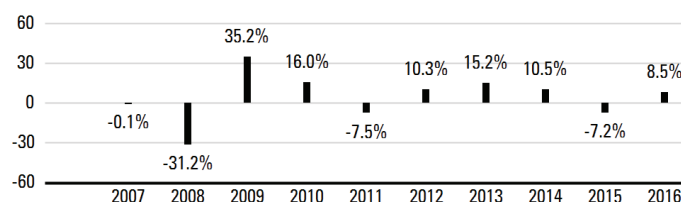
Advisor Series (%)



Series D (%)



Series F (%)



Advisor Series units have been available for sale to unitholders since January 21, 2008, and Series A, Series D and Series F units since July 3, 2007.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Financials	36.9
Energy	18.5
Materials	12.1
Consumer Discretionary	9.1
Industrials	8.0
Telecommunication Services	4.7
Consumer Staples	3.6
Utilities	3.6
Information Technology	3.1
Health Care	0.4

Top 25 Holdings

	% of Net Asset Value
Royal Bank of Canada	6.7
Toronto-Dominion Bank	6.2
Bank of Nova Scotia	4.9
Canadian National Railway Co.	4.1
Suncor Energy Inc.	3.6
Brookfield Asset Management Inc., Class A	2.9
Bank of Montreal	2.8
Canadian Natural Resources Ltd.	2.8
Manulife Financial Corporation	2.6
BCE Inc.	2.4
Canadian Imperial Bank of Commerce	2.0
Agnico Eagle Mines Ltd.	1.7
Thomson Corp.	1.7
Canadian Pacific Railway Ltd.	1.6
Sun Life Financial Inc.	1.6
Loblaw Companies Ltd.	1.5
Power Corporation of Canada	1.4
Goldcorp Inc.	1.3
Franco-Nevada Corp.	1.3
Magna International Inc., Class A	1.3
Rogers Communications Inc., Class B	1.2
Pembina Pipeline Corp.	1.2
CGI Group Inc., Class A	1.1
Crescent Point Energy Corp.	1.1
Cenovus Energy Inc.	1.1
Top 25 Holdings	60.1

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.



CANADIAN EQUITY FUND

RBC CANADIAN INDEX FUND

June 30, 2016

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

Sub-Advisor: State Street Global Advisors, Ltd.

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by tracking the performance of the benchmark S&P/TSX Capped Composite Total Return Index before fees and expenses are deducted.

The Fund makes investment decisions aimed at replicating the composition of the index and adjusts holdings to reflect changes in the underlying index as they occur.

Results of Operations

The Fund's net asset value was \$657 million as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 9.4%. 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 any other series, which may vary because of differences in management fees and expenses.

The S&P/TSX Composite Index comprises about 95% of the market capitalization of Canadian-based, Toronto Stock Exchange-listed companies. The index contained approximately 249 issues as of June 30, 2016.

The best-performing sectors at the index level were Energy, Financials and Materials. The worst-performing sectors were Health Care, Information Technology and Consumer Discretionary.

Recent Developments

The sub-advisor has no recent developments to report.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A units.

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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$0 (2015 – \$7,000) or 0% (2015 – 30%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	24.28	0.41	(0.09)	(0.35)	2.30	2.27	—	—	—	—	—	26.55
Dec. 31, 2015	27.28	0.81	(0.19)	0.20	(3.22)	(2.40)	—	(0.56)	—	—	(0.56)	24.28
Dec. 31, 2014	25.34	0.78	(0.20)	0.57	1.33	2.48	—	(0.54)	—	—	(0.54)	27.28
Dec. 31, 2013	23.07	0.76	(0.17)	0.37	1.87	2.83	—	(0.58)	—	—	(0.58)	25.33
Dec. 31, 2012	22.10	0.67	(0.16)	0.19	0.72	1.42	—	(0.45)	—	—	(0.45)	23.07
Dec. 31, 2011	24.87	0.60	(0.16)	0.49	(3.24)	(2.31)	—	(0.46)	—	—	(0.46)	22.10

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	26.55	657 249	24 755	0.72	0.72	4.78	0.01
Dec. 31, 2015	24.28	599 779	24 708	0.72	0.72	4.95	0.01
Dec. 31, 2014	27.28	680 908	24 962	0.72	0.72	7.80	—
Dec. 31, 2013	25.34	628 845	24 812	0.72	0.72	7.28	0.01
Dec. 31, 2012	23.11	599 873	25 954	0.72	0.72	6.37	—
Dec. 31, 2011	22.15	594 578	26 848	0.71	0.71	13.98	0.01

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

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

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



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	0.50%	20%	80%

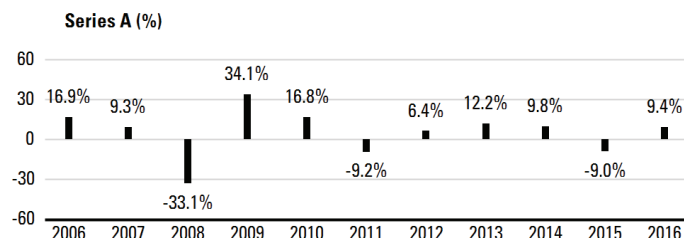
* Includes all costs related to management, trustee, investment advisory services, general administration and profit.

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.



Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Financials	35.6
Energy	20.0
Materials	13.7
Industrials	8.4
Consumer Discretionary	6.0
Telecommunication Services	5.5
Consumer Staples	4.1
Information Technology	2.7
Utilities	2.7
Health Care	0.7
Cash/Other	0.6

Top 25 Holdings

	% of Net Asset Value
Royal Bank of Canada	6.3
Toronto-Dominion Bank	5.7
Bank of Nova Scotia	4.2
Suncor Energy Inc.	3.3
Canadian National Railway Co.	3.3
BCE Inc.	2.9
Bank of Montreal	2.9
Enbridge Inc.	2.8
Canadian Natural Resources Ltd.	2.4
TransCanada Corp.	2.3
Canadian Imperial Bank of Commerce	2.1
Brookfield Asset Management Inc., Class A	2.1
Manulife Financial Corporation	1.9
Barrick Gold Corp.	1.8
Sun Life Financial Inc.	1.4
TELUS Corp.	1.4
Alimentation Couche-Tard Inc.	1.3
Canadian Pacific Railway Ltd.	1.3
Goldcorp Inc.	1.1
Rogers Communications Inc., Class B	1.0
Potash Corporation of Saskatchewan Inc.	1.0
Franco-Nevada Corp.	1.0
Magna International Inc., Class A	0.9
Thomson Corp.	0.9
Waste Connections Inc.	0.9
Top 25 Holdings	56.2

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.



CANADIAN EQUITY FUND

**RBC O'SHAUGHNESSY
CANADIAN EQUITY FUND**

June 30, 2016

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

Sub-Advisor: O'Shaughnessy Asset Management, L.L.C., Stamford, Connecticut

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term returns consisting of capital growth and current income by investing primarily in equity securities of Canadian and U.S. companies based on Strategy Indexing®, an investment portfolio management model developed in 1995 by Jim O'Shaughnessy.

The Fund invests in securities with the most attractive valuations based on a variety of measures, including a company's market capitalization ratios and financial statement metrics. The Fund also selects securities with the most consistently strong stock price momentum based on a number of measures, such as six-month total return and nine-month total return. The Fund may hold up to 30% of its assets in U.S. stocks and uses currency hedges to reduce exposure to changes in the Canadian dollar versus the U.S. dollar.

Results of Operations

The Fund's net asset value was \$746 million as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 3.7%. 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 any other series, which may vary because of differences in management fees and expenses.

North American stock markets rose during the first half of the year after a weak start to 2016, with Canadian equities leading the way as commodity prices recovered from significant declines in 2015 and early 2016. Developed markets in Europe and Asia delivered mixed results, fluctuating significantly in the lead-up to and after the U.K.'s late-June decision to leave the EU.

Overweight allocations to stocks with strong momentum and cheap valuations had the most negative impact on relative returns during the period, countered by overweight exposure to smaller-cap stocks, which contributed to relative performance. The Fund's exposure to stocks with high dividend yields was neutral for performance.

Sector allocation and security selection held back returns during the period. An overweight allocation to the Health Care sector and underweight exposure to the Energy sector were negative for the Fund's performance, as was security selection in the Materials and Financials sectors. Security selection in the Health Care and Industrials sectors aided performance. A decision to not own poorly performing Valeant Pharmaceuticals was the largest contributor to the Fund's relative returns. Owning Rona in the Consumer Discretionary sector and New Flyer Industries in the Industrials sector also contributed to performance. Linamar, Barrick Gold and Empire Ltd. hurt the Fund's returns the most.

The Fund has a 20% allocation to U.S. securities, and it is the policy of the Fund to maintain currency hedges at all times in order to neutralize exchange-rate movements between the U.S. dollar and the Canadian dollar. This policy had a positive effect on returns during the period.

Recent Developments

Following more positive returns, stocks remain expensive relative to history. The sub-advisor believes that stock selection becomes more important when the overall market is more expensive and that portfolios which are very different from the market are more likely to outperform.

Due to the Fund's investment process and market conditions over the course of the first half of 2016, the sub-advisor has decreased allocations to the Energy sector and increased allocations to Materials stocks.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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. and RBC Dominion Securities Inc. are principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series D units.

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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$10,000 (2015 – \$29,000) or 2% (2015 – 6%) of the total transaction costs paid for this Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016	18.85	0.26	(0.14)	(0.02)	0.57	0.67	—	—	—	—	—	19.55	
Dec. 31, 2015	20.22	0.51	(0.31)	0.59	(1.96)	(1.17)	—	(0.14)	—	—	(0.14)	18.85	
Dec. 31, 2014	18.94	0.46	(0.30)	2.36	(1.13)	1.39	—	(0.11)	—	—	(0.11)	20.22	
Dec. 31, 2013	14.47	0.43	(0.26)	1.79	2.63	4.59	—	(0.16)	—	—	(0.16)	18.93	
Dec. 31, 2012	12.86	0.45	(0.21)	0.54	1.05	1.83	—	(0.21)	—	—	(0.21)	14.47	
Dec. 31, 2011	14.20	0.38	(0.20)	0.48	(1.84)	(1.18)	—	(0.09)	—	—	(0.09)	12.86	
Advisor Series													
June 30, 2016	19.45	0.27	(0.15)	(0.02)	0.59	0.69	—	—	—	—	—	20.19	
Dec. 31, 2015	20.87	0.53	(0.31)	0.61	(2.02)	(1.19)	—	(0.15)	—	—	(0.15)	19.45	
Dec. 31, 2014	19.54	0.48	(0.31)	2.44	(1.17)	1.44	—	(0.11)	—	—	(0.11)	20.87	
Dec. 31, 2013	14.87	0.45	(0.26)	1.86	2.73	4.78	—	(0.10)	—	—	(0.10)	19.53	
Dec. 31, 2012	13.19	0.46	(0.21)	0.56	1.09	1.90	—	(0.19)	—	—	(0.19)	14.87	
Dec. 31, 2011	14.56	0.39	(0.20)	0.49	(1.89)	(1.21)	—	(0.09)	—	—	(0.09)	13.19	
Series D													
June 30, 2016	19.03	0.26	(0.11)	(0.02)	0.57	0.70	—	—	—	—	—	19.77	
Dec. 31, 2015	20.41	0.52	(0.24)	0.60	(1.98)	(1.10)	—	(0.21)	—	—	(0.21)	19.03	
Dec. 31, 2014	19.12	0.47	(0.24)	2.39	(1.14)	1.48	—	(0.18)	—	—	(0.18)	20.41	
Dec. 31, 2013	14.58	0.44	(0.20)	1.81	2.66	4.71	—	(0.20)	—	—	(0.20)	19.11	
Dec. 31, 2012	12.95	0.45	(0.17)	0.55	1.06	1.89	—	(0.25)	—	—	(0.25)	14.58	
Dec. 31, 2011	14.31	0.39	(0.16)	0.48	(1.86)	(1.15)	—	(0.14)	—	—	(0.14)	12.95	
Series F													
June 30, 2016	18.85	0.26	(0.09)	(0.02)	0.57	0.72	—	—	—	—	—	19.62	
Dec. 31, 2015	20.22	0.52	(0.19)	0.59	(1.97)	(1.05)	—	(0.26)	—	—	(0.26)	18.85	
Dec. 31, 2014	18.94	0.46	(0.19)	2.37	(1.13)	1.51	—	(0.22)	—	—	(0.22)	20.22	
Dec. 31, 2013	14.43	0.43	(0.16)	1.79	2.64	4.70	—	(0.24)	—	—	(0.24)	18.92	
Dec. 31, 2012	12.83	0.45	(0.13)	0.54	1.05	1.91	—	(0.30)	—	—	(0.30)	14.43	
Dec. 31, 2011	14.23	0.38	(0.12)	0.48	(1.84)	(1.10)	—	(0.23)	—	—	(0.23)	12.83	

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	19.55	690 355	35 308	1.54	1.54	58.55	0.14
Dec. 31, 2015	18.85	719 841	38 193	1.54	1.54	59.39	0.10
Dec. 31, 2014	20.22	890 504	44 041	1.54	1.54	63.92	0.11
Dec. 31, 2013	18.94	929 987	49 093	1.55	1.55	65.38	0.12
Dec. 31, 2012	14.51	809 137	55 757	1.54	1.54	79.17	0.15
Dec. 31, 2011	12.90	841 354	65 202	1.52	1.52	78.58	0.17
Advisor Series							
June 30, 2016	20.19	1 926	95	1.50	1.50	58.55	0.14
Dec. 31, 2015	19.45	1 754	90	1.51	1.51	59.39	0.10
Dec. 31, 2014	20.87	2 392	115	1.51	1.51	63.92	0.11
Dec. 31, 2013	19.54	1 949	100	1.51	1.51	65.38	0.12
Dec. 31, 2012	14.92	618	41	1.50	1.50	79.17	0.15
Dec. 31, 2011	13.24	476	36	1.49	1.49	78.58	0.17
Series D							
June 30, 2016	19.77	47 062	2 381	1.21	1.21	58.55	0.14
Dec. 31, 2015	19.03	46 176	2 427	1.21	1.21	59.39	0.10
Dec. 31, 2014	20.41	50 500	2 474	1.21	1.21	63.92	0.11
Dec. 31, 2013	19.12	44 712	2 338	1.21	1.21	65.38	0.12
Dec. 31, 2012	14.62	31 565	2 158	1.21	1.21	79.17	0.15
Dec. 31, 2011	13.00	30 920	2 379	1.19	1.19	78.58	0.17
Series F							
June 30, 2016	19.62	6 814	347	0.94	0.94	58.55	0.14
Dec. 31, 2015	18.85	6 192	328	0.94	0.94	59.39	0.10
Dec. 31, 2014	20.22	6 095	301	0.94	0.94	63.92	0.11
Dec. 31, 2013	18.94	5 142	272	0.94	0.94	65.38	0.12
Dec. 31, 2012	14.48	4 061	280	0.94	0.94	79.17	0.15
Dec. 31, 2011	12.87	4 405	342	0.91	0.91	78.58	0.17

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

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

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



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.25%	52%	48%
Advisor Series	1.25%	52%	48%
Series D	1.00%	25%	75%
Series F	0.75%	—	100%

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

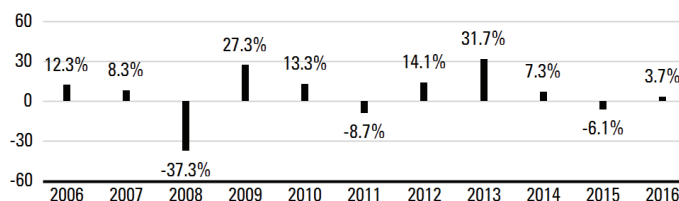
PAST PERFORMANCE

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.

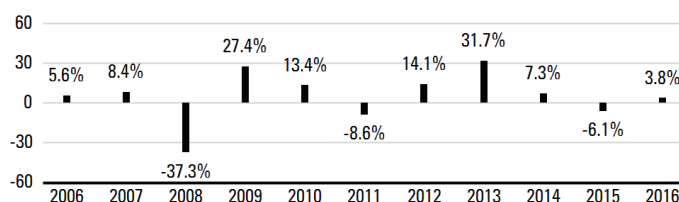
Year-by-Year Returns (%)

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.

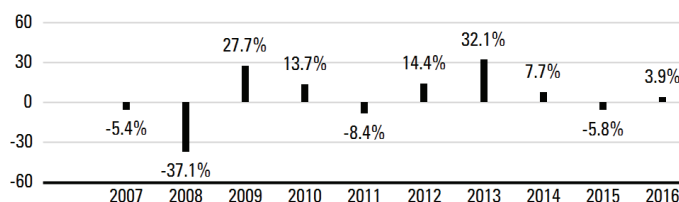
Series A (%)



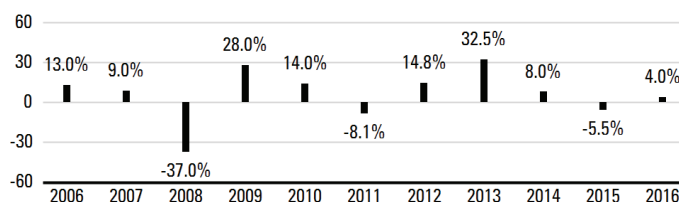
Advisor Series (%)



Series D (%)



Series F (%)



Series D units have been available for sale to unitholders since July 3, 2007, and Advisor Series units since August 28, 2006.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Financials	33.4
Materials	18.4
Consumer Staples	12.6
Industrials	12.6
Consumer Discretionary	9.8
Health Care	3.9
Information Technology	3.1
Utilities	2.0
Energy	1.7
Telecommunication Services	1.2
Foreign Equities	0.4
Cash/Other	0.9

Top 25 Holdings

	% of Net Asset Value
Metro Inc., Class A	5.0
Great-West Lifeco Inc.	4.4
Royal Bank of Canada	4.1
Sun Life Financial Inc.	3.5
Bank of Montreal	3.4
Industrial Alliance Insurance & Financial Services Inc.	2.9
George Weston Ltd.	2.5
Manulife Financial Corporation	2.5
Magna International Inc., Class A	2.4
Canadian Tire Corp. Ltd., Class A	2.4
New Flyer Industries Inc.	2.3
Lucara Diamond Corp.	2.2
Bank of Nova Scotia	2.0
Empire Co. Ltd., Class A	1.9
Semafo Inc.	1.6
SNC-Lavalin Group Inc.	1.6
Emera Inc.	1.6
Sienna Senior Living Inc.	1.5
Linamar Corp.	1.5
Wipak Ltd.	1.5
Intact Financial Corp.	1.4
Kirkland Lake Gold Inc.	1.4
Barrick Gold Corp.	1.3
CGI Group Inc., Class A	1.3
Klondex Mines Ltd.	1.2
Top 25 Holdings	57.4

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.



CANADIAN EQUITY FUND

**RBC O'SHAUGHNESSY
ALL-CANADIAN EQUITY FUND**

June 30, 2016

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

Sub-Advisor: O'Shaughnessy Asset Management, L.L.C., Stamford, Connecticut

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term returns consisting of capital growth and current income by investing primarily in equity securities of Canadian companies based on Strategy Indexing[®], an investment portfolio management model developed in 1995 by Jim O'Shaughnessy.

The Fund invests in securities with the most attractive valuations based on a variety of measures, including a company's market capitalization ratios and financial statement metrics. The Fund also selects securities with the most attractive momentum based on a number of measures, such as six-month total return and nine-month total return.

Results of Operations

The Fund's net asset value was \$494 million as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 8.4%. 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 any other series, which may vary because of differences in management fees and expenses.

North American stock markets rose during the first half of the year after a weak start to 2016, with Canadian equities leading the way as commodity prices recovered from significant declines in 2015 and early 2016. Developed markets in Europe and Asia delivered mixed results, fluctuating significantly in the lead-up to and after the U.K.'s late-June decision to leave the EU.

Overweight exposure to high-momentum stocks had the most negative impact on relative returns during the period, offset somewhat by the positive effect of an overweight position to smaller-market-cap stocks. The Fund's slight underweight allocation to high-yielding stocks had a slightly positive effect on performance.

Sector allocation hurt the Fund's performance, while stock selection contributed to returns, largely in the Health Care, Consumer Discretionary and Industrials sectors. Security selection in the Materials sector, as well as an underweight allocation to Energy, held back returns. Security selection in Information Technology and an overweight allocation to that sector also hurt performance. Rona Inc. in the Consumer Discretionary sector and OceanaGold in the Materials sector were the largest contributors to performance. A decision to not own Valeant Pharmaceuticals contributed to relative returns. Barrick Gold and Cascades Inc., both in the Materials sector, were the holdings that had the most negative impact on the Fund's returns.

Recent Developments

Following more positive returns, stocks remain expensive relative to history. The sub-advisor believes that stock selection becomes more important when the overall market is more expensive and that portfolios which are very different from the market are more likely to outperform.

Due to the Fund's investment process and market conditions over the course of the first half of 2016, the sub-advisor has increased its allocation to the Materials sector and decreased its allocation to Consumer Discretionary stocks.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series D units.

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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$0 (2015 – \$20,000) or 0% (2015 – 6%) of the total transaction costs paid for this Fund.

[®] Registered trademark of Royal Bank of Canada. Used under licence.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016	12.70	0.22	(0.12)	0.25	0.73	1.08	—	—	—	—	—	13.77	
Dec. 31, 2015	13.38	0.40	(0.24)	0.54	(0.82)	(0.12)	—	(0.13)	(0.42)	—	(0.55)	12.70	
Dec. 31, 2014	14.86	0.44	(0.27)	2.00	(1.85)	0.32	—	(0.09)	(1.90)	—	(1.99)	13.38	
Dec. 31, 2013	11.27	0.36	(0.23)	1.27	2.27	3.67	—	(0.07)	—	—	(0.07)	14.85	
Dec. 31, 2012	10.37	0.32	(0.20)	0.33	0.50	0.95	—	(0.06)	—	—	(0.06)	11.27	
Dec. 31, 2011	11.02	0.26	(0.19)	1.06	(1.79)	(0.66)	—	—	—	—	—	10.37	
Advisor Series													
June 30, 2016	12.75	0.22	(0.12)	0.25	0.73	1.08	—	—	—	—	—	13.83	
Dec. 31, 2015	13.44	0.40	(0.24)	0.54	(0.82)	(0.12)	—	(0.14)	(0.42)	—	(0.56)	12.75	
Dec. 31, 2014	14.92	0.45	(0.27)	2.01	(1.86)	0.33	—	(0.10)	(1.90)	—	(2.00)	13.44	
Dec. 31, 2013	11.32	0.36	(0.23)	1.28	2.28	3.69	—	(0.08)	—	—	(0.08)	14.91	
Dec. 31, 2012	10.41	0.33	(0.19)	0.33	0.50	0.97	—	(0.07)	—	—	(0.07)	11.32	
Dec. 31, 2011	11.05	0.26	(0.18)	1.07	(1.80)	(0.65)	—	—	—	—	—	10.41	
Series D													
June 30, 2016	12.95	0.22	(0.08)	0.25	0.74	1.13	—	—	—	—	—	14.09	
Dec. 31, 2015	13.65	0.41	(0.17)	0.55	(0.84)	(0.05)	—	(0.22)	(0.42)	—	(0.64)	12.95	
Dec. 31, 2014	15.16	0.46	(0.18)	2.05	(1.89)	0.44	—	(0.19)	(1.93)	—	(2.12)	13.65	
Dec. 31, 2013	11.47	0.37	(0.16)	1.30	2.31	3.82	—	(0.12)	—	—	(0.12)	15.15	
Dec. 31, 2012	10.54	0.33	(0.13)	0.33	0.51	1.04	—	(0.12)	—	—	(0.12)	11.47	
Dec. 31, 2011	11.13	0.26	(0.13)	1.08	(1.81)	(0.60)	—	—	—	—	—	10.54	
Series F													
June 30, 2016	12.95	0.22	(0.06)	0.25	0.74	1.15	—	—	—	—	—	14.10	
Dec. 31, 2015	13.65	0.41	(0.13)	0.55	(0.84)	(0.01)	—	(0.25)	(0.43)	—	(0.68)	12.95	
Dec. 31, 2014	15.16	0.45	(0.14)	2.02	(1.87)	0.46	—	(0.22)	(1.95)	—	(2.17)	13.65	
Dec. 31, 2013	11.49	0.37	(0.12)	1.30	2.32	3.87	—	(0.18)	—	—	(0.18)	15.16	
Dec. 31, 2012	10.56	0.33	(0.11)	0.33	0.51	1.06	—	(0.15)	—	—	(0.15)	11.49	
Dec. 31, 2011	11.12	0.26	(0.10)	1.08	(1.81)	(0.57)	—	—	—	—	—	10.56	
Series O													
June 30, 2016	13.59	0.23	—	0.27	0.78	1.28	—	—	—	—	—	14.87	
Dec. 31, 2015	14.33	0.43	—	0.58	(0.88)	0.13	—	(0.40)	(0.45)	—	(0.85)	13.59	
Dec. 31, 2014	15.90	0.38	—	1.72	(1.59)	0.51	—	(0.36)	(2.04)	—	(2.40)	14.33	
Dec. 31, 2013	12.01	0.39	—	1.37	2.43	4.19	—	(0.28)	—	—	(0.28)	15.89	
Dec. 31, 2012	11.21	0.35	—	0.36	0.54	1.25	—	(0.46)	—	—	(0.46)	12.01	
Dec. 31, 2011	11.70	0.28	—	1.14	(1.92)	(0.50)	—	—	—	—	—	11.21	

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	13.77	214 809	15 605	1.82	1.82	64.58	0.16
Dec. 31, 2015	12.70	206 136	16 238	1.82	1.82	67.35	0.14
Dec. 31, 2014	13.38	248 841	18 602	1.82	1.82	81.87	0.14
Dec. 31, 2013	14.86	260 650	17 545	1.82	1.82	72.29	0.12
Dec. 31, 2012	11.31	186 884	16 528	1.81	1.81	77.11	0.16
Dec. 31, 2011	10.40	188 051	18 083	1.82	1.82	90.46	0.18
Advisor Series							
June 30, 2016	13.83	6 439	466	1.78	1.78	64.58	0.16
Dec. 31, 2015	12.75	5 719	449	1.78	1.78	67.35	0.14
Dec. 31, 2014	13.44	6 779	505	1.78	1.78	81.87	0.14
Dec. 31, 2013	14.92	7 414	497	1.79	1.79	72.29	0.12
Dec. 31, 2012	11.35	5 953	524	1.76	1.76	77.11	0.16
Dec. 31, 2011	10.44	5 546	531	1.76	1.76	90.46	0.18
Series D							
June 30, 2016	14.09	24 549	1 743	1.21	1.21	64.58	0.16
Dec. 31, 2015	12.95	20 662	1 595	1.21	1.21	67.35	0.14
Dec. 31, 2014	13.65	22 425	1 643	1.21	1.21	81.87	0.14
Dec. 31, 2013	15.16	21 848	1 441	1.22	1.22	72.29	0.12
Dec. 31, 2012	11.50	10 813	940	1.21	1.21	77.11	0.16
Dec. 31, 2011	10.57	9 377	887	1.21	1.21	90.46	0.18
Series F							
June 30, 2016	14.10	9 044	641	0.93	0.93	64.58	0.16
Dec. 31, 2015	12.95	6 935	536	0.94	0.94	67.35	0.14
Dec. 31, 2014	13.65	7 446	546	0.94	0.94	81.87	0.14
Dec. 31, 2013	15.16	6 769	446	0.95	0.95	72.29	0.12
Dec. 31, 2012	11.52	4 695	407	0.96	0.96	77.11	0.16
Dec. 31, 2011	10.59	4 075	385	0.96	0.96	90.46	0.18
Series O							
June 30, 2016	14.87	239 318	16 098	0.02	0.02	64.58	0.16
Dec. 31, 2015	13.59	200 629	14 763	0.02	0.02	67.35	0.14
Dec. 31, 2014	14.33	206 957	14 439	0.02	0.02	81.87	0.14
Dec. 31, 2013	15.90	15 524	976	0.02	0.02	72.29	0.12
Dec. 31, 2012	12.04	9 820	815	0.02	0.02	77.11	0.16
Dec. 31, 2011	11.24	15 996	1 423	0.02	0.02	90.46	0.18

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

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

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



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.50%	50%	50%
Advisor Series	1.50%	50%	50%
Series D	1.00%	25%	75%
Series F	0.75%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

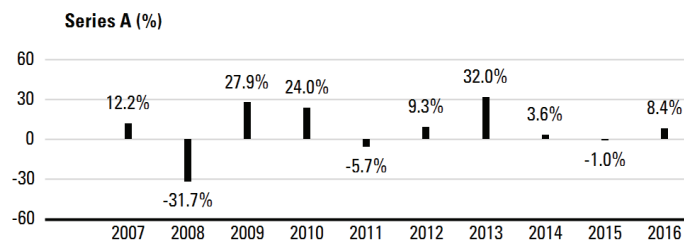
* Includes all costs related to management, trustee, investment advisory services, general administration and profit.

PAST PERFORMANCE

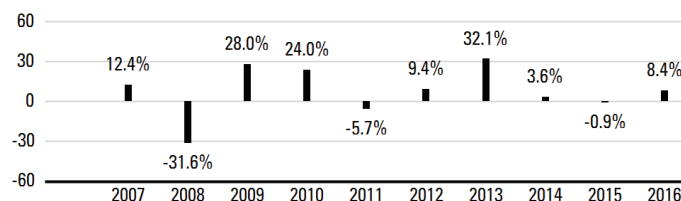
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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 (%)

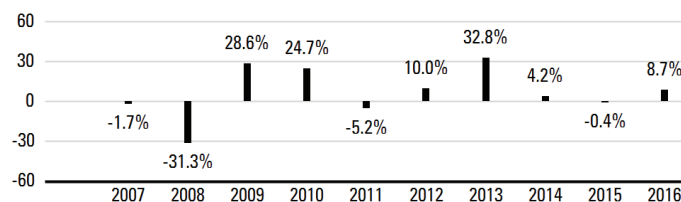
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



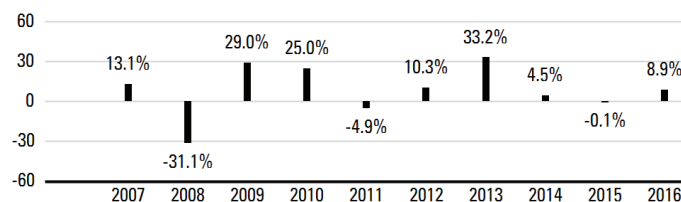
Advisor Series (%)



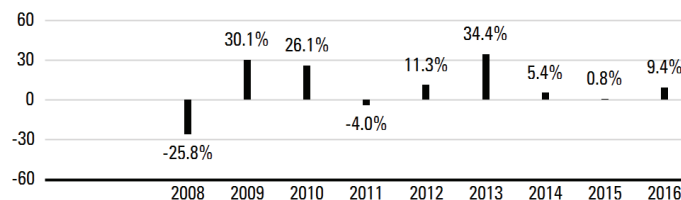
Series D (%)



Series F (%)



Series O (%)



Series O units have been available for sale to unitholders since July 18, 2008, Series D units since July 3, 2007, and Series A, Advisor Series and Series F units since January 22, 2007.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Materials	22.1
Financials	20.2
Industrials	17.8
Consumer Staples	10.5
Consumer Discretionary	10.3
Health Care	6.1
Utilities	5.5
Information Technology	4.0
Telecommunication Services	0.9
Energy	0.5
Cash/Other	2.1

Top 25 Holdings

	% of Net Asset Value
New Flyer Industries Inc.	4.1
OceanaGold Corp.	3.4
Metro Inc., Class A	3.3
Transcontinental Inc., Class A	3.1
Bird Construction Inc.	3.0
CCL Industries, Class B	2.9
Genworth MI Canada Inc.	2.9
Medical Facilities Corp.	2.7
Royal Bank of Canada	2.6
Sun Life Financial Inc.	2.5
Great-West Lifeco Inc.	2.3
Uni-Select Inc.	2.2
Sienna Senior Living Inc.	2.2
Nevsun Resources Ltd.	2.1
The North West Co. Inc.	2.0
Intact Financial Corp.	1.9
Thomson Corp.	1.9
Cash & Cash Equivalents	1.9
Endeavour Mining Corp.	1.8
Emera Inc.	1.8
Finning International Inc.	1.7
Bank of Nova Scotia	1.7
Chorus Aviation Inc.	1.6
Ritchie Bros. Auctioneers Inc.	1.5
Domtar Corp.	1.4
Top 25 Holdings	58.5

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.



CANADIAN EQUITY FUND

RBC CANADIAN EQUITY INCOME FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide a high level of monthly cash flow, relatively tax-efficient distributions consisting primarily of returns of capital, capital gains and interest income, as well as the potential for modest capital growth.

To achieve its objective, the Fund invests primarily in a diversified portfolio of Canadian equity securities including common and preferred shares, real estate investment trusts and income trusts. The 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 \$3.3 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 10.1%. 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 any other series, which may vary because of differences in management fees and expenses.

The Fund made monthly distributions of 9.00 cents per Series A unit in the first half of 2016.

The S&P/TSX Composite Index, Canada's equity benchmark, outperformed most other global indices during the period. The resource-heavy Canadian index was bolstered by surging prices for oil, natural gas and gold, given supply disruptions. This benefited Canadian energy stocks, which account for about a fifth of S&P/TSX market capitalization. Concurrently, global growth concerns made headlines once again after the U.K.'s surprising decision to leave the EU ("Brexit"). The Brexit vote diverted investor focus from some positive economic developments in North America and signs of stabilization emerging in China.

Positive relative performance in the Energy and Financials sectors was partially offset by weaker performance in the Materials sector.

An overweight allocation to the Energy sector drove returns due to a rebound in commodity prices. Prices for oil and natural gas fell significantly to multi-year lows early in 2016, as crude-oil supply and inventory climbed. Crude-oil benchmark prices touched 12-year lows in February near US\$25 per barrel, a price level well below production costs. Prices rebounded to US\$50 a barrel in June as supply and demand moved more into balance as global production declined. Natural-gas prices stayed relatively weak as a mild winter swelled inventories. In the Financials sector, an underweight position in banking stocks positively impacted relative returns. Bank stocks lagged the overall market during the period on concern that declining global interest rates could have a negative impact on industry returns.

An underweight position in the Materials sector hindered returns, predominately from an underweight in gold-related companies as the price of the commodity rose significantly during the period. Gold and silver prices were supported by negative interest rates in Japan and Germany, two of the biggest bond markets, and Brexit. Below-benchmark allocations to Barrick Gold and Goldcorp negatively impacted performance.

Recent Developments

An improvement in the performance of Canadian equity markets will require a bigger contribution from stocks in the Financials and Energy sectors. While the supply-demand equation for a number of commodities has improved, the portfolio manager believes it is hard to envision a surge from here without stronger global economic growth. Meanwhile, the domestic economy's reliance on housing and questions about the ability of consumers to maintain their spending continue to be points of discussion. The interest-rate policy divergence between the U.S. Federal Reserve and the Bank of Canada is likely to widen if commodity prices remain weak, which could further weaken the Canadian dollar.

Effective June 30, 2016, management fees were reduced as follows: from 1.75% to 1.60% for Series A and Advisor Series units; from 1.00% to 0.85% for Series D units; and from 0.75% to 0.60% for Series F units. Also effective June 30, 2016, Series H units were re-designated to Series A units, and Series I units were re-designated to Series F units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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. and RBC Dominion Securities Inc. are principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series D units.



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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$195,000 (2015 – \$326,000) or 8% (2015 – 10%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	22.51	0.52	(0.24)	(0.31)	2.21	2.18	—	(0.54)	—	—	(0.54)	24.22
Dec. 31, 2015	26.48	0.97	(0.53)	0.55	(3.62)	(2.63)	—	(0.55)	(0.76)	—	(1.31)	22.51
Dec. 31, 2014	26.13	0.90	(0.58)	1.84	0.07	2.23	—	(0.42)	(1.74)	—	(2.16)	26.48
Dec. 31, 2013	23.61	0.86	(0.52)	1.26	2.26	3.86	—	(0.39)	(0.95)	—	(1.34)	26.11
Dec. 31, 2012	22.77	0.82	(0.49)	0.62	0.66	1.61	—	(0.11)	(0.66)	(0.31)	(1.08)	23.61
Dec. 31, 2011	22.07	0.75	(0.46)	1.35	0.27	1.91	(0.13)	(0.15)	(1.25)	—	(1.53)	22.77
Advisor Series												
June 30, 2016	22.67	0.53	(0.23)	(0.31)	2.23	2.22	—	(0.54)	—	—	(0.54)	24.41
Dec. 31, 2015	26.64	0.98	(0.52)	0.55	(3.65)	(2.64)	—	(0.55)	(0.76)	—	(1.31)	22.67
Dec. 31, 2014	26.27	0.90	(0.57)	1.85	0.07	2.25	—	(0.42)	(1.74)	—	(2.16)	26.64
Dec. 31, 2013	23.72	0.86	(0.51)	1.26	2.27	3.88	—	(0.39)	(0.95)	—	(1.34)	26.25
Dec. 31, 2012	22.85	0.81	(0.48)	0.62	0.65	1.60	—	(0.11)	(0.66)	(0.31)	(1.08)	23.72
Dec. 31, 2011	22.13	0.72	(0.45)	1.30	0.26	1.83	(0.13)	(0.15)	(1.25)	—	(1.53)	22.85
Series D												
June 30, 2016	24.59	0.57	(0.15)	(0.34)	2.42	2.50	—	(0.55)	—	—	(0.55)	26.63
Dec. 31, 2015	28.58	1.06	(0.33)	0.60	(3.93)	(2.60)	—	(0.56)	(0.77)	—	(1.33)	24.59
Dec. 31, 2014	27.90	0.96	(0.36)	1.97	0.07	2.64	—	(0.42)	(1.83)	—	(2.25)	28.58
Dec. 31, 2013	24.93	0.91	(0.32)	1.33	2.39	4.31	—	(0.39)	(0.96)	—	(1.35)	27.88
Dec. 31, 2012	23.78	0.88	(0.30)	0.66	0.70	1.94	—	(0.12)	(0.66)	(0.31)	(1.09)	24.93
Dec. 31, 2011	22.82	0.78	(0.27)	1.41	0.28	2.20	(0.14)	(0.15)	(1.26)	—	(1.55)	23.78
Series F												
June 30, 2016	25.57	0.59	(0.12)	(0.35)	2.52	2.64	—	(0.56)	—	—	(0.56)	27.73
Dec. 31, 2015	29.60	1.10	(0.26)	0.62	(4.08)	(2.62)	—	(0.57)	(0.79)	—	(1.36)	25.57
Dec. 31, 2014	28.79	0.99	(0.29)	2.04	0.07	2.81	—	(0.43)	(1.88)	—	(2.31)	29.60
Dec. 31, 2013	25.64	0.94	(0.25)	1.38	2.47	4.54	—	(0.40)	(0.97)	—	(1.37)	28.77
Dec. 31, 2012	24.38	0.87	(0.24)	0.66	0.70	1.99	—	(0.11)	(0.68)	(0.32)	(1.11)	25.64
Dec. 31, 2011	23.34	0.73	(0.22)	1.33	0.26	2.10	(0.13)	(0.16)	(1.30)	—	(1.59)	24.38



FINANCIAL HIGHLIGHTS (cont.)

Change in Net Assets Per Unit (\$) (cont.)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					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	Total	
Series O												
June 30, 2016	24.94	0.58	—	(0.34)	2.46	2.70	—	(0.54)	—	—	(0.54)	27.17
Dec. 31, 2015	28.62	1.07	(0.01)	0.60	(3.97)	(2.31)	—	(0.55)	(0.78)	—	(1.33)	24.94
Dec. 31, 2014	27.60	0.94	(0.01)	1.92	0.07	2.92	—	(0.42)	(1.81)	—	(2.23)	28.62
Dec. 31, 2013	24.38	0.89	(0.01)	1.31	2.35	4.54	—	(0.39)	(0.95)	—	(1.34)	27.57
Dec. 31, 2012	22.99	0.87	(0.01)	0.58	0.62	2.06	—	(0.11)	(0.66)	(0.31)	(1.08)	24.38
Dec. 31, 2011 ³	23.61 [†]	0.28	—	0.50	0.10	0.88	(0.06)	(0.08)	(0.85)	—	(0.99)	22.99

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From July 11, 2011.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	24.22	1 527 106	63 051	2.08⁴	2.08	50.98	0.15
Dec. 31, 2015	22.51	1 504 191	66 832	2.08	2.08	66.46	0.14
Dec. 31, 2014	26.48	2 033 414	76 803	2.09	2.09	70.40	0.16
Dec. 31, 2013	26.13	1 663 346	63 662	2.09	2.09	87.91	0.21
Dec. 31, 2012	23.66	1 219 564	51 540	2.10	2.10	134.31	0.38
Dec. 31, 2011	22.84	589 877	25 830	2.09	2.09	251.21	0.67
Advisor Series							
June 30, 2016	24.41	707 834	29 000	2.02⁴	2.02	50.98	0.15
Dec. 31, 2015	22.67	710 826	31 354	2.02	2.02	66.46	0.14
Dec. 31, 2014	26.64	1 013 100	38 027	2.02	2.02	70.40	0.16
Dec. 31, 2013	26.27	830 298	31 609	2.04	2.04	87.91	0.21
Dec. 31, 2012	23.77	604 605	25 437	2.04	2.04	134.31	0.38
Dec. 31, 2011	22.92	202 803	8 848	2.05	2.05	251.21	0.67
Series D							
June 30, 2016	26.63	248 649	9 338	1.20⁴	1.20	50.98	0.15
Dec. 31, 2015	24.59	231 129	9 398	1.20	1.20	66.46	0.14
Dec. 31, 2014	28.58	304 050	10 637	1.21	1.21	70.40	0.16
Dec. 31, 2013	27.90	217 303	7 789	1.21	1.21	87.91	0.21
Dec. 31, 2012	24.98	139 710	5 593	1.21	1.21	134.31	0.38
Dec. 31, 2011	23.86	78 188	3 277	1.21	1.21	251.21	0.67
Series F							
June 30, 2016	27.73	290 360	10 471	0.93⁴	0.93	50.98	0.15
Dec. 31, 2015	25.57	252 483	9 876	0.93	0.93	66.46	0.14
Dec. 31, 2014	29.60	290 113	9 801	0.93	0.93	70.40	0.16
Dec. 31, 2013	28.79	200 234	6 954	0.94	0.94	87.91	0.21
Dec. 31, 2012	25.69	141 939	5 525	0.94	0.94	134.31	0.38
Dec. 31, 2011	24.46	45 887	1 876	0.95	0.95	251.21	0.67



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data (cont.)

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series O							
June 30, 2016	27.17	506 096	18 626	0.02	0.02	50.98	0.15
Dec. 31, 2015	24.94	530 183	21 260	0.02	0.02	66.46	0.14
Dec. 31, 2014	28.62	495 332	17 305	0.02	0.02	70.40	0.16
Dec. 31, 2013	27.60	179 938	6 521	0.02	0.02	87.91	0.21
Dec. 31, 2012	24.43	112 346	4 599	0.02	0.02	134.31	0.38
Dec. 31, 2011 ⁵	23.07	32	1	0.02	0.02	251.21	0.67

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 1.92%, Advisor Series – 1.86%, Series D – 1.04% and Series F – 0.77%.

⁵ From July 11, 2011.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund.

Management fees of each series of the Fund are calculated at 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	1.60%	66%	34%
Advisor Series	1.60%	66%	34%
Series D	0.85%	25%	75%
Series F	0.60%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

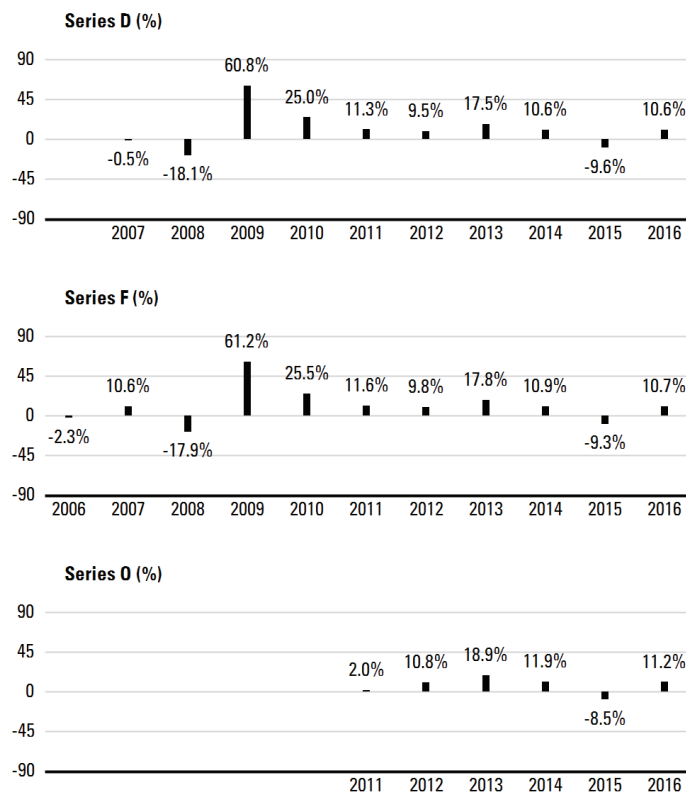
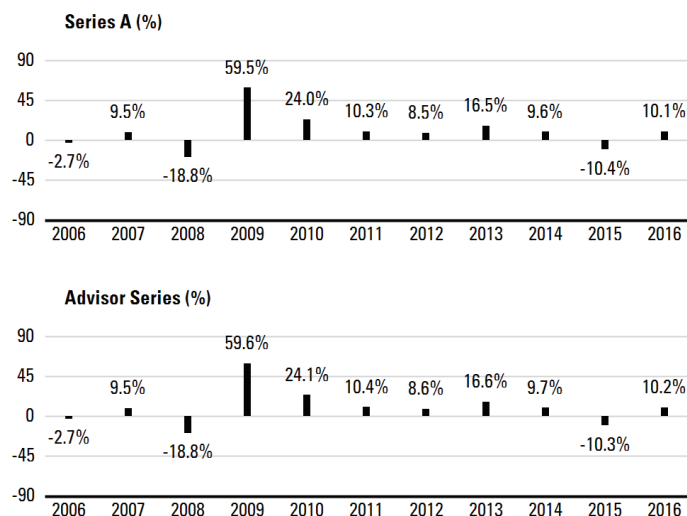


PAST PERFORMANCE

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.



Series O units have been available for sale to unitholders since July 11, 2011, Series D units since July 3, 2007, and Series A, Advisor Series and Series F units since August 28, 2006.

Inception dates are not provided for series that have been in existence for more than 10 years.

All outstanding Series H units were re-designated as Series A units and all outstanding Series I units were re-designated as Series F units effective June 30, 2016.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Financials	38.3
Energy	25.4
Utilities	10.1
Materials	7.0
Industrials	4.7
Consumer Discretionary	3.5
Telecommunication Services	2.9
Consumer Staples	2.8
Health Care	0.8
Information Technology	0.7
Cash/Other	3.8

Top 25 Holdings

	% of Net Asset Value
Royal Bank of Canada	5.8
Suncor Energy Inc.	3.7
Bank of Nova Scotia	3.7
Brookfield Asset Management Inc., Class A	3.4
TransCanada Corp.	3.3
Cash & Cash Equivalents	3.2
Manulife Financial Corporation	3.1
Canadian Natural Resources Ltd.	3.0
Enbridge Inc.	2.5
Brookfield Property Partners LP	2.3
TELUS Corp.	2.0
Toronto-Dominion Bank	1.8
Loblaw Companies Ltd.	1.7
Sun Life Financial Inc.	1.7
Canadian Imperial Bank of Commerce	1.6
Canadian Pacific Railway Ltd.	1.6
Pembina Pipeline Corp.	1.5
Pattern Energy Group Inc.	1.4
Veresen Inc.	1.3
Crescent Point Energy Corp.	1.3
Cominar Real Estate Investment Trust	1.2
Fortis Inc.	1.2
Canadian Utilities Ltd., Class A	1.2
Boralex Inc., Class A	1.2
Shaw Communications Inc., Class B	1.2
Top 25 Holdings	55.9

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



CANADIAN EQUITY FUND

**RBC CANADIAN SMALL & MID-CAP
RESOURCES FUND**

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in small- and mid-cap equity securities of companies that are listed on an exchange in Canada, within the Energy and Materials sectors.

The Fund's investment process is primarily based on fundamental research, although the portfolio manager will also consider quantitative and technical factors. Stock selection decisions are ultimately based on an understanding of the company, its business and its outlook. The portfolio manager invests in companies that are involved directly or indirectly in the exploration, development, production or distribution of natural or other resources. This includes companies that provide services to, use, or may benefit from, developments in the natural resources sector or companies that develop, design or provide products and services significant to a country's or region's infrastructure and its future evolution.

Results of Operations

The Fund's net asset value was \$319 million as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 18.2%. 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 any other series, which may vary because of differences in management fees and expenses.

Prices for oil and natural gas and related securities fell significantly to multi-year lows early in 2016, as crude-oil supply and inventory climbed. Crude-oil benchmark prices touched 12-year lows in February near US\$25 per barrel, a price level that was well below production costs. Prices rebounded to US\$50 a barrel in June as supply and demand moved more into balance as global production declined. Natural-gas prices stayed relatively weak as a mild winter swelled inventories.

Stock selection drove returns given a rebound in commodity prices and the Fund's exposure to companies that are especially sensitive to small price changes. The Fund's position in Seven Generations, a Canadian natural-gas company, boosted returns given the company's exposure to the recovery in petroleum prices, as well its solid balance sheet. Overweight positions in oil producers including Spartan Energy, Raging River and Parex Resources helped performance.

The Materials sector had a positive impact on relative returns, mainly because of investments in companies that produce chemicals and forest products. Underweight positions in Chemtrade and Methanex contributed to performance as both stocks underperformed during the period. A lack of relative exposure to Canfor and Western Forest Products helped performance as the portfolio manager bet that a renegotiation of the U.S.-Canada lumber agreement could be negative for Canadian producers.

Recent Developments

The Fund recently raised its exposure to base metals in the belief that the Chinese economy has stabilized over the past few months. Early signs indicate that supply and demand for oil may balance later this year, given declines in global capital spending and anemic drilling activity in North America. While demand for oil remains robust, the portfolio manager is monitoring for signs of global economic weakness that could hurt prices. The portfolio manager believes that the U.S. housing market will strengthen, and so the Fund has bolstered investments in companies that make oriented strand board, a building material made from plywood, to exploit this outcome.

Continued monetary stimulus and the possibility that the U.K.'s decision to leave the EU will not be as bad for the global economy as many investors believe would likely mean that U.S. dollar strength subsides, in the portfolio manager's view. Geopolitical risks to supply are also present with increased tensions in OPEC countries.

Effective June 30, 2016, management fees were reduced as follows: from 1.85% to 1.75% for Series A units; from 1.10% to 1.00% for Series D units; and from 0.85% to 0.75% for Series F units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A and Series D units.

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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$31,000 (2015 – \$37,000) or 6% (2015 – 6%) the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	6.27	0.06	(0.07)	(0.99)	2.14	1.14	—	—	—	—	—	7.41
Dec. 31, 2015 ³	10.00 [†]	0.16	(0.15)	(2.08)	(0.54)	(2.61)	—	(0.07)	—	—	(0.07)	6.27
Series D												
June 30, 2016	6.28	0.06	(0.04)	(0.99)	2.15	1.18	—	—	—	—	—	7.45
Dec. 31, 2015 ³	10.00 [†]	0.17	(0.09)	(2.09)	(0.55)	(2.56)	—	(0.12)	—	—	(0.12)	6.28
Series F												
June 30, 2016	6.26	0.06	(0.04)	(0.99)	2.14	1.17	—	—	—	—	—	7.44
Dec. 31, 2015 ³	10.00 [†]	0.17	(0.08)	(2.09)	(0.55)	(2.55)	—	(0.13)	—	—	(0.13)	6.26
Series O												
June 30, 2016	5.28	0.05	—	(0.83)	1.80	1.02	—	—	—	—	—	6.31
Dec. 31, 2015	7.87	0.16	—	(2.03)	(0.53)	(2.40)	—	(0.17)	—	—	(0.17)	5.28
Dec. 31, 2014	10.59	0.22	—	0.54	(2.40)	(1.64)	—	(0.21)	(0.63)	—	(0.84)	7.87
Dec. 31, 2013 ⁴	10.00 [†]	0.06	—	0.06	0.63	0.75	—	(0.04)	(0.07)	—	(0.11)	10.58

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From February 13, 2015.

⁴ From October 3, 2013.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	7.41	1 428	193	2.09⁴	2.09	61.01	0.35
Dec. 31, 2015 ⁵	6.27	390	62	2.09	2.09	52.85	0.25
Series D							
June 30, 2016	7.45	3 180	427	1.31⁴	1.31	61.01	0.35
Dec. 31, 2015 ⁵	6.28	856	136	1.30	1.30	52.85	0.25
Series F							
June 30, 2016	7.44	150	20	1.07⁴	1.07	61.01	0.35
Dec. 31, 2015 ⁵	6.26	22	4	1.06	1.06	52.85	0.25
Series O							
June 30, 2016	6.31	314 239	49 825	0.02	0.02	61.01	0.35
Dec. 31, 2015	5.28	280 059	53 027	0.02	0.02	52.85	0.25
Dec. 31, 2014	7.87	410 095	52 089	0.02	0.02	85.79	0.35
Dec. 31, 2013 ⁶	10.59	526 184	49 679	0.03	0.03	27.67	0.10

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 1.98%, Series D – 1.21% and Series F – 0.96%.

⁵ From February 13, 2015.

⁶ From October 3, 2013.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.75%	54%	46%
Series D	1.00%	23%	77%
Series F	0.75%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

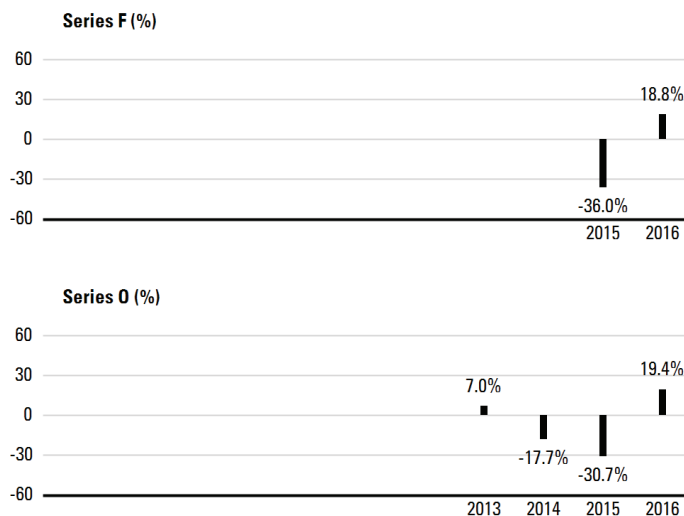
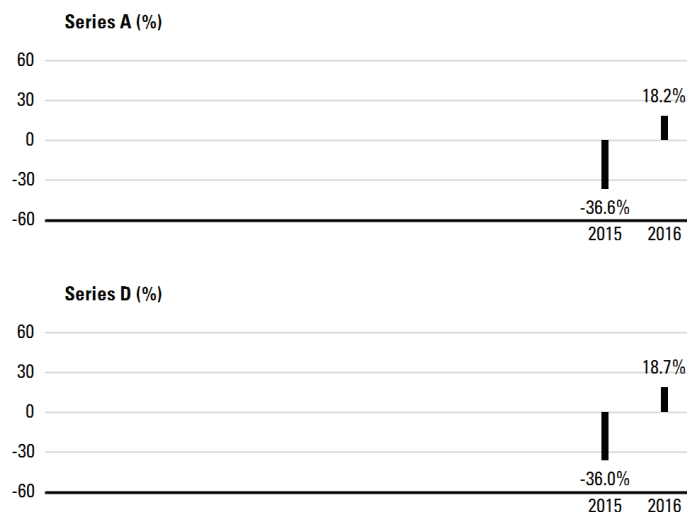


PAST PERFORMANCE

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.



Series A, Series D and Series F units have been available for sale to unitholders since February 17, 2015 and Series O units since October 3, 2013.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Oil, Gas and Consumable Fuels	59.0
Energy Equipment and Services	11.9
Paper and Forest Products	10.8
Metals and Mining	9.9
Containers and Packaging	4.9
Chemicals	3.2
Cash/Other	0.3



SUMMARY OF INVESTMENT PORTFOLIO (cont.)

(after consideration of derivative products, if any)

As at June 30, 2016

Top 25 Holdings

	% of Net Asset Value
Tourmaline Oil Corp.	8.1
Seven Generations Energy Ltd.	6.9
Peyto Exploration & Development Corp.	6.8
Vermilion Energy Inc.	6.3
CCL Industries, Class B	4.9
Turquoise Hill Resources Ltd.	4.8
Precision Drilling Corp.	4.5
West Fraser Timber Co. Ltd.	4.3
Raging River Exploration Inc.	4.3
Parex Resources Inc.	4.3
Lundin Mining Corp.	3.4
Enerplus Corp.	3.2
Methanex Corp.	3.2
Interfor Corp.	2.9
ShawCor Ltd.	2.8
PrairieSky Royalty Ltd.	2.5
Whitecap Resources Inc.	2.5
Norbord Inc.	2.3
TORC Oil & Gas Ltd.	2.1
Spartan Energy Corp.	2.1
HudBay Minerals Inc.	1.7
MEG Energy Corp.	1.6
Nuvista Energy Ltd.	1.6
Crew Energy Inc.	1.5
Bonterra Energy Corp.	1.5
Top 25 Holdings	90.1

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.



NORTH AMERICAN EQUITY FUND

RBC NORTH AMERICAN VALUE FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in equity securities of Canadian and U.S. companies that are priced below their true value.

To achieve its objective, the 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 Fund may also invest in income trusts.

Results of Operations

The Fund's net asset value was \$2.3 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 2.4%. 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 any other series, which may vary because of differences in management fees and expenses.

The S&P/TSX Composite Index, Canada's equity benchmark, outperformed most other global indexes during the period. The resource-heavy Canadian index was positively impacted by surging commodity prices. Crude oil prices found a bottom and started recovering from levels that were well below the marginal cost of production, nearly doubling through the first half of the year. Gold prices also rebounded, and as the fundamental outlook became more constructive, the Energy sector and gold companies began to outperform the broader market. This benefited the S&P/TSX, where energy and gold stocks together account for more than a quarter of the index's market capitalization. Concurrently, global growth concerns made headlines once again after the U.K.'s surprising decision to leave the EU ("Brexit"). The Brexit vote diverted investor focus from some positive economic developments in North America and signs of stabilization emerging from China.

In the first half of 2016, the Fund underperformed, primarily due to an underweight positioning in Canadian Gold stocks. Gold stocks as a whole have historically been challenging for investors to own, as the price of gold is unpredictable and the companies in the sector have a poor track record of allocating capital.

This underperformance was partially offset by the fund's underweight positioning in the Canadian Health Care sector due to extreme price weakness from Valeant Pharmaceuticals and to a lesser extent Concordia International Corp.

The fund's overweight position in the U.S. Financials sector also hindered performance. Expectations for a future rate increase by the U.S. Federal Reserve were pushed out, resulting in lower profit margins for bank stocks, combined with lower expected investment banking fees due to market volatility.

The fund was also hindered by underweight positioning in the interest-rate-sensitive Utilities and Telecom sectors; the two sectors' stable cash flows and higher dividend yields continue to appeal to investors in the current low-yield environment. Increasing valuations materially in recent years despite modest dividends and earnings growth has made the portfolio manager more cautious on the sectors.

Recent Developments

The portfolio manager remains generally optimistic about prospects for U.S. stocks. If the U.S. dollar remains stable versus the country's major trading partners and the price of oil continues to recover, one would expect anxiety in credit markets to dissipate, the economic cycle to continue to advance and stock markets to post modest gains for the remainder of the year. However, the portfolio manager believes that current valuations do warrant greater care in stock selection, and continues to believe that the U.S. Federal Reserve will have to strike a policy balance that keeps the economy's momentum in place, while remaining mindful that the economy will eventually have to function with less aid from the central bank.

Effective June 30, 2016, management fees were reduced as follows: from 1.75% to 1.60% for Series A, Advisor Series, Advisor T5 Series and Series T5 units; from 1.00% to 0.85% for Series D units; and from 0.75% to 0.60% for Series F and Series FT5 units. Also effective June 30, 2016, Series H units were re-designated to Series A units, and Series I units were re-designated to Series F units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units 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 and Series D units.



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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$127,000 (2015 – \$107,000) or 10% (2015 – 6%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016	20.65	0.25	(0.21)	0.47	(0.04)	0.47	—	—	—	—	—	21.15	
Dec. 31, 2015	20.94	0.53	(0.45)	0.53	(0.71)	(0.10)	—	(0.03)	(0.20)	—	(0.23)	20.65	
Dec. 31, 2014	19.40	0.44	(0.43)	1.24	1.22	2.47	—	—	(0.95)	—	(0.95)	20.94	
Dec. 31, 2013	16.63	0.37	(0.39)	1.53	2.39	3.90	—	—	(1.07)	—	(1.07)	19.39	
Dec. 31, 2012	15.43	0.42	(0.34)	0.87	0.86	1.81	—	(0.01)	(0.61)	—	(0.62)	16.63	
Dec. 31, 2011	16.23	0.32	(0.32)	0.01	(0.82)	(0.81)	—	—	(0.21)	—	(0.21)	15.43	
Advisor Series													
June 30, 2016	21.05	0.25	(0.21)	0.48	(0.04)	0.48	—	—	—	—	—	21.57	
Dec. 31, 2015	21.35	0.54	(0.45)	0.54	(0.72)	(0.09)	—	(0.04)	(0.21)	—	(0.25)	21.05	
Dec. 31, 2014	19.76	0.45	(0.44)	1.27	1.25	2.53	—	—	(0.95)	—	(0.95)	21.35	
Dec. 31, 2013	16.92	0.37	(0.39)	1.56	2.43	3.97	—	—	(1.08)	—	(1.08)	19.75	
Dec. 31, 2012	15.68	0.43	(0.34)	0.88	0.87	1.84	—	(0.01)	(0.61)	—	(0.62)	16.92	
Dec. 31, 2011	16.50	0.32	(0.32)	0.01	(0.83)	(0.82)	—	—	(0.21)	—	(0.21)	15.68	
Advisor T5 Series													
June 30, 2016	20.09	0.25	(0.21)	0.48	(0.04)	0.48	—	(0.23)	—	(0.27)	(0.50)	20.07	
Dec. 31, 2015	21.18	0.54	(0.45)	0.54	(0.72)	(0.09)	—	(0.06)	(0.43)	(0.57)	(1.06)	20.09	
Dec. 31, 2014 ³	21.35 [†]	0.45	(0.44)	1.27	1.25	2.53	—	—	(1.12)	—	(1.12)	21.18	
Series T5													
June 30, 2016	20.08	0.24	(0.20)	0.45	(0.03)	0.46	—	(0.14)	—	(0.36)	(0.50)	20.06	
Dec. 31, 2015	21.19	0.52	(0.44)	0.52	(0.70)	(0.10)	—	(0.06)	(0.24)	(0.76)	(1.06)	20.08	
Dec. 31, 2014 ³	21.35 [†]	0.16	(0.18)	0.46	0.45	0.89	—	—	(1.11)	—	(1.11)	21.19	
Series D													
June 30, 2016	21.97	0.26	(0.13)	0.50	(0.04)	0.59	—	—	—	—	—	22.61	
Dec. 31, 2015	22.28	0.57	(0.27)	0.57	(0.76)	0.11	—	(0.23)	(0.21)	—	(0.44)	21.97	
Dec. 31, 2014	20.45	0.47	(0.26)	1.32	1.30	2.83	—	—	(1.00)	—	(1.00)	22.28	
Dec. 31, 2013	17.35	0.38	(0.24)	1.60	2.50	4.24	—	—	(1.10)	—	(1.10)	20.44	
Dec. 31, 2012	16.06	0.44	(0.21)	0.91	0.90	2.04	—	(0.14)	(0.62)	—	(0.76)	17.35	
Dec. 31, 2011	16.74	0.33	(0.19)	0.01	(0.85)	(0.70)	—	—	(0.21)	—	(0.21)	16.06	
Series F													
June 30, 2016	23.68	0.28	(0.11)	0.54	(0.04)	0.67	—	—	—	—	—	24.40	
Dec. 31, 2015	24.02	0.61	(0.23)	0.61	(0.82)	0.17	—	(0.31)	(0.23)	—	(0.54)	23.68	
Dec. 31, 2014	21.99	0.50	(0.22)	1.42	1.39	3.09	—	—	(1.08)	—	(1.08)	24.02	
Dec. 31, 2013	18.63	0.41	(0.20)	1.72	2.68	4.61	—	—	(1.20)	—	(1.20)	21.98	
Dec. 31, 2012	17.23	0.47	(0.17)	0.97	0.96	2.23	—	(0.19)	(0.67)	—	(0.86)	18.63	
Dec. 31, 2011	17.92	0.35	(0.16)	0.01	(0.90)	(0.70)	—	—	(0.22)	—	(0.22)	17.23	



FINANCIAL HIGHLIGHTS (cont.)

Change in Net Assets Per Unit (\$) (cont.)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					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	Total	
Series FT5												
June 30, 2016	22.94	0.27	(0.10)	0.52	(0.04)	0.65	—	(0.29)	—	(0.28)	(0.57)	23.05
Dec. 31, 2015	23.92	0.59	(0.23)	0.59	(0.79)	0.16	—	(0.31)	(0.31)	(0.57)	(1.19)	22.94
Dec. 31, 2014 ³	23.92 [†]	0.18	(0.09)	0.51	0.50	1.10	—	(0.08)	(1.10)	—	(1.18)	23.92
Series O												
June 30, 2016	21.95	0.26	—	0.50	(0.04)	0.72	—	—	—	—	—	22.72
Dec. 31, 2015	22.28	0.57	(0.01)	0.57	(0.76)	0.37	—	(0.51)	(0.22)	—	(0.73)	21.95
Dec. 31, 2014	20.21	0.46	—	1.31	1.28	3.05	—	—	(1.00)	—	(1.00)	22.28
Dec. 31, 2013	16.98	0.37	—	1.54	2.41	4.32	—	—	(1.12)	—	(1.12)	20.20
Dec. 31, 2012	15.57	0.47	—	0.84	0.83	2.14	—	(0.17)	(0.62)	—	(0.79)	16.98
Dec. 31, 2011 ⁴	16.61 [†]	0.14	—	—	(0.36)	(0.22)	—	—	(0.22)	—	(0.22)	15.57

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From August 11, 2014.

⁴ From July 11, 2011.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	21.15	1 437 582	67 976	2.09⁴	2.09	53.95	0.11
Dec. 31, 2015	20.65	1 462 301	70 829	2.10	2.10	70.55	0.11
Dec. 31, 2014	20.94	1 422 902	67 956	2.10	2.10	129.63	0.22
Dec. 31, 2013	19.40	973 884	50 213	2.11	2.11	169.00	0.34
Dec. 31, 2012	16.64	446 983	26 859	2.10	2.10	224.54	0.49
Dec. 31, 2011	15.45	305 919	19 802	2.09	2.09	283.38	0.61
Advisor Series							
June 30, 2016	21.57	451 994	20 954	2.05⁴	2.05	53.95	0.11
Dec. 31, 2015	21.05	464 488	22 062	2.06	2.06	70.55	0.11
Dec. 31, 2014	21.35	466 748	21 857	2.06	2.06	129.63	0.22
Dec. 31, 2013	19.76	348 505	17 640	2.08	2.08	169.00	0.34
Dec. 31, 2012	16.94	155 592	9 186	2.06	2.06	224.54	0.49
Dec. 31, 2011	15.71	85 657	5 453	2.07	2.07	283.38	0.61
Advisor T5 Series							
June 30, 2016	20.07	1 520	76	2.02⁴	2.02	53.95	0.11
Dec. 31, 2015	20.09	1 048	52	2.11	2.11	70.55	0.11
Dec. 31, 2014 ⁵	21.18	162	8	2.09	2.09	129.63	0.22
Series T5							
June 30, 2016	20.06	691	34	2.09⁴	2.09	53.95	0.11
Dec. 31, 2015	20.08	630	31	2.12	2.12	70.55	0.11
Dec. 31, 2014 ⁵	21.19	124	6	2.09	2.09	129.63	0.22



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data (cont.)

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series D							
June 30, 2016	22.61	70 779	3 131	1.20⁴	1.20	53.95	0.11
Dec. 31, 2015	21.97	73 657	3 352	1.20	1.20	70.55	0.11
Dec. 31, 2014	22.28	73 952	3 319	1.20	1.20	129.63	0.22
Dec. 31, 2013	20.45	53 844	2 633	1.21	1.21	169.00	0.34
Dec. 31, 2012	17.37	22 023	1 268	1.21	1.21	224.54	0.49
Dec. 31, 2011	16.08	14 109	877	1.21	1.21	283.38	0.61
Series F							
June 30, 2016	24.40	166 335	6 818	0.94⁴	0.94	53.95	0.11
Dec. 31, 2015	23.68	149 803	6 326	0.94	0.94	70.55	0.11
Dec. 31, 2014	24.02	122 563	5 103	0.95	0.95	129.63	0.22
Dec. 31, 2013	21.99	77 665	3 532	0.95	0.95	169.00	0.34
Dec. 31, 2012	18.65	30 763	1 650	0.95	0.95	224.54	0.49
Dec. 31, 2011	17.26	18 672	1 082	0.95	0.95	283.38	0.61
Series FT5							
June 30, 2016	23.05	708	31	0.91⁴	0.91	53.95	0.11
Dec. 31, 2015	22.94	717	31	0.96	0.96	70.55	0.11
Dec. 31, 2014 ⁵	23.92	91	4	0.96	0.96	129.63	0.22
Series O							
June 30, 2016	22.72	190 164	8 371	0.02	0.02	53.95	0.11
Dec. 31, 2015	21.95	202 868	9 242	0.02	0.02	70.55	0.11
Dec. 31, 2014	22.28	202 087	9 070	0.02	0.02	129.63	0.22
Dec. 31, 2013	20.21	119 520	5 914	0.02	0.02	169.00	0.34
Dec. 31, 2012	17.00	31 569	1 857	0.02	0.02	224.54	0.49
Dec. 31, 2011 ⁶	15.59	—	—	0.02	0.02	283.38	0.61

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 1.93%, Advisor Series – 1.89%, Advisor T5 Series – 1.86%, Series T5 – 1.92%, Series D – 1.04%, Series F – 0.77% and Series FT5 – 0.75%.

⁵ From August 11, 2014.

⁶ From July 11, 2011.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.60%	66%	34%
Advisor Series	1.60%	66%	34%
Advisor T5 Series	1.60%	66%	34%
Series T5	1.60%	66%	34%
Series D	0.85%	25%	75%
Series F	0.60%	—	100%
Series FT5	0.60%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

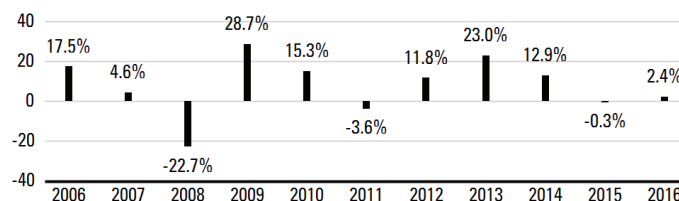
PAST PERFORMANCE

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.

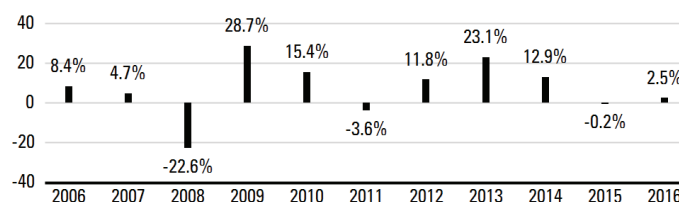
Year-by-Year Returns (%)

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.

Series A (%)



Advisor Series (%)



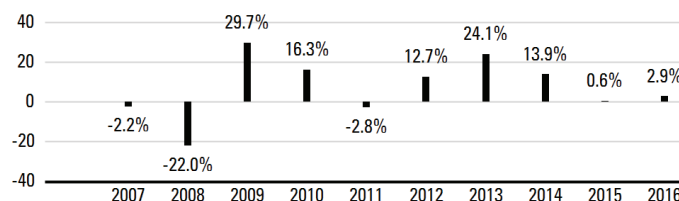
Advisor T5 Series (%)



Series T5 (%)

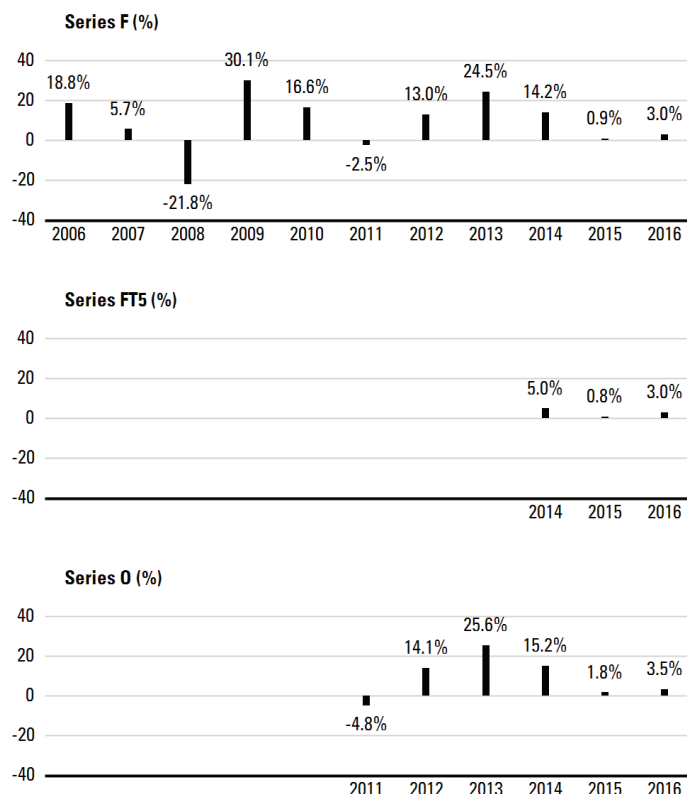


Series D (%)





PAST PERFORMANCE (cont.)



Advisor T5 Series, Series T5 and Series FT5 units have been available for sale to unitholders since August 11, 2014, Series O units since July 11, 2011, Series D units since July 3, 2007, and Advisor Series units since August 28, 2006.

Inception dates are not provided for series that have been in existence for more than 10 years.

All outstanding Series H units were re-designated as Series A units and all outstanding Series I units were re-designated as Series F units effective June 30, 2016.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix – Sectors

	% of Net Asset Value
Financials	29.6
Energy	14.9
Health Care	8.5
Information Technology	8.2
Industrials	7.5
Consumer Staples	6.7
Materials	5.6
Consumer Discretionary	3.6
Telecommunication Services	2.8
Utilities	2.7
Investment Funds	2.0
Cash/Other	7.9

Investment Mix – Countries/Regions

	% of Net Asset Value
Canada	50.5
United States	37.0
Other Countries	4.7
Cash/Other	7.8

Top 25 Holdings

	% of Net Asset Value
Cash & Cash Equivalents	7.9
Royal Bank of Canada	4.0
Bank of Nova Scotia	3.6
Toronto-Dominion Bank	3.0
Brookfield Asset Management Inc., Class A	2.9
Suncor Energy Inc.	2.3
BCE Inc.	1.9
Canadian Natural Resources Ltd.	1.8
JPMorgan Chase & Co.	1.7
Enbridge Inc.	1.6
TransCanada Corp.	1.6
Manulife Financial Corporation	1.4
Berkshire Hathaway Inc., Class B	1.4
UnitedHealth Group Incorporated	1.3
Medtronic Plc.	1.3
Thermo Fisher Scientific Inc.	1.2
Ross Stores Inc.	1.2
Pfizer Inc.	1.1
Lowe's Companies	1.1
Onex Corporation	1.1
SPDR Gold Trust	1.1
D.R. Horton Inc.	1.1
Canadian National Railway Co.	1.0
PrairieSky Royalty Ltd.	1.0
AbbVie Inc.	1.0
Top 25 Holdings	48.6

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.



NORTH AMERICAN EQUITY FUND

RBC NORTH AMERICAN GROWTH FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing in equity securities of Canadian and U.S. companies that offer above-average prospects for growth.

To achieve its goal, the Fund searches for companies with a history of sales and earnings growth and prospects for continued expansion. The Fund may invest in equities of large, medium and small companies, and may also invest in income-trust units.

Results of Operations

The Fund's net asset value was \$499 million as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 1.2%. 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 any other series, which may vary because of differences in management fees and expenses.

Global equity markets experienced considerable volatility in the first half of 2016. Concerns surrounding global economic growth, especially China's economic outlook, weighed on stocks. Another round of interest-rate cuts in Japan and Europe, a further delay in rate hikes by the U.S. Federal Reserve (the "Fed") and a steadying U.S. economy helped provide support.

Commodity prices staged a strong recovery. The prices of crude oil and gold, which benefited from global policy easing, rose significantly during the period. Commodity gains contributed to the Canadian market's strong performance in the first half of 2016. The U.S. market posted low-single-digit returns, aided by the oil-price surge, a pause in the U.S. dollar rally and the stabilization in Chinese economic data.

Stock selection in Canada had a negative impact on relative performance, with holdings in Magna International, Redknee Solutions and Canadian National Railway holding back returns. The best relative-performing sectors were Energy, Health Care and Information Technology, while Materials and Industrials underperformed. Stocks with a positive contribution to performance included Detour Gold, Spartan Energy and TransCanada.

Stock selection in the U.S. had a negative impact on relative returns, as holdings in Amazon.com, Goodyear Tire & Rubber and E*Trade Financial negatively impacted performance, while positions in Boston Scientific, Continental Resources and Edwards Lifesciences contributed to performance. The best-performing sectors on a relative basis were Energy and Health Care, while Information Technology and Consumer Discretionary lagged.

The Canadian dollar strengthened against the U.S. dollar on the rebound in oil prices and on expectations that the Fed would raise interest rates more gradually than had been expected. The Fund continued to hedge a portion of its currency exposure to U.S. equities.

As of June 30, 2016, 61.0% of the Fund was invested in Canadian equities and 35.5% in U.S. equities. The remaining 3.5% was held in cash.

Portfolio turnover is high for the Fund as the portfolio manager attempts to generate better returns through active fund management.

Recent Developments

Equity markets continue to be attractively priced relative to their long-term history. The bulk of equity gains in recent months has been delivered through expanding valuations as investors are willing to pay a premium for the growth and yield of equity markets in an environment of low interest rates, low inflation and stimulative monetary policy. In the view of the portfolio manager, modest global growth, coupled with stability in commodities, should allow equities to again provide moderate total returns.

Effective June 30, 2016, management fees were reduced as follows: from 1.75% to 1.60% for Series A and Advisor Series units; from 1.00% to 0.85% for Series D units; and from 0.75% to 0.60% for Series F units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series D units.



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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$38,000 (2015 – \$18,000) or 13% (2015 – 7%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016	29.43	0.55	(0.30)	0.31	(0.26)	0.30	—	—	—	—	—	29.78	
Dec. 31, 2015	30.22	0.73	(0.65)	1.52	(1.05)	0.55	—	(0.07)	(1.19)	—	(1.26)	29.43	
Dec. 31, 2014	28.07	0.96	(0.62)	2.51	0.02	2.87	—	(0.30)	(0.40)	—	(0.70)	30.22	
Dec. 31, 2013	23.46	1.05	(0.54)	2.72	1.88	5.11	—	(0.53)	—	—	(0.53)	28.06	
Dec. 31, 2012	22.10	0.81	(0.48)	1.34	0.05	1.72	—	(0.34)	—	—	(0.34)	23.46	
Dec. 31, 2011	24.05	0.51	(0.46)	0.90	(2.84)	(1.89)	—	—	—	—	—	22.10	
Advisor Series													
June 30, 2016	30.50	0.57	(0.31)	0.32	(0.27)	0.31	—	—	—	—	—	30.86	
Dec. 31, 2015	31.30	0.75	(0.66)	1.57	(1.08)	0.58	—	(0.09)	(1.22)	—	(1.31)	30.50	
Dec. 31, 2014	29.04	1.00	(0.63)	2.60	0.02	2.99	—	(0.29)	(0.40)	—	(0.69)	31.30	
Dec. 31, 2013	24.14	1.09	(0.55)	2.81	1.95	5.30	—	(0.40)	—	—	(0.40)	29.03	
Dec. 31, 2012	22.68	0.84	(0.49)	1.37	0.06	1.78	—	(0.31)	—	—	(0.31)	24.14	
Dec. 31, 2011	24.68	0.53	(0.46)	0.92	(2.92)	(1.93)	—	—	—	—	—	22.68	
Series D													
June 30, 2016	30.00	0.57	(0.18)	0.31	(0.27)	0.43	—	—	—	—	—	30.48	
Dec. 31, 2015	30.81	0.74	(0.39)	1.55	(1.07)	0.83	—	(0.35)	(1.22)	—	(1.57)	30.00	
Dec. 31, 2014	28.59	0.98	(0.37)	2.56	0.02	3.19	—	(0.55)	(0.40)	—	(0.95)	30.81	
Dec. 31, 2013	23.85	1.07	(0.32)	2.77	1.92	5.44	—	(0.75)	—	—	(0.75)	28.58	
Dec. 31, 2012	22.47	0.83	(0.28)	1.36	0.06	1.97	—	(0.55)	—	—	(0.55)	23.85	
Dec. 31, 2011	24.24	0.52	(0.27)	0.91	(2.87)	(1.71)	—	—	—	—	—	22.47	
Series F													
June 30, 2016	32.23	0.61	(0.15)	0.34	(0.29)	0.51	—	—	—	—	—	32.79	
Dec. 31, 2015	33.10	0.80	(0.32)	1.67	(1.15)	1.00	—	(0.47)	(1.31)	—	(1.78)	32.23	
Dec. 31, 2014	30.64	1.06	(0.31)	2.76	0.02	3.53	—	(0.59)	(0.44)	—	(1.03)	33.10	
Dec. 31, 2013	25.50	1.15	(0.27)	2.98	2.06	5.92	—	(0.80)	—	—	(0.80)	30.63	
Dec. 31, 2012	24.04	0.89	(0.24)	1.46	0.06	2.17	—	(0.68)	—	—	(0.68)	25.50	
Dec. 31, 2011	25.87	0.56	(0.22)	0.97	(3.08)	(1.77)	—	—	—	—	—	24.04	
Series O													
June 30, 2016	34.09	0.65	—	0.36	(0.31)	0.70	—	—	—	—	—	34.84	
Dec. 31, 2015	35.03	0.85	(0.01)	1.78	(1.23)	1.39	—	(0.83)	(1.40)	—	(2.23)	34.09	
Dec. 31, 2014	32.48	1.12	(0.01)	2.93	0.02	4.06	—	(1.01)	(0.46)	—	(1.47)	35.03	
Dec. 31, 2013	26.21	1.09	(0.01)	2.83	1.96	5.87	—	(0.15)	—	—	(0.15)	32.47	
Dec. 31, 2012	24.61	0.92	(0.01)	1.50	0.06	2.47	—	(0.83)	—	—	(0.83)	26.21	
Dec. 31, 2011	26.24	0.57	—	0.99	(3.14)	(1.58)	—	—	—	—	—	24.61	

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	29.78	457 434	15 363	2.09⁴	2.09	143.41	0.12
Dec. 31, 2015	29.43	478 597	16 262	2.09	2.09	139.89	0.09
Dec. 31, 2014	30.22	520 202	17 213	2.09	2.09	182.73	0.14
Dec. 31, 2013	28.07	515 703	18 371	2.09	2.09	134.47	0.16
Dec. 31, 2012	23.48	459 337	19 562	2.08	2.08	137.82	0.14
Dec. 31, 2011	22.12	476 390	21 533	2.07	2.07	116.41	0.15
Advisor Series							
June 30, 2016	30.86	2 663	86	2.05⁴	2.05	143.41	0.12
Dec. 31, 2015	30.50	3 238	106	2.05	2.05	139.89	0.09
Dec. 31, 2014	31.30	2 921	93	2.05	2.05	182.73	0.14
Dec. 31, 2013	29.04	2 216	76	2.08	2.08	134.47	0.16
Dec. 31, 2012	24.16	1 161	48	2.05	2.05	137.82	0.14
Dec. 31, 2011	22.71	968	43	2.05	2.05	116.41	0.15
Series D							
June 30, 2016	30.48	31 343	1 028	1.21⁴	1.21	143.41	0.12
Dec. 31, 2015	30.00	30 982	1 033	1.21	1.21	139.89	0.09
Dec. 31, 2014	30.81	29 434	955	1.21	1.21	182.73	0.14
Dec. 31, 2013	28.59	25 417	889	1.21	1.21	134.47	0.16
Dec. 31, 2012	23.88	20 865	874	1.21	1.21	137.82	0.14
Dec. 31, 2011	22.50	20 727	921	1.19	1.19	116.41	0.15
Series F							
June 30, 2016	32.79	4 626	141	0.94⁴	0.94	143.41	0.12
Dec. 31, 2015	32.23	4 291	133	0.94	0.94	139.89	0.09
Dec. 31, 2014	33.10	3 207	97	0.95	0.95	182.73	0.14
Dec. 31, 2013	30.64	2 255	74	0.94	0.94	134.47	0.16
Dec. 31, 2012	25.52	1 538	60	0.95	0.95	137.82	0.14
Dec. 31, 2011	24.07	1 492	62	0.93	0.93	116.41	0.15
Series O							
June 30, 2016	34.84	3 106	89	0.02	0.02	143.41	0.12
Dec. 31, 2015	34.09	2 755	81	0.02	0.02	139.89	0.09
Dec. 31, 2014	35.03	2 352	67	0.02	0.02	182.73	0.14
Dec. 31, 2013	32.48	1 736	53	0.02	0.02	134.47	0.16
Dec. 31, 2012	26.24	49 269	1 878	0.02	0.02	137.82	0.14
Dec. 31, 2011	24.64	40 882	1 659	0.02	0.02	116.41	0.15

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 1.92%, Advisor Series – 1.88%, Series D – 1.04% and Series F – 0.78%.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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*
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Advisor Series	1.60%	66%	34%
Series D	0.85%	25%	75%
Series F	0.60%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

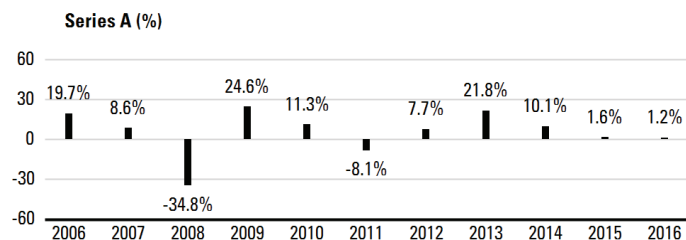
* Includes all costs related to management, trustee, investment advisory services, general administration and profit.

PAST PERFORMANCE

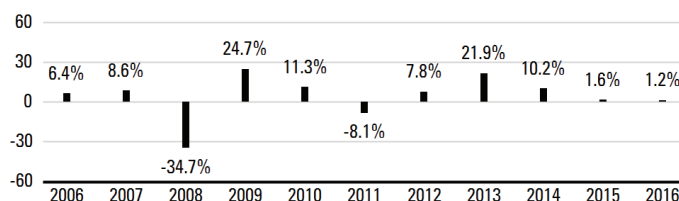
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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 (%)

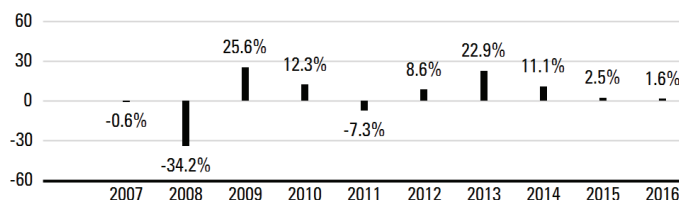
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



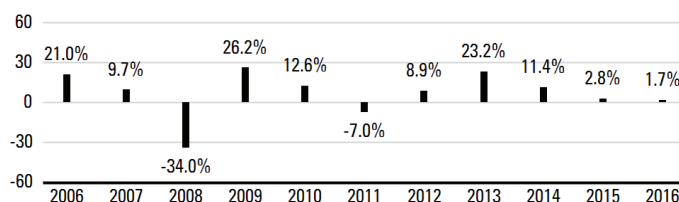
Advisor Series (%)



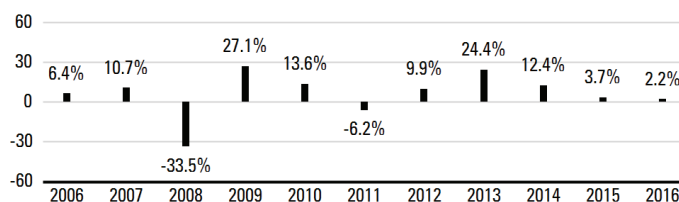
Series D (%)



Series F (%)



Series O (%)



Series D units have been available for sale to unitholders since July 3, 2007, Series O units since September 5, 2006, and Advisor Series units since August 28, 2006.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix – Sectors

	% of Net Asset Value
Financials	24.9
Energy	15.2
Information Technology	9.4
Materials	8.7
Consumer Discretionary	8.4
Industrials	8.2
Consumer Staples	5.7
Health Care	5.2
Telecommunication Services	3.0
Utilities	2.0
Cash/Other	9.3

Investment Mix – Countries/Regions

	% of Net Asset Value
Canada	57
United States	33.8
Cash/Other	9.2

Top 25 Holdings

	% of Net Asset Value
Royal Bank of Canada	4.7
Toronto-Dominion Bank	4.3
Cash & Cash Equivalents	3.5
Bank of Nova Scotia	3.0
Canadian National Railway Co.	2.7
Suncor Energy Inc.	2.3
Bank of Montreal	2.2
Enbridge Inc.	1.8
Canadian Natural Resources Ltd.	1.8
BCE Inc.	1.7
Brookfield Asset Management Inc., Class A	1.6
TransCanada Corp.	1.6
Canadian Imperial Bank of Commerce	1.5
Manulife Financial Corporation	1.5
Apple Inc.	1.1
Magna International Inc., Class A	1.1
Power Corporation of Canada	1.0
Goldcorp Inc.	1.0
TELUS Corp.	1.0
Sun Life Financial Inc.	1.0
Amazon.com, Inc.	0.8
Loblaw Companies Ltd.	0.8
Microsoft Corp.	0.8
Canadian Pacific Railway Ltd.	0.8
Potash Corporation of Saskatchewan Inc.	0.7
Top 25 Holdings	44.3

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.



U.S. EQUITY FUND

RBC U.S. DIVIDEND FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund invests 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.

Results of Operations

The Fund's net asset value was \$2.8 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 3.3%. 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 any other series, which may vary because of differences in management fees and expenses.

The U.S. stock market posted modest returns during the first half of 2016 after recovering from significant declines early in the year. The rebound was driven by a surge in the price of oil, which almost doubled from its February low, a pause in the U.S. dollar's long-term rally and stabilization in Chinese economic data. These forces combined to reduce the likelihood of an imminent credit crisis in China or other emerging market, which could have negatively impacted the U.S. economic outlook. In addition to the stock recovery, corporate bonds rallied, especially in the Energy sector, and commodities staged impressive price gains.

Telecommunication Services, Utilities and Consumer Staples were the best-performing sectors in the Fund during the first half of this year. Also aiding returns were the Health Care sector, where Johnson & Johnson and health insurer United Health moved higher as investors sought companies with stable earnings and decent growth prospects. Underweight positions in the Information Technology and Consumer Discretionary sectors also helped performance, as did stock selection in the Consumer Staples, Health Care and Telecommunication Services sectors. Altria, a Consumer Staples stock, boosted returns, while in Telecommunication Services, AT&T and Verizon drove returns given their attractive dividend yields.

Performance was hurt by positions in the Information Technology sector, where disappointing financial results for both Apple Inc. and Microsoft led to the stocks' underperformance. The Fund's overweight position in commodity chemicals maker LyondellBasell also hurt performance as global growth slowed. Poor stock selection in the Financials sector held back returns, with Wells Fargo and KeyBank declining on concern that lower interest rates will squeeze lending income.

Portfolio turnover is normally high for this Fund, as the portfolio manager attempts to generate better returns through active sector and stock selection.

Recent Developments

In the portfolio manager's opinion, the stock market is priced as if we are in the later stages of the economic cycle. The U.K.'s decision to exit the EU has increased the level of uncertainty and volatility in markets and will likely lead to a moderation in growth. The portfolio manager has been positioned to protect against a slowdown in economic growth and remains so given the recent advance and the still-temper prospects for growth.

Effective June 30, 2016, management fees were reduced as follows: from 1.75% to 1.60% for Series A, Advisor Series, Advisor T5 Series, Series T5 and Series T8 units; from 1.00% to 0.85% for Series D units; and from 0.75% to 0.60% for Series F and Series FT5 units. Also effective June 30, 2016, Series H units were re-designated to Series A units, and Series I units were re-designated to Series F units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units 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 T8 and Series D units.

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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$272,000 (2015 – \$68,000) or 15% (2015 – 5%) of the total transaction costs paid for this Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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		
Series A												
June 30, 2016	24.07	0.27	(0.24)	(0.20)	(0.54)	(0.71)	—	(0.05)	—	—	(0.05)	23.21
Dec. 31, 2015	21.63	0.63	(0.49)	1.96	2.11	4.21	—	(0.02)	(1.08)	—	(1.10)	24.07
Dec. 31, 2014	20.24	0.49	(0.44)	2.86	1.13	4.04	—	(0.02)	(2.44)	—	(2.46)	21.63
Dec. 31, 2013	15.70	0.48	(0.38)	2.14	3.01	5.25	—	(0.08)	(0.55)	—	(0.63)	20.24
Dec. 31, 2012	14.58	0.47	(0.32)	0.87	0.01	1.03	—	(0.10)	—	—	(0.10)	15.70
Dec. 31, 2011	14.62	0.30	(0.29)	0.31	(0.39)	(0.07)	—	—	—	—	—	14.58
Advisor Series												
June 30, 2016	24.09	0.27	(0.23)	(0.20)	(0.54)	(0.70)	—	(0.06)	—	—	(0.06)	23.23
Dec. 31, 2015	21.64	0.64	(0.49)	1.99	2.14	4.28	—	(0.02)	(1.08)	—	(1.10)	24.09
Dec. 31, 2014	20.26	0.48	(0.43)	2.82	1.11	3.98	—	(0.03)	(2.44)	—	(2.47)	21.64
Dec. 31, 2013	15.71	0.48	(0.37)	2.14	3.01	5.26	—	(0.08)	(0.55)	—	(0.63)	20.26
Dec. 31, 2012	14.57	0.45	(0.32)	0.85	0.01	0.99	—	(0.09)	—	—	(0.09)	15.71
Dec. 31, 2011	14.60	0.30	(0.28)	0.31	(0.39)	(0.06)	—	—	—	—	—	14.57
Advisor T5 Series												
June 30, 2016	23.37	0.27	(0.23)	(0.20)	(0.54)	(0.70)	—	(0.59)	—	—	(0.59)	21.99
Dec. 31, 2015	21.35	0.64	(0.49)	1.99	2.14	4.28	—	(0.07)	(1.37)	—	(1.44)	23.37
Dec. 31, 2014 ³	19.89 [†]	0.48	(0.43)	2.82	1.11	3.98	—	—	(1.33)	—	(1.33)	21.35
Series T5												
June 30, 2016	23.72	0.26	(0.23)	(0.19)	(0.53)	(0.69)	—	(0.59)	—	—	(0.59)	22.33
Dec. 31, 2015	21.41	0.62	(0.47)	1.91	2.05	4.11	—	(0.05)	(1.09)	—	(1.14)	23.72
Dec. 31, 2014	19.75	0.47	(0.42)	2.76	1.09	3.90	—	(0.03)	(2.04)	—	(2.07)	21.41
Dec. 31, 2013	15.57	0.44	(0.36)	1.97	2.77	4.82	—	(0.08)	(0.79)	—	(0.87)	19.75
Dec. 31, 2012 ⁴	15.94 [†]	0.09	(0.09)	0.17	—	0.17	—	(0.03)	—	(0.17)	(0.20)	15.57
Series T8												
June 30, 2016	11.63	0.13	(0.11)	(0.09)	(0.26)	(0.33)	—	(0.31)	—	(0.16)	(0.47)	10.77
Dec. 31, 2015	10.77	0.30	(0.23)	0.94	1.01	2.02	—	(0.03)	(0.54)	(0.29)	(0.86)	11.63
Dec. 31, 2014	10.02	0.23	(0.21)	1.38	0.54	1.94	—	(0.02)	(0.93)	(0.17)	(1.12)	10.77
Dec. 31, 2013	8.09	0.24	(0.18)	1.07	1.51	2.64	—	(0.05)	(0.27)	(0.33)	(0.65)	10.02
Dec. 31, 2012	8.06	0.25	(0.17)	0.46	0.01	0.55	—	(0.06)	—	(0.58)	(0.64)	8.09
Dec. 31, 2011	8.79	0.17	(0.16)	0.18	(0.23)	(0.04)	—	—	—	(0.70)	(0.70)	8.06



FINANCIAL HIGHLIGHTS (cont.)

Change in Net Assets Per Unit (\$) (cont.)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					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		
Series D												
June 30, 2016	24.69	0.28	(0.14)	(0.20)	(0.56)	(0.62)	—	(0.16)	—	—	(0.16)	23.81
Dec. 31, 2015	22.15	0.65	(0.29)	2.01	2.16	4.53	—	(0.21)	(1.10)	—	(1.31)	24.69
Dec. 31, 2014	20.73	0.50	(0.26)	2.93	1.15	4.32	—	(0.20)	(2.51)	—	(2.71)	22.15
Dec. 31, 2013	16.05	0.49	(0.23)	2.18	3.07	5.51	—	(0.23)	(0.55)	—	(0.78)	20.73
Dec. 31, 2012	14.87	0.46	(0.19)	0.87	0.01	1.15	—	(0.21)	—	—	(0.21)	16.05
Dec. 31, 2011	14.79	0.30	(0.17)	0.31	(0.40)	0.04	—	—	—	—	—	14.87
Series F												
June 30, 2016	26.40	0.30	(0.12)	(0.22)	(0.59)	(0.63)	—	(0.20)	—	—	(0.20)	25.46
Dec. 31, 2015	23.68	0.70	(0.24)	2.15	2.31	4.92	—	(0.29)	(1.17)	—	(1.46)	26.40
Dec. 31, 2014	22.17	0.53	(0.21)	3.09	1.22	4.63	—	(0.27)	(2.69)	—	(2.96)	23.68
Dec. 31, 2013	17.15	0.52	(0.19)	2.30	3.24	5.87	—	(0.29)	(0.58)	—	(0.87)	22.16
Dec. 31, 2012	15.87	0.48	(0.16)	0.90	0.01	1.23	—	(0.25)	—	—	(0.25)	17.15
Dec. 31, 2011	15.74	0.32	(0.14)	0.33	(0.42)	0.09	—	—	—	—	—	15.87
Series FT5												
June 30, 2016	25.72	0.29	(0.11)	(0.21)	(0.57)	(0.60)	—	(0.64)	—	—	(0.64)	24.36
Dec. 31, 2015	23.43	0.62	(0.23)	1.93	2.07	4.39	—	(0.31)	(1.48)	—	(1.79)	25.72
Dec. 31, 2014 ³	21.79 [†]	0.18	(0.10)	1.05	0.41	1.54	—	(0.03)	(1.48)	—	(1.51)	23.43
Series O												
June 30, 2016	25.89	0.29	—	(0.21)	(0.58)	(0.50)	—	(0.30)	—	—	(0.30)	24.98
Dec. 31, 2015	23.23	0.54	(0.01)	1.66	1.79	3.98	—	(0.51)	(1.16)	—	(1.67)	25.89
Dec. 31, 2014	21.78	0.52	(0.01)	3.07	1.21	4.79	—	(0.47)	(2.69)	—	(3.16)	23.23
Dec. 31, 2013	16.82	0.50	—	2.23	3.14	5.87	—	(0.43)	(0.57)	—	(1.00)	21.78
Dec. 31, 2012	15.50	0.43	—	0.80	0.01	1.24	—	(0.32)	—	—	(0.32)	16.82
Dec. 31, 2011	15.23	0.31	—	0.32	(0.41)	0.22	—	—	—	—	—	15.50

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From August 11, 2014.

⁴ From September 24, 2012.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	23.21	719 369	30 989	2.08⁴	2.08	162.58	0.14
Dec. 31, 2015	24.07	746 420	31 013	2.09	2.09	205.51	0.17
Dec. 31, 2014	21.63	527 594	24 397	2.08	2.08	299.68	0.24
Dec. 31, 2013	20.24	369 340	18 244	2.09	2.09	272.14	0.32
Dec. 31, 2012	15.70	172 425	10 981	2.09	2.09	229.79	0.22
Dec. 31, 2011	14.58	100 160	6 868	2.09	2.09	390.52	0.55
Advisor Series							
June 30, 2016	23.23	262 566	11 301	2.05⁴	2.05	162.58	0.14
Dec. 31, 2015	24.09	287 795	11 947	2.07	2.07	205.51	0.17
Dec. 31, 2014	21.64	243 718	11 263	2.05	2.05	299.68	0.24
Dec. 31, 2013	20.26	137 259	6 774	2.05	2.05	272.14	0.32
Dec. 31, 2012	15.71	63 797	4 060	2.03	2.03	229.79	0.22
Dec. 31, 2011	14.58	23 232	1 594	2.04	2.04	390.52	0.55
Advisor T5 Series							
June 30, 2016	21.99	1 129	51	2.08⁴	2.08	162.58	0.14
Dec. 31, 2015	23.37	1 109	47	1.94	1.94	205.51	0.17
Dec. 31, 2014 ⁵	21.35	121	6	2.09	2.09	299.68	0.24
Series T5							
June 30, 2016	22.33	3 641	163	2.04⁴	2.04	162.58	0.14
Dec. 31, 2015	23.72	3 903	165	2.04	2.04	205.51	0.17
Dec. 31, 2014	21.41	2 999	140	2.05	2.05	299.68	0.24
Dec. 31, 2013	19.75	1 805	91	2.02	2.02	272.14	0.32
Dec. 31, 2012 ⁶	15.58	286	18	2.09	2.09	229.79	0.22
Series T8							
June 30, 2016	10.77	7 426	689	2.02⁴	2.02	162.58	0.14
Dec. 31, 2015	11.63	8 221	707	2.04	2.04	205.51	0.17
Dec. 31, 2014	10.77	5 838	542	2.05	2.05	299.68	0.24
Dec. 31, 2013	10.02	3 391	338	2.03	2.03	272.14	0.32
Dec. 31, 2012	8.09	2 030	251	2.02	2.02	229.79	0.22
Dec. 31, 2011	8.06	1 337	166	2.03	2.03	390.52	0.55
Series D							
June 30, 2016	23.81	50 433	2 118	1.20⁴	1.20	162.58	0.14
Dec. 31, 2015	24.69	54 023	2 188	1.19	1.19	205.51	0.17
Dec. 31, 2014	22.15	34 753	1 569	1.19	1.19	299.68	0.24
Dec. 31, 2013	20.73	20 520	990	1.22	1.22	272.14	0.32
Dec. 31, 2012	16.06	8 128	506	1.21	1.21	229.79	0.22
Dec. 31, 2011	14.88	2 935	197	1.21	1.21	390.52	0.55
Series F							
June 30, 2016	25.46	145 630	5 720	0.93⁴	0.93	162.58	0.14
Dec. 31, 2015	26.40	136 453	5 170	0.93	0.93	205.51	0.17
Dec. 31, 2014	23.68	94 864	4 006	0.94	0.94	299.68	0.24
Dec. 31, 2013	22.17	52 099	2 350	0.95	0.95	272.14	0.32
Dec. 31, 2012	17.16	16 761	977	0.95	0.95	229.79	0.22
Dec. 31, 2011	15.88	4 982	314	0.96	0.96	390.52	0.55



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data (cont.)

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series FT5							
June 30, 2016	24.36	714	29	0.92⁴	0.92	162.58	0.14
Dec. 31, 2015	25.72	611	24	0.90	0.90	205.51	0.17
Dec. 31, 2014 ⁵	23.43	22	1	0.89	0.89	299.68	0.24
Series O							
June 30, 2016	24.98	1 597 090	63 942	0.02	0.02	162.58	0.14
Dec. 31, 2015	25.89	1 378 762	53 260	0.02	0.02	205.51	0.17
Dec. 31, 2014	23.23	167 808	7 223	0.02	0.02	299.68	0.24
Dec. 31, 2013	21.78	107 685	4 944	0.02	0.02	272.14	0.32
Dec. 31, 2012	16.82	18 892	1 123	0.02	0.02	229.79	0.22
Dec. 31, 2011	15.51	1 002	65	0.03	0.03	390.52	0.55

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 1.92%, Advisor Series – 1.88%, Advisor T5 Series – 1.91%, Series T5 – 1.88%, Series T8 – 1.86%, Series D – 1.04%, Series F – 0.77% and Series FT5 – 0.76%.

⁵ From August 11, 2014.

⁶ From September 24, 2012.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.60%	66%	34%
Advisor Series	1.60%	66%	34%
Advisor T5 Series	1.60%	66%	34%
Series T5	1.60%	66%	34%
Series T8	1.60%	66%	34%
Series D	0.85%	25%	75%
Series F	0.60%	—	100%
Series FT5	0.60%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

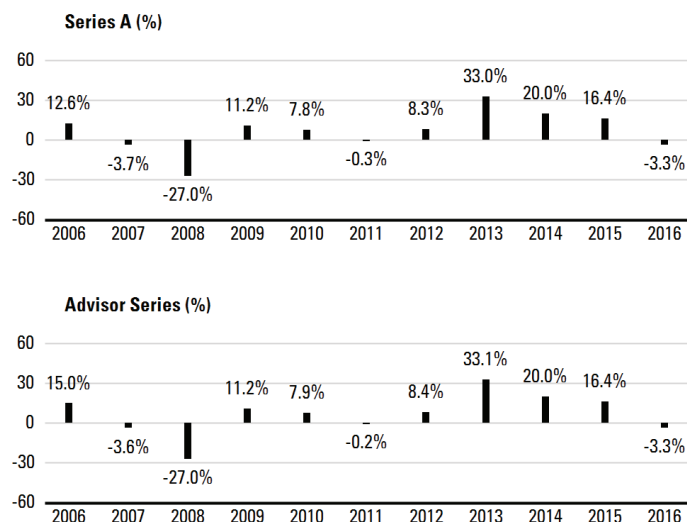


PAST PERFORMANCE

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 (%)

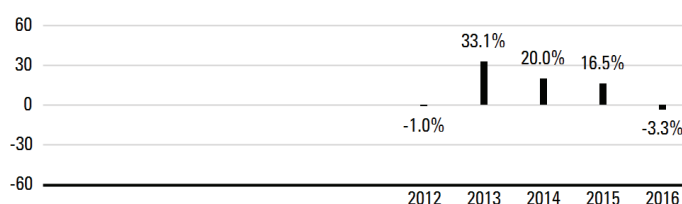
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



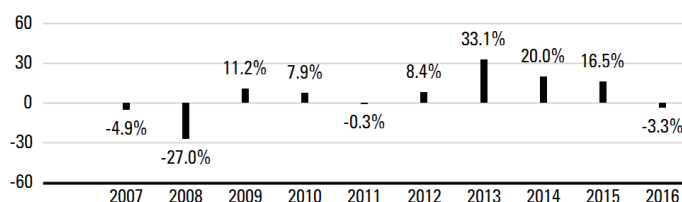
Advisor T5 Series (%)



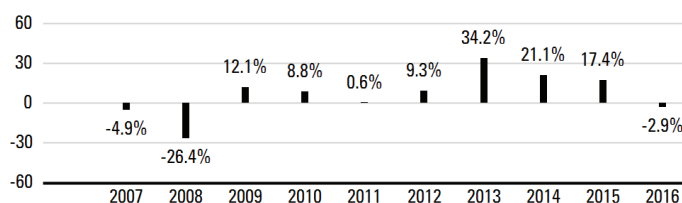
Series T5 (%)



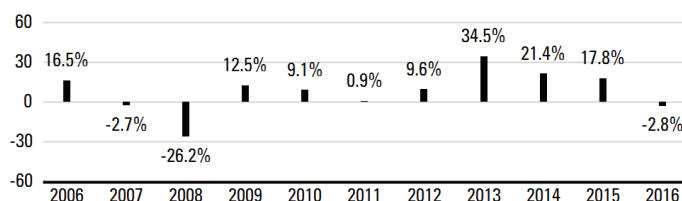
Series T8 (%)



Series D (%)

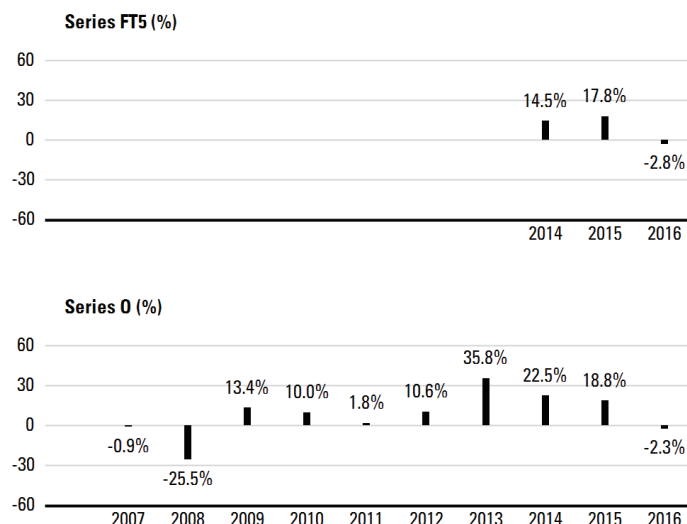


Series F (%)





PAST PERFORMANCE (cont.)



Advisor T5 Series and Series FT5 units have been available for sale to unitholders since August 11, 2014, Series T5 units since September 24, 2012, Series O units since October 1, 2007, Series T8 and Series D units since July 3, 2007, and Series A units since July 4, 2006.

Inception dates are not provided for series that have been in existence for more than 10 years.

All outstanding Series H units were re-designated as Series A units and all outstanding Series I units were re-designated as Series F units effective June 30, 2016.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Information Technology	17.4
Health Care	15.6
Financials	14.2
Consumer Staples	13.5
Consumer Discretionary	10.7
Energy	7.8
Industrials	6.8
Telecommunication Services	4.6
Utilities	4.4
Materials	2.0
Cash/Other	3.0

Top 25 Holdings

	% of Net Asset Value
Microsoft Corp.	4.8
Altria Group Inc.	3.7
Johnson & Johnson	3.3
AT&T Inc.	3.3
Chevron Corp.	3.0
Cash & Cash Equivalents	3.0
JPMorgan Chase & Co.	3.0
CVS Health Corp.	2.7
Apple Inc.	2.6
Simon Property Group Inc.	2.4
Occidental Petroleum Corp.	2.4
PepsiCo Inc.	2.3
Philip Morris International Inc.	2.3
Medtronic Plc.	2.2
UnitedHealth Group Incorporated	2.2
Cardinal Health Inc.	2.1
Pfizer Inc.	2.1
Wells Fargo & Company	2.0
Oracle Corporation	2.0
Gilead Sciences Inc.	1.8
Raytheon Company	1.6
General Electric Company	1.6
Comcast Corp., Class A	1.5
Anheuser-Busch InBev S.A. ADR	1.5
Intel Corp.	1.5
Top 25 Holdings	60.9

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



U.S. EQUITY FUND

RBC U.S. EQUITY FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in equity securities of U.S. companies, providing broad exposure to economic growth through the U.S. stock market.

The Fund diversifies across industries and selects 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 \$1.6 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 5.7%. 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 any other series, which may vary because of differences in management fees and expenses.

Continued concern over slow global economic growth, Britain's vote in favour of leaving the EU and uncertainty about the direction of U.S. monetary policy all contributed to broad swings in equity markets during the period. Through all this, the U.S. domestic economy continued to grow modestly while inflation and interest rates remained near historically low levels. Steady improvement in U.S. housing and employment markets buoyed U.S. growth. Large-cap stocks underperformed small-cap equities, which benefited from exposure to the relatively strong U.S. economy. Larger companies, which will be affected by the U.K. vote, tend to rely more on foreign markets for profits.

The Fund's underperformance was due to subpar stock selection in the Consumer Discretionary, Industrials and Information Technology sectors, along with underweight exposure to the Utilities sector. Companies including Nordstrom, Alphabet (also known as Google) and Salesforce.com lagged the broader market and hindered returns.

On the positive side, the Fund benefited from a decision to hold an underweight position in the Energy sector and an overweight position in the Materials sector. Good stock selection in the Health Care and Utilities sectors contributed to returns. Health-care device company Boston Scientific and UnitedHealthcare, a health insurer, contributed to performance, while investments in dividend-rich AT&T and domestic utility company NiSource also performed well.

Portfolio turnover is normally high for this Fund, as the portfolio manager attempts to generate better returns through active sector and stock selection.

Recent Developments

The portfolio manager remains somewhat optimistic about U.S. equity markets given the persistence of corporate earnings strength, relatively weak inflation and lower commodity prices. While valuations for U.S. companies are no longer as attractive, the portfolio manager believes they still allow for moderate returns.

We are likely in the later stages of the business cycle, in the view of the portfolio manager, and further equity advances will require faster earnings growth as price/earnings multiples are not likely to rise much further in the near term. The portfolio manager believes that stock selection will gain in importance due to broadly higher equity valuations.

Effective June 30, 2016, management fees were reduced as follows: from 1.75% to 1.60% for Series A and Advisor Series units; from 1.00% to 0.85% for Series D units; and from 0.75% to 0.60% for Series F units. Also effective June 30, 2016, Series H and Series I units were closed to all investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series D units.

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 units of the Fund.



Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$105,000 (2015 – \$282,000) or 11% (2015 – 8%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016	27.27	0.22	(0.27)	(0.13)	(1.32)	(1.50)	—	—	—	—	—	25.71	
Dec. 31, 2015	29.93	0.76	(0.67)	9.92	(4.03)	5.98	—	(6.44)	(0.28)	—	(6.72)	27.27	
Dec. 31, 2014	28.56	0.47	(0.64)	6.08	(1.27)	4.64	—	—	(3.50)	—	(3.50)	29.93	
Dec. 31, 2013	21.12	0.37	(0.52)	4.69	3.01	7.55	—	—	—	—	—	28.56	
Dec. 31, 2012	19.53	0.43	(0.43)	1.75	(0.16)	1.59	—	—	—	—	—	21.12	
Dec. 31, 2011	20.44	0.29	(0.39)	(0.45)	(0.33)	(0.88)	—	—	—	—	—	19.53	
Advisor Series													
June 30, 2016	27.39	0.23	(0.27)	(0.13)	(1.33)	(1.50)	—	—	—	—	—	25.83	
Dec. 31, 2015	30.07	0.78	(0.67)	10.11	(4.11)	6.11	—	(6.46)	(0.28)	—	(6.74)	27.39	
Dec. 31, 2014	28.66	0.47	(0.63)	6.13	(1.28)	4.69	—	—	(3.50)	—	(3.50)	30.07	
Dec. 31, 2013	21.18	0.37	(0.51)	4.71	3.02	7.59	—	—	—	—	—	28.66	
Dec. 31, 2012	19.57	0.43	(0.41)	1.75	(0.16)	1.61	—	(0.01)	—	—	(0.01)	21.18	
Dec. 31, 2011	20.45	0.29	(0.38)	(0.45)	(0.33)	(0.87)	—	—	—	—	—	19.57	
Series D													
June 30, 2016	28.60	0.24	(0.16)	(0.14)	(1.39)	(1.45)	—	—	—	—	—	27.08	
Dec. 31, 2015	31.44	0.83	(0.41)	10.71	(4.35)	6.78	—	(7.10)	(0.29)	—	(7.39)	28.60	
Dec. 31, 2014	29.81	0.49	(0.39)	6.39	(1.34)	5.15	—	(0.08)	(3.68)	—	(3.76)	31.44	
Dec. 31, 2013	21.89	0.39	(0.32)	4.88	3.13	8.08	—	(0.07)	—	—	(0.07)	29.80	
Dec. 31, 2012	20.24	0.45	(0.26)	1.82	(0.17)	1.84	—	(0.18)	—	—	(0.18)	21.89	
Dec. 31, 2011	21.03	0.30	(0.23)	(0.47)	(0.34)	(0.74)	—	(0.04)	—	—	(0.04)	20.24	
Series F													
June 30, 2016	30.70	0.25	(0.14)	(0.15)	(1.48)	(1.52)	—	—	—	—	—	29.11	
Dec. 31, 2015	33.78	0.87	(0.35)	11.24	(4.57)	7.19	—	(7.76)	(0.31)	—	(8.07)	30.70	
Dec. 31, 2014	32.04	0.53	(0.33)	6.85	(1.43)	5.62	—	(0.18)	(3.97)	—	(4.15)	33.78	
Dec. 31, 2013	23.52	0.42	(0.27)	5.25	3.37	8.77	—	(0.14)	—	—	(0.14)	32.04	
Dec. 31, 2012	21.73	0.48	(0.22)	1.95	(0.18)	2.03	—	(0.25)	—	—	(0.25)	23.52	
Dec. 31, 2011	22.58	0.32	(0.19)	(0.50)	(0.36)	(0.73)	—	(0.10)	—	—	(0.10)	21.73	
Series O													
June 30, 2016	29.46	0.24	—	(0.15)	(1.43)	(1.34)	—	—	—	—	—	28.06	
Dec. 31, 2015	32.61	0.67	(0.01)	8.66	(3.52)	5.80	—	(8.00)	(0.31)	—	(8.31)	29.46	
Dec. 31, 2014	31.02	0.51	(0.01)	6.58	(1.37)	5.71	—	(0.58)	(3.88)	—	(4.46)	32.61	
Dec. 31, 2013	22.75	0.40	(0.01)	5.10	3.27	8.76	—	(0.38)	—	—	(0.38)	31.02	
Dec. 31, 2012	21.04	0.47	—	1.89	(0.17)	2.19	—	(0.47)	—	—	(0.47)	22.75	
Dec. 31, 2011	21.84	0.31	—	(0.49)	(0.35)	(0.53)	—	(0.27)	—	—	(0.27)	21.04	

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	25.71	487 294	18 955	2.10⁴	2.10	158.97	0.12
Dec. 31, 2015	27.27	558 417	20 478	2.10	2.10	216.79	0.19
Dec. 31, 2014	29.93	549 483	18 356	2.11	2.11	302.20	0.28
Dec. 31, 2013	28.56	482 220	16 883	2.11	2.11	243.45	0.31
Dec. 31, 2012	21.12	356 974	16 902	2.09	2.09	273.45	0.39
Dec. 31, 2011	19.53	355 224	18 186	2.07	2.07	311.16	0.55
Advisor Series							
June 30, 2016	25.83	7 976	309	2.09⁴	2.09	158.97	0.12
Dec. 31, 2015	27.39	8 930	326	2.11	2.11	216.79	0.19
Dec. 31, 2014	30.07	7 790	259	2.07	2.07	302.20	0.28
Dec. 31, 2013	28.66	5 949	208	2.05	2.05	243.45	0.31
Dec. 31, 2012	21.18	3 484	164	1.97	1.97	273.45	0.39
Dec. 31, 2011	19.57	2 307	118	1.96	1.96	311.16	0.55
Series D							
June 30, 2016	27.08	25 986	960	1.23⁴	1.23	158.97	0.12
Dec. 31, 2015	28.60	27 576	964	1.22	1.22	216.79	0.19
Dec. 31, 2014	31.44	21 752	692	1.23	1.23	302.20	0.28
Dec. 31, 2013	29.81	15 589	523	1.23	1.23	243.45	0.31
Dec. 31, 2012	21.90	9 344	427	1.21	1.21	273.45	0.39
Dec. 31, 2011	20.24	10 498	519	1.19	1.19	311.16	0.55
Series F							
June 30, 2016	29.11	23 078	793	0.95⁴	0.95	158.97	0.12
Dec. 31, 2015	30.70	6 483	211	0.97	0.97	216.79	0.19
Dec. 31, 2014	33.78	7 556	224	0.97	0.97	302.20	0.28
Dec. 31, 2013	32.04	6 354	198	0.97	0.97	243.45	0.31
Dec. 31, 2012	23.53	4 525	192	0.93	0.93	273.45	0.39
Dec. 31, 2011	21.74	3 933	181	0.92	0.92	311.16	0.55
Series O							
June 30, 2016	28.06	1 095 406	39 033	0.03	0.03	158.97	0.12
Dec. 31, 2015	29.46	1 027 971	34 890	0.03	0.03	216.79	0.19
Dec. 31, 2014	32.61	3 070 013	94 137	0.03	0.03	302.20	0.28
Dec. 31, 2013	31.02	3 612 380	116 449	0.03	0.03	243.45	0.31
Dec. 31, 2012	22.75	2 693 259	118 374	0.03	0.03	273.45	0.39
Dec. 31, 2011	21.04	2 355 754	111 952	0.02	0.02	311.16	0.55

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 1.94%, Advisor Series – 1.92%, Series D – 1.06% and Series F – 0.80%.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.60%	66%	34%
Advisor Series	1.60%	66%	34%
Series D	0.85%	25%	75%
Series F	0.60%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

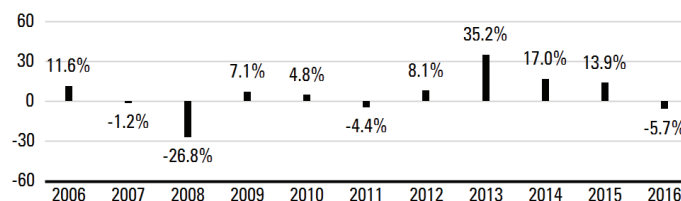
PAST PERFORMANCE

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.

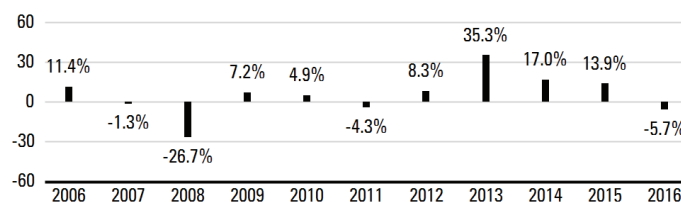
Year-by-Year Returns (%)

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.

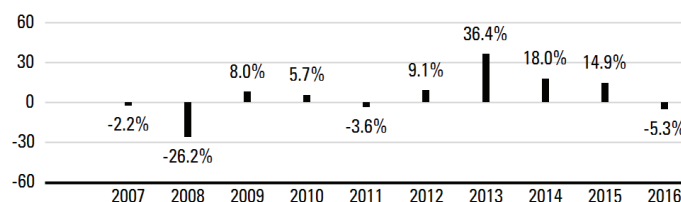
Series A (%)



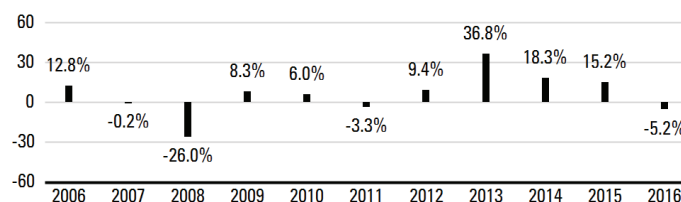
Advisor Series (%)



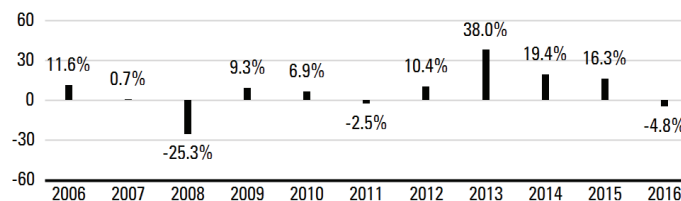
Series D (%)



Series F (%)



Series O (%)



Series D units have been available for sale to unitholders since July 3, 2007, and Series O units since September 5, 2006.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Information Technology	19.4
Financials	12.6
Health Care	12.4
Industrials	11.1
Consumer Discretionary	10.0
United States Equity Funds	9.0
Consumer Staples	8.2
Energy	7.2
Utilities	3.3
Telecommunication Services	3.0
Materials	2.7
Cash/Other	1.1

Top 25 Holdings

	% of Net Asset Value
RBC U.S. Mid-Cap Equity Fund	4.2
RBC U.S. Mid-Cap Value Equity Fund	3.9
Apple Inc.	2.7
Microsoft Corp.	2.7
Chubb Ltd.	2.3
Bank of America Corp.	2.2
Johnson & Johnson	2.1
AT&T Inc.	1.9
JPMorgan Chase & Co.	1.8
Exxon Mobil Corp.	1.8
NiSource Inc.	1.8
General Electric Company	1.7
Facebook Inc., Class A	1.6
Amazon.com, Inc.	1.6
Berkshire Hathaway Inc., Class B	1.5
Philip Morris International Inc.	1.4
Pfizer Inc.	1.4
Kimberly-Clark Corp.	1.4
Chevron Corp.	1.4
Alphabet Inc., Class A	1.4
TJX Companies Inc.	1.3
Medtronic Plc.	1.3
UnitedHealth Group Incorporated	1.2
Boston Scientific Corp.	1.2
Cisco Systems Inc.	1.2
Top 25 Holdings	47.0

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



U.S. EQUITY FUND

RBC U.S. EQUITY CURRENCY NEUTRAL FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital appreciation primarily through investing in equities of U.S. companies while minimizing the exposure to fluctuations between the U.S. and Canadian dollars.

The Fund seeks to provide broad exposure to superior investment opportunities in the U.S. equity market.

The Fund diversifies across industries and selects companies with strong management, focused business models and the potential for growth in earnings and cash flow. The Fund uses currency hedges to minimize the impact of fluctuations in the U.S. dollar versus the Canadian dollar.

Results of Operations

The Fund's net asset value was \$40 million as of June 30, 2016.

Over the past six months, the Fund's Series A units were unchanged. 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 any other series, which may vary because of differences in management fees and expenses.

Continued concern over slow global economic growth, the U.K.'s vote in favour of leaving the EU and uncertainty about the direction of U.S. monetary policy all contributed to broad swings in equity markets during the period. Through all this, the U.S. domestic economy continued to grow modestly while inflation and interest rates remained near historically low levels. Steady improvement in U.S. housing and employment markets buoyed U.S. growth. Large-cap stocks underperformed small-cap equities, which benefited from exposure to the relatively strong U.S. economy. Larger companies, which will be affected by the U.K. vote, tend to rely more on foreign markets for profits.

The Fund's underperformance was due to subpar stock selection in the Consumer Discretionary, Industrials and Information Technology sectors, along with underweight exposure to the Utilities sector. Companies including Nordstrom, Alphabet (also known as Google) and Salesforce.com lagged the broader market and hindered returns.

On the positive side, the Fund benefited from a decision to hold an underweight position in the Energy sector and an overweight position in the Materials sector. Good stock selection in the Health Care and Utilities sectors contributed to returns. Health-care-device company Boston Scientific and UnitedHealthcare, a health insurer, contributed to performance, while investments in dividend-rich AT&T and domestic utility company NiSource also performed well.

It is the policy of the Fund to maintain currency hedges at all times in order to neutralize exchange-rate movements between the U.S. dollar and the Canadian dollar. This policy had a positive impact on returns in the first half of 2016, as unitholders were protected against the U.S. dollar's decline against the Canadian dollar.

Portfolio turnover is normally high for this Fund, as the portfolio manager attempts to generate better returns through active sector and stock selection.

Recent Developments

The portfolio manager remains somewhat optimistic about U.S. equity markets given the persistence of corporate earnings strength, relatively weak inflation and lower commodity prices. While valuations for U.S. companies are no longer as attractive, the portfolio manager believes they still allow for moderate returns.

We are likely in the later stages of the business cycle, in the view of the portfolio manager, and further equity advances will require faster earnings growth as price/earnings multiples are not likely to rise much further in the near term. The portfolio manager believes that stock selection will gain in importance due to broadly higher equity valuations.

Effective June 30, 2016, management fees were reduced as follows: from 1.75% to 1.60% for Series A and Advisor Series units; from 1.00% to 0.85% for Series D units; and from 0.75% to 0.60% for Series F units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series D units.



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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$3,000 (2015 – \$4,000) or 13% (2015 – 10%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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			
Series A													
June 30, 2016	11.60	0.10	(0.12)	0.38	(0.38)	(0.02)	—	—	—	—	—	11.60	
Dec. 31, 2015	12.04	0.24	(0.25)	(0.52)	0.08	(0.45)	—	—	—	—	—	11.60	
Dec. 31, 2014	11.19	0.18	(0.24)	1.48	(0.58)	0.84	—	—	—	—	—	12.04	
Dec. 31, 2013	8.73	0.15	(0.21)	1.54	0.98	2.46	—	—	—	—	—	11.19	
Dec. 31, 2012	7.85	0.18	(0.18)	0.98	(0.12)	0.86	—	—	—	—	—	8.73	
Dec. 31, 2011	8.37	0.12	(0.17)	(0.02)	(0.44)	(0.51)	—	—	—	—	—	7.85	
Advisor Series													
June 30, 2016	12.23	0.10	(0.12)	0.40	(0.40)	(0.02)	—	—	—	—	—	12.22	
Dec. 31, 2015	12.69	0.25	(0.26)	(0.55)	0.09	(0.47)	—	—	—	—	—	12.23	
Dec. 31, 2014	11.79	0.19	(0.25)	1.55	(0.61)	0.88	—	—	—	—	—	12.69	
Dec. 31, 2013	9.19	0.16	(0.22)	1.62	1.03	2.59	—	—	—	—	—	11.79	
Dec. 31, 2012	8.27	0.19	(0.19)	1.03	(0.13)	0.90	—	—	—	—	—	9.19	
Dec. 31, 2011	8.82	0.13	(0.17)	(0.02)	(0.47)	(0.53)	—	—	—	—	—	8.27	
Series D													
June 30, 2016	12.42	0.10	(0.07)	0.41	(0.41)	0.03	—	—	—	—	—	12.47	
Dec. 31, 2015	12.78	0.25	(0.15)	(0.56)	0.09	(0.37)	—	—	—	—	—	12.42	
Dec. 31, 2014	11.76	0.19	(0.15)	1.57	(0.62)	0.99	—	—	—	—	—	12.78	
Dec. 31, 2013	9.09	0.16	(0.13)	1.61	1.03	2.67	—	—	—	—	—	11.76	
Dec. 31, 2012	8.12	0.19	(0.11)	1.02	(0.12)	0.98	—	—	—	—	—	9.09	
Dec. 31, 2011	8.58	0.12	(0.10)	(0.02)	(0.45)	(0.45)	—	—	—	—	—	8.12	
Series F													
June 30, 2016	12.91	0.11	(0.06)	0.43	(0.43)	0.05	—	—	—	—	—	12.98	
Dec. 31, 2015	13.25	0.26	(0.13)	(0.58)	0.09	(0.36)	—	—	—	—	—	12.91	
Dec. 31, 2014	12.17	0.19	(0.12)	1.62	(0.64)	1.05	—	—	—	—	—	13.25	
Dec. 31, 2013	9.38	0.16	(0.10)	1.66	1.06	2.78	—	—	—	—	—	12.17	
Dec. 31, 2012	8.35	0.19	(0.09)	1.05	(0.13)	1.02	—	—	—	—	—	9.38	
Dec. 31, 2011	8.80	0.13	(0.08)	(0.02)	(0.46)	(0.43)	—	—	—	—	—	8.35	
Series O													
June 30, 2016	13.58	0.11	—	0.45	(0.45)	0.11	—	—	—	—	—	13.71	
Dec. 31, 2015	13.80	0.27	—	(0.61)	0.10	(0.24)	—	—	—	—	—	13.58	
Dec. 31, 2014	12.55	0.20	—	1.68	(0.66)	1.22	—	—	—	—	—	13.80	
Dec. 31, 2013	9.59	0.17	—	1.71	1.09	2.97	—	—	—	—	—	12.55	
Dec. 31, 2012	8.46	0.20	—	1.06	(0.13)	1.13	—	—	—	—	—	9.59	
Dec. 31, 2011	8.83	0.13	—	(0.02)	(0.47)	(0.36)	—	—	—	—	—	8.46	

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	11.60	30 998	2 673	2.10⁴	2.10	139.84	0.11
Dec. 31, 2015	11.60	32 605	2 811	2.11	2.12	192.68	0.18
Dec. 31, 2014	12.04	34 495	2 865	2.11	2.12	284.36	0.27
Dec. 31, 2013	11.19	36 604	3 272	2.13	2.13	230.83	0.32
Dec. 31, 2012	8.73	30 531	3 498	2.09	2.09	261.65	0.39
Dec. 31, 2011	7.86	28 484	3 625	2.10	2.10	304.68	0.55
Advisor Series							
June 30, 2016	12.22	5 278	432	2.09⁴	2.09	139.84	0.11
Dec. 31, 2015	12.23	4 785	391	2.10	2.10	192.68	0.18
Dec. 31, 2014	12.69	4 228	333	2.10	2.11	284.36	0.27
Dec. 31, 2013	11.79	5 391	457	2.10	2.10	230.83	0.32
Dec. 31, 2012	9.19	4 253	463	2.10	2.10	261.65	0.39
Dec. 31, 2011	8.28	3 624	438	2.10	2.10	304.68	0.55
Series D							
June 30, 2016	12.47	1 543	124	1.21⁴	1.22	139.84	0.11
Dec. 31, 2015	12.42	1 335	107	1.21	1.22	192.68	0.18
Dec. 31, 2014	12.78	1 210	95	1.20	1.21	284.36	0.27
Dec. 31, 2013	11.76	1 167	99	1.22	1.22	230.83	0.32
Dec. 31, 2012	9.10	773	85	1.23	1.23	261.65	0.39
Dec. 31, 2011	8.12	619	76	1.23	1.23	304.68	0.55
Series F							
June 30, 2016	12.98	2 621	202	0.92⁴	0.92	139.84	0.11
Dec. 31, 2015	12.91	3 102	240	0.95	0.95	192.68	0.18
Dec. 31, 2014	13.25	1 377	104	0.94	0.95	284.36	0.27
Dec. 31, 2013	12.17	1 252	103	0.97	0.97	230.83	0.32
Dec. 31, 2012	9.38	980	104	0.95	0.95	261.65	0.39
Dec. 31, 2011	8.35	1 278	153	0.96	0.96	304.68	0.55
Series O							
June 30, 2016	13.71	2	—	0.03	0.04	139.84	0.11
Dec. 31, 2015	13.58	2	—	0.03	0.04	192.68	0.18
Dec. 31, 2014	13.80	2	—	0.03	0.04	284.36	0.27
Dec. 31, 2013	12.55	2	—	0.04	0.04	230.83	0.32
Dec. 31, 2012	9.59	1	—	0.02	0.02	261.65	0.39
Dec. 31, 2011	8.46	1	—	0.02	0.02	304.68	0.55

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 1.93%, Advisor Series – 1.92%, Series D – 1.05% and Series F – 0.76%.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.60%	66%	34%
Advisor Series	1.60%	66%	34%
Series D	0.85%	25%	75%
Series F	0.60%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

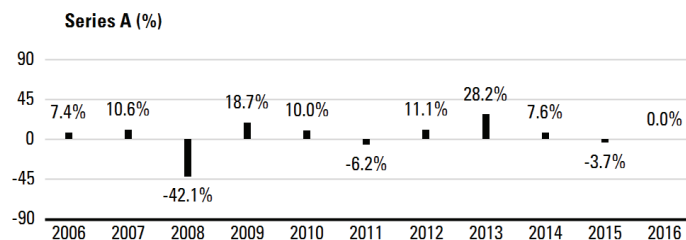
* Includes all costs related to management, trustee, investment advisory services, general administration and profit.

PAST PERFORMANCE

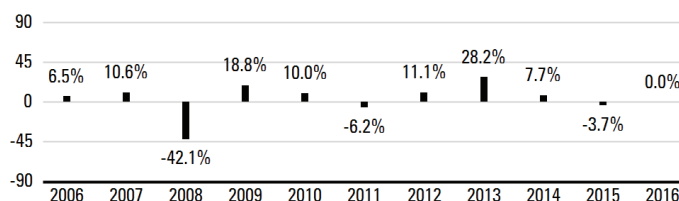
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Year-by-Year Returns (%)

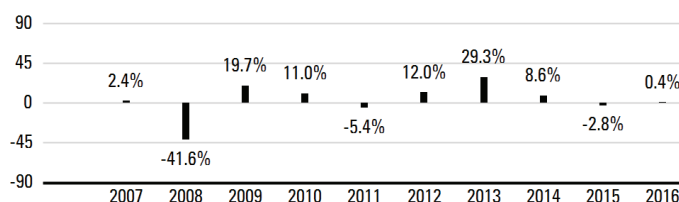
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



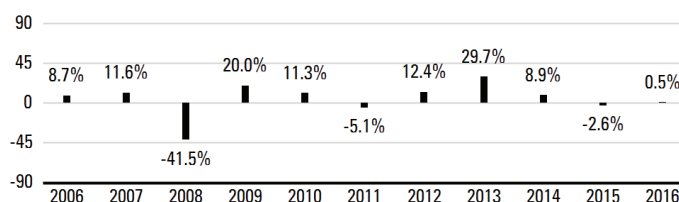
Advisor Series (%)



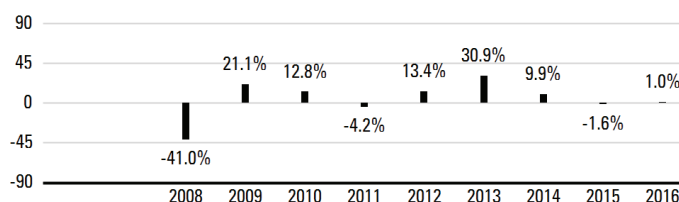
Series D (%)



Series F (%)



Series O (%)



Series O units have been available for sale to unitholders since December 31, 2007, Series D units since July 3, 2007, Advisor Series units since August 28, 2006, and Series A and Series F units since January 23, 2006.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Information Technology	19.7
Health Care	12.5
Financials	12.2
Industrials	10.8
Consumer Discretionary	9.9
United States Equity Funds	9.5
Consumer Staples	8.2
Energy	7.1
Utilities	3.2
Telecommunication Services	3.1
Materials	2.6
Cash/Other	1.2

Top 25 Holdings

	% of Net Asset Value
RBC U.S. Mid-Cap Equity Fund	4.3
RBC U.S. Mid-Cap Value Equity Fund	4.1
Apple Inc.	2.7
Microsoft Corp.	2.7
Chubb Ltd.	2.5
Bank of America Corp.	2.1
Johnson & Johnson	2.1
AT&T Inc.	2.0
JPMorgan Chase & Co.	1.9
Exxon Mobil Corp.	1.8
NiSource Inc.	1.8
General Electric Company	1.7
Facebook Inc., Class A	1.6
Amazon.com, Inc.	1.6
Berkshire Hathaway Inc., Class B	1.5
Kimberly-Clark Corp.	1.4
Pfizer Inc.	1.4
Philip Morris International Inc.	1.4
Chevron Corp.	1.4
TJX Companies Inc.	1.4
Alphabet Inc., Class A	1.3
PepsiCo Inc.	1.3
Medtronic Plc.	1.3
Boston Scientific Corp.	1.3
UnitedHealth Group Incorporated	1.2
Top 25 Holdings	47.8

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



U.S. EQUITY FUND

RBC QUBE U.S. EQUITY FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in equity securities of U.S. companies using a quantitative investment approach.

The Fund is managed using a quantitative investment model designed to select individual stocks while controlling portfolio-level risk. This involves building a portfolio that maximizes exposure to factors associated with outperformance, while controlling for exposure to risk factors. The portfolio manager will diversify across industries within the U.S. equity market.

Results of Operations

The Fund's net asset value was \$2.8 billion as of June 30, 2016.

Over the past six months, the Fund's Series O units lost 7.5%. The Fund's return is after the deduction of expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

The U.S. stock market staged a recovery over the latter part of the period, recovering from an early-year sell-off. Holding back U.S. equity markets were slow global growth, a collapse in the price of oil and a stronger U.S. dollar, which reduces the value of profits earned overseas.

The Utilities sector was the largest contributor to relative performance, supported by overweight positions in Public Service Enterprise Group and NiSource.

The Telecommunication Services sector was the second-largest contributor to the Fund's relative returns during the period. The Fund's overweight position in AT&T, the global telecommunications company, was among the key contributors.

The Financials sector was the market's weakest-performing sector over the period, as challenging economic conditions were worsened by the U.K.'s decision to leave the EU ("Brexit"). Citigroup and Goldman Sachs were among the Fund's bank and capital-markets holdings that had a negative impact on returns. The Fund's underweight position in the Energy sector also weighed on performance.

Recent Developments

Slow economic growth and heightened levels of uncertainty are creating a challenging environment for investors. While the overall backdrop seems slightly less murky than a quarter ago, the list of threats to the economy and capital markets remains extensive and clustered to the downside. Profit growth has yet to recover, although there are signs that earnings may now be stabilizing, and the geopolitical and financial risks on the horizon are varied. Most prominent of late was the Brexit vote, which has created risks in

financial conditions in the near term and political developments in the longer term. Globally, the prospect of better growth over the second half of 2016 and into 2017 now appears much less certain.

Effective June 30, 2016, management fees were reduced as follows: from 1.75% to 1.60% for Series A and Advisor Series units; from 1.00% to 0.85% for Series D units; and from 0.75% to 0.60% for Series F units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund.

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 units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series O												
June 30, 2016	15.40	0.15	—	0.23	(1.44)	(1.06)	—	—	—	—	—	14.25
Dec. 31, 2015	13.93	0.42	—	1.19	1.15	2.76	—	(0.34)	(0.99)	—	(1.33)	15.40
Dec. 31, 2014	11.28	0.26	—	0.41	2.98	3.65	—	(0.15)	(0.26)	—	(0.41)	13.93
Dec. 31, 2013 ³	10.00 [†]	0.11	—	0.38	1.31	1.80	—	(0.11)	(0.41)	—	(0.52)	11.28

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From June 28, 2013.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series O							
June 30, 2016	14.25	2 782 550	195 293	0.02	0.02	72.68	0.03
Dec. 31, 2015	15.40	2 653 978	172 353	0.02	0.02	81.56	0.03
Dec. 31, 2014	13.93	1 330 890	95 546	0.02	0.02	61.49	0.04
Dec. 31, 2013 ⁴	11.28	4 719	418	0.02	0.05	78.89	0.09

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

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

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

⁴ From June 28, 2013.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. No management fees are paid by the Fund with respect to 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.



Series 0 units have been available for sale to unitholders since June 28, 2013.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Information Technology	20.1
Financials	16.7
Consumer Discretionary	14.0
Health Care	13.6
Industrials	11.2
Consumer Staples	9.7
Utilities	5.7
Energy	3.7
Telecommunication Services	3.3
Materials	1.9
Cash/Other	0.1

Top 25 Holdings

	% of Net Asset Value
Johnson & Johnson	3.3
Microsoft Corp.	3.1
Amazon.com, Inc.	2.9
Alphabet Inc., Class C	2.7
Apple Inc.	2.5
Citigroup Inc.	2.5
The Goldman Sachs Group Inc.	2.4
General Dynamics Corp.	2.3
American International Group Inc.	2.3
Amgen Inc.	2.2
Cisco Systems Inc.	2.2
Bank of America Corp.	2.0
Gilead Sciences Inc.	1.9
Altria Group Inc.	1.9
Tyson Foods Inc.	1.9
Eli Lilly & Co.	1.9
Verizon Communications Inc.	1.8
General Electric Company	1.7
McDonald's Corp.	1.7
Public Storage Inc. Real Estate Investment Trust	1.6
Target Corporation	1.5
AT&T Inc.	1.5
Public Service Enterprise Group	1.5
AmerisourceBergen Corp.	1.5
Accenture Plc., Class A	1.4
Top 25 Holdings	52.2

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.



U.S. EQUITY FUND

RBC QUBE LOW VOLATILITY U.S. EQUITY FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in equity securities of U.S. companies using a quantitative approach. The Fund seeks to achieve a reduced level of volatility of returns compared with the broader U.S. equity market.

The Fund is managed using a quantitative investment model designed to select individual stocks while controlling portfolio-level risk. This involves building a portfolio that maximizes exposure to factors associated with outperformance, while controlling for exposure to risk factors. The portfolio manager will diversify across industries within the U.S. equity market.

Results of Operations

The Fund's net asset value was \$1.4 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units 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 any other series, which may vary because of differences in management fees and expenses.

The U.S. stock market staged a recovery over the latter part of the period, recovering somewhat from an early-year sell-off. Holding back U.S. equity markets were slow global growth, a collapse in the price of oil and a stronger U.S. dollar, which reduces the value of profits earned overseas.

The Utilities sector was the largest contributor to the Fund's returns during the period, and also accounted for the largest sector overweight. The sector benefited as investors sought dividend income in the current low-interest-rate environment. The Fund's overweight positions in Consolidated Edison and DTE Energy were among the largest contributors to portfolio performance. The Materials sector was the Fund's second-best-performing sector, as metal and mining stocks climbed with gains in the price of gold and other metals. The Fund's only two metals and mining holdings were Newmont Mining and Royal Gold.

The Health Care sector was the Fund's weakest-performing sector during the period after declines in several areas including biotechnology and pharmacy-benefits managers. AmerisourceBergen and Cardinal Health, which are pharmacy-benefits managers, were among holdings that hurt returns. The Consumer Discretionary sector was the second-weakest contributor to returns during the period. The Fund's overweight positions in Nike and Home Depot both weighed on performance as revenue growth slowed at both companies.

Recent Developments

Slow economic growth and heightened levels of uncertainty are creating a challenging environment for investors. While the overall backdrop seems slightly less murky than a quarter ago, the list of threats to the economy and capital markets remains extensive and clustered to the downside. Profit growth has yet to recover, although there are signs that earnings may now be stabilizing, and the geopolitical and financial risks on the horizon are varied. Most prominent of late was the U.K. vote to leave the EU ("Brexit"). The main Brexit risks come from transmission via financial conditions in the near term and political developments in the long term. Globally, the prospect of better growth over the second half of 2016 and into 2017 now appears much less certain, in the portfolio manager's view.

Effective June 30, 2016, management fees were reduced as follows: from 1.75% to 1.60% for Series A, Advisor Series and Series T5 units; from 1.00% to 0.85% for Series D units; and from 0.75% to 0.60% for Series F and Series FT5 units. Also effective June 30, 2016, Series H units were re-designated to Series A units, and Series I units were re-designated to Series F units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, Series T5 and Series D units.

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 units of the Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	19.31	0.20	(0.19)	0.33	0.35	0.69	—	—	—	—	—	19.87
Dec. 31, 2015	16.17	0.41	(0.36)	0.48	2.25	2.78	—	—	(0.07)	—	(0.07)	19.31
Dec. 31, 2014	13.16	0.34	(0.30)	0.68	2.69	3.41	—	(0.02)	(0.16)	—	(0.18)	16.17
Dec. 31, 2013	10.13	0.26	(0.25)	0.08	2.20	2.29	—	—	(0.06)	—	(0.06)	13.16
Dec. 31, 2012 ³	10.00 [†]	0.06	(0.03)	—	0.08	0.11	—	(0.02)	(0.01)	—	(0.03)	10.13
Advisor Series												
June 30, 2016	19.10	0.20	(0.19)	0.32	0.34	0.67	—	—	—	—	—	19.66
Dec. 31, 2015	16.00	0.42	(0.37)	0.49	2.32	2.86	—	—	(0.07)	—	(0.07)	19.10
Dec. 31, 2014	13.15	0.35	(0.29)	0.70	2.74	3.50	—	(0.17)	(0.16)	—	(0.33)	16.00
Dec. 31, 2013	10.13	0.28	(0.26)	0.09	2.35	2.46	—	—	(0.06)	—	(0.06)	13.15
Dec. 31, 2012 ³	10.00 [†]	0.06	(0.03)	—	0.08	0.11	—	(0.02)	(0.01)	—	(0.03)	10.13
Series T5												
June 30, 2016 ⁴	19.05 [†]	0.16	(0.17)	0.27	0.29	0.55	—	(0.41)	—	—	(0.41)	19.45
Series D												
June 30, 2016	19.58	0.20	(0.11)	0.33	0.35	0.77	—	—	—	—	—	20.24
Dec. 31, 2015	16.32	0.44	(0.21)	0.51	2.40	3.14	—	(0.08)	(0.07)	—	(0.15)	19.58
Dec. 31, 2014	13.24	0.34	(0.17)	0.69	2.72	3.58	—	(0.10)	(0.16)	—	(0.26)	16.32
Dec. 31, 2013	10.14	0.24	(0.15)	0.08	1.98	2.15	—	(0.04)	(0.06)	—	(0.10)	13.24
Dec. 31, 2012 ³	10.00 [†]	0.06	(0.02)	—	0.09	0.13	—	(0.02)	(0.01)	—	(0.03)	10.14
Series F												
June 30, 2016	19.50	0.20	(0.09)	0.33	0.35	0.79	—	—	—	—	—	20.18
Dec. 31, 2015	16.25	0.42	(0.17)	0.49	2.32	3.06	—	(0.12)	(0.07)	—	(0.19)	19.50
Dec. 31, 2014	13.20	0.35	(0.13)	0.70	2.77	3.69	—	(0.17)	(0.16)	—	(0.33)	16.25
Dec. 31, 2013	10.14	0.34	(0.11)	0.11	2.85	3.19	—	(0.12)	(0.06)	—	(0.18)	13.20
Dec. 31, 2012 ³	10.00 [†]	0.06	(0.01)	—	0.08	0.13	—	(0.02)	(0.01)	—	(0.03)	10.14
Series FT5												
June 30, 2016 ⁴	19.25 [†]	0.17	(0.06)	0.28	0.30	0.69	—	(0.41)	—	—	(0.41)	19.77



FINANCIAL HIGHLIGHTS (cont.)

Change in Net Assets Per Unit (\$) (cont.)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					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	Total	
Series O												
June 30, 2016	19.73	0.20	—	0.33	0.36	0.89	—	—	—	—	—	20.51
Dec. 31, 2015	16.44	0.40	—	0.47	2.21	3.08	—	(0.29)	(0.07)	—	(0.36)	19.73
Dec. 31, 2014	13.28	0.35	—	0.70	2.75	3.80	—	(0.23)	(0.16)	—	(0.39)	16.44
Dec. 31, 2013	10.12	0.26	—	0.08	2.18	2.52	—	(0.13)	(0.06)	—	(0.19)	13.28
Dec. 31, 2012 ³	10.00 [†]	0.06	—	—	0.09	0.15	—	(0.05)	(0.01)	—	(0.06)	10.12

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From November 19, 2012.

⁴ From January 25, 2016.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	19.87	272 131	13 694	2.04⁴	2.04	40.79	0.02
Dec. 31, 2015	19.31	206 910	10 715	2.04	2.04	40.47	0.02
Dec. 31, 2014	16.17	67 364	4 167	2.05	2.05	34.18	0.02
Dec. 31, 2013	13.16	21 777	1 655	2.05	2.05	31.83	0.03
Dec. 31, 2012 ⁵	10.13	444	44	2.09	2.09	—	0.07
Advisor Series							
June 30, 2016	19.66	23 541	1 197	2.03⁴	2.03	40.79	0.02
Dec. 31, 2015	19.10	18 622	975	2.09	2.09	40.47	0.02
Dec. 31, 2014	16.00	8 064	504	2.05	2.05	34.18	0.02
Dec. 31, 2013	13.15	5 142	391	2.11	2.11	31.83	0.03
Dec. 31, 2012 ⁵	10.13	26	3	2.09	2.09	—	0.07
Series T5							
June 30, 2016⁶	19.45	390	20	2.09⁴	2.09	40.79	0.02
Series D							
June 30, 2016	20.24	53 224	2 630	1.19⁴	1.19	40.79	0.02
Dec. 31, 2015	19.58	47 633	2 433	1.18	1.18	40.47	0.02
Dec. 31, 2014	16.32	25 162	1 542	1.18	1.18	34.18	0.02
Dec. 31, 2013	13.24	8 978	678	1.20	1.20	31.83	0.03
Dec. 31, 2012 ⁵	10.14	116	11	1.24	1.24	—	0.07
Series F							
June 30, 2016	20.18	50 866	2 521	0.93⁴	0.93	40.79	0.02
Dec. 31, 2015	19.50	29 794	1 528	0.92	0.92	40.47	0.02
Dec. 31, 2014	16.25	11 841	729	0.91	0.91	34.18	0.02
Dec. 31, 2013	13.20	7 866	596	0.91	0.91	31.83	0.03
Dec. 31, 2012 ⁵	10.14	820	81	0.96	0.96	—	0.07
Series FT5							
June 30, 2016⁶	19.77	1	—	0.96⁴	0.96	40.79	0.02



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data (cont.)

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series O							
June 30, 2016	20.51	960 540	46 835	0.02	0.02	40.79	0.02
Dec. 31, 2015	19.73	731 735	37 084	0.02	0.02	40.47	0.02
Dec. 31, 2014	16.44	135 491	8 243	0.02	0.02	34.18	0.02
Dec. 31, 2013	13.28	66 443	5 003	0.03	0.03	31.83	0.03
Dec. 31, 2012 ⁵	10.12	3 363	332	0.02	0.02	—	0.07

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 1.87%, Advisor Series – 1.87%, Series T5 – 1.92%, Series D – 1.03%, Series F – 0.77% and Series FT5 – 0.79%.

⁵ From November 19, 2012.

⁶ From January 25, 2016.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.60%	57%	43%
Advisor Series	1.60%	57%	43%
Series T5	1.60%	63%	37%
Series D	0.85%	25%	75%
Series F	0.60%	—	100%
Series FT5	0.60%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

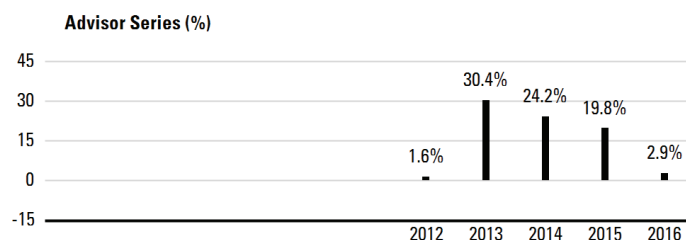
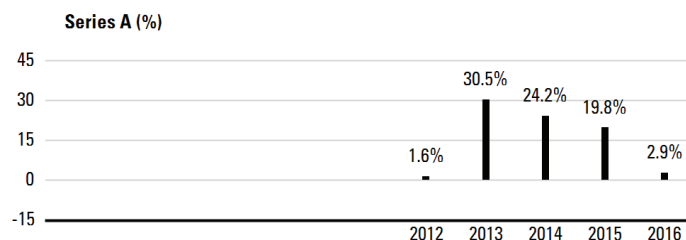


PAST PERFORMANCE

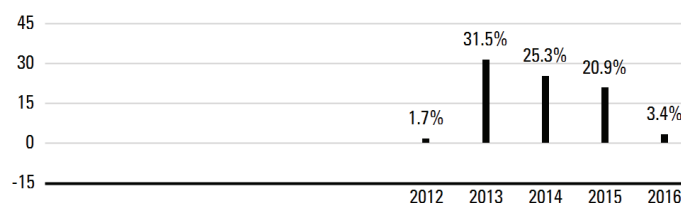
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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 (%)

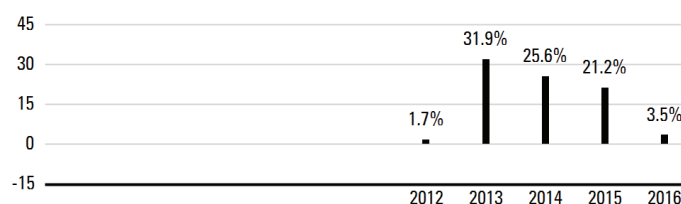
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



Series D (%)



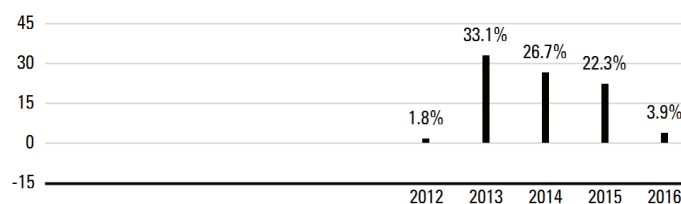
Series F (%)



Series FT5 (%)



Series O (%)



Series T5 and Series FT5 units have been available for sale to unitholders since January 25, 2016, and Series A, Advisor Series, Series D, Series F and Series O units since November 19, 2012.

Inception dates are not provided for series that have been in existence for more than 10 years.

All outstanding Series H units were re-designated as Series A units and all outstanding Series I units were re-designated as Series F units effective June 30, 2016.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Consumer Staples	19.0
Utilities	17.1
Financials	15.5
Information Technology	13.4
Consumer Discretionary	10.0
Health Care	8.4
Industrials	7.4
Telecommunication Services	5.1
Materials	2.0
Energy	1.4
Cash/Other	0.7

Top 25 Holdings

	% of Net Asset Value
AT&T Inc.	3.1
PepsiCo Inc.	3.0
Johnson & Johnson	3.0
McDonald's Corp.	2.7
The Procter & Gamble Co.	2.4
3M Co.	2.3
Colgate-Palmolive Company	2.3
TJX Companies Inc.	2.2
Wells Fargo & Company	2.2
Consolidated Edison Inc.	2.2
Home Depot Inc.	2.2
Verizon Communications Inc.	2.1
Honeywell International Inc.	2.1
Wal-Mart Stores, Inc.	2.0
American Financial Group Inc.	2.0
DTE Energy Company	2.0
Berkshire Hathaway Inc., Class B	1.9
Fiserv Inc.	1.9
Xcel Energy Inc.	1.7
Cardinal Health Inc.	1.7
U.S. Bancorp	1.7
Costco Wholesale Corp.	1.7
Apple Inc.	1.6
General Mills Inc.	1.5
Exxon Mobil Corp.	1.4
Top 25 Holdings	52.9

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



U.S. EQUITY FUND

RBC U.S. EQUITY VALUE FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in equity securities of U.S. companies that are attractively valued relative to their peers, their own history and the broader stock market while offering long-term opportunities for growth.

To achieve the Fund's objectives, the portfolio manager applies a bottom-up stock-selection process to identify quality companies that are undervalued based on criteria such as assets, earnings and cash flow. The portfolio manager reviews economic, industry and company-specific information to assess a company's prospects and monitors companies to ensure that the best relative values are identified.

Results of Operations

The Fund's net asset value was \$32 million as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 4.0%. 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 any other series, which may vary because of differences in management fees and expenses.

U.S. equity markets traded in a range during the first half of 2016, staging a welcome recovery over the latter three months, repairing much of the damage done during the sell-off at the beginning of the year. The rebound was driven by a surge in the price of oil, a pause in the U.S. dollar's long-term rally, and stabilization in Chinese economic data. These forces combined to reduce the likelihood of an imminent credit crisis in China or other emerging markets, developments that could have negatively impacted the U.S. economic outlook. Although the global growth outlook continues to be revised lower after the U.K. voted to leave the EU, business activity in the U.S. appears to be improving as retail sales have accelerated, new-home sales have hit a cycle high, consumer sentiment improved and manufacturing activity expanded.

During the first half of 2016, the Fund modestly outperformed on the back of positive security selection in the Energy and Health Care sectors.

This outperformance was partially offset by the fund's overweight position in the Financials sector. Expectations for a future rate increase by the U.S. Federal Reserve were pushed out, resulting in lower profit margins for bank stocks, combined with lower expected investment banking fees due to market volatility.

The fund was also hindered by underweight positioning in the interest-rate-sensitive Utilities and Telecom sectors; the two sectors' stable cash flows and higher dividend yields continue to appeal to investors in the current low-yield environment. Increasing valuations in recent years despite modest dividends and earnings growth have made the portfolio manager more cautious on the sectors.

Portfolio turnover is high for the Fund as the portfolio manager attempts to generate better returns through active fund management.

Recent Developments

The portfolio manager remains generally optimistic about prospects for U.S. stocks. If the U.S. dollar remains stable versus the country's major trading partners and the price of oil continues to recover, one would expect anxiety in credit markets to dissipate, the economic cycle to continue to advance and stock markets to post modest gains for the remainder of the year. However, the portfolio manager believes that current valuations do warrant greater care in stock selection, and continues to believe that the U.S. Federal Reserve will have to strike a policy balance that keeps the economy's momentum in place, while remaining mindful that the economy will eventually have to function with less aid from the central bank.

Effective June 30, 2016, management fees were reduced as follows: from 1.75% to 1.60% for Series A and Advisor Series units; from 1.00% to 0.85% for Series D units; and from 0.75% to 0.60% for Series F units. Also effective June 30, 2016, Series H units were re-designated to Series A units, and Series I units were re-designated to Series F units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series D units.



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 units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016	12.39	0.10	(0.12)	0.10	(0.57)	(0.49)	—	—	—	—	—	11.90	
Dec. 31, 2015	11.25	0.26	(0.25)	1.21	0.51	1.73	—	(0.01)	(0.64)	—	(0.65)	12.39	
Dec. 31, 2014 ³	10.00 [†]	0.14	(0.18)	0.07	1.46	1.49	—	—	(0.03)	—	(0.03)	11.25	
Advisor Series													
June 30, 2016	12.40	0.10	(0.12)	0.10	(0.57)	(0.49)	—	—	—	—	—	11.91	
Dec. 31, 2015	11.25	0.26	(0.25)	1.21	0.51	1.73	—	(0.01)	(0.64)	—	(0.65)	12.40	
Dec. 31, 2014 ³	10.00 [†]	0.15	(0.17)	0.08	1.54	1.60	—	—	(0.03)	—	(0.03)	11.25	
Series D													
June 30, 2016	12.45	0.10	(0.07)	0.10	(0.58)	(0.45)	—	—	—	—	—	12.01	
Dec. 31, 2015	11.31	0.26	(0.15)	1.21	0.51	1.83	—	(0.11)	(0.65)	—	(0.76)	12.45	
Dec. 31, 2014 ³	10.00 [†]	0.15	(0.11)	0.08	1.55	1.67	—	(0.02)	(0.02)	—	(0.04)	11.31	
Series F													
June 30, 2016	12.48	0.10	(0.06)	0.10	(0.58)	(0.44)	—	—	—	—	—	12.06	
Dec. 31, 2015	11.33	0.26	(0.12)	1.22	0.51	1.87	—	(0.14)	(0.65)	—	(0.79)	12.48	
Dec. 31, 2014 ³	10.00 [†]	0.14	(0.08)	0.07	1.42	1.55	—	(0.02)	(0.03)	—	(0.05)	11.33	
Series O													
June 30, 2016	12.46	0.10	—	0.09	(0.56)	(0.37)	—	—	—	—	—	12.09	
Dec. 31, 2015	11.34	0.27	—	1.23	0.52	2.02	—	(0.27)	(0.67)	—	(0.94)	12.46	
Dec. 31, 2014 ³	10.00 [†]	0.17	—	0.09	1.83	2.09	—	(0.10)	(0.03)	—	(0.13)	11.34	

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From March 10, 2014.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	11.90	14 317	1 203	2.04⁴	2.05	104.51	0.09
Dec. 31, 2015	12.39	14 303	1 154	2.03	2.04	127.76	0.12
Dec. 31, 2014 ⁵	11.25	9 917	881	2.06	2.07	106.63	0.14
Advisor Series							
June 30, 2016	11.91	4 332	364	2.03⁴	2.04	104.51	0.09
Dec. 31, 2015	12.40	5 446	439	2.01	2.02	127.76	0.12
Dec. 31, 2014 ⁵	11.25	3 678	327	2.04	2.05	106.63	0.14
Series D							
June 30, 2016	12.01	3 101	258	1.21⁴	1.22	104.51	0.09
Dec. 31, 2015	12.45	3 046	245	1.22	1.23	127.76	0.12
Dec. 31, 2014 ⁵	11.31	1 585	140	1.24	1.25	106.63	0.14
Series F							
June 30, 2016	12.06	9 295	771	0.96⁴	0.96	104.51	0.09
Dec. 31, 2015	12.48	6 476	519	0.94	0.95	127.76	0.12
Dec. 31, 2014 ⁵	11.33	2 585	228	0.95	0.96	106.63	0.14
Series O							
June 30, 2016	12.09	804	67	0.02	0.03	104.51	0.09
Dec. 31, 2015	12.46	4 728	379	0.02	0.03	127.76	0.12
Dec. 31, 2014 ⁵	11.34	6 858	605	0.02	0.03	106.63	0.14

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

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⁵ From March 10, 2014.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.60%	57%	43%
Advisor Series	1.60%	57%	43%
Series D	0.85%	25%	75%
Series F	0.60%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, trustee, 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.



Series D (%)



Series F (%)



Series O (%)



Series A, Advisor Series, Series D, Series F and Series O units have been available for sale to unitholders since March 10, 2014.

Inception dates are not provided for series that have been in existence for more than 10 years.

All outstanding Series H units were re-designated as Series A units and all outstanding Series I units were re-designated as Series F units effective June 30, 2016.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Information Technology	18.7
Financials	16.2
Health Care	15.7
Consumer Staples	10.7
Industrials	9.4
Consumer Discretionary	8.2
Energy	7.8
Utilities	2.8
Materials	2.7
Telecommunication Services	0.6
Cash/Other	7.2

Top 25 Holdings

	% of Net Asset Value
Cash & Cash Equivalents	6.3
Apple Inc.	2.5
Microsoft Corp.	2.5
Alphabet Inc., Class A	2.5
Exxon Mobil Corp.	2.4
Berkshire Hathaway Inc., Class B	2.4
General Electric Company	2.3
JPMorgan Chase & Co.	2.2
The Procter & Gamble Co.	2.2
Johnson & Johnson	2.1
Pfizer Inc.	2.0
Chevron Corp.	1.8
Comcast Corp., Class A	1.7
UnitedHealth Group Incorporated	1.7
Medtronic Plc.	1.6
Lockheed Martin Corporation	1.3
Wells Fargo & Company	1.3
Mondelez International Inc.	1.2
Lowe's Companies	1.2
Danaher Corp.	1.2
Thermo Fisher Scientific Inc.	1.2
CVS Health Corp.	1.2
Bank of America Corp.	1.2
BlackRock Inc.	1.1
Becton Dickinson & Co.	1.1
Top 25 Holdings	48.2

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.



U.S. EQUITY FUND

RBC U.S. INDEX FUND

June 30, 2016

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

Sub-Advisor: State Street Global Advisors, Ltd.

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by tracking the performance of the Standard & Poor's 500 Total Return Index.

The Fund invests directly in the securities that make up the S&P 500 Index. Stocks are purchased in U.S. dollars. As a result, the Fund's return consists of a combination of the U.S. market return and the movement of the U.S. dollar relative to the Canadian currency.

Results of Operations

The Fund's net asset value was \$591 million as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 3.6%. 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 any other series, which may vary because of differences in management fees and expenses.

The market's best-performing sectors were Energy, Utilities and Telecommunication Services. The worst-performing sectors were Health Care, Information Technology and Financials.

Recent Developments

The sub-advisor has no recent developments to report.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A units.

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 units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
		Series A										
June 30, 2016	17.51	0.16	(0.06)	0.22	(0.96)	(0.64)	—	—	—	—	—	16.89
Dec. 31, 2015	14.84	0.36	(0.12)	0.23	2.36	2.83	—	(0.22)	—	—	(0.22)	17.51
Dec. 31, 2014	12.18	0.26	(0.10)	0.05	2.62	2.83	—	(0.15)	—	—	(0.15)	14.84
Dec. 31, 2013	8.78	0.20	(0.08)	(0.06)	3.40	3.46	—	(0.11)	—	—	(0.11)	12.18
Dec. 31, 2012	7.94	0.18	(0.06)	—	0.76	0.88	—	(0.10)	—	—	(0.10)	8.78
Dec. 31, 2011	7.76	0.15	(0.05)	(0.06)	0.22	0.26	—	(0.08)	—	—	(0.08)	7.94

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	16.89	591 495	35 030	0.72	0.72	3.98	—
Dec. 31, 2015	17.51	621 159	35 472	0.72	0.72	2.52	0.01
Dec. 31, 2014	14.84	438 075	29 520	0.72	0.72	2.40	—
Dec. 31, 2013	12.18	302 353	24 829	0.72	0.72	13.13	0.01
Dec. 31, 2012	8.78	145 318	16 543	0.72	0.72	26.10	0.01
Dec. 31, 2011	7.94	97 119	12 226	0.72	0.72	32.87	0.01

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

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

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



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	0.50%	20%	80%

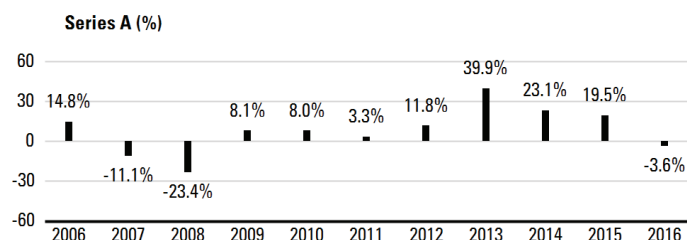
* Includes all costs related to management, trustee, investment advisory services, general administration and profit.

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.



Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Information Technology	19.8
Financials	15.7
Health Care	14.6
Consumer Discretionary	12.3
Consumer Staples	10.5
Industrials	10.2
Energy	7.4
Utilities	3.6
Materials	2.9
Telecommunication Services	2.9
Cash/Other	0.1

Top 25 Holdings

	% of Net Asset Value
Apple Inc.	2.9
Microsoft Corp.	2.2
Exxon Mobil Corp.	2.1
Johnson & Johnson	1.8
General Electric Company	1.6
Amazon.com, Inc.	1.5
Berkshire Hathaway Inc., Class B	1.5
AT&T Inc.	1.5
Facebook Inc., Class A	1.5
JPMorgan Chase & Co.	1.2
Verizon Communications Inc.	1.2
The Procter & Gamble Co.	1.2
Wells Fargo & Company	1.2
Pfizer Inc.	1.2
Alphabet Inc., Class A	1.1
Alphabet Inc., Class C	1.1
Chevron Corp.	1.1
The Coca-Cola Co.	1.0
Merck & Co. Inc.	0.9
Home Depot Inc.	0.9
Comcast Corp., Class A	0.9
Philip Morris International Inc.	0.9
Intel Corp.	0.8
PepsiCo Inc.	0.8
The Walt Disney Company	0.8
Top 25 Holdings	32.9

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



U.S. EQUITY FUND

RBC U.S. INDEX CURRENCY NEUTRAL FUND

June 30, 2016

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

Sub-Advisor: State Street Global Advisors, Ltd.

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to track the performance of the Standard & Poor's 500 Total Return Index (USD).

The Fund invests in derivatives such as futures, options and forward contracts to replicate the performance of the underlying index while holding most of its assets in Government of Canada Treasury bills and other money-market securities. By investing primarily in Canadian money market securities, the Fund is generally not exposed to currency fluctuations between the Canadian dollar and foreign currencies. The Fund's return is based on the U.S. market return.

Results of Operations

The Fund's net asset value was \$327 million as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 3.0%. 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 any other series, which may vary because of differences in management fees and expenses.

The best-performing market sectors were Consumer Staples, Energy and Utilities. The worst-performing sectors were Health Care, Information Technology and Financials.

It is the policy of the Fund to maintain currency hedges at all times in order to neutralize exchange-rate movements between the U.S. dollar and the Canadian dollar. This policy was helpful for the Fund in the first half of 2016, as unitholders were protected from the U.S. dollar's decline versus the Canadian dollar.

Recent Developments

The sub-advisor has no recent developments to report.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A units.

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 units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
		Series A										
June 30, 2016	9.23	0.36	(0.03)	(0.04)	—	0.29	—	—	—	—	—	9.51
Dec. 31, 2015	9.62	0.07	(0.07)	—	—	—	(0.37)	—	—	—	(0.37)	9.23
Dec. 31, 2014	9.68	1.32	(0.07)	—	0.01	1.26	(1.34)	—	—	—	(1.34)	9.62
Dec. 31, 2013	8.44	2.71	(0.07)	—	—	2.64	(1.39)	—	—	—	(1.39)	9.68
Dec. 31, 2012	7.34	1.17	(0.06)	—	(0.01)	1.10	—	—	—	—	—	8.44
Dec. 31, 2011	7.32	0.10	(0.05)	(0.03)	—	0.02	—	—	—	—	—	7.34

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	9.51	327 471	34 428	0.72	0.72	n/a	—
Dec. 31, 2015	9.23	317 771	34 421	0.72	0.72	n/a	—
Dec. 31, 2014	9.62	345 072	35 879	0.72	0.72	n/a	—
Dec. 31, 2013	9.68	332 186	34 313	0.72	0.72	n/a	—
Dec. 31, 2012	8.44	256 073	30 337	0.72	0.72	n/a	—
Dec. 31, 2011	7.34	228 087	31 067	0.70	0.70	n/a	—

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

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

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



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	0.50%	20%	80%

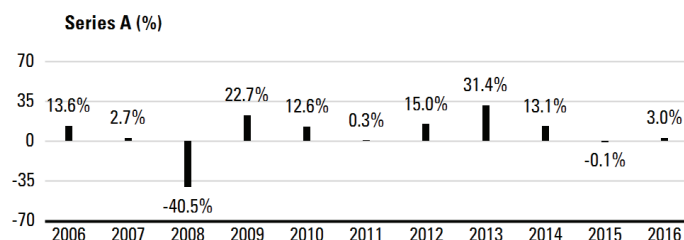
* Includes all costs related to management, trustee, investment advisory services, general administration and profit.

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.



Inception dates are not provided for series that have been in existence for more than 10 years. For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Information Technology	19.8
Financials	15.7
Health Care	14.7
Consumer Discretionary	12.3
Consumer Staples	10.6
Industrials	10.2
Energy	7.4
Utilities	3.6
Materials	2.9
Telecommunication Services	2.8

Top 25 Holdings

	% of Net Asset Value
Apple Inc.	2.9
Microsoft Corp.	2.2
Exxon Mobil Corp.	2.1
Johnson & Johnson	1.8
General Electric Company	1.6
Amazon.com, Inc.	1.5
Berkshire Hathaway Inc., Class B	1.5
AT&T Inc.	1.5
Facebook Inc., Class A	1.5
Verizon Communications Inc.	1.3
JPMorgan Chase & Co.	1.2
The Procter & Gamble Co.	1.2
Wells Fargo & Company	1.2
Pfizer Inc.	1.2
Alphabet Inc., Class A	1.1
Alphabet Inc., Class C	1.1
Chevron Corp.	1.1
The Coca-Cola Co.	1.0
Merck & Co. Inc.	0.9
Home Depot Inc.	0.9
Comcast Corp., Class A	0.9
Philip Morris International Inc.	0.9
Intel Corp.	0.9
PepsiCo Inc.	0.8
The Walt Disney Company	0.8
Top 25 Holdings	33.0

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



U.S. EQUITY FUND

RBC O'SHAUGHNESSY U.S. VALUE FUND

June 30, 2016

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

Sub-Advisor: O'Shaughnessy Asset Management, L.L.C., Stamford, Connecticut

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term total returns consisting of capital growth and current income by investing primarily in equity securities of U.S. companies based on Strategy Indexing®, an investment portfolio management model developed in 1995 by Jim O'Shaughnessy.

To achieve its objective, the Fund selects securities with the highest shareholder yield. Shareholder yield measures the combined effect of dividend yield and stock repurchases. The stocks must also meet certain market valuation thresholds. The Fund uses currency hedges to minimize the fluctuations in the U.S. dollar versus the Canadian dollar.

Results of Operations

The Fund's net asset value was \$1.6 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 1.6%. 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 any other series, which may vary because of differences in management fees and expenses.

North American stock markets rose during the first half of the year after a weak start to 2016, with Canadian equities leading the way as commodity prices recovered from significant declines in 2015 and early 2016. Developed markets in Europe and Asia delivered mixed results, fluctuating significantly in the lead-up to and after the U.K.'s late-June decision to leave the EU.

During the period, overweight exposure to value stocks hurt relative returns. Underweight exposure to momentum also held back performance. Conversely, an underweight allocation to mega-cap stocks and overweight exposure to a measure of "shareholder yield" contributed to returns.

Both sector allocation and security selection held back returns. Security selection in the Energy, Materials and Information Technology sectors hurt relative returns, as did overweight exposure to the Consumer Discretionary sector and an underweight allocation to Utilities. Underweight exposure to Financials and security selection in that sector contributed to returns, as did security selection in the Industrials sector and overweight exposure to Materials. LyondellBasell, Bed Bath & Beyond and Marathon Petroleum were the most negative individual stocks for relative returns. Not owning Bank of America in the Financials sector also contributed to relative returns. Northrop Grumman and Tyco International were the largest individual contributors to returns.

It is the policy of the Fund to maintain currency hedges at all times in order to neutralize exchange-rate movements between the U.S. dollar and the Canadian dollar. This policy had a positive effect on returns during the period.

Recent Developments

Following more positive returns, stocks remain expensive relative to history. The sub-advisor believes that stock selection becomes more important when the overall market is more expensive and that portfolios which are very different from the market are more likely to outperform.

Due to the Fund's investment process and market conditions over the course of the first half of 2016, the sub-advisor has decreased allocations to the Materials, Energy and Consumer Staples sectors and increased allocations to the Consumer Discretionary and Telecommunication Services sectors.

Effective June 30, 2016, Series I units were capped and no longer available for purchase by new investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series D units.

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 units of the Fund.

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Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$35,000 (2015 – \$46,000) or 6% (2015 – 8%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	13.71	0.28	(0.10)	0.27	(0.68)	(0.23)	—	(0.19)	—	—	(0.19)	13.30
Dec. 31, 2015	15.13	0.31	(0.23)	(0.17)	(1.19)	(1.28)	—	(0.08)	—	—	(0.08)	13.71
Dec. 31, 2014	14.93	0.51	(0.24)	1.24	0.07	1.58	—	(0.27)	(1.11)	—	(1.38)	15.13
Dec. 31, 2013	10.19	0.27	(0.19)	1.35	3.40	4.83	—	(0.09)	—	—	(0.09)	14.91
Dec. 31, 2012	9.26	0.37	(0.15)	0.90	0.02	1.14	—	(0.20)	—	—	(0.20)	10.19
Dec. 31, 2011	8.78	0.25	(0.13)	0.51	(0.03)	0.60	—	(0.11)	—	—	(0.11)	9.26
Advisor Series												
June 30, 2016	13.85	0.28	(0.10)	0.28	(0.69)	(0.23)	—	(0.20)	—	—	(0.20)	13.44
Dec. 31, 2015	15.29	0.32	(0.23)	(0.17)	(1.20)	(1.28)	—	(0.09)	—	—	(0.09)	13.85
Dec. 31, 2014	15.09	0.52	(0.23)	1.25	0.07	1.61	—	(0.27)	(1.13)	—	(1.40)	15.29
Dec. 31, 2013	10.30	0.27	(0.19)	1.36	3.42	4.86	—	(0.09)	—	—	(0.09)	15.07
Dec. 31, 2012	9.33	0.37	(0.15)	0.90	0.02	1.14	—	(0.19)	—	—	(0.19)	10.30
Dec. 31, 2011	8.85	0.26	(0.13)	0.51	(0.03)	0.61	—	(0.12)	—	—	(0.12)	9.33
Series D												
June 30, 2016	13.75	0.28	(0.08)	0.27	(0.69)	(0.22)	—	(0.21)	—	—	(0.21)	13.34
Dec. 31, 2015	15.18	0.31	(0.18)	(0.17)	(1.20)	(1.24)	—	(0.13)	—	—	(0.13)	13.75
Dec. 31, 2014	14.98	0.51	(0.19)	1.24	0.07	1.63	—	(0.31)	(1.12)	—	(1.43)	15.18
Dec. 31, 2013	10.22	0.27	(0.16)	1.35	3.40	4.86	—	(0.12)	—	—	(0.12)	14.96
Dec. 31, 2012	9.26	0.37	(0.12)	0.90	0.02	1.17	—	(0.22)	—	—	(0.22)	10.22
Dec. 31, 2011	8.77	0.25	(0.11)	0.51	(0.03)	0.62	—	(0.13)	—	—	(0.13)	9.26
Series F												
June 30, 2016	14.13	0.29	(0.06)	0.28	(0.71)	(0.20)	—	(0.24)	—	—	(0.24)	13.72
Dec. 31, 2015	15.61	0.32	(0.15)	(0.18)	(1.23)	(1.24)	—	(0.17)	—	—	(0.17)	14.13
Dec. 31, 2014	15.40	0.53	(0.15)	1.28	0.07	1.73	—	(0.37)	(1.15)	—	(1.52)	15.61
Dec. 31, 2013	10.51	0.27	(0.12)	1.39	3.50	5.04	—	(0.16)	—	—	(0.16)	15.39
Dec. 31, 2012	9.54	0.38	(0.10)	0.93	0.02	1.23	—	(0.27)	—	—	(0.27)	10.51
Dec. 31, 2011	9.05	0.26	(0.08)	0.52	(0.03)	0.67	—	(0.17)	—	—	(0.17)	9.54
Series I												
June 30, 2016	13.86	0.28	(0.05)	0.28	(0.69)	(0.18)	—	(0.25)	—	—	(0.25)	13.45
Dec. 31, 2015	15.30	0.32	(0.10)	(0.17)	(1.20)	(1.15)	—	(0.21)	—	—	(0.21)	13.86
Dec. 31, 2014	15.09	0.52	(0.11)	1.25	0.07	1.73	—	(0.40)	(1.13)	—	(1.53)	15.30
Dec. 31, 2013	10.29	0.27	(0.09)	1.36	3.43	4.97	—	(0.19)	—	—	(0.19)	15.07
Dec. 31, 2012	9.32	0.37	(0.07)	0.90	0.02	1.22	—	(0.27)	—	—	(0.27)	10.29
Dec. 31, 2011	8.83	0.26	(0.06)	0.51	(0.03)	0.68	—	(0.18)	—	—	(0.18)	9.32



FINANCIAL HIGHLIGHTS (cont.)

Change in Net Assets Per Unit (\$) (cont.)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					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	Total	
		Series 0										
June 30, 2016	13.97	0.29	—	0.28	(0.70)	(0.13)	—	(0.30)	—	—	(0.30)	13.56
Dec. 31, 2015	15.43	0.32	—	(0.18)	(1.22)	(1.08)	—	(0.31)	—	—	(0.31)	13.97
Dec. 31, 2014	15.29	0.51	—	1.24	0.07	1.82	—	(0.57)	(1.15)	—	(1.72)	15.43
Dec. 31, 2013	10.44	0.27	—	1.38	3.49	5.14	—	(0.28)	—	—	(0.28)	15.28
Dec. 31, 2012	9.44	0.38	—	0.91	0.02	1.31	—	(0.32)	—	—	(0.32)	10.44
Dec. 31, 2011	8.95	0.26	—	0.52	(0.03)	0.75	—	(0.25)	—	—	(0.25)	9.44

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	13.30	878 463	66 029	1.55	1.55	65.50	0.07
Dec. 31, 2015	13.71	1 015 117	74 062	1.55	1.55	54.36	0.06
Dec. 31, 2014	15.13	1 318 415	87 111	1.55	1.55	72.33	0.06
Dec. 31, 2013	14.93	1 192 091	79 839	1.55	1.55	58.22	0.06
Dec. 31, 2012	10.20	758 380	74 381	1.53	1.53	69.92	0.07
Dec. 31, 2011	9.26	676 376	73 066	1.53	1.53	51.10	0.05
Advisor Series							
June 30, 2016	13.44	28 590	2 127	1.49	1.49	65.50	0.07
Dec. 31, 2015	13.85	34 638	2 502	1.49	1.49	54.36	0.06
Dec. 31, 2014	15.29	48 166	3 151	1.50	1.50	72.33	0.06
Dec. 31, 2013	15.09	36 500	2 419	1.51	1.51	58.22	0.06
Dec. 31, 2012	10.30	16 435	1 596	1.48	1.48	69.92	0.07
Dec. 31, 2011	9.34	10 184	1 091	1.48	1.48	51.10	0.05
Series D							
June 30, 2016	13.34	84 510	6 333	1.22	1.22	65.50	0.07
Dec. 31, 2015	13.75	91 113	6 628	1.22	1.22	54.36	0.06
Dec. 31, 2014	15.18	115 644	7 619	1.22	1.22	72.33	0.06
Dec. 31, 2013	14.98	86 516	5 777	1.23	1.23	58.22	0.06
Dec. 31, 2012	10.22	38 146	3 732	1.22	1.22	69.92	0.07
Dec. 31, 2011	9.26	24 418	2 636	1.21	1.21	51.10	0.05
Series F							
June 30, 2016	13.72	48 982	3 570	0.94	0.94	65.50	0.07
Dec. 31, 2015	14.13	54 948	3 887	0.94	0.94	54.36	0.06
Dec. 31, 2014	15.61	88 318	5 660	0.94	0.94	72.33	0.06
Dec. 31, 2013	15.40	77 040	5 002	0.95	0.95	58.22	0.06
Dec. 31, 2012	10.51	42 321	4 026	0.94	0.94	69.92	0.07
Dec. 31, 2011	9.54	36 649	3 841	0.94	0.94	51.10	0.05



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data (cont.)

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series I							
June 30, 2016	13.45	7 665	570	0.69	0.69	65.50	0.07
Dec. 31, 2015	13.86	7 994	577	0.68	0.68	54.36	0.06
Dec. 31, 2014	15.30	31 796	2 079	0.70	0.70	72.33	0.06
Dec. 31, 2013	15.09	22 693	1 504	0.70	0.70	58.22	0.06
Dec. 31, 2012	10.30	9 824	954	0.65	0.65	69.92	0.07
Dec. 31, 2011	9.32	5 615	602	0.68	0.68	51.10	0.05
Series O							
June 30, 2016	13.56	519 384	38 296	0.02	0.02	65.50	0.07
Dec. 31, 2015	13.97	497 227	35 582	0.02	0.02	54.36	0.06
Dec. 31, 2014	15.43	471 596	30 561	0.02	0.02	72.33	0.06
Dec. 31, 2013	15.29	210 081	13 737	0.02	0.02	58.22	0.06
Dec. 31, 2012	10.44	152 528	14 609	0.02	0.02	69.92	0.07
Dec. 31, 2011	9.44	89 779	9 513	0.02	0.02	51.10	0.05

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

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

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

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.25%	52%	48%
Advisor Series	1.25%	52%	48%
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 with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

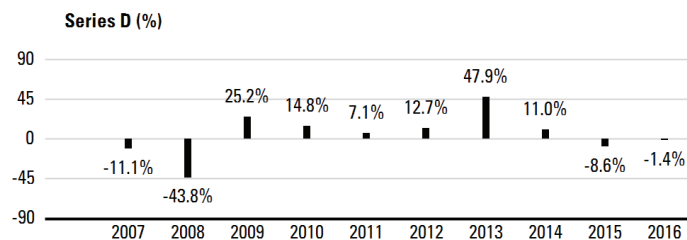
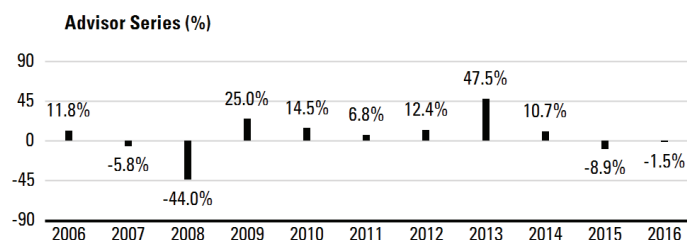
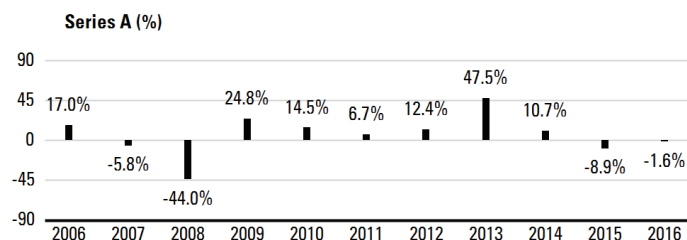


PAST PERFORMANCE

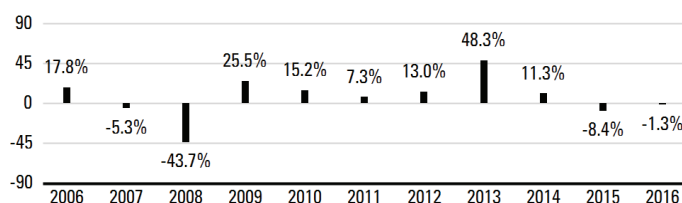
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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 (%)

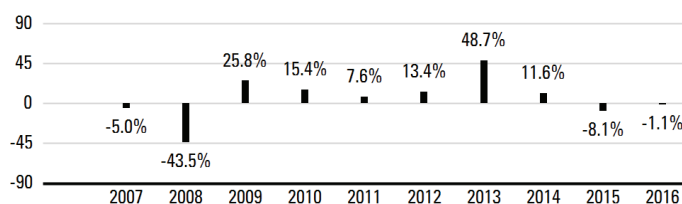
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



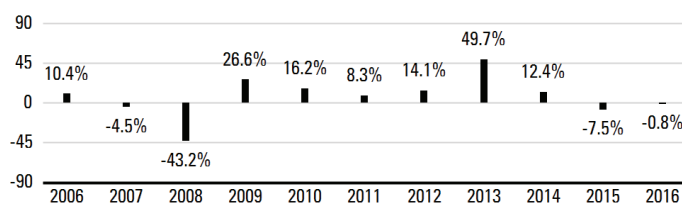
Series F (%)



Series I (%)



Series O (%)



Series I units have been available for sale to unitholders since October 1, 2007, Series D units since July 3, 2007, Series O units since September 5, 2006, and Advisor Series units since August 28, 2006.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Consumer Discretionary	23.6
Industrials	23.1
Financials	13.1
Information Technology	11.5
Materials	7.6
Energy	7.0
Telecommunication Services	6.2
Consumer Staples	4.9
Health Care	2.0
Cash/Other	1.0

Top 25 Holdings

	% of Net Asset Value
Travelers Cos. Inc.	5.1
Northrop Grumman Corp.	4.9
Illinois Tool Works Inc.	4.9
CenturyTel Inc.	4.4
LyondellBasell Industries N.V.	4.2
National Oilwell Varco Inc.	3.8
Parker Hannifin Corp.	3.6
Bed Bath & Beyond Inc.	3.5
Marriott International Inc., Class A	3.1
CBS Corp.	2.9
Michael Kors Holdings Ltd.	2.8
Macy's Inc.	2.5
Valero Energy Corp.	2.4
Allstate Corp.	2.4
Motorola Solutions Inc.	2.4
Hartford Financial Services Inc.	2.3
Coca-Cola European Partners Plc.	2.2
Emerson Electric Co.	2.0
Juniper Networks Inc.	1.9
NTT DoCoMo Inc. ADR	1.8
TE Connectivity Ltd.	1.8
Corning Inc.	1.7
Boeing Co.	1.7
The Mosaic Co.	1.6
American Airlines Group Inc.	1.5
Top 25 Holdings	71.4

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.



U.S. EQUITY FUND

**RBC U.S. MID-CAP GROWTH
EQUITY FUND**

formerly, RBC U.S. Mid-Cap Equity Fund

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (U.S.) Inc., Minneapolis, Minnesota

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in U.S. mid-cap equities and common-stock equivalents, allowing broad exposure to growth opportunities in U.S. equity markets.

The Fund diversifies across industries in the U.S. market and seeks companies with strong management, focused business models and prospects for growth in earnings and cash flow.

Results of Operations

The Fund's net asset value was \$638 million as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 2.3%. 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 any other series, which may vary because of differences in management fees and expenses.

Growth stocks performed relatively well during the first half of 2016, following sharp declines early in the year. The turnaround was fuelled by improving economic data, a rebound in oil prices and signs that the U.S. Federal Reserve would put off raising interest rates in the near term. Energy was the Fund's best-performing sector during the period, followed by Utilities, Materials and Consumer Staples. The Health Care, Telecommunication Services and Consumer Discretionary sectors recorded declines during the period.

The Fund's returns were boosted by stock selection in the Health Care, Consumer Staples, Industrials and Consumer Discretionary sectors, while security selection in Financials and Energy were modest negatives. The portfolio's overweight allocation to the strongly performing Energy sector, along with a significant underweight in the poorly performing Consumer Discretionary sector, helped relative performance.

The portfolio owned 80 stocks as of June 30, 2016. Three stocks were added to the portfolio during the period: Casey's General Stores, Globus Medical and Tyler Technologies. Airgas was eliminated from the portfolio after the company was acquired by Air Liquide in May and Open Text was sold for portfolio reallocation purposes.

Recent Developments

The sub-advisor expects market volatility to remain high for at least the remainder of 2016. On top of political violence in the Middle East and slowing growth in China, the U.K.'s decision to leave the EU in a June referendum has further contributed to market uncertainty. The sub-advisor remains somewhat optimistic about U.S. economic growth and believes that its focus on companies with limited exposure to broad global risks should enable the portfolio to navigate through any increase in market volatility.

Effective June 30, 2016, the Fund's name was changed to the RBC U.S. Mid-Cap Growth Equity Fund and Series H and Series I units were closed to all investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

RBC Global Asset Management (U.S.) Inc. is the sub-advisor and provides investment advice for the Fund.

Distributors

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

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 units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016	27.18	0.34	(0.27)	0.67	(1.30)	(0.56)	—	—	—	—	—	26.55	
Dec. 31, 2015	26.51	0.19	(0.61)	10.32	(4.43)	5.47	—	—	(3.38)	—	(3.38)	27.18	
Dec. 31, 2014	23.24	0.13	(0.51)	1.97	2.33	3.92	—	—	(0.44)	—	(0.44)	26.51	
Dec. 31, 2013	16.90	0.09	(0.43)	0.59	6.05	6.30	—	—	—	—	—	23.24	
Dec. 31, 2012	16.55	0.21	(0.36)	1.53	(0.98)	0.40	—	—	—	—	—	16.90	
Dec. 31, 2011	16.91	0.13	(0.33)	0.22	(0.38)	(0.36)	—	—	—	—	—	16.55	
Advisor Series													
June 30, 2016	27.24	0.34	(0.27)	0.67	(1.31)	(0.57)	—	—	—	—	—	26.61	
Dec. 31, 2015	26.57	0.20	(0.61)	10.70	(4.59)	5.70	—	—	(3.39)	—	(3.39)	27.24	
Dec. 31, 2014	23.28	0.13	(0.51)	1.98	2.34	3.94	—	—	(0.44)	—	(0.44)	26.57	
Dec. 31, 2013	16.93	0.09	(0.43)	0.59	6.05	6.30	—	—	—	—	—	23.28	
Dec. 31, 2012	16.56	0.21	(0.34)	1.54	(0.99)	0.42	—	—	—	—	—	16.93	
Dec. 31, 2011	16.91	0.13	(0.32)	0.22	(0.38)	(0.35)	—	—	—	—	—	16.56	
Series D													
June 30, 2016	29.31	0.37	(0.17)	0.72	(1.41)	(0.49)	—	—	—	—	—	28.76	
Dec. 31, 2015	28.30	0.21	(0.38)	11.24	(4.82)	6.25	—	—	(3.60)	—	(3.60)	29.31	
Dec. 31, 2014	24.58	0.14	(0.31)	2.08	2.46	4.37	—	—	(0.46)	—	(0.46)	28.30	
Dec. 31, 2013	17.72	0.09	(0.26)	0.62	6.37	6.82	—	—	—	—	—	24.58	
Dec. 31, 2012	17.20	0.22	(0.22)	1.60	(1.02)	0.58	—	—	—	—	—	17.72	
Dec. 31, 2011	17.42	0.14	(0.20)	0.23	(0.39)	(0.22)	—	—	—	—	—	17.20	
Series F													
June 30, 2016	31.25	0.39	(0.14)	0.77	(1.50)	(0.48)	—	—	—	—	—	30.70	
Dec. 31, 2015	30.12	0.23	(0.32)	12.37	(5.30)	6.98	—	—	(3.87)	—	(3.87)	31.25	
Dec. 31, 2014	26.10	0.15	(0.26)	2.21	2.61	4.71	—	—	(0.48)	—	(0.48)	30.12	
Dec. 31, 2013	18.77	0.10	(0.22)	0.65	6.75	7.28	—	—	—	—	—	26.09	
Dec. 31, 2012	18.19	0.23	(0.18)	1.69	(1.09)	0.65	—	(0.03)	—	—	(0.03)	18.77	
Dec. 31, 2011	18.38	0.15	(0.16)	0.25	(0.41)	(0.17)	—	—	—	—	—	18.19	
Series O													
June 30, 2016	31.70	0.40	—	0.78	(1.52)	(0.34)	—	—	—	—	—	31.28	
Dec. 31, 2015	30.53	0.20	(0.01)	10.79	(4.63)	6.35	—	(0.26)	(3.97)	—	(4.23)	31.70	
Dec. 31, 2014	26.30	0.15	(0.01)	2.23	2.64	5.01	—	(0.10)	(0.50)	—	(0.60)	30.53	
Dec. 31, 2013	18.79	0.10	(0.01)	0.66	6.78	7.53	—	(0.07)	—	—	(0.07)	26.30	
Dec. 31, 2012	18.18	0.23	—	1.69	(1.09)	0.83	—	(0.16)	—	—	(0.16)	18.79	
Dec. 31, 2011	18.29	0.15	—	0.25	(0.41)	(0.01)	—	(0.10)	—	—	(0.10)	18.18	

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	26.55	89 929	3 387	2.10	2.10	18.98	0.01
Dec. 31, 2015	27.18	99 611	3 665	2.10	2.10	14.83	0.05
Dec. 31, 2014	26.51	93 871	3 541	2.10	2.10	22.88	0.02
Dec. 31, 2013	23.24	80 436	3 460	2.11	2.11	17.96	0.02
Dec. 31, 2012	16.91	59 501	3 518	2.09	2.09	340.62	0.46
Dec. 31, 2011	16.56	64 153	3 873	2.08	2.08	283.13	0.37
Advisor Series							
June 30, 2016	26.61	1 935	73	2.09	2.09	18.98	0.01
Dec. 31, 2015	27.24	2 284	84	2.07	2.07	14.83	0.05
Dec. 31, 2014	26.57	1 236	47	2.09	2.09	22.88	0.02
Dec. 31, 2013	23.28	1 139	49	2.11	2.11	17.96	0.02
Dec. 31, 2012	16.94	338	20	1.98	1.98	340.62	0.46
Dec. 31, 2011	16.57	411	25	2.02	2.02	283.13	0.37
Series D							
June 30, 2016	28.76	9 009	313	1.21	1.21	18.98	0.01
Dec. 31, 2015	29.31	11 132	380	1.20	1.20	14.83	0.05
Dec. 31, 2014	28.30	8 270	292	1.21	1.21	22.88	0.02
Dec. 31, 2013	24.58	5 323	217	1.21	1.21	17.96	0.02
Dec. 31, 2012	17.73	3 284	185	1.20	1.20	340.62	0.46
Dec. 31, 2011	17.21	3 641	212	1.21	1.21	283.13	0.37
Series F							
June 30, 2016	30.70	6 375	208	0.94	0.94	18.98	0.01
Dec. 31, 2015	31.25	3 686	118	0.94	0.94	14.83	0.05
Dec. 31, 2014	30.12	1 998	66	0.95	0.95	22.88	0.02
Dec. 31, 2013	26.10	1 268	49	0.96	0.96	17.96	0.02
Dec. 31, 2012	18.78	684	36	0.95	0.95	340.62	0.46
Dec. 31, 2011	18.20	902	50	0.94	0.94	283.13	0.37
Series O							
June 30, 2016	31.28	531 204	16 981	0.02	0.02	18.98	0.01
Dec. 31, 2015	31.70	504 958	15 931	0.02	0.02	14.83	0.05
Dec. 31, 2014	30.53	1 050 529	34 408	0.02	0.02	22.88	0.02
Dec. 31, 2013	26.30	810 859	30 827	0.02	0.02	17.96	0.02
Dec. 31, 2012	18.80	535 492	28 480	0.02	0.02	340.62	0.46
Dec. 31, 2011	18.19	420 238	23 106	0.02	0.02	283.13	0.37

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

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

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



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

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

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

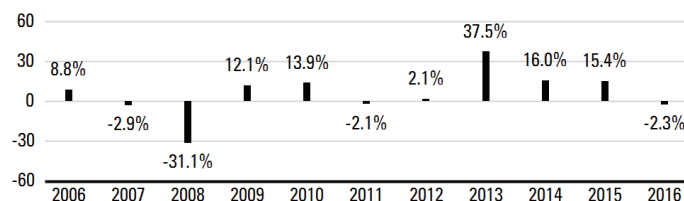
PAST PERFORMANCE

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.

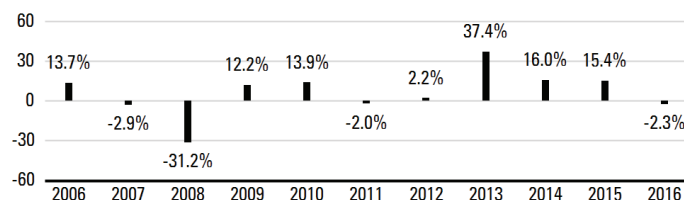
Year-by-Year Returns (%)

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.

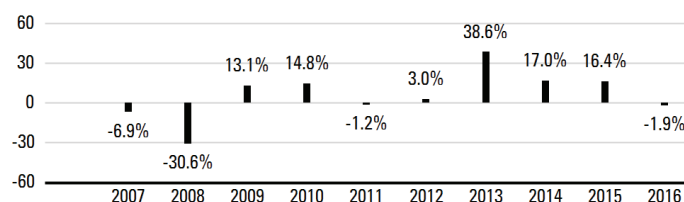
Series A (%)



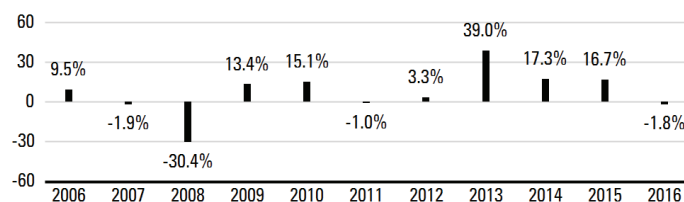
Advisor Series (%)



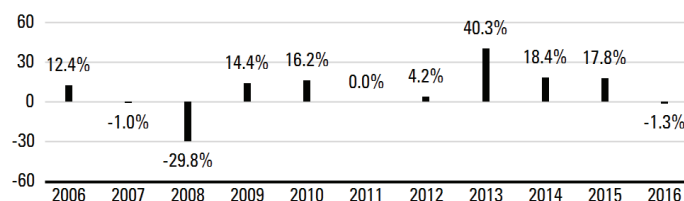
Series D (%)



Series F (%)



Series O (%)



Series D units have been available for sale to unitholders since July 3, 2007, Series O units since September 5, 2006, and Advisor Series units since August 28, 2006.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Health Care	21.3
Information Technology	19.9
Industrials	17.4
Consumer Discretionary	14.8
Consumer Staples	10.3
Financials	9.6
Energy	2.2
Materials	1.5
Cash/Other	3.0

Top 25 Holdings

	% of Net Asset Value
Cash & Cash Equivalents	3.0
Henry Schein Inc.	2.3
Treehouse Foods Inc.	2.0
Tractor Supply Co.	2.0
Dollar Tree Inc.	1.9
Church & Dwight Co. Inc.	1.8
O'Reilly Automotive Inc.	1.8
Ingredion Inc.	1.7
C.R. Bard Inc.	1.7
Abiomed Inc.	1.7
Waste Connections Inc.	1.6
Signature Bank	1.6
Mettler-Toledo International Inc.	1.6
LKQ Corp.	1.5
Copart Inc.	1.5
MercadoLibre Inc.	1.5
McCormick & Co. Inc.	1.5
SynOpsys Inc.	1.5
Parexel International Corp.	1.5
Ross Stores Inc.	1.5
RLI Corp.	1.5
IDEXX Laboratories Inc.	1.5
Waters Corp.	1.5
Fidelity National Information Services Inc.	1.5
Aptargroup Inc.	1.4
Top 25 Holdings	42.6

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.



U.S. EQUITY FUND

**RBC U.S. MID-CAP GROWTH EQUITY
CURRENCY NEUTRAL FUND**

formerly, RBC U.S. Mid-Cap Equity Currency Neutral Fund

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (U.S.) Inc., Minneapolis, Minnesota

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital appreciation, primarily through investing in mid-capitalized equity securities of U.S. companies while minimizing the exposure to fluctuations between the U.S. and Canadian dollar exchange rates.

The Fund diversifies across industries and selects companies with strong management, focused business models and the potential for growth in earnings and cash flow. The Fund uses currency hedges to minimize the impact of fluctuations in the U.S. dollar versus the Canadian dollar.

Results of Operations

The Fund's net asset value was \$11 million as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 3.3%. 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 any other series, which may vary because of differences in management fees and expenses.

Growth stocks performed relatively well during the first half of 2016, following sharp declines early in the year. The turnaround was fuelled by improving economic data, a rebound in oil prices and signs that the U.S. Federal Reserve would put off raising interest rates in the near term. Energy was the Fund's best-performing sector during the period, followed by Utilities, Materials and Consumer Staples. The Health Care, Telecommunication Services and Consumer Discretionary sectors recorded declines during the period.

The Fund's returns were boosted by stock selection in the Health Care, Consumer Staples, Industrials and Consumer Discretionary sectors, while security selection in Financials and Energy were modest negatives. The portfolio's overweight allocation to the strongly performing Energy sector, along with a significant underweight in the poorly performing Consumer Discretionary sector, helped relative performance.

The portfolio owned 80 stocks as of June 30, 2016. Two stocks were added to the portfolio during the period: Casey's General Stores and Globus Medical. Airgas was eliminated from the portfolio after the company was acquired by Air Liquide in May.

It is the policy of the Fund to maintain currency hedges at all times in order to neutralize exchange-rate movements between the U.S. dollar and the Canadian dollar. This policy had a positive impact on returns in the first half of 2016, as unitholders were protected against the U.S. dollar's decline against the Canadian dollar.

Recent Developments

The sub-advisor expects market volatility to remain high for at least the remainder of 2016. On top of political violence in the Middle East and slowing growth in China, the U.K.'s decision to leave the EU in a June referendum has further contributed to market uncertainty. The sub-advisor remains somewhat optimistic about U.S. economic growth and believes that its focus on companies with limited exposure to broad global risks should enable the portfolio to navigate through any increase in market volatility.

Effective June 30, 2016, the Fund's name was changed to the RBC U.S. Mid-Cap Growth Equity Currency Neutral Fund.

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RBC Global Asset Management (U.S.) Inc. is the sub-advisor and provides investment advice for the Fund.

Distributors

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

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 units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016	11.64	0.15	(0.12)	1.27	(0.87)	0.43	—	—	—	—	—	12.02	
Dec. 31, 2015	11.96	0.08	(0.25)	(0.78)	0.61	(0.34)	—	—	—	—	—	11.64	
Dec. 31, 2014	11.22	0.06	(0.24)	0.54	0.34	0.70	—	—	—	—	—	11.96	
Dec. 31, 2013	8.63	0.04	(0.21)	(0.07)	2.84	2.60	—	—	—	—	—	11.22	
Dec. 31, 2012	8.27	0.11	(0.18)	1.02	(0.59)	0.36	—	—	—	—	—	8.63	
Dec. 31, 2011	8.63	0.07	(0.18)	(0.06)	(0.25)	(0.42)	—	—	—	—	—	8.27	
Advisor Series													
June 30, 2016	11.69	0.15	(0.12)	1.28	(0.88)	0.43	—	—	—	—	—	12.08	
Dec. 31, 2015	12.01	0.08	(0.25)	(0.78)	0.61	(0.34)	—	—	—	—	—	11.69	
Dec. 31, 2014	11.26	0.06	(0.23)	0.54	0.34	0.71	—	—	—	—	—	12.01	
Dec. 31, 2013	8.66	0.04	(0.21)	(0.07)	2.85	2.61	—	—	—	—	—	11.26	
Dec. 31, 2012	8.29	0.11	(0.18)	1.03	(0.59)	0.37	—	—	—	—	—	8.66	
Dec. 31, 2011	8.66	0.07	(0.17)	(0.06)	(0.25)	(0.41)	—	—	—	—	—	8.29	
Series D													
June 30, 2016	12.51	0.16	(0.08)	1.37	(0.94)	0.51	—	—	—	—	—	12.98	
Dec. 31, 2015	12.75	0.08	(0.16)	(0.83)	0.65	(0.26)	—	—	—	—	—	12.51	
Dec. 31, 2014	11.86	0.06	(0.15)	0.57	0.35	0.83	—	—	—	—	—	12.75	
Dec. 31, 2013	9.04	0.05	(0.13)	(0.07)	2.99	2.84	—	—	—	—	—	11.85	
Dec. 31, 2012	8.58	0.11	(0.11)	1.07	(0.62)	0.45	—	—	—	—	—	9.04	
Dec. 31, 2011	8.89	0.07	(0.11)	(0.06)	(0.26)	(0.36)	—	—	—	—	—	8.58	
Series F													
June 30, 2016	12.94	0.17	(0.06)	1.41	(0.97)	0.55	—	—	—	—	—	13.44	
Dec. 31, 2015	13.15	0.09	(0.13)	(0.85)	0.67	(0.22)	—	—	—	—	—	12.94	
Dec. 31, 2014	12.20	0.06	(0.12)	0.60	0.37	0.91	—	—	—	—	—	13.15	
Dec. 31, 2013	9.28	0.05	(0.11)	(0.07)	3.07	2.94	—	—	—	—	—	12.20	
Dec. 31, 2012	8.79	0.11	(0.09)	1.09	(0.63)	0.48	—	—	—	—	—	9.28	
Dec. 31, 2011	9.08	0.08	(0.09)	(0.06)	(0.27)	(0.34)	—	—	—	—	—	8.79	

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	12.02	9 127	759	2.08	2.10	27.38	0.03
Dec. 31, 2015	11.64	10 256	881	2.08	2.10	16.37	0.02
Dec. 31, 2014	11.96	10 826	905	2.08	2.11	12.19	0.02
Dec. 31, 2013	11.22	11 192	997	2.11	2.11	7.11	0.01
Dec. 31, 2012	8.64	9 650	1 117	2.10	2.10	335.69	0.46
Dec. 31, 2011	8.27	9 852	1 191	2.12	2.12	280.13	0.37
Advisor Series							
June 30, 2016	12.08	391	32	2.01	2.04	27.38	0.03
Dec. 31, 2015	11.69	350	30	2.02	2.05	16.37	0.02
Dec. 31, 2014	12.01	246	20	2.02	2.05	12.19	0.02
Dec. 31, 2013	11.26	248	22	2.07	2.07	7.11	0.01
Dec. 31, 2012	8.67	172	20	2.08	2.08	335.69	0.46
Dec. 31, 2011	8.30	230	28	2.12	2.12	280.13	0.37
Series D							
June 30, 2016	12.98	790	61	1.19	1.22	27.38	0.03
Dec. 31, 2015	12.51	399	32	1.22	1.25	16.37	0.02
Dec. 31, 2014	12.75	315	25	1.20	1.23	12.19	0.02
Dec. 31, 2013	11.86	554	47	1.22	1.22	7.11	0.01
Dec. 31, 2012	9.05	403	45	1.24	1.24	335.69	0.46
Dec. 31, 2011	8.59	299	35	1.27	1.27	280.13	0.37
Series F							
June 30, 2016	13.44	1 178	88	0.95	0.98	27.38	0.03
Dec. 31, 2015	12.94	621	48	0.96	0.98	16.37	0.02
Dec. 31, 2014	13.15	206	16	0.95	0.98	12.19	0.02
Dec. 31, 2013	12.20	77	6	0.97	0.97	7.11	0.01
Dec. 31, 2012	9.29	105	11	0.97	0.97	335.69	0.46
Dec. 31, 2011	8.79	144	16	1.01	1.01	280.13	0.37

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

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

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

Management Fees

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

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

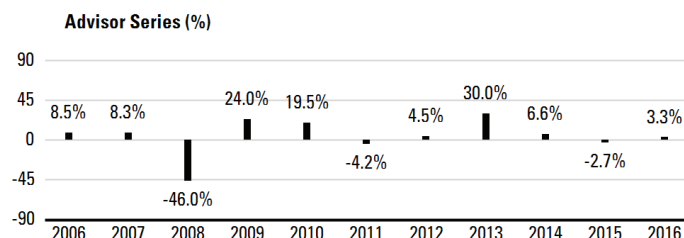
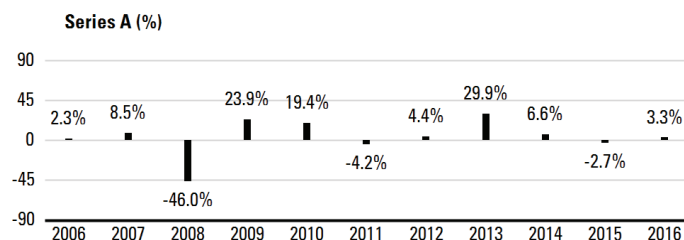


PAST PERFORMANCE

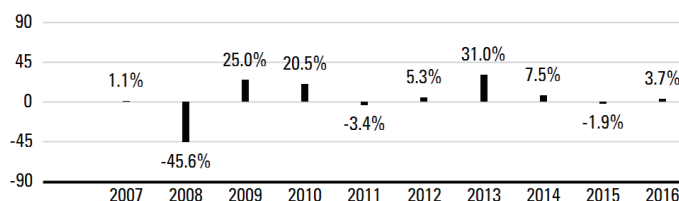
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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 (%)

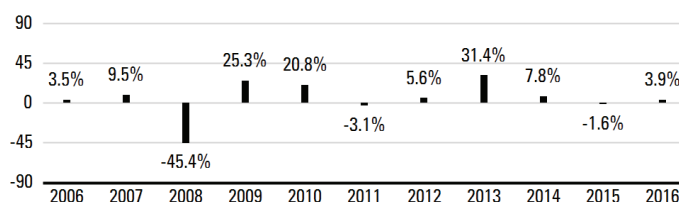
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



Series D (%)



Series F (%)



Series D units have been available for sale to unitholders since July 3, 2007, Advisor Series units since August 8, 2006, and Series A and Series F units since January 23, 2006.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Health Care	21.4
Information Technology	20.0
Industrials	17.6
Consumer Discretionary	14.8
Consumer Staples	10.5
Financials	9.7
Energy	2.2
Materials	1.5
Cash/Other	2.3

Top 25 Holdings

	% of Net Asset Value
Cash & Cash Equivalents	2.8
Henry Schein Inc.	2.3
Treehouse Foods Inc.	2.1
Tractor Supply Co.	1.9
Dollar Tree Inc.	1.9
O'Reilly Automotive Inc.	1.8
Ingredion Inc.	1.8
Church & Dwight Co. Inc.	1.8
C.R. Bard Inc.	1.7
Abiomed Inc.	1.7
Signature Bank	1.6
Waste Connections Inc.	1.6
LKQ Corp.	1.6
Mettler-Toledo International Inc.	1.6
MercadoLibre Inc.	1.5
Copart Inc.	1.5
SynOpsys Inc.	1.5
Waters Corp.	1.5
McCormick & Co. Inc.	1.5
IDEXX Laboratories Inc.	1.5
Parexel International Corp.	1.5
RLI Corp.	1.5
Fidelity National Information Services Inc.	1.5
Ross Stores Inc.	1.5
WEX Inc.	1.5
Top 25 Holdings	42.7

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.



U.S. EQUITY FUND

RBC U.S. MID-CAP VALUE EQUITY FUND

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (U.S.) Inc., Minneapolis, Minnesota

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in equity securities of U.S. mid-cap companies that are deemed to be undervalued in order to provide broad exposure to economic growth opportunities in the equity markets.

The Fund's investment process is based primarily on fundamental research, although the portfolio manager will also consider quantitative and technical factors. Stock selection decisions are ultimately based on an understanding of the company, its business and its outlook. The portfolio manager diversifies the Fund across industries in the U.S. market and selects companies based on strong management, focused business models and the potential for future growth in earnings and cash flow.

Results of Operations

The Fund's net asset value was \$487 million as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 8.4%. 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 any other series, which may vary because of differences in management fees and expenses.

The optimism demonstrated by equity investors at the end of 2015 was short-lived as stock markets declined in the first week of 2016. The headwinds of slowing Chinese and global growth and plummeting oil prices remained unresolved heading into 2016 and played roles in one of the worst starts ever to a calendar year. In time, however, it became apparent that earnings prospects remained reasonably attractive, and stocks began to recover in mid-February. The trigger for the recovery was a rebound in oil prices, which boosted the Energy sector. Investor expectations that the U.S. Federal Reserve (the "Fed") would slow the pace of interest-rate hikes also supported many stocks.

Five of the 10 economic sectors posted gains in the Fund during the first half of the year, with the Energy, Telecommunication Services and Materials sectors offering the best returns. However, these returns were somewhat offset by declines in the Financials, Health Care and Consumer Discretionary sectors.

Security selection was negative for the portfolio during the period, primarily in the Financials and Utilities sectors. Property and casualty insurer AmTrust Financial fell on fears that a slowing U.S. economy could depress workers' compensation insurance premiums, while electric utility company Dynegy was the worst performer in the Fund's Utilities-sector holdings, as a decline in the price of electricity increased risks for the debt-heavy company.

Portfolio turnover is high for the Fund as the portfolio manager attempts to generate better returns through active fund management.

Recent Developments

Global growth remains slow as the latter half of 2016 gets underway. The fact that the U.S. economy is expanding faster than almost anywhere else has lessened the fears of domestic investors even as geopolitical risks persist, including fallout from Britain's recent decision to exit the EU. The recovery in oil prices has also helped to promote stability. With the Fed inclined to hold off on additional rate increases, the sub-advisor believes that markets can extend the rally that began in mid-February, with volatile periods included.

The broad stock market continues to be led by equities that offer attractive yields, including utilities and real estate investment trusts (REITs) both of which are trading at extremely high valuations, and the Fund has underweight positions in these areas. The sub-advisor believes the portfolio has the potential to rebound significantly as macroeconomic risks fade.

Effective June 30, 2016, management fees were reduced as follows: from 1.85% to 1.75% for Series A and Advisor Series units; from 1.10% to 1.00% for Series D units; and from 0.85% to 0.75% for Series F units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

RBC Global Asset Management (U.S.) Inc. is the sub-advisor and provides investment advice for the Fund.

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Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

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



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Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016	12.39	0.08	(0.12)	(0.47)	(0.48)	(0.99)	—	—	—	—	—	11.35	
Dec. 31, 2015	12.61	0.19	(0.30)	2.08	(0.79)	1.18	—	—	(1.56)	—	(1.56)	12.39	
Dec. 31, 2014	13.08	0.16	(0.31)	4.19	(0.61)	3.43	—	—	(3.87)	—	(3.87)	12.61	
Dec. 31, 2013	10.25	0.12	(0.28)	1.39	2.85	4.08	—	—	(1.26)	—	(1.26)	13.07	
Dec. 31, 2012 ³	10.00 [†]	1.57	(0.20)	(1.30)	0.26	0.33	—	—	(0.08)	—	(0.08)	10.25	
Advisor Series													
June 30, 2016	12.42	0.08	(0.13)	(0.47)	(0.48)	(1.00)	—	—	—	—	—	11.37	
Dec. 31, 2015	12.63	0.19	(0.30)	2.09	(0.80)	1.18	—	—	(1.56)	—	(1.56)	12.42	
Dec. 31, 2014	13.09	0.16	(0.31)	4.20	(0.61)	3.44	—	—	(3.87)	—	(3.87)	12.63	
Dec. 31, 2013	10.25	0.12	(0.28)	1.38	2.84	4.06	—	—	(1.26)	—	(1.26)	13.09	
Dec. 31, 2012 ³	10.00 [†]	0.67	(0.20)	(0.56)	0.42	0.33	—	—	(0.08)	—	(0.08)	10.25	
Series D													
June 30, 2016	12.93	0.09	(0.08)	(0.49)	(0.50)	(0.98)	—	—	—	—	—	11.89	
Dec. 31, 2015	13.04	0.19	(0.19)	2.17	(0.83)	1.34	—	—	(1.61)	—	(1.61)	12.93	
Dec. 31, 2014	13.31	0.16	(0.20)	4.28	(0.62)	3.62	—	—	(3.87)	—	(3.87)	13.04	
Dec. 31, 2013	10.32	0.13	(0.18)	1.41	2.89	4.25	—	—	(1.26)	—	(1.26)	13.30	
Dec. 31, 2012 ³	10.00 [†]	0.33	(0.12)	(0.27)	0.47	0.41	—	(0.01)	(0.08)	—	(0.09)	10.32	
Series F													
June 30, 2016	13.13	0.09	(0.06)	(0.49)	(0.51)	(0.97)	—	—	—	—	—	12.10	
Dec. 31, 2015	13.19	0.20	(0.15)	2.23	(0.85)	1.43	—	—	(1.62)	—	(1.62)	13.13	
Dec. 31, 2014	13.39	0.16	(0.16)	4.32	(0.63)	3.69	—	—	(3.87)	—	(3.87)	13.19	
Dec. 31, 2013	10.36	0.12	(0.14)	1.40	2.88	4.26	—	—	(1.26)	—	(1.26)	13.39	
Dec. 31, 2012 ³	10.00 [†]	0.25	(0.09)	(0.21)	0.50	0.45	—	—	(0.09)	—	(0.09)	10.36	
Series O													
June 30, 2016	13.27	0.09	(0.01)	(0.50)	(0.52)	(0.94)	—	—	—	—	—	12.28	
Dec. 31, 2015	13.29	0.19	(0.02)	2.13	(0.81)	1.49	—	(0.08)	(1.66)	—	(1.74)	13.27	
Dec. 31, 2014	13.44	0.16	(0.02)	4.29	(0.62)	3.81	—	(0.11)	(3.87)	—	(3.98)	13.29	
Dec. 31, 2013	10.38	0.13	(0.01)	1.43	2.94	4.49	—	(0.12)	(1.26)	—	(1.38)	13.43	
Dec. 31, 2012 ³	10.00 [†]	0.14	(0.01)	(0.12)	0.51	0.52	—	(0.06)	(0.08)	—	(0.14)	10.38	

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From January 30, 2012.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	11.35	22 545	1 986	2.15⁴	2.15	165.32	0.38
Dec. 31, 2015	12.39	29 134	2 351	2.15	2.15	153.85	0.33
Dec. 31, 2014	12.61	17 106	1 356	2.15	2.15	145.70	0.27
Dec. 31, 2013	13.08	7 507	574	2.17	2.17	104.36	0.18
Dec. 31, 2012 ⁵	10.25	457	45	2.20	2.20	106.06	0.52
Advisor Series							
June 30, 2016	11.37	13 997	1 231	2.20⁴	2.20	165.32	0.38
Dec. 31, 2015	12.42	36 679	2 953	2.14	2.14	153.85	0.33
Dec. 31, 2014	12.63	18 183	1 439	2.12	2.12	145.70	0.27
Dec. 31, 2013	13.09	8 903	680	2.12	2.12	104.36	0.18
Dec. 31, 2012 ⁵	10.26	40	4	2.16	2.16	106.06	0.52
Series D							
June 30, 2016	11.89	8 308	699	1.32⁴	1.32	165.32	0.38
Dec. 31, 2015	12.93	12 305	952	1.33	1.33	153.85	0.33
Dec. 31, 2014	13.04	6 713	515	1.34	1.34	145.70	0.27
Dec. 31, 2013	13.31	1 734	130	1.36	1.36	104.36	0.18
Dec. 31, 2012 ⁵	10.33	54	5	1.26	1.26	106.06	0.52
Series F							
June 30, 2016	12.10	8 400	694	1.04⁴	1.04	165.32	0.38
Dec. 31, 2015	13.13	9 278	706	1.05	1.05	153.85	0.33
Dec. 31, 2014	13.19	6 341	481	1.05	1.05	145.70	0.27
Dec. 31, 2013	13.39	4 050	302	1.09	1.09	104.36	0.18
Dec. 31, 2012 ⁵	10.36	54	5	1.02	1.02	106.06	0.52
Series O							
June 30, 2016	12.28	433 625	35 324	0.11	0.11	165.32	0.38
Dec. 31, 2015	13.27	394 578	29 737	0.11	0.11	153.85	0.33
Dec. 31, 2014	13.29	204 349	15 371	0.11	0.11	145.70	0.27
Dec. 31, 2013	13.44	210 466	15 665	0.11	0.11	104.36	0.18
Dec. 31, 2012 ⁵	10.38	161 440	15 550	0.12	0.12	106.06	0.52

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 2.03%, Advisor Series – 2.07%, Series D – 1.21% and Series F – 0.93%.

⁵ From January 30, 2012.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.75%	54%	46%
Advisor Series	1.75%	54%	46%
Series D	1.00%	23%	77%
Series F	0.75%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

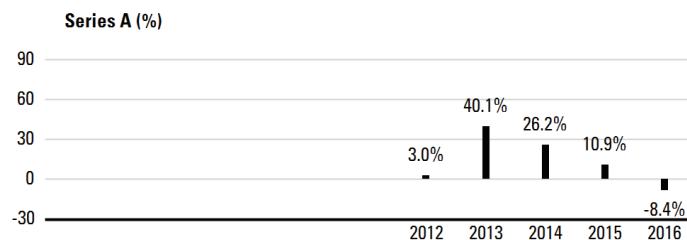
* Includes all costs related to management, trustee, investment advisory services, general administration and profit.

PAST PERFORMANCE

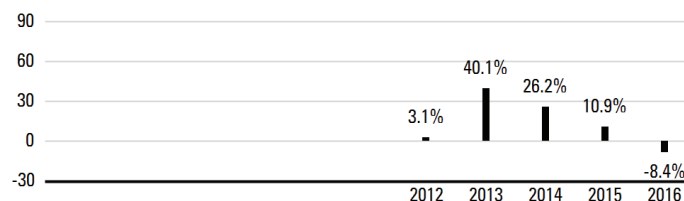
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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 (%)

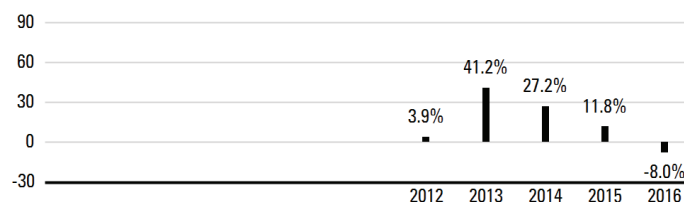
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



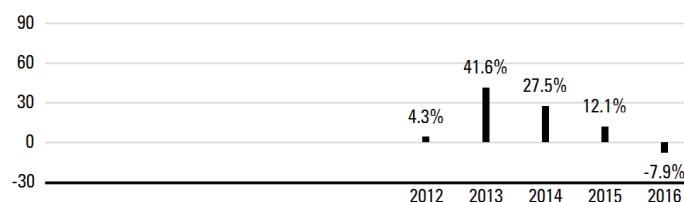
Advisor Series (%)



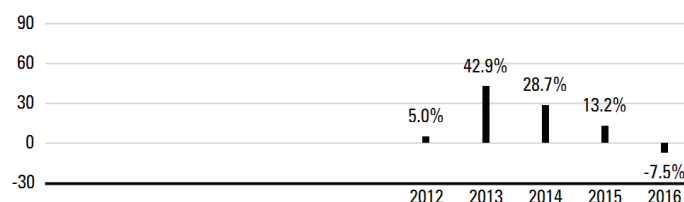
Series D (%)



Series F (%)



Series O (%)



Series A, Advisor Series, Series D, Series F and Series O units have been available for sale to unitholders since January 30, 2012.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Financials	28.9
Consumer Discretionary	18.4
Information Technology	14.1
Health Care	13.6
Energy	9.1
Industrials	5.3
Materials	5.2
Utilities	3.9
Cash/Other	1.5

Top 25 Holdings

	% of Net Asset Value
Lam Research Corp.	4.7
National General Holdings Corp.	4.7
Centene Corp.	4.6
Amtrust Financial Services Inc.	4.4
Skyworks Solutions Inc.	3.5
Lincoln National Corp.	2.9
Laboratory Corp. of America Holdings	2.6
DTE Energy Company	2.4
Jazz Pharmaceuticals Plc.	2.2
Hartford Financial Services Inc.	2.2
Brunswick Corp.	2.2
Interval Leisure Group Inc.	2.2
Steel Dynamics Inc.	2.1
Pioneer Natural Resources Co.	2.1
Synchrony Financial	2.0
XL Group Plc.	1.9
Arrow Electronics Inc.	1.9
G-III Apparel Group Ltd.	1.8
Whirlpool Corp.	1.7
Citizens Financial Group Inc.	1.7
Memorial Resource Development Corp.	1.7
Crown Holdings Inc.	1.6
Parsley Energy Inc.	1.5
Mallinckrodt Plc.	1.5
Spirit Airlines Inc.	1.5
Top 25 Holdings	61.6

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.



U.S. EQUITY FUND

**RBC U.S. SMALL-CAP
CORE EQUITY FUND**

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (U.S.) Inc., Minneapolis, Minnesota

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in equity securities of U.S. small-cap companies in order to provide broad exposure to economic growth opportunities in the equity markets.

The Fund's investment process is based primarily on fundamental research, although the portfolio manager will also consider quantitative and technical factors. Stock selection decisions are ultimately based on an understanding of the company, its business and its outlook. The portfolio manager diversifies the Fund across industries in the U.S. market and selects companies based on strong management, focused business models and the potential for future growth in earnings and cash flow.

Results of Operations

The Fund's net asset value was \$138 million as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 3.1%. 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 any other series, which may vary because of differences in management fees and expenses.

The optimism demonstrated by equity investors at the end of 2015 was short-lived as stock markets declined in the first week of 2016. The headwinds of slowing Chinese and global growth and plummeting oil prices remained unresolved heading into 2016 and played roles in one of the worst starts ever to a calendar year. In time, however, it became apparent that earnings prospects remained reasonably attractive, and stocks began to recover in mid-February. The trigger for the recovery was a rebound in oil prices, which boosted the Energy sector. Investors' expectations that the U.S. Federal Reserve (the "Fed") would slow the pace of interest-rate hikes was also good for many stocks.

Eight of the 10 economic sectors posted gains in the Fund during the first half of the year, with the Energy, Utilities and Materials sectors offering the best returns. However, these returns were somewhat offset by declines in the Consumer Staples and Information Technology sectors.

Favourable stock selection as well as a significant underweight to the Health Care sector contributed the most to the Fund's returns. The portfolio does not invest in biotechnology or pharmaceuticals stocks, which were down significantly during the first quarter – a reversal from the strength of those industries last year – and served as a tailwind for the portfolio. Within the Energy sector, the Fund's holdings benefited from the rally in oil prices.

Recent Developments

Global growth remains slow as the latter half of 2016 gets underway. The fact that the U.S. economy is expanding faster than almost anywhere else has lessened the fears of domestic investors even as geopolitical risks persist. The recovery in oil prices has also helped to promote stability. With the Fed inclined to hold off on additional rate increases, the sub-advisor believes that markets can extend the rally that began in mid-February, with volatile periods included.

The sub-advisor believes that given the uncertainty surrounding the upcoming U.S. election, many CEOs will likely delay large capital expenditures, causing a temporary slowdown that could hurt industrial stocks. The sub-advisor believes that infrastructure spending is likely to pick up regardless of who wins the election.

Effective June 30, 2016, management fees were reduced as follows: from 1.85% to 1.75% for Series A and Advisor Series units; from 1.10% to 1.00% for Series D units; and from 0.85% to 0.75% for Series F units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

RBC Global Asset Management (U.S.) Inc. is the sub-advisor and provides investment advice for the Fund.

Distributors

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

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 units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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			
Series A													
June 30, 2016	17.49	0.07	(0.18)	0.62	(1.16)	(0.65)	—	—	—	—	—	16.96	
Dec. 31, 2015	16.15	0.23	(0.38)	0.96	0.56	1.37	—	—	—	—	—	17.49	
Dec. 31, 2014	14.62	0.20	(0.33)	1.11	0.73	1.71	—	—	(0.27)	—	(0.27)	16.15	
Dec. 31, 2013	10.06	0.10	(0.29)	0.38	3.92	4.11	—	—	(0.11)	—	(0.11)	14.61	
Dec. 31, 2012 ³	10.00 [†]	0.22	(0.20)	0.33	0.07	0.42	—	—	(0.36)	—	(0.36)	10.06	
Advisor Series													
June 30, 2016	17.51	0.07	(0.18)	0.62	(1.16)	(0.65)	—	—	—	—	—	16.97	
Dec. 31, 2015	16.16	0.23	(0.37)	0.96	0.56	1.38	—	—	—	—	—	17.51	
Dec. 31, 2014	14.63	0.20	(0.33)	1.11	0.74	1.72	—	—	(0.27)	—	(0.27)	16.16	
Dec. 31, 2013	10.08	0.09	(0.31)	0.35	3.56	3.69	—	—	(0.11)	—	(0.11)	14.62	
Dec. 31, 2012 ³	10.00 [†]	0.22	(0.19)	0.34	0.07	0.44	—	—	(0.36)	—	(0.36)	10.08	
Series D													
June 30, 2016	18.08	0.08	(0.11)	0.64	(1.20)	(0.59)	—	—	—	—	—	17.60	
Dec. 31, 2015	16.56	0.24	(0.24)	0.99	0.58	1.57	—	—	—	—	—	18.08	
Dec. 31, 2014	14.85	0.20	(0.20)	1.13	0.75	1.88	—	—	(0.27)	—	(0.27)	16.56	
Dec. 31, 2013	10.14	0.10	(0.17)	0.38	3.93	4.24	—	—	(0.11)	—	(0.11)	14.84	
Dec. 31, 2012 ³	10.00 [†]	0.33	(0.13)	0.22	0.08	0.50	—	—	(0.36)	—	(0.36)	10.14	
Series F													
June 30, 2016	18.23	0.08	(0.09)	0.64	(1.20)	(0.57)	—	—	—	—	—	17.77	
Dec. 31, 2015	16.67	0.24	(0.19)	1.00	0.58	1.63	—	(0.03)	—	—	(0.03)	18.23	
Dec. 31, 2014	14.92	0.20	(0.16)	1.14	0.75	1.93	—	(0.01)	(0.27)	—	(0.28)	16.67	
Dec. 31, 2013	10.16	0.09	(0.14)	0.34	3.53	3.82	—	(0.01)	(0.11)	—	(0.12)	14.91	
Dec. 31, 2012 ³	10.00 [†]	0.24	(0.10)	0.31	0.08	0.53	—	—	(0.37)	—	(0.37)	10.16	
Series O													
June 30, 2016	18.29	0.08	(0.01)	0.65	(1.22)	(0.50)	—	—	—	—	—	17.92	
Dec. 31, 2015	16.72	0.24	(0.02)	1.00	0.59	1.81	—	(0.19)	—	—	(0.19)	18.29	
Dec. 31, 2014	14.95	0.20	(0.02)	1.15	0.76	2.09	—	(0.15)	(0.27)	—	(0.42)	16.72	
Dec. 31, 2013	10.15	0.11	(0.02)	0.44	4.52	5.05	—	(0.09)	(0.11)	—	(0.20)	14.94	
Dec. 31, 2012 ³	10.00 [†]	0.28	(0.01)	0.28	0.07	0.62	—	(0.11)	(0.36)	—	(0.47)	10.15	

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From January 30, 2012.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	16.96	10 405	614	2.17⁴	2.17	23.18	0.04
Dec. 31, 2015	17.49	11 786	674	2.16	2.16	30.18	0.06
Dec. 31, 2014	16.15	10 148	628	2.17	2.17	36.20	0.08
Dec. 31, 2013	14.62	11 188	765	2.17	2.17	24.23	0.14
Dec. 31, 2012 ⁵	10.18	462	45	2.17	2.17	95.17	0.51
Advisor Series							
June 30, 2016	16.97	3 421	202	2.17⁴	2.17	23.18	0.04
Dec. 31, 2015	17.51	4 107	235	2.16	2.16	30.18	0.06
Dec. 31, 2014	16.16	4 513	279	2.18	2.18	36.20	0.08
Dec. 31, 2013	14.63	4 624	316	2.27	2.27	24.23	0.14
Dec. 31, 2012 ⁵	10.19	23	2	2.09	2.09	95.17	0.51
Series D							
June 30, 2016	17.60	4 917	279	1.33⁴	1.33	23.18	0.04
Dec. 31, 2015	18.08	5 499	304	1.33	1.33	30.18	0.06
Dec. 31, 2014	16.56	4 893	296	1.33	1.33	36.20	0.08
Dec. 31, 2013	14.85	6 254	421	1.29	1.29	24.23	0.14
Dec. 31, 2012 ⁵	10.25	139	14	1.37	1.37	95.17	0.51
Series F							
June 30, 2016	17.77	4 864	274	1.06⁴	1.06	23.18	0.04
Dec. 31, 2015	18.23	9 434	518	1.06	1.06	30.18	0.06
Dec. 31, 2014	16.67	7 467	448	1.07	1.07	36.20	0.08
Dec. 31, 2013	14.92	5 292	355	1.04	1.04	24.23	0.14
Dec. 31, 2012 ⁵	10.27	32	3	1.05	1.05	95.17	0.51
Series O							
June 30, 2016	17.92	114 075	6 367	0.11	0.11	23.18	0.04
Dec. 31, 2015	18.29	124 539	6 808	0.11	0.11	30.18	0.06
Dec. 31, 2014	16.72	116 903	6 993	0.11	0.11	36.20	0.08
Dec. 31, 2013	14.95	97 355	6 513	0.12	0.12	24.23	0.14
Dec. 31, 2012 ⁵	10.26	41 000	3 997	0.12	0.12	95.17	0.51

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 2.05%, Advisor Series – 2.05%, Series D – 1.21% and Series F – 0.94%.

⁵ From January 30, 2012.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.75%	54%	46%
Advisor Series	1.75%	54%	46%
Series D	1.00%	23%	77%
Series F	0.75%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

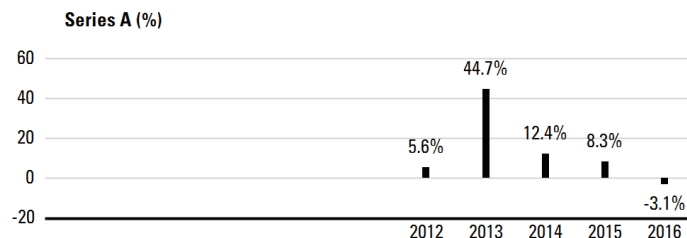
* Includes all costs related to management, trustee, investment advisory services, general administration and profit.

PAST PERFORMANCE

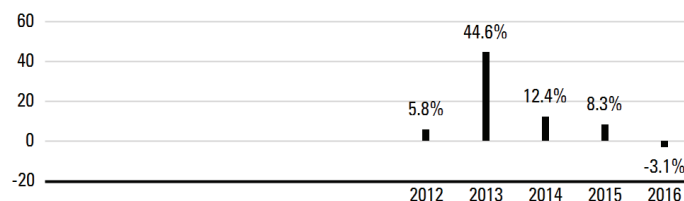
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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 (%)

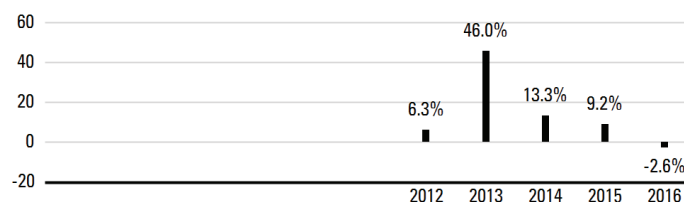
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



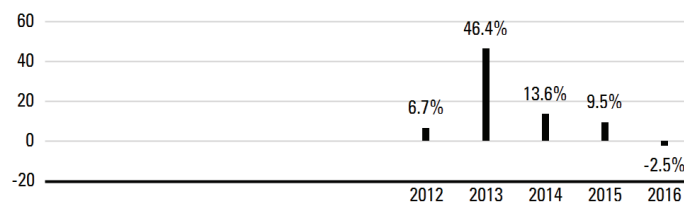
Advisor Series (%)



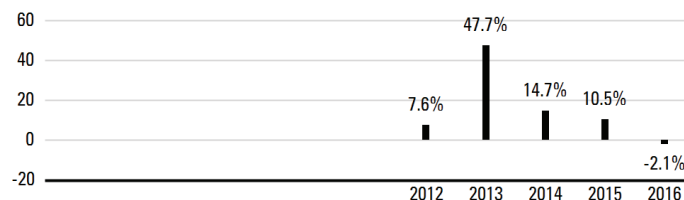
Series D (%)



Series F (%)



Series O (%)



Series A, Advisor Series, Series D, Series F and Series O units have been available for sale to unitholders since January 30, 2012.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Industrials	25.1
Consumer Discretionary	21.3
Financials	21.0
Information Technology	12.6
Health Care	7.8
Materials	5.3
Energy	4.0
Utilities	1.5
Consumer Staples	0.5
Cash/Other	0.9

Top 25 Holdings

	% of Net Asset Value
Universal Electronics Inc.	4.7
Patrick Industries Inc.	4.5
Compass Diversified Holdings	3.6
AZZ Inc.	3.0
Amerisafe Inc.	3.0
West Pharmaceutical Services Inc.	2.9
Tyler Technologies Inc.	2.5
ACCO Brands Corp.	2.4
Drew Industries Inc.	2.3
EnerSys	2.2
Interactive Intelligence Group	2.2
Astronics Corp.	2.1
U.S. Physical Therapy Inc.	2.0
Synchronoss Technologies Inc.	1.9
National General Holdings Corp.	1.9
Smith & Wesson Holding Corp.	1.9
Amtrust Financial Services Inc.	1.9
InterDigital Inc.	1.8
Insteel Industries Inc.	1.8
Grand Canyon Education Inc.	1.7
The Greenbrier Co. Inc.	1.7
Take-Two Interactive Software Inc.	1.6
Air Methods Corp.	1.5
Libbey Inc.	1.5
Columbus McKinnon Corp.	1.5
Top 25 Holdings	58.1

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.



U.S. EQUITY FUND

**RBC U.S. SMALL-CAP
VALUE EQUITY FUND**

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (U.S.) Inc., Minneapolis, Minnesota

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in equity securities of U.S. small-cap companies that are deemed to be undervalued in order to provide broad exposure to economic growth opportunities in the equity markets.

The Fund's investment process is based primarily on fundamental research, although the portfolio manager will also consider quantitative and technical factors. Stock selection decisions are ultimately based on an understanding of the company, its business and its outlook. The portfolio manager diversifies the Fund across industries in the U.S. market and selects companies based on strong management, focused business models and the potential for future growth in earnings and cash flow.

Results of Operations

The Fund was launched on September 14, 2015, and its net asset value was \$50 million as of June 30, 2016. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

Global growth remains slow as the latter half of 2016 gets underway. The fact that the U.S. economy is expanding faster than almost anywhere else has lessened the fears of domestic investors even as geopolitical risks persist. The recovery in oil prices has also helped to promote stability. With the U.S. Federal Reserve inclined to hold off on additional rate increases, the sub-advisor believes that markets can extend the rally that began in mid-February, with volatile periods included.

The sub-advisor believes that given the uncertainty surrounding the upcoming U.S. election, many CEOs will likely delay large capital expenditures, causing a temporary slowdown that could hurt industrial stocks. The sub-advisor believes that infrastructure spending is likely to pick up regardless of who wins the election.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

RBC Global Asset Management (U.S.) Inc. is the sub-advisor and provides investment advice for the Fund.

Distributors

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

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 units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	10.45	0.08	(0.11)	0.07	0.09	0.13	—	—	—	—	—	10.49
Dec. 31, 2015 ³	10.00 [†]	0.19	(0.07)	0.28	0.97	1.37	—	—	(0.10)	—	(0.10)	10.45
Advisor Series												
June 30, 2016	10.46	0.08	(0.10)	0.06	0.09	0.13	—	—	—	—	—	10.50
Dec. 31, 2015 ³	10.00 [†]	0.31	(0.06)	0.47	1.63	2.35	—	—	(0.10)	—	(0.10)	10.46
Series D												
June 30, 2016	10.47	0.08	(0.06)	0.07	0.09	0.18	—	—	—	—	—	10.55
Dec. 31, 2015 ³	10.00 [†]	0.14	(0.04)	0.20	0.71	1.01	—	—	(0.10)	—	(0.10)	10.47
Series F												
June 30, 2016	10.49	0.08	(0.05)	0.07	0.09	0.19	—	—	—	—	—	10.58
Dec. 31, 2015 ³	10.00 [†]	0.11	(0.04)	0.16	0.56	0.79	—	—	(0.10)	—	(0.10)	10.49
Series O												
June 30, 2016	10.48	0.08	—	0.07	0.09	0.24	—	—	—	—	—	10.63
Dec. 31, 2015 ³	10.00 [†]	0.08	—	0.11	0.39	0.58	—	(0.03)	(0.10)	—	(0.13)	10.48

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From September 1, 2015.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	10.49	342	33	2.10⁴	2.10	25.19	0.14
Dec. 31, 2015 ⁵	10.45	229	22	2.20	2.21	10.83	0.22
Advisor Series							
June 30, 2016	10.50	3	—	2.05⁴	2.05	25.19	0.14
Dec. 31, 2015 ⁵	10.46	1	—	2.20	2.21	10.83	0.22
Series D							
June 30, 2016	10.55	165	16	1.28⁴	1.29	25.19	0.14
Dec. 31, 2015 ⁵	10.47	119	11	1.36	1.36	10.83	0.22
Series F							
June 30, 2016	10.58	36	3	1.01⁴	1.02	25.19	0.14
Dec. 31, 2015 ⁵	10.49	27	3	1.07	1.08	10.83	0.22
Series O							
June 30, 2016	10.63	49 604	4 668	0.02	0.03	25.19	0.14
Dec. 31, 2015 ⁵	10.48	39 561	3 775	0.02	0.03	10.83	0.22

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 2.00%, Advisor Series – 1.94%, Series D – 1.18% and Series F – 0.89%.

⁵ From September 1, 2015.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.85%	54%	46%
Advisor Series	1.85%	54%	46%
Series D	1.10%	23%	77%
Series F	0.85%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, trustee, 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. Series A, Advisor Series, Series D, Series F and Series O units of this Fund were launched on September 14, 2015.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Financials	42.9
Industrials	16.3
Consumer Discretionary	11.1
Utilities	7.4
Information Technology	6.9
Materials	5.1
Energy	4.4
Health Care	2.6
Consumer Staples	1.1
Cash/Other	2.2

Top 25 Holdings

	% of Net Asset Value
Compass Diversified Holdings	3.6
Spire Inc.	2.7
Portland General Electric Co.	2.4
NorthWestern Corp.	2.4
ACCO Brands Corp.	2.2
Patrick Industries Inc.	2.1
Cash & Cash Equivalents	2.1
Amerisafe Inc.	1.9
Amtrust Financial Services Inc.	1.8
Koppers Holdings Inc.	1.8
Smith & Wesson Holding Corp.	1.7
American Financial Group Inc.	1.7
National General Holdings Corp.	1.7
Novanta Inc.	1.7
STAG Industrial Inc. Real Estate Investment Trust	1.6
The Greenbrier Co. Inc.	1.6
Reinsurance Group of America Inc.	1.6
Chemical Financial Corp.	1.6
Universal Electronics Inc.	1.6
Mercantile Bank Corp.	1.5
United Community Banks Inc.	1.4
Texas Capital Bancshares Inc.	1.4
Callon Petroleum Co.	1.4
EnerSys	1.4
Lydall Inc.	1.4
Top 25 Holdings	46.3

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.



U.S. EQUITY FUND

**RBC O'SHAUGHNESSY
U.S. GROWTH FUND**

June 30, 2016

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

Sub-Advisor: O'Shaughnessy Asset Management, L.L.C., Stamford, Connecticut

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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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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 U.S. companies based on Strategy Indexing[®], an investment portfolio management model developed in 1995 by Jim O'Shaughnessy.

To achieve its objective, the Fund selects stocks with the most consistently strong stock price momentum based on a variety of measures, including six-month total return and nine-month total return. The stocks must also meet certain market capitalization and liquidity thresholds. The Fund uses currency hedges to minimize the impact of fluctuations in the U.S. dollar versus the Canadian dollar.

Results of Operations

The Fund's net asset value was \$120 million as of June 30, 2016.

Over the past six months, the Fund's Series A units 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 any other series, which may vary because of differences in management fees and expenses.

North American stock markets rose during the first half of the year after a weak start to 2016, with Canadian equities leading the way as commodity prices recovered from significant declines in 2015 and early 2016. Developed markets in Europe and Asia delivered mixed results, fluctuating significantly in the lead-up to and after the U.K.'s late-June decision to leave the EU.

Overweight exposure to value stocks was the largest contributor to returns during the period. Exposure to high-yielding stocks also aided performance. Conversely, an overweight allocation to small-cap and high-momentum stocks hurt relative returns.

Security selection in the Health Care sector, specifically to biotechnology, and an underweight allocation to the sector contributed to returns. Overweight allocations to the Financials and Industrials sectors, as well as security selection in Consumer Discretionary, also contributed to returns. Security selection in the Information Technology sector and an underweight allocation to the sector held back returns, as did security selection in the Financials sector. Shenandoah Telecommunications, Central Garden & Pet and Global Brass & Copper were the main contributors to returns. Stocks that had the most negative impact on returns were OSI Systems, John B. Sanfilippo and WellCare Health Plans.

It is the policy of the Fund to maintain currency hedges at all times in order to neutralize exchange-rate movements between the U.S. dollar and the Canadian dollar. This policy had a positive effect on returns during the period.

Portfolio turnover for the Fund is typically high. Inherent in the investment process for O'Shaughnessy Funds is the periodic rebalancing of segments of the portfolio as the sub-advisor attempts to generate better returns through stock selection.

Recent Developments

Following more positive returns, stocks remain expensive relative to history. The sub-advisor believes that stock selection becomes more important when the overall market is more expensive and that portfolios which are very different from the market are more likely to outperform.

Due to the Fund's investment process and market conditions over the course of the first half of 2016, the sub-advisor has decreased allocations to the Consumer Discretionary sector and increased allocations to Industrial stocks.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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. and RBC Dominion Securities Inc. are principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A and Series D units.

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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$11,000 (2015 – \$11,000) or 13% (2015 – 9%) of the total transaction costs paid for this Fund.

[®] Registered trademark of Royal Bank of Canada. Used under licence.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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		
Series A												
June 30, 2016	13.29	0.08	(0.10)	0.04	0.03	0.05	—	—	—	—	—	13.39
Dec. 31, 2015	13.84	0.23	(0.22)	0.44	(0.95)	(0.50)	—	—	—	—	—	13.29
Dec. 31, 2014	14.51	0.18	(0.21)	1.44	(2.12)	(0.71)	—	—	—	—	—	13.84
Dec. 31, 2013	10.06	0.18	(0.19)	2.53	1.91	4.43	—	—	—	—	—	14.50
Dec. 31, 2012	8.59	0.18	(0.15)	1.37	0.14	1.54	—	—	—	—	—	10.06
Dec. 31, 2011	9.31	0.11	(0.13)	0.23	(0.90)	(0.69)	—	—	—	—	—	8.59
Series D												
June 30, 2016	13.66	0.08	(0.08)	0.04	0.03	0.07	—	—	—	—	—	13.78
Dec. 31, 2015	14.18	0.23	(0.17)	0.45	(0.98)	(0.47)	—	—	—	—	—	13.66
Dec. 31, 2014	14.82	0.18	(0.17)	1.47	(2.17)	(0.69)	—	—	—	—	—	14.18
Dec. 31, 2013	10.24	0.18	(0.15)	2.58	1.95	4.56	—	—	—	—	—	14.80
Dec. 31, 2012	8.71	0.19	(0.12)	1.37	0.14	1.58	—	—	—	—	—	10.24
Dec. 31, 2011	9.42	0.11	(0.11)	0.24	(0.91)	(0.67)	—	—	—	—	—	8.71
Series F												
June 30, 2016	14.61	0.09	(0.07)	0.04	0.03	0.09	—	—	—	—	—	14.76
Dec. 31, 2015	15.12	0.25	(0.14)	0.48	(1.05)	(0.46)	—	—	—	—	—	14.61
Dec. 31, 2014	15.75	0.19	(0.14)	1.57	(2.31)	(0.69)	—	—	—	—	—	15.12
Dec. 31, 2013	10.85	0.19	(0.12)	2.74	2.06	4.87	—	—	—	—	—	15.74
Dec. 31, 2012	9.21	0.20	(0.10)	1.39	0.15	1.64	—	—	—	—	—	10.85
Dec. 31, 2011	9.93	0.12	(0.08)	0.25	(0.96)	(0.67)	—	—	—	—	—	9.21
Series O												
June 30, 2016	15.10	0.09	—	0.05	0.03	0.17	—	—	—	—	—	15.33
Dec. 31, 2015	15.48	0.26	—	0.49	(1.08)	(0.33)	—	—	—	—	—	15.10
Dec. 31, 2014	15.98	0.19	—	1.61	(2.36)	(0.56)	—	—	—	—	—	15.48
Dec. 31, 2013	10.91	0.19	—	2.77	2.08	5.04	—	—	—	—	—	15.96
Dec. 31, 2012	9.11	0.20	—	1.39	0.14	1.73	—	—	—	—	—	10.91
Dec. 31, 2011	9.73	0.12	—	0.24	(0.95)	(0.59)	—	—	—	—	—	9.11

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	13.39	106 995	7 991	1.55	1.55	102.10	0.15
Dec. 31, 2015	13.29	114 897	8 644	1.55	1.55	101.16	0.17
Dec. 31, 2014	13.84	142 978	10 329	1.54	1.54	101.45	0.17
Dec. 31, 2013	14.51	174 322	12 015	1.55	1.55	103.96	0.17
Dec. 31, 2012	10.14	139 087	13 719	1.54	1.54	104.26	0.20
Dec. 31, 2011	8.64	139 776	16 187	1.49	1.49	124.43	0.29
Series D							
June 30, 2016	13.78	6 757	490	1.21	1.21	102.10	0.15
Dec. 31, 2015	13.66	6 817	499	1.21	1.21	101.16	0.17
Dec. 31, 2014	14.18	8 142	574	1.22	1.22	101.45	0.17
Dec. 31, 2013	14.82	9 979	674	1.23	1.23	103.96	0.17
Dec. 31, 2012	10.32	5 376	521	1.22	1.22	104.26	0.20
Dec. 31, 2011	8.76	4 800	548	1.17	1.17	124.43	0.29
Series F							
June 30, 2016	14.76	6 432	436	0.94	0.94	102.10	0.15
Dec. 31, 2015	14.61	6 713	459	0.92	0.92	101.16	0.17
Dec. 31, 2014	15.12	4 135	273	0.92	0.92	101.45	0.17
Dec. 31, 2013	15.75	4 821	306	0.93	0.93	103.96	0.17
Dec. 31, 2012	10.94	3 861	353	0.94	0.94	104.26	0.20
Dec. 31, 2011	9.26	4 215	455	0.90	0.90	124.43	0.29
Series O							
June 30, 2016	15.33	27	2	0.02	0.02	102.10	0.15
Dec. 31, 2015	15.10	1	—	0.02	0.02	101.16	0.17
Dec. 31, 2014	15.48	1	—	0.02	0.02	101.45	0.17
Dec. 31, 2013	15.98	1	—	0.02	0.02	103.96	0.17
Dec. 31, 2012	10.99	1	—	0.02	0.02	104.26	0.20
Dec. 31, 2011	9.16	18 549	2 025	0.02	0.02	124.43	0.29

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

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

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



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.25%	52%	48%
Series D	1.00%	25%	75%
Series F	0.75%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

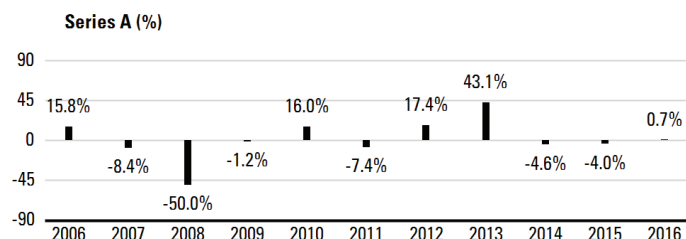
* Includes all costs related to management, trustee, investment advisory services, general administration and profit.

PAST PERFORMANCE

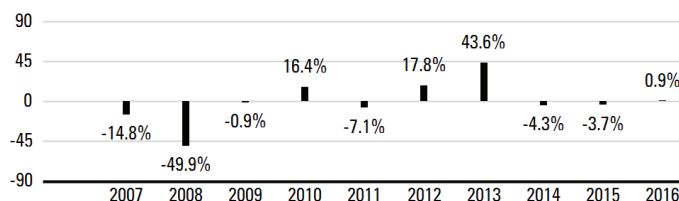
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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 (%)

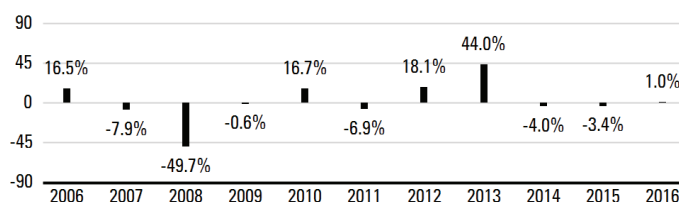
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



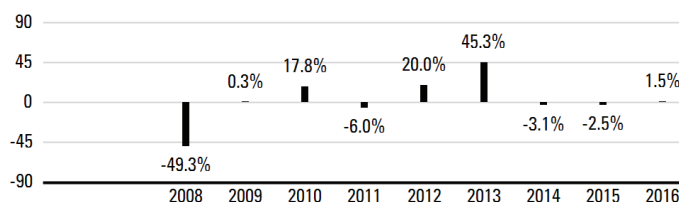
Series D (%)



Series F (%)



Series O (%)



Series O units have been available for sale to unitholders since January 1, 2008, and Series D units since July 3, 2007.

Inception dates are not provided for series that have been in existence for more than 10 years. For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Industrials	25.8
Financials	25.1
Information Technology	13.9
Consumer Discretionary	10.0
Consumer Staples	8.1
Health Care	7.9
Materials	5.8
Telecommunication Services	1.8
Energy	0.2
Cash/Other	1.4

Top 25 Holdings

	% of Net Asset Value
Amerisafe Inc.	2.1
Global Brass & Copper Holdings Inc.	2.0
Cash & Cash Equivalents	1.8
Enterprise Financial Services Corp.	1.6
United Fire Group Inc.	1.5
Chase Corp.	1.5
Orbotech Ltd.	1.5
Smith & Wesson Holding Corp.	1.4
Controladora Vuela Cia de Aviacion S.A.B. de C.V. ADR	1.3
Trinseo S.A.	1.3
Ennis Inc.	1.3
National Presto Industries Inc.	1.3
Alpha & Omega Semiconductor Ltd.	1.2
Selective Insurance Group Inc.	1.2
Universal Forest Products	1.2
John Bean Technologies Corp.	1.2
WD-40 Co.	1.2
Superior Industries International	1.2
Argo Group International Holdings Ltd.	1.2
Granite Construction Inc.	1.1
Shenandoah Telecommunications Co.	1.1
Snyders-Lance Inc.	1.0
Financial Institutions Inc.	1.0
IES Holdings Inc.	1.0
Beacon Roofing Supply Inc.	1.0
Top 25 Holdings	33.2

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.



U.S. EQUITY FUND

**RBC O'SHAUGHNESSY
U.S. GROWTH FUND II**

June 30, 2016

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

Sub-Advisor: O'Shaughnessy Asset Management, L.L.C., Stamford, Connecticut

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in equity securities of U.S. companies based on Strategy Indexing[®], an investment portfolio management model developed in 1995 by Jim O'Shaughnessy.

To achieve its objective, the Fund selects stocks with the most consistently strong stock price momentum based on a variety of measures, including six-month total return and nine-month total return. The stocks must also meet certain market capitalization thresholds. The Fund uses currency hedges to minimize the impact of fluctuations in the U.S. dollar versus the Canadian dollar.

Results of Operations

The Fund's net asset value was \$38 million as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 1.6%. 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 any other series, which may vary because of differences in management fees and expenses.

North American stock markets rose during the first half of the year after a weak start to 2016, with Canadian equities leading the way as commodity prices recovered from significant declines in 2015 and early 2016. Developed markets in Europe and Asia delivered mixed results, fluctuating significantly in the lead-up to and after the U.K.'s late-June decision to leave the EU.

Overweight exposure to value stocks was the largest contributor to returns during the period, and overweight exposure to high-yielding stocks also aided returns. Conversely, overweight exposure to momentum- and smaller-cap stocks held back relative performance.

Sector allocation and security selection both contributed to returns. An underweight allocation to the Health Care sector, specifically in biotechnology, as well as security selection in the sector contributed to performance. An overweight position in the Consumer Staples sector and an underweight in Consumer Discretionary, as well as stock selection in both sectors, contributed to returns. These positions were partially offset by an underweight allocation to the Materials sector, and security selection in Materials and Information Technology. National Beverage and Ingredion were the largest contributors to returns. The stocks that held back returns the most were OSI Systems, Photronics and INTL FCStone.

It is the policy of the Fund to maintain currency hedges at all times in order to neutralize exchange-rate movements between the U.S. dollar and the Canadian dollar. This policy had a positive effect on returns during the period.

Recent Developments

Following more positive returns, stocks remain expensive relative to history. The sub-advisor believes that stock selection becomes more important when the overall market is more expensive and that portfolios which are very different from the market are more likely to outperform.

Due to the Fund's investment process and market conditions over the course of the first half of 2016, the sub-advisor has decreased allocations to the Consumer Discretionary sector and increased allocations to Industrials and Materials stocks.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series D units.

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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$2,000 (2015 – \$3,000) or 13% (2015 – 13%) of the total transaction costs paid for this Fund.

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Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	9.00	0.06	(0.10)	0.50	(0.37)	0.09	—	—	—	—	—	9.14
Dec. 31, 2015	9.11	0.23	(0.21)	0.29	(0.28)	0.03	—	—	(0.09)	—	(0.09)	9.00
Dec. 31, 2014	9.17	0.13	(0.20)	1.18	(1.19)	(0.08)	—	—	—	—	—	9.11
Dec. 31, 2013	6.48	0.11	(0.17)	1.41	1.34	2.69	—	—	—	—	—	9.17
Dec. 31, 2012	5.51	0.10	(0.14)	0.60	0.43	0.99	—	—	—	—	—	6.48
Dec. 31, 2011	6.56	0.06	(0.13)	(0.11)	(0.90)	(1.08)	—	—	—	—	—	5.51
Advisor Series												
June 30, 2016	9.05	0.06	(0.10)	0.51	(0.37)	0.10	—	—	—	—	—	9.20
Dec. 31, 2015	9.17	0.23	(0.21)	0.29	(0.28)	0.03	—	—	(0.09)	—	(0.09)	9.05
Dec. 31, 2014	9.23	0.13	(0.20)	1.18	(1.20)	(0.09)	—	—	—	—	—	9.17
Dec. 31, 2013	6.51	0.11	(0.17)	1.42	1.34	2.70	—	—	—	—	—	9.22
Dec. 31, 2012	5.54	0.10	(0.13)	0.60	0.43	1.00	—	—	—	—	—	6.51
Dec. 31, 2011	6.59	0.06	(0.13)	(0.11)	(0.90)	(1.08)	—	—	—	—	—	5.54
Series D												
June 30, 2016	9.64	0.07	(0.06)	0.54	(0.40)	0.15	—	—	—	—	—	9.84
Dec. 31, 2015	9.68	0.24	(0.13)	0.31	(0.30)	0.12	—	—	(0.09)	—	(0.09)	9.64
Dec. 31, 2014	9.65	0.13	(0.13)	1.24	(1.25)	(0.01)	—	—	—	—	—	9.68
Dec. 31, 2013	6.76	0.11	(0.11)	1.48	1.40	2.88	—	—	—	—	—	9.65
Dec. 31, 2012	5.70	0.10	(0.08)	0.62	0.45	1.09	—	—	—	—	—	6.76
Dec. 31, 2011	6.72	0.06	(0.08)	(0.12)	(0.92)	(1.06)	—	—	—	—	—	5.70
Series F												
June 30, 2016	9.85	0.07	(0.05)	0.55	(0.41)	0.16	—	—	—	—	—	10.07
Dec. 31, 2015	9.87	0.25	(0.11)	0.32	(0.31)	0.15	—	—	(0.10)	—	(0.10)	9.85
Dec. 31, 2014	9.81	0.14	(0.10)	1.26	(1.28)	0.02	—	—	—	—	—	9.87
Dec. 31, 2013	6.85	0.11	(0.09)	1.50	1.42	2.94	—	—	—	—	—	9.81
Dec. 31, 2012	5.76	0.11	(0.07)	0.63	0.45	1.12	—	—	—	—	—	6.85
Dec. 31, 2011	6.78	0.06	(0.07)	(0.12)	(0.94)	(1.07)	—	—	—	—	—	5.76

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	9.14	32 497	3 556	2.21	2.22	84.66	0.09
Dec. 31, 2015	9.00	35 165	3 908	2.21	2.22	79.29	0.09
Dec. 31, 2014	9.11	43 478	4 771	2.22	2.22	91.94	0.11
Dec. 31, 2013	9.17	51 596	5 625	2.22	2.22	99.20	0.11
Dec. 31, 2012	6.50	33 028	5 080	2.19	2.19	100.75	0.14
Dec. 31, 2011	5.53	28 940	5 232	2.20	2.20	127.66	0.21
Advisor Series							
June 30, 2016	9.20	803	87	2.18	2.19	84.66	0.09
Dec. 31, 2015	9.05	832	92	2.19	2.20	79.29	0.09
Dec. 31, 2014	9.17	1 337	146	2.20	2.20	91.94	0.11
Dec. 31, 2013	9.23	1 667	181	2.20	2.20	99.20	0.11
Dec. 31, 2012	6.54	1 228	188	2.14	2.14	100.75	0.14
Dec. 31, 2011	5.56	1 257	226	2.14	2.14	127.66	0.21
Series D							
June 30, 2016	9.84	2 578	262	1.31	1.32	84.66	0.09
Dec. 31, 2015	9.64	2 560	266	1.32	1.33	79.29	0.09
Dec. 31, 2014	9.68	3 320	343	1.32	1.32	91.94	0.11
Dec. 31, 2013	9.65	4 500	466	1.33	1.33	99.20	0.11
Dec. 31, 2012	6.78	1 576	232	1.32	1.32	100.75	0.14
Dec. 31, 2011	5.72	1 575	275	1.33	1.33	127.66	0.21
Series F							
June 30, 2016	10.07	2 050	204	1.02	1.03	84.66	0.09
Dec. 31, 2015	9.85	2 145	218	1.04	1.04	79.29	0.09
Dec. 31, 2014	9.87	2 365	240	1.04	1.04	91.94	0.11
Dec. 31, 2013	9.81	3 255	332	1.07	1.07	99.20	0.11
Dec. 31, 2012	6.88	5 163	751	1.04	1.04	100.75	0.14
Dec. 31, 2011	5.79	5 330	921	1.04	1.04	127.66	0.21

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

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

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

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.85%	54%	46%
Advisor Series	1.85%	54%	46%
Series D	1.10%	23%	77%
Series F	0.85%	—	100%

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

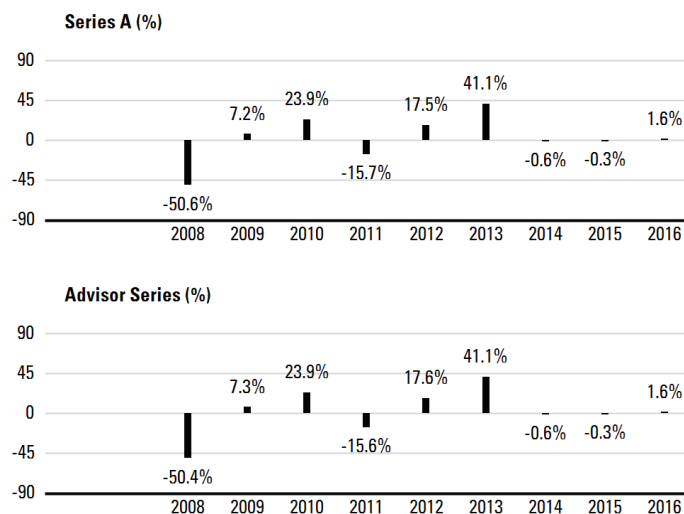


PAST PERFORMANCE

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.



Series A, Advisor Series, Series D and Series F units have been available for sale to unitholders since January 14, 2008.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Financials	23.1
Industrials	18.6
Information Technology	17.6
Consumer Discretionary	12.4
Consumer Staples	11.7
Materials	7.3
Health Care	6.4
Telecommunication Services	2.0
Energy	0.3
Cash/Other	0.6

Top 25 Holdings

	% of Net Asset Value
Ingredion Inc.	2.1
BWX Technologies Inc.	1.9
Verisign Inc.	1.6
Avery Dennison Corp.	1.6
Total System Services Inc.	1.5
Enterprise Financial Services Corp.	1.4
National Presto Industries Inc.	1.4
Vail Resorts Inc.	1.4
Eagle Bancorp Inc.	1.3
Vantiv Inc., Class A	1.3
National Beverage Corp.	1.2
Lennox International Inc.	1.2
Old Republic International Corp.	1.1
Cash & Cash Equivalents	1.1
MarketAxess Holdings Inc.	1.0
Lancaster Colony Corp.	1.0
Bright Horizons Family Solutions Inc.	1.0
First American Financial Corp.	1.0
CSG Systems International Inc.	1.0
Caseys General Stores Inc.	1.0
Superior Industries International	0.9
Cincinnati Financial Corp.	0.9
NVR Inc.	0.9
Comfort Systems USA Inc.	0.8
Genpact Ltd.	0.8
Top 25 Holdings	30.4

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.



U.S. EQUITY FUND

RBC LIFE SCIENCE AND TECHNOLOGY FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to deliver long-term capital growth by investing primarily in equity securities of U.S. companies whose businesses relate to life sciences and technology and are expected to benefit from scientific and technological advances.

The Fund invests in companies with strong management, focused business models and a competitive advantage.

Results of Operations

The Fund's net asset value was \$183 million as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 11.3%. 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 any other series, which may vary because of differences in management fees and expenses.

The Fund's underperformance during the first half of 2016 was due largely to holdings in biotechnology and makers of software and communications gear. Beneficial for returns was higher relative exposure to the Information Technology sector, one of the Fund's two main investment areas along with Health Care.

The Information Technology sector outperformed the broader market during the first half of the year. Investments in independent manufacturers that make brand-name electronics and semiconductor-equipment makers had a positive impact on the Fund's relative performance. Individual stocks that had a positive impact on returns in the Fund included Amazon.com, Applied Materials and HP Enterprise. Companies that had a negative impact on relative performance included NXP Semiconductors, Mellanox Technologies and Seagate Technology.

The Health Care sector performed worse overall than Information Technology in the first half of the year and was one of the worst-performing market sectors during the period. A significant driver of the underperformance was biotechnology, which faced headwinds including high-profile research failures and fears that the U.S. Congress would take steps to rein in drug-price increases. In the Health Care sector, health-care suppliers performed the best. Stocks that contributed to returns were Boston Scientific, C.R. Bard and Johnson & Johnson. Companies that held back returns included Amgen, Cardinal Health and Alkermes.

Recent Developments

The portfolio manager remains somewhat optimistic about the prospects for the Information Technology and Health Care sectors for the remainder of 2016. The U.K.'s decision in June to leave the EU ("Brexit") will likely result in near-term market volatility, especially for technology companies. However, the portfolio manager sees trends that could be tailwinds for the Information Technology and Health Care sectors, including a shift to the "shared" economy, a quickening transition to cloud-based services and advances in drug research and discovery.

The portfolio manager generally remains encouraged by U.S. economic trends, although the fallout from the Brexit vote and the U.S. presidential election in November could create headwinds.

Portfolio turnover is normally high for this Fund given the volatility of the Health Care and Information Technology sectors. As a result of this volatility, the portfolio manager actively manages the portfolio to capture profits and/or minimize losses.

Effective June 30, 2016, management fees were reduced from 1.85% to 1.75% for Series A units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A and Series D units.

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 units of the Fund.



Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$1,000 (2015 – \$9,000) or 1% (2015 – 6%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016	14.10	0.07	(0.14)	(0.59)	(1.01)	(1.67)	—	—	—	—	—	—	12.50
Dec. 31, 2015	11.57	0.10	(0.30)	1.95	0.55	2.30	—	—	—	—	—	—	14.10
Dec. 31, 2014	9.12	0.14	(0.22)	2.53	(0.11)	2.34	—	—	—	—	—	—	11.57
Dec. 31, 2013	6.11	0.06	(0.16)	2.19	0.91	3.00	—	—	—	—	—	—	9.12
Dec. 31, 2012	5.70	0.06	(0.14)	0.45	0.08	0.45	—	—	—	—	—	—	6.11
Dec. 31, 2011	5.89	0.03	(0.13)	0.61	(0.67)	(0.16)	—	—	—	—	—	—	5.70
Series D													
June 30, 2016	15.31	0.08	(0.08)	(0.64)	(1.10)	(1.74)	—	—	—	—	—	—	13.64
Dec. 31, 2015	12.44	0.11	(0.18)	2.09	0.59	2.61	—	—	—	—	—	—	15.31
Dec. 31, 2014	9.71	0.15	(0.13)	2.70	(0.11)	2.61	—	—	—	—	—	—	12.44
Dec. 31, 2013	6.44	0.07	(0.10)	2.33	0.96	3.26	—	—	—	—	—	—	9.71
Dec. 31, 2012	5.95	0.06	(0.08)	0.47	0.08	0.53	—	—	—	—	—	—	6.44
Dec. 31, 2011	6.08	0.03	(0.07)	0.63	(0.70)	(0.11)	—	—	—	—	—	—	5.95
Series F													
June 30, 2016	17.23	0.09	(0.07)	(0.72)	(1.23)	(1.93)	—	—	—	—	—	—	15.37
Dec. 31, 2015	13.97	0.12	(0.15)	2.37	0.67	3.01	—	—	—	—	—	—	17.23
Dec. 31, 2014	10.87	0.16	(0.12)	2.99	(0.12)	2.91	—	—	—	—	—	—	13.97
Dec. 31, 2013	7.20	0.07	(0.09)	2.61	1.08	3.67	—	—	—	—	—	—	10.87
Dec. 31, 2012	6.63	0.07	(0.07)	0.49	0.08	0.57	—	—	—	—	—	—	7.20
Dec. 31, 2011	6.76	0.04	(0.06)	0.71	(0.79)	(0.10)	—	—	—	—	—	—	6.63

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	12.50	134 849	10 787	2.20⁴	2.20	388.46	0.13
Dec. 31, 2015	14.10	161 853	11 483	2.20	2.20	452.41	0.18
Dec. 31, 2014	11.57	122 288	10 568	2.20	2.20	496.45	0.27
Dec. 31, 2013	9.12	98 870	10 839	2.21	2.21	261.52	0.24
Dec. 31, 2012	6.12	74 012	12 097	2.20	2.20	213.64	0.14
Dec. 31, 2011	5.71	78 672	13 788	2.21	2.21	236.18	0.21
Series D							
June 30, 2016	13.64	45 883	3 363	1.21	1.21	388.46	0.13
Dec. 31, 2015	15.31	62 623	4 091	1.21	1.21	452.41	0.18
Dec. 31, 2014	12.44	27 704	2 226	1.20	1.20	496.45	0.27
Dec. 31, 2013	9.71	8 930	919	1.21	1.21	261.52	0.24
Dec. 31, 2012	6.45	2 993	464	1.20	1.20	213.64	0.14
Dec. 31, 2011	5.96	2 738	460	1.21	1.21	236.18	0.21
Series F							
June 30, 2016	15.37	2 298	149	0.95	0.95	388.46	0.13
Dec. 31, 2015	17.23	3 318	193	0.95	0.95	452.41	0.18
Dec. 31, 2014	13.97	2 516	180	0.97	0.97	496.45	0.27
Dec. 31, 2013	10.87	242	22	0.96	0.96	261.52	0.24
Dec. 31, 2012	7.20	28	4	0.96	0.96	213.64	0.14
Dec. 31, 2011	6.63	3 702	558	0.97	0.97	236.18	0.21

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for Series A would be 2.09%.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.75%	62%	38%
Series D	1.00%	25%	75%
Series F	0.75%	—	100%

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

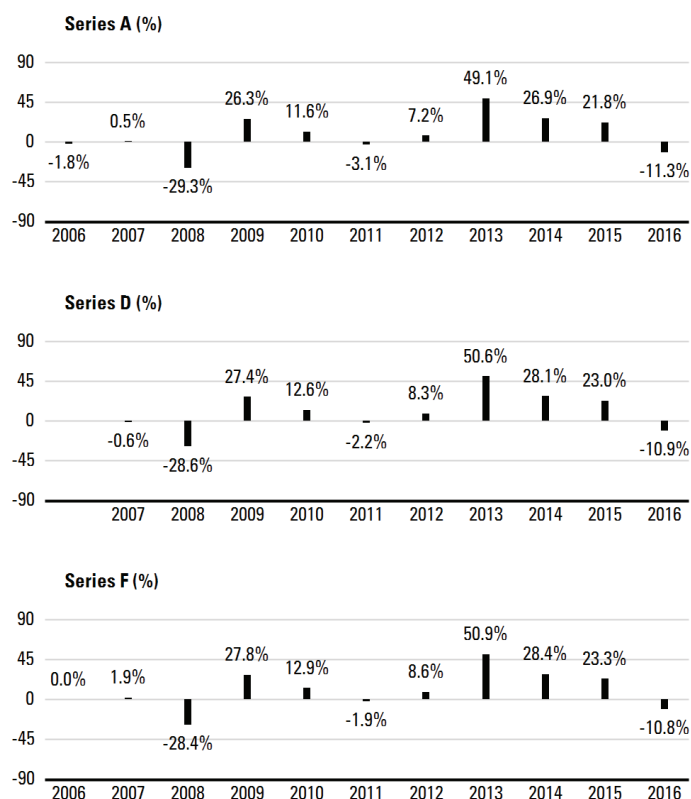


PAST PERFORMANCE

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.



Series D units have been available for sale to unitholders since July 3, 2007.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Semiconductors and Semiconductor Equipment	19.7
Software	17.2
Health Care Equipment and Supplies	12.3
Technology Hardware, Storage and Peripherals	9.0
Health Care Providers and Services	8.6
Pharmaceuticals	7.1
Biotechnology	6.1
Internet Software and Services	6.0
Life Sciences Tools and Services	3.4
IT Services	3.4
Internet and Catalog Retail	1.7
Communications Equipment	1.6
Electronic Equipment and Instruments	1.5
Real Estate Investment Trusts	0.8
Health Care Technology	0.6
Cash/Other	1.0

Top 25 Holdings

	% of Net Asset Value
Apple Inc.	5.3
Microsoft Corp.	3.8
Facebook Inc., Class A	2.8
UnitedHealth Group Incorporated	2.4
Alphabet Inc., Class A	2.2
Broadcom Ltd.	2.2
Texas Instruments Inc.	1.9
NXP Semiconductor N.V.	1.8
Amazon.com, Inc.	1.7
Pfizer Inc.	1.7
Applied Materials Inc.	1.6
Lam Research Corp.	1.5
C.R. Bard Inc.	1.5
Hewlett Packard Enterprise Co.	1.5
Salesforce.com Inc.	1.4
Merck & Co. Inc.	1.4
Bristol-Myers Squibb Co.	1.4
Microchip Technology Inc.	1.3
Intel Corp.	1.3
International Business Machines	1.3
Johnson & Johnson	1.3
Nvidia Corp.	1.3
West Pharmaceutical Services Inc.	1.3
Cadence Design Systems Inc.	1.3
Agilent Technologies Inc.	1.3
Top 25 Holdings	46.5

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.



INTERNATIONAL EQUITY FUND

**RBC INTERNATIONAL DIVIDEND
GROWTH FUND**

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (UK) Limited, London, England
(for the European equity portion of the Fund)

Sub-Advisor: RBC Investment Management (Asia) Limited, Hong Kong, China
(for the Asian equity portion of the Fund)

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 primarily in equity securities of major companies domiciled in developed countries outside of North America.

The Fund invests in stocks that have undergone a selection process emphasizing companies with a leading market position or lucrative niche, consistent and predictable profit growth and strong management teams.

Results of Operations

The Fund's net asset value was \$41 million as of June 30, 2016.

Over the past six months, the Fund's Advisor Series units lost 12.7%. 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 any other series, which may vary because of differences in management fees and expenses.

Positions in holdings such as Legal & General, Prudential Plc, Mitsubishi UFJ and Intesa Sanpaolo contributed the major portion of the Fund's underperformance. The sub-advisor reduced exposure to the Financials sector during the period and further focused the Fund's holdings by eliminating the position in Mitsubishi UFJ and Intesa Sanpaolo, while maintaining exposure to financial-services companies that have strong long-term growth prospects and don't depend on increases in short-term interest rates to widen profit margins. Also contributing to negative performance were new positions in Teva, a generic-drug maker, and Inmarsat, a satellite-communications company. The sub-advisor increased its holdings in Teva as the share price declined and is confident of the company's prospects given a pending acquisition. The holding in Inmarsat was eliminated as new capacity is expected to challenge pricing and returns.

Positive contributions to performance came from the Fund's holdings in the Telecommunication Services sector, where the Fund has more significant exposure, and individual holdings in KPN, NTT and KDDI outperformed as strong subscriber growth, wider profit margins and higher free cash flow allowed for dividend increases.

Portfolio turnover was relatively high for the Fund as the sub-advisor attempted to generate better returns through active fund management. Turnover was elevated towards the end of the period as management of the Fund was transitioned to RBC GAM (UK).

Recent Developments

Central banks continue to promote economic growth through historically low interest rates and other forms of monetary stimulus. While many investors had expected the U.S. Federal Reserve to follow its initial interest-rate hike with additional ones in 2016, concerns about the ability of the U.S. economy to create jobs, November's U.S. presidential election and global uncertainty will likely delay these until 2017, in the sub-advisor's view. U.K.'s vote in June to leave the EU was among the issues creating uncertainty and market volatility.

RBC GAM (UK) was appointed sub-advisor of the Fund effective June 20, 2016. This transition will likely result in lower portfolio turnover, as the new sub-advisor plans to concentrate the Fund's holdings in fewer positions while maintaining adequate diversification for risk mitigation.

Effective June 30, 2016, management fees were reduced from 1.85% to 1.75% for Series A, Advisor Series and Series T5 units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisors

RBC Global Asset Management (UK) Limited and RBC Investment Management (Asia) Limited are the sub-advisors and provide investment advice for the Fund.

Distributors

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

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.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$19,000 (2015 – \$0) or 10% (2015 – 0%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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		
Series A												
June 30, 2016³	10.50[†]	0.16	(0.10)	(0.30)	(0.82)	(1.06)	—	(0.07)	—	—	(0.07)	9.71
Advisor Series												
June 30, 2016	11.21	0.20	(0.11)	(0.37)	(1.00)	(1.28)	—	(0.07)	—	—	(0.07)	9.71
Dec. 31, 2015	9.10	0.33	(0.24)	1.33	0.68	2.10	—	(0.14)	—	—	(0.14)	11.21
Dec. 31, 2014	9.40	0.67	(0.21)	3.77	(4.09)	0.14	—	(0.23)	—	—	(0.23)	9.10
Dec. 31, 2013	7.18	0.21	(0.18)	1.35	0.86	2.24	—	(0.07)	—	—	(0.07)	9.40
Dec. 31, 2012	6.31	0.24	(0.15)	0.15	0.75	0.99	—	(0.10)	—	—	(0.10)	7.18
Dec. 31, 2011	7.22	0.28	(0.15)	(0.03)	(0.79)	(0.69)	—	(0.13)	—	—	(0.13)	6.31
Series T5												
June 30, 2016³	10.50[†]	0.16	(0.09)	(0.29)	(0.80)	(1.02)	—	(0.22)	—	—	(0.22)	9.57
Series D												
June 30, 2016³	10.00[†]	0.15	(0.05)	(0.29)	(0.79)	(0.98)	—	(0.09)	—	—	(0.09)	9.26
Series F												
June 30, 2016	11.42	0.20	(0.05)	(0.38)	(1.02)	(1.25)	—	(0.10)	—	—	(0.10)	9.93
Dec. 31, 2015	9.19	0.33	(0.11)	1.32	0.67	2.21	—	(0.18)	—	—	(0.18)	11.42
Dec. 31, 2014	9.45	0.70	(0.09)	3.96	(4.29)	0.28	—	(0.31)	—	—	(0.31)	9.19
Dec. 31, 2013	7.22	0.21	(0.08)	1.36	0.86	2.35	—	(0.16)	—	—	(0.16)	9.45
Dec. 31, 2012	6.35	0.25	(0.07)	0.15	0.76	1.09	—	(0.19)	—	—	(0.19)	7.22
Dec. 31, 2011	7.27	0.28	(0.07)	(0.03)	(0.79)	(0.61)	—	(0.22)	—	—	(0.22)	6.35
Series FT5												
June 30, 2016³	10.71[†]	0.17	(0.04)	(0.32)	(0.87)	(1.06)	—	—	—	(0.23)	(0.23)	9.81
Series O												
June 30, 2016	11.44	0.19	—	(0.36)	(0.98)	(1.15)	—	(0.13)	—	—	(0.13)	9.97
Dec. 31, 2015	9.14	0.34	—	1.37	0.69	2.40	—	(0.21)	—	—	(0.21)	11.44
Dec. 31, 2014	9.43	0.33	—	1.88	(2.04)	0.17	—	(0.41)	—	—	(0.41)	9.14
Dec. 31, 2013	7.19	0.21	—	1.35	0.85	2.41	—	(0.23)	—	—	(0.23)	9.43
Dec. 31, 2012	6.32	0.25	—	0.15	0.76	1.16	—	(0.24)	—	—	(0.24)	7.19
Dec. 31, 2011	7.25	0.28	—	(0.03)	(0.80)	(0.55)	—	(0.29)	—	—	(0.29)	6.32

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From January 25, 2016.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016⁴	9.71	2 722	280	2.26⁵	2.27	191.21	0.97
Advisor Series							
June 30, 2016	9.71	17 530	1 806	2.20⁵	2.21	191.21	0.97
Dec. 31, 2015	11.21	19 569	1 745	2.21	2.22	91.03	0.51
Dec. 31, 2014	9.10	12 005	1 319	2.20	2.21	121.11	0.59
Dec. 31, 2013	9.40	13 763	1 464	2.22	2.22	110.68	0.49
Dec. 31, 2012	7.18	12 618	1 757	2.19	2.19	113.92	0.50
Dec. 31, 2011	6.31	15 975	2 531	2.18	2.18	130.47	0.63
Series T5							
June 30, 2016⁴	9.57	11	1	2.26⁵	2.27	191.21	0.97
Series D							
June 30, 2016⁴	9.26	260	28	1.30	1.31	191.21	0.97
Series F							
June 30, 2016	9.93	19 773	1 992	0.99	1.00	191.21	0.97
Dec. 31, 2015	11.42	18 264	1 599	1.00	1.02	91.03	0.51
Dec. 31, 2014	9.19	5 897	641	0.99	1.00	121.11	0.59
Dec. 31, 2013	9.45	4 972	526	1.01	1.01	110.68	0.49
Dec. 31, 2012	7.22	4 617	640	0.99	0.99	113.92	0.50
Dec. 31, 2011	6.35	7 500	1 181	0.99	0.99	130.47	0.63
Series FT5							
June 30, 2016⁴	9.81	1	—	1.02	1.02	191.21	0.97
Series O							
June 30, 2016	9.97	1 198	120	0.02	0.03	191.21	0.97
Dec. 31, 2015	11.44	1	—	0.02	0.03	91.03	0.51
Dec. 31, 2014	9.14	—	—	0.02	0.03	121.11	0.59
Dec. 31, 2013	9.43	43 095	4 571	0.03	0.03	110.68	0.49
Dec. 31, 2012	7.19	44 591	6 199	0.03	0.03	113.92	0.50
Dec. 31, 2011	6.32	45 352	7 179	0.02	0.02	130.47	0.63

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

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

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

⁴ From January 25, 2016.

⁵ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 2.15%, Advisor Series – 2.09% and Series T5 – 2.15%.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.75%	57%	43%
Advisor Series	1.75%	62%	38%
Series T5	1.75%	57%	43%
Series D	1.00%	25%	75%
Series F	0.75%	—	100%
Series FT5	0.75%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, trustee, 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.

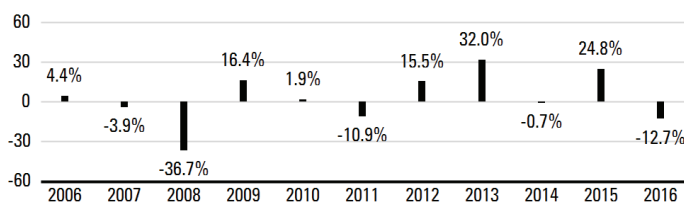
Year-by-Year Returns (%)

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.

Series A (%)



Advisor Series (%)



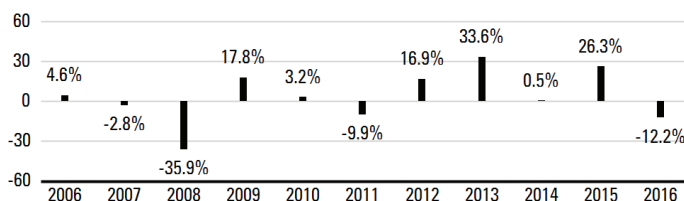
Series T5 (%)



Series D (%)

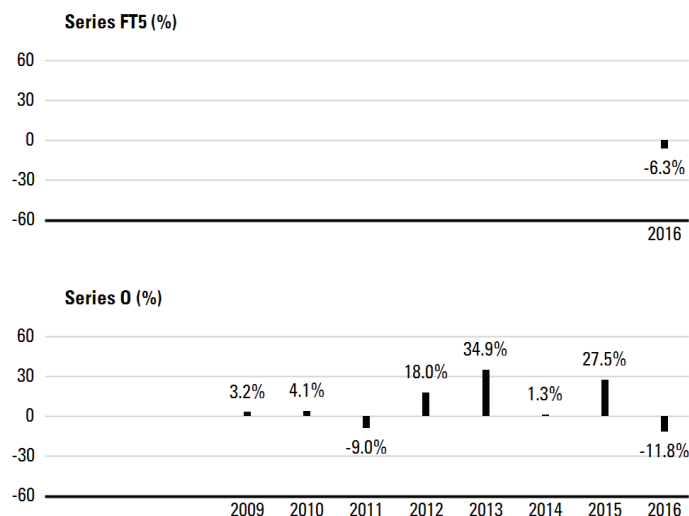


Series F (%)





PAST PERFORMANCE (cont.)



Series A, Series T5, Series D and Series FT5 units have been available for sale to unitholders since January 25, 2016, Series O units since October 26, 2009, and Advisor Series and Series F units since November 6, 2006.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United Kingdom	23.9
Japan	21.0
Germany	10.0
Denmark	6.5
Australia	5.9
Switzerland	5.2
Netherlands	4.5
Sweden	4.4
Belgium	4.2
Israel	4.0
Finland	2.3
Hong Kong	2.2
China	1.7
Italy	1.7
Indonesia	1.1
Cash/Other	1.4

Top 25 Holdings

	% of Net Asset Value
Novo Nordisk A/S	4.3
SoftBank Group Corp.	4.3
InBev N.V.	4.3
Unilever Plc.	4.2
Royal Dutch Shell Plc., B Shares	3.5
Japan Tobacco Inc.	3.2
Sysmex Corp.	3.2
Bridgestone Corp.	3.1
Roche Holdings AG Genusscheine	3.0
Mitsubishi UFJ Financial Group Inc.	2.9
Relx N.V.	2.8
CSL Ltd.	2.8
Nitori Co. Ltd.	2.4
Swedbank AB	2.3
Sampo OYJ	2.3
Schroders Plc.	2.3
Symrise AG	2.2
Henkel KGaA, Preferred Non-Voting	2.2
AIA Group Ltd.	2.2
Novozymes A/S	2.2
Diageo Plc.	2.2
British American Tobacco Plc.	2.2
BT Group Plc.	2.1
Fresenius Medical Care AG & Co. KGaA	2.1
Kubota Corp.	2.1
Top 25 Holdings	70.4

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.



INTERNATIONAL EQUITY FUND

RBC INTERNATIONAL EQUITY FUND

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (UK) Limited, London, England
(for the European equity portion of the Fund)

Sub-Advisor: RBC Investment Management (Asia) Limited, Hong Kong, China
(for the Asian equity portion of the Fund)

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund aims to provide long-term capital growth by investing in stocks of companies outside North America, providing exposure to economies that may be at different stages of the business cycle or offer growth opportunities unavailable in U.S. and Canadian markets. The Fund focuses on companies that are primarily in Europe, Australasia and the Far East.

Results of Operations

The Fund's net asset value was \$755 million as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 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 any other series, which may vary because of differences in management fees and expenses.

Uncertainty was the hallmark of the first half of 2016, reaching a high point in late June after the U.K.'s decision to exit the EU ("Brexit") reverberated across financial markets. The first quarter was largely a period when investors sought safety, while in the second quarter riskier assets such as stocks posted gains before the Brexit vote wiped them away. During the period, the European Central Bank announced a series of actions to support growth: a reduction in the deposit rate; increased monthly bond purchases; an expansion of the list of assets eligible for purchase; and a series of targeted longer-term refinancing operations. The Bank of Japan also extended its use of extraordinary measures aimed at holding down interest rates and weakening its currency, while the Bank of England pledged to do everything possible to cushion the economy from the adverse effects of the Brexit vote.

In Europe, the so-called peripheral markets posted the poorest results as they were viewed as the most vulnerable to political turmoil. Italy was the worst performer, followed by Ireland and Spain. Unilever, the Anglo-Dutch consumer-products company, was the biggest contributor to the Fund's performance. Schroders, the U.K. investment firm, held back returns the most.

In Asia, the Financials sector performed worst given the macroeconomic backdrop, followed by Consumer Discretionary. In Financials, the banks were particularly vulnerable to political instability in a negative-yield environment and heavy regulatory burden, and the poor performance in Consumer Discretionary was due to exposure to the drivers of local demand and negative sentiment compared to commodity-exposed sectors. The Fund's underweight position in Australian banks aided performance, as did holdings in Tencent and HM Sampoerna.

Recent Developments

The response to the U.K. referendum on June 23 has been characterized by large-scale portfolio repositioning, with a reallocation from domestically exposed stocks to global plays. Small- and mid-cap stocks with significant exposure to domestic growth have been hurt most by the political uncertainty. The sub-advisor believes that European companies with a history of delivering shareholder value even in times of macroeconomic turmoil represent attractive investment opportunities.

While the referendum outcome adds another dimension to investor uncertainty, many of the longer-term issues remain unchanged: the efficacy of central banks; the pace of economic recovery; eroded confidence in Europe's single currency; and geopolitical risks. The main issues facing Asian investors over the next six months are likely to be the fallout from Brexit, whether U.S. economic growth is sufficiently strong for the U.S. Federal Reserve to raise interest rates and the sustainability of China's expansion and economic-reform efforts. Given these uncertainties, the outlook for Asian stocks remains challenging.

Effective June 30, 2016, management fees were reduced from 1.85% to 1.75% for Series A and Advisor Series units. Also effective June 30, 2016, Series H and Series I units were closed to all investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisors

RBC Global Asset Management (UK) Limited and RBC Investment Management (Asia) Limited are the sub-advisors and provide investment advice for the Fund.

Distributors

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



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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$39,000 (2015 – \$17,000) or 5% (2015 – 4%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016	20.08	0.30	(0.21)	0.05	(2.03)	(1.89)	—	—	—	—	—	18.07	
Dec. 31, 2015	16.04	0.45	(0.42)	0.77	(0.07)	0.73	—	(0.01)	—	—	(0.01)	20.08	
Dec. 31, 2014	15.96	0.35	(0.36)	1.12	(1.00)	0.11	—	—	—	—	—	16.04	
Dec. 31, 2013	12.32	0.36	(0.32)	0.65	3.05	3.74	—	(0.03)	—	—	(0.03)	15.96	
Dec. 31, 2012	10.73	0.35	(0.26)	0.02	1.57	1.68	—	(0.10)	—	—	(0.10)	12.32	
Dec. 31, 2011	12.21	0.34	(0.25)	(0.07)	(1.40)	(1.38)	—	(0.07)	—	—	(0.07)	10.73	
Advisor Series													
June 30, 2016	19.93	0.30	(0.20)	0.04	(2.00)	(1.86)	—	—	—	—	—	17.93	
Dec. 31, 2015	15.91	0.42	(0.42)	0.72	(0.06)	0.66	—	(0.01)	—	—	(0.01)	19.93	
Dec. 31, 2014	15.83	0.35	(0.35)	1.11	(0.99)	0.12	—	—	—	—	—	15.91	
Dec. 31, 2013	12.21	0.35	(0.32)	0.63	2.96	3.62	—	(0.03)	—	—	(0.03)	15.83	
Dec. 31, 2012	10.62	0.35	(0.25)	0.02	1.56	1.68	—	(0.09)	—	—	(0.09)	12.21	
Dec. 31, 2011	12.09	0.34	(0.24)	(0.06)	(1.39)	(1.35)	—	(0.07)	—	—	(0.07)	10.62	
Series D													
June 30, 2016	20.60	0.31	(0.12)	0.05	(2.08)	(1.84)	—	—	—	—	—	18.63	
Dec. 31, 2015	16.37	0.46	(0.24)	0.78	(0.07)	0.93	—	(0.10)	—	—	(0.10)	20.60	
Dec. 31, 2014	16.23	0.35	(0.21)	1.13	(1.01)	0.26	—	(0.11)	—	—	(0.11)	16.37	
Dec. 31, 2013	12.48	0.36	(0.19)	0.65	3.03	3.85	—	(0.12)	—	—	(0.12)	16.23	
Dec. 31, 2012	10.86	0.35	(0.15)	0.02	1.60	1.82	—	(0.21)	—	—	(0.21)	12.48	
Dec. 31, 2011	12.26	0.35	(0.14)	(0.07)	(1.43)	(1.29)	—	(0.09)	—	—	(0.09)	10.86	
Series F													
June 30, 2016	22.35	0.33	(0.10)	0.05	(2.27)	(1.99)	—	—	—	—	—	20.23	
Dec. 31, 2015	17.76	0.41	(0.22)	0.71	(0.06)	0.84	—	(0.16)	—	—	(0.16)	22.35	
Dec. 31, 2014	17.63	0.39	(0.18)	1.25	(1.12)	0.34	—	(0.19)	—	—	(0.19)	17.76	
Dec. 31, 2013	13.57	0.40	(0.16)	0.72	3.36	4.32	—	(0.20)	—	—	(0.20)	17.63	
Dec. 31, 2012	11.84	0.36	(0.13)	0.02	1.74	1.99	—	(0.31)	—	—	(0.31)	13.57	
Dec. 31, 2011	13.54	0.38	(0.12)	(0.07)	(1.56)	(1.37)	—	(0.28)	—	—	(0.28)	11.84	
Series O													
June 30, 2016	21.29	0.32	—	0.05	(2.15)	(1.78)	—	—	—	—	—	19.37	
Dec. 31, 2015	16.91	0.44	—	0.75	(0.07)	1.12	—	(0.36)	—	—	(0.36)	21.29	
Dec. 31, 2014	16.66	0.35	—	1.12	(1.01)	0.46	—	(0.21)	—	—	(0.21)	16.91	
Dec. 31, 2013	12.73	0.36	—	0.64	3.00	4.00	—	(0.23)	—	—	(0.23)	16.66	
Dec. 31, 2012	10.87	0.36	—	0.02	1.63	2.01	—	(0.14)	—	—	(0.14)	12.73	
Dec. 31, 2011	12.25	0.35	—	(0.07)	(1.44)	(1.16)	—	(0.25)	—	—	(0.25)	10.87	

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	18.07	137 229	7 595	2.26⁴	2.26	27.48	0.22
Dec. 31, 2015	20.08	153 272	7 632	2.26	2.26	35.88	0.28
Dec. 31, 2014	16.04	120 626	7 521	2.26	2.26	68.87	0.40
Dec. 31, 2013	15.96	124 714	7 814	2.27	2.27	55.63	0.30
Dec. 31, 2012	12.32	87 471	7 100	2.25	2.25	89.96	0.43
Dec. 31, 2011	10.73	83 992	7 830	2.25	2.25	115.22	0.65
Advisor Series							
June 30, 2016	17.93	4 266	238	2.24⁴	2.24	27.48	0.22
Dec. 31, 2015	19.93	3 899	196	2.25	2.25	35.88	0.28
Dec. 31, 2014	15.91	1 638	103	2.21	2.21	68.87	0.40
Dec. 31, 2013	15.83	1 353	85	2.23	2.23	55.63	0.30
Dec. 31, 2012	12.21	523	43	2.21	2.21	89.96	0.43
Dec. 31, 2011	10.62	376	35	2.21	2.21	115.22	0.65
Series D							
June 30, 2016	18.63	56 938	3 056	1.25	1.25	27.48	0.22
Dec. 31, 2015	20.60	58 812	2 854	1.26	1.26	35.88	0.28
Dec. 31, 2014	16.37	37 444	2 288	1.27	1.27	68.87	0.40
Dec. 31, 2013	16.23	25 776	1 588	1.29	1.29	55.63	0.30
Dec. 31, 2012	12.48	9 300	745	1.28	1.28	89.96	0.43
Dec. 31, 2011	10.86	7 951	732	1.27	1.27	115.22	0.65
Series F							
June 30, 2016	20.23	15 361	759	1.00	1.00	27.48	0.22
Dec. 31, 2015	22.35	19 309	864	1.02	1.02	35.88	0.28
Dec. 31, 2014	17.76	1 784	100	1.01	1.01	68.87	0.40
Dec. 31, 2013	17.63	1 907	108	1.01	1.01	55.63	0.30
Dec. 31, 2012	13.57	1 196	88	1.01	1.01	89.96	0.43
Dec. 31, 2011	11.84	1 443	122	1.01	1.01	115.22	0.65
Series O							
June 30, 2016	19.37	541 363	27 947	0.02	0.02	27.48	0.22
Dec. 31, 2015	21.29	452 076	21 232	0.02	0.02	35.88	0.28
Dec. 31, 2014	16.91	94 897	5 611	0.02	0.02	68.87	0.40
Dec. 31, 2013	16.66	27 929	1 676	0.02	0.02	55.63	0.30
Dec. 31, 2012	12.73	4 026	316	0.03	0.03	89.96	0.43
Dec. 31, 2011	10.87	644	59	0.02	0.02	115.22	0.65

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 2.15% and Advisor Series – 2.13%.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.75%	62%	38%
Advisor Series	1.75%	62%	38%
Series D	1.00%	25%	75%
Series F	0.75%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

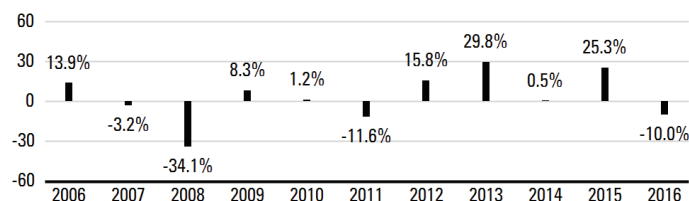
PAST PERFORMANCE

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.

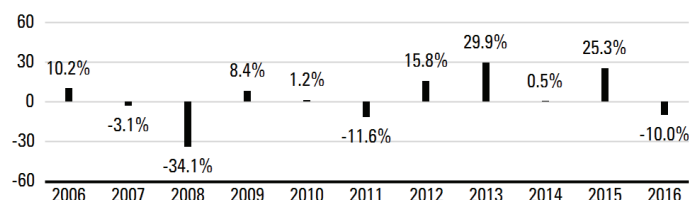
Year-by-Year Returns (%)

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.

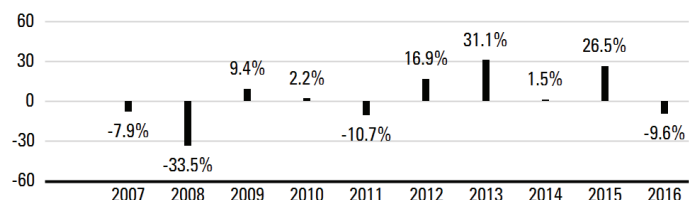
Series A (%)



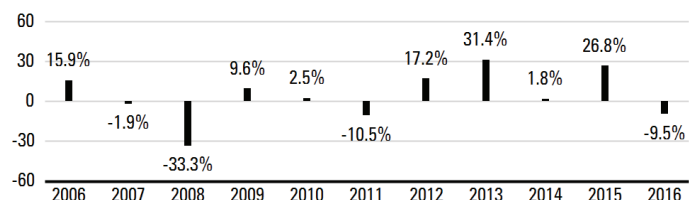
Advisor Series (%)



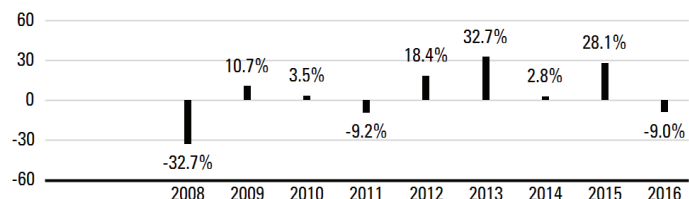
Series D (%)



Series F (%)



Series O (%)



Series O units have been available for sale to unitholders since January 1, 2008, Series D units since July 3, 2007, and Advisor Series units since August 28, 2006.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United Kingdom	22.7
Japan	19.6
Switzerland	7.2
Germany	7.2
Australia	6.0
Denmark	5.4
Ireland	4.8
Netherlands	4.2
Finland	2.6
Sweden	2.4
France	2.2
Belgium	2.2
Hong Kong	2.1
Other Countries	6.5
Cash/Other	4.9

Top 25 Holdings

	% of Net Asset Value
Cash & Cash Equivalents	4.1
Unilever Plc.	3.4
Roche Holdings AG Genusscheine	2.8
Relx N.V.	2.7
Novo Nordisk A/S	2.6
SoftBank Group Corp.	2.3
InBev N.V.	2.2
Japan Tobacco Inc.	1.9
Paddy Power Betfair Plc.	1.9
Henkel KGaA, Preferred Non-Voting	1.9
Mitsubishi UFJ Financial Group Inc.	1.9
Diageo Plc.	1.8
Novozymes A/S	1.7
British American Tobacco Plc.	1.7
BT Group Plc.	1.7
Bridgestone Corp.	1.7
Nitori Co. Ltd.	1.6
CSL Ltd.	1.6
Luxottica Group S.p.A.	1.5
Straumann Holding AG	1.5
Novartis AG	1.5
Sysmex Corp.	1.5
Kerry Group Plc.	1.4
Ryanair Holdings Plc. ADR	1.4
Sampo OYJ	1.4
Top 25 Holdings	49.7

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.



INTERNATIONAL EQUITY FUND

**RBC INTERNATIONAL EQUITY
CURRENCY NEUTRAL FUND**

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (UK) Limited, London, England
(for the European equity portion of the underlying fund)

Sub-Advisor: RBC Investment Management (Asia) Limited, Hong Kong, China
(for the Asian equity portion of the underlying fund)

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in units of other mutual funds managed by RBC GAM or an affiliate of RBC GAM (called the “underlying funds”), emphasizing mutual funds that invest in equity securities of companies outside of North America in order to provide exposure to economies that offer different business cycles and growth opportunities than North American markets. The Fund also seeks to minimize the exposure to currency fluctuations between foreign currencies and the Canadian dollar.

To achieve its objective, the Fund invests its assets primarily in units of the RBC International Equity Fund, or other underlying funds. Each underlying fund’s investment process is primarily based on fundamental research, although the portfolio manager will also consider quantitative and technical factors. Stock selection decisions are ultimately based on an understanding of the company, its business and its outlook.

Results of Operations

The Fund’s net asset value was \$37 million as of June 30, 2016.

Over the past six months, the Fund’s Series A units lost 6.9%. 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 any other series, which may vary because of differences in management fees and expenses.

Uncertainty was the hallmark of the first half of 2016, reaching a high point in late June after the U.K.’s decision to exit the EU (“Brexit”) reverberated across financial markets. The first quarter was largely a period when investors sought safety, while in the second quarter riskier assets such as stocks posted gains before the Brexit vote wiped them away. During the period, the European Central Bank announced a series of actions to support growth: a reduction in the deposit rate; increased monthly bond purchases; an expansion of the list of assets eligible for purchase; and a series of targeted longer-term refinancing operations. The Bank of Japan also extended its use of extraordinary measures aimed at holding down interest rates and weakening its currency, while the Bank of England pledged to do everything possible to cushion the economy from the adverse effects of the Brexit vote.

In Europe, the so-called peripheral markets posted the poorest results as they were viewed as the most vulnerable to political turmoil. Italy was the worst performer, followed by Ireland and Spain. Unilever, the Anglo-Dutch consumer-products company, was the biggest contributor to the Fund’s performance. Schroders, the U.K. investment firm, held back returns the most.

In Asia, the Financials sector performed worst given the macroeconomic backdrop, followed by Consumer Discretionary. The banks were particularly vulnerable to political instability in a negative-yield environment and with a heavy regulatory burden, and the poor performance in Consumer Discretionary was due to exposure to the drivers of local demand and negative sentiment compared to commodity-exposed sectors. The Fund’s underweight position in Australian banks aided performance, as did holdings in Tencent and HM Sampoerna.

The Fund’s currency-hedging strategy had a positive impact on performance, as unitholders were protected from the overall decline in global currencies against the Canadian dollar during the first half of 2016.

Recent Developments

The response to Brexit has been characterized by large-scale portfolio repositioning, with a reallocation from domestically exposed stocks to global plays. Small- and mid-cap stocks with significant exposure to domestic growth have been hurt most by the political uncertainty. The portfolio manager believes that European companies with a history of delivering shareholder value even in times of macroeconomic turmoil represent attractive investment opportunities.

While the Brexit outcome adds another dimension to investor uncertainty, many of the longer-term issues remain unchanged: the efficacy of central-bank action; the pace of economic recovery; a lack of confidence in Europe’s single currency; and geopolitical risks. The main issues facing investors over the next six months are likely to be the fallout from Brexit, whether U.S. economic growth is sufficiently strong for the U.S. Federal Reserve to raise interest rates and the sustainability of China’s expansion and economic-reform efforts. Given these uncertainties, the outlook for Asian stocks remains challenging.

Effective June 30, 2016, management fees were reduced from 1.85% to 1.75% for Series A and Advisor Series units. Also effective June 30, 2016, Series H and Series I units were closed to all investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisors

RBC Global Asset Management (UK) Limited and RBC Investment Management (Asia) Limited are the sub-advisors and provide investment advice for the Fund.

Distributors

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

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 units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	11.60	—	(0.12)	0.21	(0.72)	(0.63)	—	—	—	—	—	10.80
Dec. 31, 2015	10.46	0.22	(0.26)	(0.49)	1.46	0.93	—	—	—	—	—	11.60
Dec. 31, 2014 ³	10.00 [†]	0.17	(0.16)	0.35	0.19	0.55	(0.03)	—	(0.26)	—	(0.29)	10.46
Advisor Series												
June 30, 2016	11.61	—	(0.12)	0.21	(0.72)	(0.63)	—	—	—	—	—	10.81
Dec. 31, 2015	10.46	0.21	(0.24)	(0.47)	1.38	0.88	—	—	—	—	—	11.61
Dec. 31, 2014 ³	10.00 [†]	0.34	(0.14)	0.68	0.38	1.26	(0.06)	—	(0.26)	—	(0.32)	10.46
Series D												
June 30, 2016	11.71	—	(0.07)	0.21	(0.73)	(0.59)	—	—	—	—	—	10.95
Dec. 31, 2015	10.51	0.22	(0.15)	(0.50)	1.47	1.04	—	(0.06)	—	—	(0.06)	11.71
Dec. 31, 2014 ³	10.00 [†]	0.16	(0.09)	0.32	0.18	0.57	(0.05)	—	(0.26)	—	(0.31)	10.51
Series F												
June 30, 2016	11.67	—	(0.05)	0.21	(0.72)	(0.56)	—	—	—	—	—	10.93
Dec. 31, 2015	10.46	0.21	(0.11)	(0.48)	1.41	1.03	—	(0.09)	—	—	(0.09)	11.67
Dec. 31, 2014 ³	10.00 [†]	0.34	(0.06)	0.68	0.38	1.34	(0.14)	—	(0.26)	—	(0.40)	10.46
Series O												
June 30, 2016	11.72	—	—	0.21	(0.73)	(0.52)	—	—	—	—	—	11.02
Dec. 31, 2015	10.52	0.23	—	(0.52)	1.52	1.23	—	(0.20)	—	—	(0.20)	11.72
Dec. 31, 2014 ³	10.00 [†]	0.18	—	0.36	0.20	0.74	(0.14)	—	(0.26)	—	(0.40)	10.52

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From April 28, 2014.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	10.80	3 486	323	2.23⁴	2.24	49.93	—
Dec. 31, 2015	11.60	3 628	313	2.23	2.25	33.81	0.28
Dec. 31, 2014 ⁵	10.46	923	88	2.29	2.30	5.57	0.39
Advisor Series							
June 30, 2016	10.81	104	10	2.28⁴	2.29	49.93	—
Dec. 31, 2015	11.61	89	8	2.13	2.14	33.81	0.28
Dec. 31, 2014 ⁵	10.46	1	—	2.12	2.13	5.57	0.39
Series D							
June 30, 2016	10.95	1 260	115	1.28	1.29	49.93	—
Dec. 31, 2015	11.71	875	75	1.28	1.29	33.81	0.28
Dec. 31, 2014 ⁵	10.51	139	13	1.25	1.26	5.57	0.39
Series F							
June 30, 2016	10.93	458	42	0.95	0.96	49.93	—
Dec. 31, 2015	11.67	35	3	0.97	0.98	33.81	0.28
Dec. 31, 2014 ⁵	10.46	1	—	0.96	0.97	5.57	0.39
Series O							
June 30, 2016	11.02	31 905	2 894	0.04	0.05	49.93	—
Dec. 31, 2015	11.72	31 057	2 651	0.04	0.06	33.81	0.28
Dec. 31, 2014 ⁵	10.52	19 975	1 900	0.04	0.05	5.57	0.39

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 2.13% and Advisor Series – 2.17%.

⁵ From April 28, 2014.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund.

Management fees of each series of the Fund are calculated at 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	1.75%	54%	46%
Advisor Series	1.75%	54%	46%
Series D	1.00%	25%	75%
Series F	0.75%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

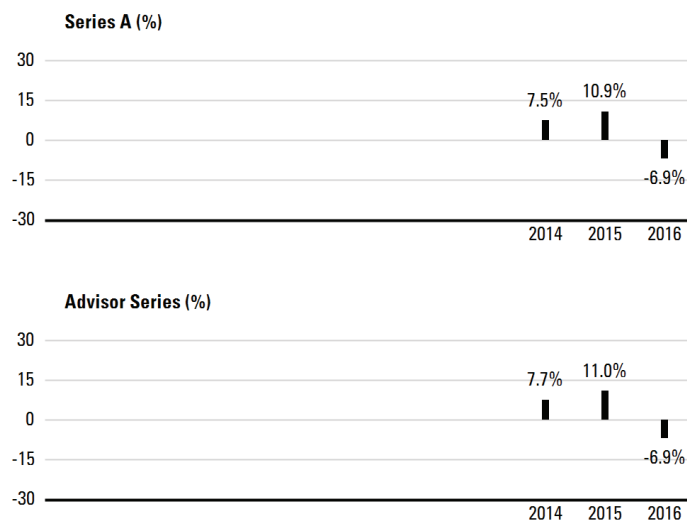


PAST PERFORMANCE

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.



Series D (%)



Series F (%)



Series O (%)



Series A, Advisor Series, Series D, Series F and Series O units have been available for sale to unitholders since April 28, 2014.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United Kingdom	22.7
Japan	19.6
Switzerland	7.2
Germany	7.2
Australia	6.0
Denmark	5.4
Ireland	4.8
Netherlands	4.2
Finland	2.6
Sweden	2.4
France	2.2
Belgium	2.2
Hong Kong	2.1
Other Countries	6.5
Cash/Other	4.9

Top 25 Holdings*

	% of Net Asset Value
Cash & Cash Equivalents	4.1
Unilever Plc.	3.4
Roche Holdings AG Genusscheine	2.8
Relx N.V.	2.7
Novo Nordisk A/S	2.6
SoftBank Group Corp.	2.3
InBev N.V.	2.2
Japan Tobacco Inc.	1.9
Paddy Power Betfair Plc.	1.9
Henkel KGaA, Preferred Non-Voting	1.9
Mitsubishi UFJ Financial Group Inc.	1.9
Diageo Plc.	1.8
Novozymes A/S	1.7
British American Tobacco Plc.	1.7
BT Group Plc.	1.7
Bridgestone Corp.	1.7
Nitori Co. Ltd.	1.6
CSL Ltd.	1.6
Luxottica Group S.p.A.	1.5
Straumann Holding AG	1.5
Novartis AG	1.5
Sysmex Corp.	1.5
Kerry Group Plc.	1.4
Ryanair Holdings Plc. ADR	1.4
Sampo OYJ	1.4
Top 25 Holdings	49.7

* The Fund invests substantially all of its assets directly in the RBC International Equity Fund.

The above are the Top 25 holdings of the RBC International Equity Fund.

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



INTERNATIONAL EQUITY FUND

RBC INTERNATIONAL INDEX CURRENCY NEUTRAL FUND

June 30, 2016

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

Sub-Advisor: State Street Global Advisors, Ltd.

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by tracking the performance of the Morgan Stanley Capital International – Europe, Australasia and Far East Total Return Index (“MSCI EAFE Index”) (in local currencies). By investing primarily in Canadian money market securities, the Fund is generally not exposed to currency fluctuations between the Canadian dollar and foreign currencies. The Fund’s return is based on the international markets’ returns, in their local currencies.

To track the performance of the benchmark, the Fund uses derivatives, such as futures, to gain exposure to the markets and securities.

Results of Operations

The Fund’s net asset value was \$314 million as of June 30, 2016.

Over the past six months, the Fund’s Series A units lost 7.7%. 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 any other series, which may vary because of differences in management fees and expenses.

The market that contributed the most to returns was the U.K., followed by Australia and New Zealand. The worst-performing markets were Japan, Germany and Italy.

The best-performing sectors were Energy, Consumer Staples and Materials. The worst-performing sectors were Financials, Consumer Discretionary and Information Technology.

The Fund’s currency-hedging strategy had a positive impact on performance, as unitholders were protected from the overall decline in global currencies against the Canadian dollar during the first half of 2016.

Recent Developments

The sub-advisor has no recent developments to report.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients’ Series A units.

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 units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
		Series A										
June 30, 2016	10.54	(0.79)	(0.03)	—	—	(0.82)	—	—	—	—	—	9.73
Dec. 31, 2015	10.17	0.43	(0.08)	—	—	0.35	—	—	—	—	—	10.54
Dec. 31, 2014	9.68	0.56	(0.07)	—	0.01	0.50	—	—	—	—	—	10.17
Dec. 31, 2013	7.70	2.03	(0.06)	—	—	1.97	—	—	—	—	—	9.68
Dec. 31, 2012	6.61	1.14	(0.05)	—	(0.01)	1.08	—	—	—	—	—	7.70
Dec. 31, 2011	7.55	(0.87)	(0.05)	(0.02)	—	(0.94)	—	—	—	—	—	6.61

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	9.73	314 031	32 270	0.71	0.71	n/a	—
Dec. 31, 2015	10.54	353 381	33 520	0.71	0.71	n/a	—
Dec. 31, 2014	10.17	343 613	33 773	0.71	0.71	n/a	—
Dec. 31, 2013	9.68	315 975	32 642	0.71	0.71	n/a	—
Dec. 31, 2012	7.70	216 401	28 112	0.70	0.70	n/a	—
Dec. 31, 2011	6.61	193 188	29 206	0.68	0.68	n/a	—

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

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

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



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	0.50%	20%	80%

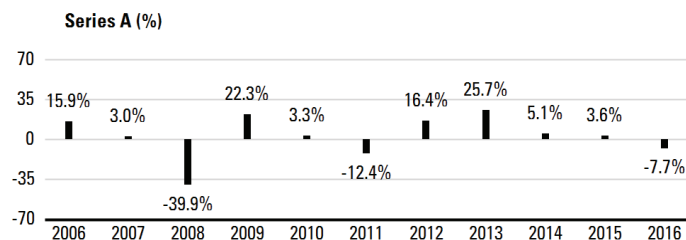
* Includes all costs related to management, trustee, investment advisory services, general administration and profit.

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.



Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Japan	24.0
United Kingdom	19.7
France	9.7
Switzerland	9.0
Germany	8.8
Australia	7.3
Hong Kong	4.6
Sweden	3.7
Netherlands	3.1
Spain	3.0
Italy	2.0
Other Countries	5.1

Top 25 Holdings

	% of Net Asset Value
Nestlé S.A.	2.1
Novartis AG	1.6
Roche Holding AG	1.6
Toyota Motor Corp.	1.1
HSBC Holdings Plc.	1.0
British American Tobacco Plc.	1.0
Royal Dutch Shell Plc., A Shares	1.0
BP Plc.	0.9
Total S.A.	0.9
Anheuser-Busch InBev SA	0.9
GlaxoSmithKline Plc.	0.9
Royal Dutch Shell Plc., B Shares	0.9
Novo-Nordisk A/S, Series B	0.8
Sanofi S.A.	0.8
Commonwealth Bank of Australia	0.8
Bayer AG	0.7
Vodafone Group Plc.	0.7
Siemens AG	0.7
Unilever N.V.	0.6
AstraZeneca Plc.	0.6
SAP SE	0.6
Westpac Banking Corporation	0.6
AIA Group Ltd.	0.6
Diageo Plc.	0.6
BASF SE ADR	0.6
Top 25 Holdings	22.7

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.



INTERNATIONAL EQUITY FUND

RBC O'SHAUGHNESSY INTERNATIONAL EQUITY FUND

June 30, 2016

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

Sub-Advisor: O'Shaughnessy Asset Management, L.L.C., Stamford, Connecticut

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term total returns consisting of capital growth and current income by investing primarily in equity securities of companies outside of North America based on Strategy Indexing[®], an investment portfolio management model developed in 1995 by Jim O'Shaughnessy.

To achieve its objective, the Fund selects high dividend-yielding stocks. The stocks must also meet certain market capitalization and liquidity thresholds. In addition, the Fund selects stocks with the most consistently strong stock price momentum based on a variety of measures such as six-month total return and nine-month total return. The Fund does not hedge currency exposure back to Canadian dollars.

Results of Operations

The Fund's net asset value was \$411 million as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 9.0%. 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 any other series, which may vary because of differences in management fees and expenses.

North American stock markets rose during the first half of the year after a weak start to 2016, with Canadian equities leading the way as commodity prices recovered from significant declines in 2015 and early 2016. Developed markets in Europe and Asia delivered mixed results, fluctuating significantly in the lead-up to and after the U.K.'s late-June decision to leave the EU.

During the period, one of the strongest contributors to relative performance was the Fund's greater exposure to smaller-cap stocks. Additionally, the Fund's overweight allocation to stocks with high yields and strong momentum contributed to performance.

Sector allocation and stock selection among countries had a positive effect on performance. Security selection in Japan and Australia were the main contributors to returns. An overweight allocation to New Zealand also aided returns. Performance in these areas was partially offset by the negative impact of security selection in the U.K. and New Zealand. An underweight allocation to the Netherlands and overweight allocations to Japan and Israel also held back returns.

Security selection in the Consumer Discretionary sector, as well as an underweight allocation to and security selection in Financials, contributed to returns. Partially offsetting these areas was the negative impact of security selection in the Utilities, Industrials and Energy sectors. An overweight allocation to Consumer Discretionary

also held back returns. CIMIC Group, Spark New Zealand and Fortum were the largest individual contributors to returns. Hurting relative returns were Kasai Kogyo, BW LPG and a lack of exposure to Royal Dutch Shell.

Recent Developments

Due to the Fund's investment process and market conditions over the course of the first half of 2016, the sub-advisor has decreased allocations to the Consumer Discretionary and Energy sectors and increased allocations to the Utilities and Industrials sectors.

Effective June 30, 2016, Series I units were capped and no longer available for purchase by new investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series D units.

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 units of the Fund.

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Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016	10.67	0.25	(0.11)	(0.17)	(0.95)	(0.98)	—	—	—	—	—	9.71	
Dec. 31, 2015	9.28	0.38	(0.23)	1.06	0.37	1.58	—	(0.15)	—	—	(0.15)	10.67	
Dec. 31, 2014	9.18	0.45	(0.22)	1.35	(1.27)	0.31	—	(0.23)	—	—	(0.23)	9.28	
Dec. 31, 2013	6.77	0.31	(0.18)	0.60	1.82	2.55	—	(0.14)	—	—	(0.14)	9.18	
Dec. 31, 2012	6.32	0.32	(0.15)	(0.69)	1.15	0.63	—	(0.20)	—	—	(0.20)	6.77	
Dec. 31, 2011	7.73	0.43	(0.16)	0.13	(1.44)	(1.04)	—	(0.31)	—	—	(0.31)	6.32	
Advisor Series													
June 30, 2016	10.52	0.24	(0.11)	(0.16)	(0.94)	(0.97)	—	—	—	—	—	9.58	
Dec. 31, 2015	9.16	0.37	(0.23)	1.04	0.37	1.55	—	(0.16)	—	—	(0.16)	10.52	
Dec. 31, 2014	9.08	0.44	(0.21)	1.33	(1.25)	0.31	—	(0.25)	—	—	(0.25)	9.16	
Dec. 31, 2013	6.69	0.30	(0.17)	0.59	1.79	2.51	—	(0.14)	—	—	(0.14)	9.08	
Dec. 31, 2012	6.26	0.32	(0.14)	(0.68)	1.14	0.64	—	(0.22)	—	—	(0.22)	6.69	
Dec. 31, 2011	7.70	0.43	(0.16)	0.13	(1.43)	(1.03)	—	(0.35)	—	—	(0.35)	6.26	
Series D													
June 30, 2016	10.79	0.25	(0.07)	(0.17)	(0.96)	(0.95)	—	—	—	—	—	9.86	
Dec. 31, 2015	9.39	0.39	(0.14)	1.07	0.38	1.70	—	(0.25)	—	—	(0.25)	10.79	
Dec. 31, 2014	9.26	0.45	(0.13)	1.36	(1.28)	0.40	—	(0.29)	—	—	(0.29)	9.39	
Dec. 31, 2013	6.79	0.31	(0.11)	0.61	1.83	2.64	—	(0.18)	—	—	(0.18)	9.26	
Dec. 31, 2012	6.33	0.32	(0.09)	(0.69)	1.16	0.70	—	(0.25)	—	—	(0.25)	6.79	
Dec. 31, 2011	7.74	0.44	(0.10)	0.13	(1.45)	(0.98)	—	(0.37)	—	—	(0.37)	6.33	
Series F													
June 30, 2016	9.97	0.23	(0.05)	(0.15)	(0.89)	(0.86)	—	—	—	—	—	9.12	
Dec. 31, 2015	8.67	0.36	(0.10)	0.99	0.35	1.60	—	(0.26)	—	—	(0.26)	9.97	
Dec. 31, 2014	8.59	0.42	(0.10)	1.27	(1.19)	0.40	—	(0.33)	—	—	(0.33)	8.67	
Dec. 31, 2013	6.33	0.29	(0.08)	0.56	1.70	2.47	—	(0.23)	—	—	(0.23)	8.59	
Dec. 31, 2012	5.96	0.30	(0.07)	(0.65)	1.08	0.66	—	(0.33)	—	—	(0.33)	6.33	
Dec. 31, 2011	7.62	0.43	(0.08)	0.12	(1.41)	(0.94)	—	(0.64)	—	—	(0.64)	5.96	
Series I													
June 30, 2016	11.67	0.27	(0.04)	(0.18)	(1.04)	(0.99)	—	—	—	—	—	10.70	
Dec. 31, 2015	10.17	0.42	(0.09)	1.17	0.41	1.91	—	(0.35)	—	—	(0.35)	11.67	
Dec. 31, 2014	10.05	0.49	(0.09)	1.48	(1.40)	0.48	—	(0.39)	—	—	(0.39)	10.17	
Dec. 31, 2013	7.40	0.34	(0.07)	0.66	2.00	2.93	—	(0.28)	—	—	(0.28)	10.05	
Dec. 31, 2012	6.88	0.36	(0.06)	(0.76)	1.27	0.81	—	(0.30)	—	—	(0.30)	7.40	
Dec. 31, 2011	8.40	0.48	(0.07)	0.14	(1.58)	(1.03)	—	(0.42)	—	—	(0.42)	6.88	



FINANCIAL HIGHLIGHTS (cont.)

Change in Net Assets Per Unit (\$) (cont.)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					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	Total	
Series O												
June 30, 2016	9.56	0.22	—	(0.15)	(0.86)	(0.79)	—	—	—	—	—	8.79
Dec. 31, 2015	8.32	0.34	—	0.96	0.34	1.64	—	(0.36)	—	—	(0.36)	9.56
Dec. 31, 2014	8.25	0.41	—	1.22	(1.15)	0.48	—	(0.42)	—	—	(0.42)	8.32
Dec. 31, 2013	6.05	0.28	—	0.54	1.64	2.46	—	(0.26)	—	—	(0.26)	8.25
Dec. 31, 2012	6.51	0.36	—	(0.69)	1.16	0.83	—	(1.30)	—	—	(1.30)	6.05
Dec. 31, 2011	8.00	0.46	—	0.13	(1.51)	(0.92)	—	(0.50)	—	—	(0.50)	6.51

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	9.71	340 104	35 034	2.25	2.25	78.12	0.15
Dec. 31, 2015	10.67	405 852	38 043	2.25	2.25	75.66	0.15
Dec. 31, 2014	9.28	403 941	43 521	2.25	2.25	76.56	0.14
Dec. 31, 2013	9.18	407 485	44 377	2.26	2.26	71.42	0.13
Dec. 31, 2012	6.77	330 243	48 812	2.24	2.24	58.58	0.14
Dec. 31, 2011	6.32	374 035	59 211	2.25	2.25	73.28	0.13
Advisor Series							
June 30, 2016	9.58	5 304	554	2.19	2.19	78.12	0.15
Dec. 31, 2015	10.52	6 342	603	2.22	2.22	75.66	0.15
Dec. 31, 2014	9.16	6 193	676	2.20	2.20	76.56	0.14
Dec. 31, 2013	9.08	5 350	589	2.22	2.22	71.42	0.13
Dec. 31, 2012	6.69	4 469	668	2.20	2.20	58.58	0.14
Dec. 31, 2011	6.26	5 553	888	2.18	2.18	73.28	0.13
Series D							
June 30, 2016	9.86	19 312	1 958	1.37	1.37	78.12	0.15
Dec. 31, 2015	10.79	22 226	2 060	1.37	1.37	75.66	0.15
Dec. 31, 2014	9.39	19 646	2 092	1.37	1.37	76.56	0.14
Dec. 31, 2013	9.26	12 508	1 351	1.38	1.38	71.42	0.13
Dec. 31, 2012	6.79	7 326	1 078	1.38	1.38	58.58	0.14
Dec. 31, 2011	6.33	7 160	1 131	1.38	1.38	73.28	0.13
Series F							
June 30, 2016	9.12	14 502	1 590	1.09	1.09	78.12	0.15
Dec. 31, 2015	9.97	16 433	1 649	1.08	1.08	75.66	0.15
Dec. 31, 2014	8.67	13 703	1 580	1.08	1.08	76.56	0.14
Dec. 31, 2013	8.59	12 870	1 498	1.10	1.10	71.42	0.13
Dec. 31, 2012	6.33	11 108	1 755	1.09	1.09	58.58	0.14
Dec. 31, 2011	5.96	18 823	3 157	1.09	1.09	73.28	0.13



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data (cont.)

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series I							
June 30, 2016	10.70	15 917	1 487	0.81	0.81	78.12	0.15
Dec. 31, 2015	11.67	16 468	1 411	0.81	0.81	75.66	0.15
Dec. 31, 2014	10.17	14 023	1 379	0.81	0.81	76.56	0.14
Dec. 31, 2013	10.05	13 510	1 344	0.82	0.82	71.42	0.13
Dec. 31, 2012	7.40	10 232	1 383	0.86	0.86	58.58	0.14
Dec. 31, 2011	6.88	8 273	1 202	0.86	0.86	73.28	0.13
Series O							
June 30, 2016	8.79	15 404	1 752	0.02	0.02	78.12	0.15
Dec. 31, 2015	9.56	17 054	1 785	0.02	0.02	75.66	0.15
Dec. 31, 2014	8.32	15 947	1 917	0.02	0.02	76.56	0.14
Dec. 31, 2013	8.25	15 416	1 868	0.02	0.02	71.42	0.13
Dec. 31, 2012	6.05	10 010	1 655	0.02	0.02	58.58	0.14
Dec. 31, 2011	6.51	46 844	7 194	0.02	0.02	73.28	0.13

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

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

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

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.85%	54%	46%
Advisor Series	1.85%	54%	46%
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 with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

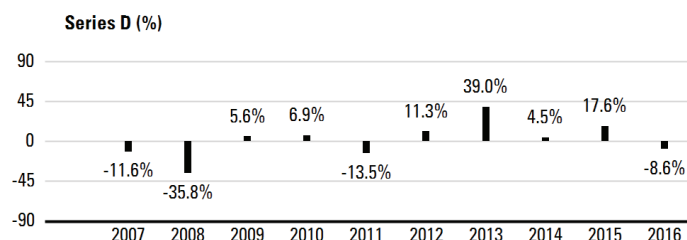
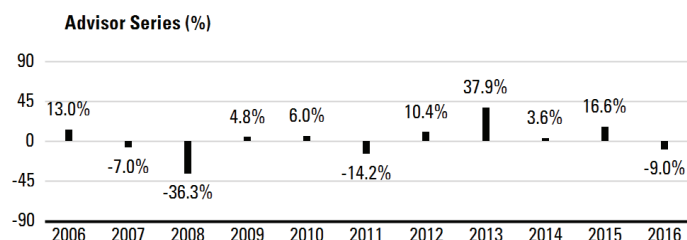
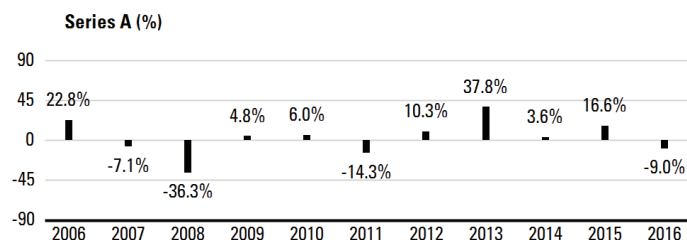


PAST PERFORMANCE

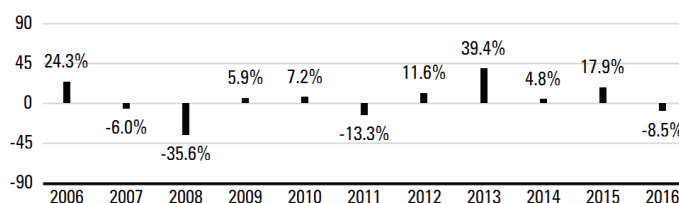
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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 (%)

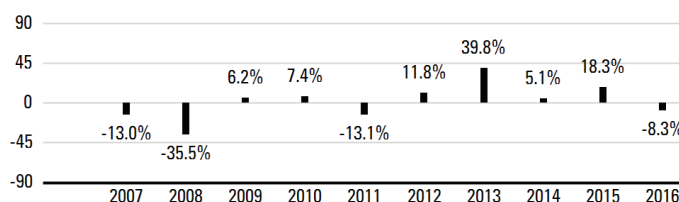
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



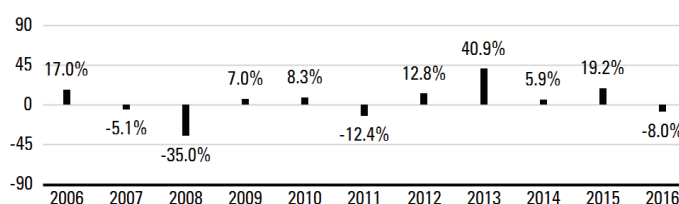
Series F (%)



Series I (%)



Series O (%)



Series D units have been available for sale to unitholders since July 3, 2007, Series I units since April 17, 2007, Series O units since September 5, 2006, and Advisor Series units since March 20, 2006.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Japan	26.6
United Kingdom	15.0
Switzerland	8.9
Australia	8.8
France	6.5
New Zealand	6.5
Germany	4.8
Finland	3.5
Israel	2.7
Norway	2.4
Hong Kong	2.1
Singapore	2.1
Sweden	2.1
Other Countries	7.2
Cash/Other	0.8

Top 25 Holdings

	% of Net Asset Value
Spark New Zealand Ltd.	3.0
Fortum OYJ	2.4
Bezeq Israeli Telecommunication Corporation Ltd.	2.3
Engie	2.3
Sands China Ltd.	2.0
Hannover Rueckversicherung SE	1.9
SSE Plc.	1.7
CIMIC Group Ltd.	1.6
AMP Ltd.	1.6
BP Plc.	1.6
Token Corp.	1.5
Aurizon Holdings Ltd.	1.5
Nippon Telegraph & Telephone Corp.	1.3
KRS Corp.	1.3
Bell AG	1.2
SCOR SE	1.2
Direct Line Insurance Group Plc.	1.2
TOKAI Holdings Corp.	1.2
Novae Group Plc.	1.1
Geo Holdings Corp.	1.1
Zurich Insurance Group AG	1.1
Electricite de France S.A.	1.1
Emmi AG	1.0
Dfds A/S	1.0
Royal Dutch Shell Plc., A Shares	1.0
Top 25 Holdings	38.2

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.



INTERNATIONAL EQUITY FUND

RBC EUROPEAN DIVIDEND FUND

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (UK) Limited, London, England

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term total returns consisting of regular dividend income and modest capital growth.

To achieve its objective, the Fund invests primarily in preferred equity securities of major European companies with above-average dividend yields. The Fund's investment process is primarily based on fundamental research, although the portfolio manager will also consider quantitative and technical factors. Stock selection decisions are ultimately based on an understanding of the company, its business and its outlook.

Results of Operations

The Fund's net asset value was \$114 million as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 12.4%. 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 any other series, which may vary because of differences in management fees and expenses.

Uncertainty was the hallmark of the first half of 2016, reaching a crescendo in June as the results of the U.K. referendum reverberated across financial markets. The first quarter was reminiscent of a risk on/risk off environment, while the second quarter was beginning to show signs of upward momentum before June wiped away gains.

During the first quarter, the European Central Bank (the "ECB") announced a series of supportive actions: a reduction in the deposit rate; increased monthly bond purchases; an expansion of the list of assets eligible for purchase; and a series of new targeted longer-term refinancing operations. The ECB then kept interest rates on hold and emphasized the expectation of continued expansionary monetary policy. Mark Carney, governor of the Bank of England, also pledged that the central bank would do everything possible to cushion the economy from the adverse effects of the U.K.'s decision to leave the EU.

At the sector level, Financials was hit hardest by the unfolding events, followed by Consumer Discretionary. In Financials, the banks were seen as particularly vulnerable to political instability in a negative-yield environment and heavy regulatory burden, and the poor performance in Consumer Discretionary was due to exposure to the drivers of local demand and negative sentiment compared to commodity-exposed sectors.

Despite the relatively benign economic environment, peripheral economies posted the poorest results as they were viewed to be the most vulnerable to political turmoil. Italy was the worst performer, followed by Ireland and Spain. U.K. stock British American Tobacco was the biggest contributor to the Fund's performance. Legal & General, a U.K. insurer, held back returns the most.

Recent Developments

The market response to the U.K. referendum on June 23 has been characterized by large-scale portfolio repositioning, with a reallocation from domestically exposed stocks to global plays. Small- and mid-cap stocks with significant exposure to domestic growth have been hurt most by the political uncertainty.

While the referendum outcome adds another dimension to investor uncertainty, many of the longer-term issues remain unchanged: the efficacy of central banks; the pace of economic recovery; eroded confidence in Europe's single currency; and geopolitical risks.

The sub-advisor expects equity markets to continue exhibiting signs of nervousness. However, the sub-advisor believes that European companies that have a history of delivering shareholder value, even in times of macroeconomic turmoil represent attractive investment opportunities.

Effective June 30, 2016, management fees were reduced as follows: from 1.85% to 1.75% for Series A and Advisor Series units; from 1.10% to 1.00% for Series D units; and from 0.85% to 0.75% for Series F units. Also effective June 30, 2016, Series H and Series I units were closed to all investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

RBC Global Asset Management (UK) Limited is the sub-advisor and provides investment advice for the Fund.



Distributors

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

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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$7,000 (2015 – \$11,000) or 5% (2015 – 6%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016	12.46	0.30	(0.12)	(0.01)	(1.77)	(1.60)	—	—	—	—	—	10.92	
Dec. 31, 2015	10.16	0.33	(0.26)	0.08	1.64	1.79	—	(0.02)	—	—	(0.02)	12.46	
Dec. 31, 2014 ³	10.00 [†]	0.04	(0.09)	(0.02)	0.07	—	—	—	—	—	—	10.16	
Advisor Series													
June 30, 2016	12.47	0.30	(0.13)	(0.01)	(1.76)	(1.60)	—	—	—	—	—	10.92	
Dec. 31, 2015	10.16	0.33	(0.27)	0.08	1.60	1.74	—	(0.01)	—	—	(0.01)	12.47	
Dec. 31, 2014 ³	10.00 [†]	0.04	(0.09)	(0.02)	0.07	—	—	—	—	—	—	10.16	
Series D													
June 30, 2016	12.47	0.30	(0.08)	(0.01)	(1.76)	(1.55)	—	—	—	—	—	10.97	
Dec. 31, 2015	10.17	0.34	(0.16)	0.08	1.65	1.91	—	(0.13)	—	—	(0.13)	12.47	
Dec. 31, 2014 ³	10.00 [†]	0.04	(0.06)	(0.02)	0.07	0.03	—	(0.02)	—	—	(0.02)	10.17	
Series F													
June 30, 2016	12.50	0.30	(0.06)	(0.01)	(1.77)	(1.54)	—	—	—	—	—	11.01	
Dec. 31, 2015	10.19	0.33	(0.13)	0.08	1.64	1.92	—	(0.16)	—	—	(0.16)	12.50	
Dec. 31, 2014 ³	10.00 [†]	0.04	(0.05)	(0.02)	0.06	0.03	—	(0.01)	—	—	(0.01)	10.19	
Series O													
June 30, 2016	12.80	0.31	—	(0.01)	(1.81)	(1.51)	—	—	—	—	—	11.34	
Dec. 31, 2015	10.44	0.37	(0.01)	0.09	1.82	2.27	—	(0.30)	—	—	(0.30)	12.80	
Dec. 31, 2014 ⁴	10.02 [†]	0.30	(0.01)	(0.15)	0.44	0.58	—	(0.09)	—	—	(0.09)	10.44	

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From August 11, 2014.

⁴ From October 29, 2012. Although Series O units of the Fund were created in October 2012, units were not offered for sale under a simplified prospectus until August 11, 2014.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	10.92	29 492	2 701	2.20⁴	2.20	39.10	0.20
Dec. 31, 2015	12.46	30 184	2 422	2.20	2.20	17.62	0.33
Dec. 31, 2014 ⁵	10.16	3 667	361	2.26	2.27	29.25	0.82
Advisor Series							
June 30, 2016	10.92	1 372	126	2.24⁴	2.24	39.10	0.20
Dec. 31, 2015	12.47	1 705	137	2.26	2.26	17.62	0.33
Dec. 31, 2014 ⁵	10.16	75	7	2.26	2.27	29.25	0.82
Series D							
June 30, 2016	10.97	3 532	322	1.38⁴	1.38	39.10	0.20
Dec. 31, 2015	12.47	4 313	346	1.36	1.36	17.62	0.33
Dec. 31, 2014 ⁵	10.17	535	53	1.41	1.42	29.25	0.82
Series F							
June 30, 2016	11.01	3 790	344	1.10⁴	1.10	39.10	0.20
Dec. 31, 2015	12.50	4 623	370	1.06	1.06	17.62	0.33
Dec. 31, 2014 ⁵	10.19	726	71	1.13	1.14	29.25	0.82
Series O							
June 30, 2016	11.34	76 079	6 710	0.06	0.06	39.10	0.20
Dec. 31, 2015	12.80	102 829	8 032	0.06	0.06	17.62	0.33
Dec. 31, 2014 ⁶	10.44	47 973	4 596	0.05	0.06	29.25	0.82

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 2.09%, Advisor Series – 2.12%, Series D – 1.27% and Series F – 0.99%.

⁵ From August 11, 2014.

⁶ From October 29, 2012. Although Series O units of the Fund were created in October 2012, units were not offered for sale under a simplified prospectus until August 11, 2014.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.75%	54%	46%
Advisor Series	1.75%	54%	46%
Series D	1.00%	23%	77%
Series F	0.75%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

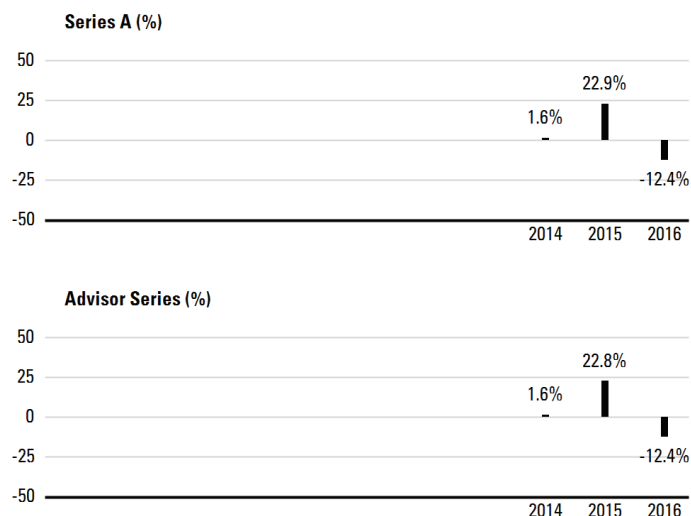


PAST PERFORMANCE

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.



Series D (%)



Series F (%)



Series O (%)



Series A, Advisor Series, Series D, Series F and Series O units have been available for sale to unitholders since August 11, 2014.

Inception dates are not provided for series that have been in existence for more than 10 years. For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United Kingdom	45.7
Switzerland	11.4
Netherlands	9.2
Spain	6.1
Finland	5.6
Sweden	4.7
Germany	3.9
France	3.5
Italy	3.1
Denmark	2.5
Norway	0.8
Portugal	0.8
Belgium	0.6
Cash/Other	2.1

Top 25 Holdings

	% of Net Asset Value
Roche Holdings AG Genusscheine	5.1
British American Tobacco Plc.	4.9
Unilever N.V.	4.9
GlaxoSmithKline Plc.	4.8
Imperial Brands Plc.	4.6
Relx N.V.	4.4
AstraZeneca Plc.	4.3
Novartis AG	4.2
Sampo OYJ	2.9
Reckitt Benckiser Plc.	2.9
Red Electrica de Espana	2.9
Kone OYJ	2.7
Micro Focus International Plc.	2.6
Novozymes A/S	2.5
BT Group Plc.	2.5
Swedbank AB	2.4
Cia de Distribucion Integral Logista Holdings S.A.	2.4
ProSiebenSat.1 Media SE	2.4
Legal & General Group Plc.	2.3
Capita Plc.	2.3
Nordbanken Holding AB	2.3
Givaudan AG	2.1
Vodafone Group Plc.	1.9
The Sage Group Plc.	1.9
Banca Generali S.p.A.	1.8
Top 25 Holdings	78.0

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



INTERNATIONAL EQUITY FUND

RBC EUROPEAN EQUITY FUND

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (UK) Limited, London, England

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund pursues long-term capital growth by investing primarily in European stocks.

The Fund provides exposure to growth opportunities in the European economy and diversification benefits beyond North America.

The portfolio manager reviews the economic outlook for Europe and then selects stocks based on fundamental, technical and quantitative inputs. The Fund is managed to limit risk by spreading investments across different industries. The Fund may also invest in debt securities issued or guaranteed by European governments and international agencies.

Results of Operations

The Fund's net asset value was \$5.5 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 11.3%. 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 any other series, which may vary because of differences in management fees and expenses.

Uncertainty was the hallmark of the first half of 2016, reaching a crescendo in June as the results of the U.K. referendum reverberated across financial markets. The first quarter was reminiscent of a risk on/risk off environment, while the second quarter was beginning to show signs of upward momentum before June wiped away gains.

During the first quarter, the European Central Bank (the "ECB") announced a series of supportive actions: a reduction in the deposit rate; increased monthly bond purchases; an expansion of the list of assets eligible for purchase; and a series of new targeted longer-term refinancing operations. The ECB then kept interest rates on hold and emphasized the expectation of continued expansionary monetary policy. Mark Carney, governor of the Bank of England, also pledged that the central bank would do everything possible to cushion the economy from the adverse effects of the U.K.'s decision to leave the EU.

At the sector level, Financials was hit hardest by the unfolding events, followed by Consumer Discretionary. In Financials, the banks were seen as particularly vulnerable to political instability in a negative-yield environment and heavy regulatory burden, and poor performance in Consumer Discretionary was due to exposure to the drivers of local demand and negative sentiment compared to commodity-exposed sectors.

Despite the relatively benign economic environment, peripheral economies posted the poorest results as they were viewed to be the most vulnerable to political turmoil. Italy was the worst performer followed by Ireland and Spain. Unilever, the Anglo-Dutch consumer-products company, was the biggest contributor to the Fund's performance. Schroders, the U.K. investment firm, held back returns the most.

Recent Developments

The market response to the U.K. referendum on June 23 has been characterized by large-scale portfolio repositioning, with a reallocation from domestically exposed stocks to global plays. Small- and mid-cap stocks with significant exposure to domestic growth have been hurt most by the political uncertainty.

While the referendum outcome adds another dimension to investor uncertainty, many of the longer-term issues remain unchanged: the efficacy of central banks; the pace of economic recovery; eroded confidence in Europe's single currency; and geopolitical risks.

The sub-advisor expects equity markets to continue exhibiting signs of nervousness. However, the sub-advisor believes that European companies that have a history of delivering shareholder value, even in times of macroeconomic turmoil represent attractive investment opportunities.

Effective June 30, 2016, management fees were reduced from 1.85% to 1.75% for Series A and Advisor Series units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

RBC Global Asset Management (UK) Limited is the sub-advisor and provides investment advice for the Fund.



Distributors

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

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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$455,000 (2015 – \$362,000) or 11% (2015 – 7%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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			
Series A													
June 30, 2016	23.87	0.40	(0.25)	0.21	(3.01)	(2.65)	—	—	—	—	—	21.18	
Dec. 31, 2015	19.22	0.51	(0.50)	0.18	4.35	4.54	—	—	—	—	—	23.87	
Dec. 31, 2014	21.05	0.48	(0.48)	2.12	(2.00)	0.12	—	(0.05)	(1.83)	—	(1.88)	19.22	
Dec. 31, 2013	15.45	0.46	(0.41)	1.42	4.16	5.63	—	(0.05)	—	—	(0.05)	21.05	
Dec. 31, 2012	13.13	0.46	(0.32)	0.28	2.23	2.65	—	(0.14)	—	—	(0.14)	15.45	
Dec. 31, 2011	14.97	0.46	(0.31)	(0.40)	(1.41)	(1.66)	—	(0.13)	—	—	(0.13)	13.13	
Advisor Series													
June 30, 2016	24.21	0.41	(0.24)	0.21	(3.05)	(2.67)	—	—	—	—	—	21.49	
Dec. 31, 2015	19.47	0.51	(0.49)	0.19	4.37	4.58	—	—	—	—	—	24.21	
Dec. 31, 2014	21.28	0.47	(0.47)	2.11	(2.00)	0.11	—	(0.05)	(1.83)	—	(1.88)	19.47	
Dec. 31, 2013	15.60	0.46	(0.43)	1.44	4.23	5.70	—	(0.03)	—	—	(0.03)	21.28	
Dec. 31, 2012	13.26	0.46	(0.32)	0.28	2.22	2.64	—	(0.14)	—	—	(0.14)	15.60	
Dec. 31, 2011	15.04	0.46	(0.30)	(0.40)	(1.42)	(1.66)	—	(0.08)	—	—	(0.08)	13.26	
Series D													
June 30, 2016	24.16	0.41	(0.14)	0.21	(3.05)	(2.57)	—	—	—	—	—	21.55	
Dec. 31, 2015	19.41	0.51	(0.29)	0.19	4.39	4.80	—	(0.18)	—	—	(0.18)	24.16	
Dec. 31, 2014	21.16	0.48	(0.27)	2.14	(2.02)	0.33	—	(0.19)	(1.82)	—	(2.01)	19.41	
Dec. 31, 2013	15.49	0.46	(0.23)	1.43	4.19	5.85	—	(0.18)	—	—	(0.18)	21.16	
Dec. 31, 2012	13.13	0.46	(0.18)	0.28	2.22	2.78	—	(0.25)	—	—	(0.25)	15.49	
Dec. 31, 2011	14.98	0.46	(0.17)	(0.40)	(1.41)	(1.52)	—	(0.28)	—	—	(0.28)	13.13	
Series F													
June 30, 2016	25.69	0.44	(0.11)	0.22	(3.25)	(2.70)	—	—	—	—	—	22.95	
Dec. 31, 2015	20.64	0.54	(0.24)	0.19	4.60	5.09	—	(0.28)	—	—	(0.28)	25.69	
Dec. 31, 2014	22.47	0.50	(0.22)	2.22	(2.10)	0.40	—	(0.24)	(1.94)	—	(2.18)	20.64	
Dec. 31, 2013	16.37	0.49	(0.20)	1.51	4.45	6.25	—	(0.15)	—	—	(0.15)	22.47	
Dec. 31, 2012	13.91	0.49	(0.15)	0.28	2.24	2.86	—	(0.35)	—	—	(0.35)	16.37	
Dec. 31, 2011	16.00	0.49	(0.14)	(0.43)	(1.52)	(1.60)	—	(0.44)	—	—	(0.44)	13.91	
Series O													
June 30, 2016	24.38	0.41	—	0.21	(3.09)	(2.47)	—	—	—	—	—	21.88	
Dec. 31, 2015	19.59	0.52	(0.01)	0.19	4.47	5.17	—	(0.50)	—	—	(0.50)	24.38	
Dec. 31, 2014	21.36	0.48	—	2.12	(2.01)	0.59	—	(0.45)	(1.85)	—	(2.30)	19.59	
Dec. 31, 2013	15.66	0.47	—	1.45	4.25	6.17	—	(0.47)	—	—	(0.47)	21.36	
Dec. 31, 2012	13.25	0.46	—	0.28	2.24	2.98	—	(0.42)	—	—	(0.42)	15.66	
Dec. 31, 2011	15.15	0.47	—	(0.41)	(1.44)	(1.38)	—	(0.46)	—	—	(0.46)	13.25	

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	21.18	276 480	13 052	2.26⁴	2.26	19.54	0.15
Dec. 31, 2015	23.87	322 635	13 517	2.26	2.26	20.57	0.18
Dec. 31, 2014	19.22	258 306	13 441	2.26	2.26	67.36	0.43
Dec. 31, 2013	21.05	262 203	12 459	2.27	2.27	51.92	0.31
Dec. 31, 2012	15.45	189 468	12 259	2.25	2.25	85.50	0.46
Dec. 31, 2011	13.13	187 379	14 269	2.23	2.23	131.45	0.75
Advisor Series							
June 30, 2016	21.49	8 082	376	2.18⁴	2.18	19.54	0.15
Dec. 31, 2015	24.21	11 011	455	2.16	2.16	20.57	0.18
Dec. 31, 2014	19.47	5 469	281	2.19	2.19	67.36	0.43
Dec. 31, 2013	21.28	2 946	138	2.23	2.23	51.92	0.31
Dec. 31, 2012	15.60	191	12	2.23	2.23	85.50	0.46
Dec. 31, 2011	13.26	157	12	2.19	2.19	131.45	0.75
Series D							
June 30, 2016	21.55	26 306	1 221	1.27	1.27	19.54	0.15
Dec. 31, 2015	24.16	31 091	1 287	1.27	1.27	20.57	0.18
Dec. 31, 2014	19.41	15 966	822	1.27	1.27	67.36	0.43
Dec. 31, 2013	21.16	15 483	732	1.28	1.28	51.92	0.31
Dec. 31, 2012	15.49	7 042	455	1.27	1.27	85.50	0.46
Dec. 31, 2011	13.13	5 103	389	1.25	1.25	131.45	0.75
Series F							
June 30, 2016	22.95	34 787	1 516	0.96	0.96	19.54	0.15
Dec. 31, 2015	25.69	38 181	1 486	0.96	0.96	20.57	0.18
Dec. 31, 2014	20.64	8 937	433	0.97	0.97	67.36	0.43
Dec. 31, 2013	22.47	1 651	73	1.00	1.00	51.92	0.31
Dec. 31, 2012	16.37	330	20	0.99	0.99	85.50	0.46
Dec. 31, 2011	13.91	311	22	0.97	0.97	131.45	0.75
Series O							
June 30, 2016	21.88	5 134 383	234 649	0.02	0.02	19.54	0.15
Dec. 31, 2015	24.38	5 489 488	225 139	0.02	0.02	20.57	0.18
Dec. 31, 2014	19.59	3 659 903	186 781	0.02	0.02	67.36	0.43
Dec. 31, 2013	21.36	2 737 024	128 123	0.02	0.02	51.92	0.31
Dec. 31, 2012	15.66	1 961 068	125 229	0.02	0.02	85.50	0.46
Dec. 31, 2011	13.25	1 401 048	105 716	0.02	0.02	131.45	0.75

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 2.15% and Advisor Series – 2.06%.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.75%	62%	38%
Advisor Series	1.75%	62%	38%
Series D	1.00%	25%	75%
Series F	0.75%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

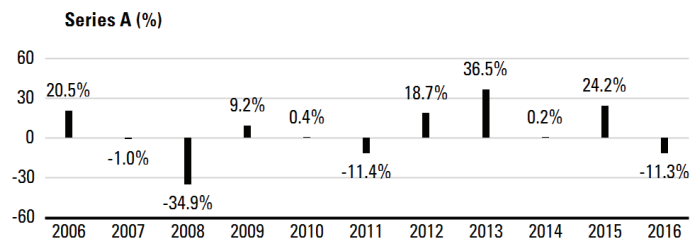
* Includes all costs related to management, trustee, investment advisory services, general administration and profit.

PAST PERFORMANCE

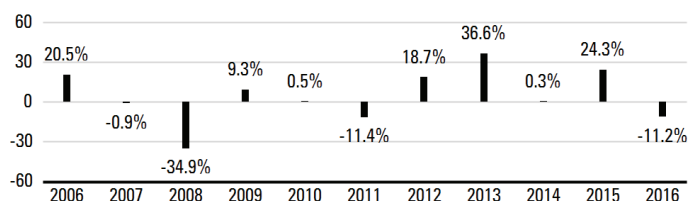
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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 (%)

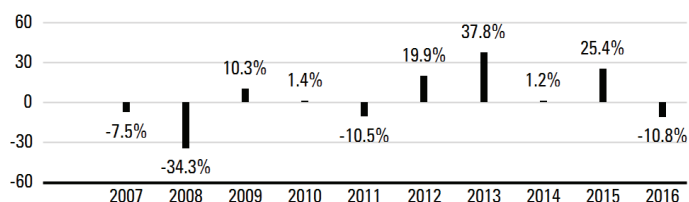
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



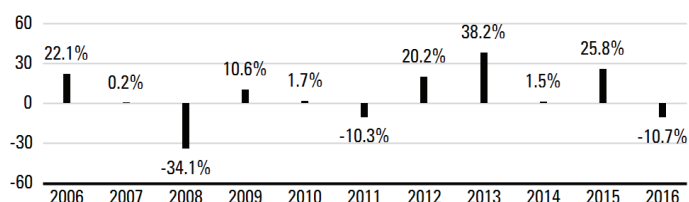
Advisor Series (%)



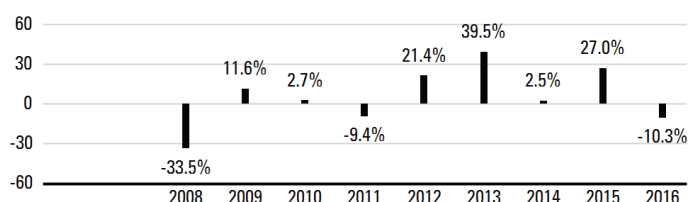
Series D (%)



Series F (%)



Series O (%)



Series O units have been available for sale to unitholders since January 1, 2008, and Series D units since July 3, 2007.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United Kingdom	34.9
Germany	11.3
Switzerland	10.8
Denmark	8.6
Ireland	7.3
Netherlands	6.4
Finland	3.9
France	3.5
Sweden	3.4
Belgium	3.3
Italy	2.9
Spain	1.8
Cash/Other	1.9

Top 25 Holdings

	% of Net Asset Value
Unilever Plc.	5.2
Roche Holdings AG Genusscheine	4.3
Relx N.V.	4.0
Novo Nordisk A/S	4.0
InBev N.V.	3.3
Diageo Plc.	3.0
Henkel KGaA, Preferred Non-Voting	2.9
Paddy Power Betfair Plc.	2.9
Novozymes A/S	2.8
British American Tobacco Plc.	2.7
BT Group Plc.	2.6
Schroders Plc.	2.4
Ryanair Holdings Plc. ADR	2.3
Luxottica Group S.p.A.	2.3
Novartis AG	2.3
Hargreaves Lansdown Plc.	2.1
Kerry Group Plc.	2.1
London Stock Exchange Group Plc.	2.1
Geberit AG	2.0
Symrise AG	2.0
Sampo OYJ	2.0
Straumann Holding AG	1.9
Kone OYJ	1.9
Cie Generale D'Optique Essilor International S.A.	1.9
Swedbank AB	1.9
Top 25 Holdings	66.9

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



INTERNATIONAL EQUITY FUND

**RBC EUROPEAN MID-CAP
EQUITY FUND**

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (UK) Limited, London, England

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in equity securities of European mid-cap companies. The Fund provides exposure to growth opportunities in the European economy and diversification benefits beyond North America.

Results of Operations

The Fund's Series O units were launched on June 30, 2016, and the Fund's net asset value was \$3 million as of June 30, 2016. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

The market response to the U.K.'s decision on June 23 to leave the EU has been characterized by large-scale portfolio repositioning, with a reallocation from domestically exposed stocks to global plays. Small- and mid-cap stocks with significant exposure to domestic growth have been hurt most by the political uncertainty.

While the referendum outcome adds another dimension to investor uncertainty, many of the longer-term issues remain unchanged: the efficacy of central banks; the pace of economic recovery; eroded confidence in Europe's single currency; and geopolitical risks.

The sub-advisor expects equity markets to continue exhibiting signs of nervousness. However, the sub-advisor believes that European companies that have a history of delivering shareholder value even in times of macroeconomic turmoil represent attractive investment opportunities.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

RBC Global Asset Management (UK) Limited is the sub-advisor and provides investment advice for the Fund.

Distributors

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

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 units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	Year/Period
Series 0												
June 30, 2016³	9.78[†]	0.12	—	0.15	(1.42)	(1.15)	—	—	—	—	—	8.63

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ Although Series 0 units of the Fund were created in October 2012, units were not offered for sale under a simplified prospectus until June 30, 2016.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series 0							
June 30, 2016⁴	8.63	2 902	336	0.02	0.02	19.66	0.06

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

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

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

⁴ Although Series 0 units of the Fund were created in October 2012, units were not offered for sale under a simplified prospectus until June 30, 2016.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. No management fees are paid by the Fund with respect to 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. Although Series O units of the Fund were created in October 2012, units were not offered for sale under a simplified prospectus until June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United Kingdom	39.6
Denmark	14.2
Germany	7.0
France	6.1
Sweden	5.9
Italy	5.8
Norway	5.7
Ireland	4.9
Spain	4.3
Switzerland	4.2
Belgium	1.0
Cash/Other	1.3

Top 25 Holdings

	% of Net Asset Value
Recordati S.p.A.	4.3
Novozymes A/S	3.8
Cie Generale D'Optique Essilor International S.A.	3.7
Assa Abloy AB	3.6
Christian Hansen Holding A/S	3.5
DCC Plc.	3.4
Pandora A/S	3.4
Protector Forsikring ASA	3.4
Micro Focus International Plc.	3.3
Paddy Power Betfair Plc.	3.0
Symrise AG	3.0
Rightmove Plc.	2.6
Red Electrica de Espana	2.5
Auto Trader Group Plc.	2.5
GEA Group AG	2.4
Hexpol AB	2.3
Fevertree Drinks Plc.	2.3
Halma Plc.	2.3
Partners Group Holding AG	2.1
Moneysupermarket.com Group Plc.	2.1
Geberit AG	2.1
London Stock Exchange Group Plc.	2.0
Topdanmark A/S	1.9
Hargreaves Lansdown Plc.	1.9
Ryanair Holdings Plc. ADR	1.9
Top 25 Holdings	69.3

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.



INTERNATIONAL EQUITY FUND

RBC ASIAN EQUITY FUND

June 30, 2016

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

Sub-Advisor: RBC Investment Management (Asia) Limited, Hong Kong, China

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing in equity securities of companies located in or having a principal business interest in Asian markets such as Japan, Hong Kong, Taiwan, South Korea, Singapore, China and Australia, either directly or indirectly through investment in other mutual funds managed by RBC GAM or an affiliate of RBC GAM (called “underlying funds”).

To achieve its investment objective, the Fund selects underlying funds from the RBC Funds family or PH&N Funds family, including the RBC Asia Pacific ex-Japan Equity Fund and the RBC Japanese Equity Fund, that focus on Asian sectors and themes and diversify their holdings across the region to reduce risk.

Results of Operations

The Fund’s net asset value was \$65 million as of June 30, 2016.

Over the past six months, the Fund’s Series A units lost 4.3%. 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 any other series, which may vary because of differences in management fees and expenses.

Asian stock markets were under pressure during the first half of 2016. Of particular consequence was the sluggish global economy and weakening trade among Asian nations. The Japanese yen, bolstered by its status as a safe haven, surged to an 18-month high, and the currency’s strength lowered the overseas profits of domestic manufacturers. Many investors did not expect the U.K. to vote to leave the EU in late June, so the decision had a significant negative impact on Asian markets during the final week of the period.

The allocations to Japanese equities and to Asian equities outside Japan both had a negative impact on the Fund’s performance. The allocation to Japanese equities performed better than the allocation to Asia excluding Japan.

In the Asian portion of the Fund, stocks that had the most negative impact on relative returns were insurance companies China Taiping and AIA, and the consumer-products company Colgate India. Stocks that had a positive impact included Largan Precision and AAC, both of which are manufacturers of high-quality smartphone components. In Japanese equities, an investment in Cookpad, which runs a recipe website, hurt relative returns amid a boardroom struggle for control of the company. The portfolio stock that rose the most was PeptiDream, a biopharmaceutical company that develops protein molecules for treating disease.

Recent Developments

The main issues facing investors over the next six months are likely to be the fallout from the U.K.’s vote to exit the EU, whether U.S. economic growth is sufficient for the U.S. Federal Reserve to raise interest rates and whether China can sustain its pace of economic expansion while pursuing economic reforms. Given these uncertainties, the outlook for Asian stocks remains challenging. Any negative developments in European markets could impact Japanese and other Asian markets.

Effective June 30, 2016, management fees were reduced from 1.85% to 1.75% for Series A and Advisor Series units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

RBC Investment Management (Asia) Limited is the sub-advisor and provides investment advice for the Fund.

Distributors

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

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 units of the Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	10.18	—	(0.10)	0.01	(0.38)	(0.47)	—	—	—	—	—	9.74
Dec. 31, 2015	8.62	0.13	(0.20)	2.68	0.25	2.86	—	(0.07)	—	—	(0.07)	10.18
Dec. 31, 2014	8.50	0.43	(0.18)	8.67	(9.66)	(0.74)	(0.01)	(0.02)	—	—	(0.03)	8.62
Dec. 31, 2013	7.14	0.21	(0.18)	0.62	0.74	1.39	—	(0.02)	—	—	(0.02)	8.50
Dec. 31, 2012	6.49	0.19	(0.15)	(0.19)	0.92	0.77	—	(0.04)	—	—	(0.04)	7.14
Dec. 31, 2011	8.02	0.18	(0.16)	(0.54)	(0.97)	(1.49)	—	(0.01)	—	—	(0.01)	6.49
Advisor Series												
June 30, 2016	10.21	—	(0.10)	0.01	(0.38)	(0.47)	—	—	—	—	—	9.77
Dec. 31, 2015	8.65	0.13	(0.21)	2.64	0.25	2.81	—	(0.07)	—	—	(0.07)	10.21
Dec. 31, 2014	8.53	0.43	(0.19)	8.64	(9.63)	(0.75)	(0.01)	(0.02)	—	—	(0.03)	8.65
Dec. 31, 2013	7.16	0.21	(0.18)	0.62	0.74	1.39	—	(0.02)	—	—	(0.02)	8.53
Dec. 31, 2012	6.51	0.19	(0.15)	(0.19)	0.92	0.77	—	(0.04)	—	—	(0.04)	7.16
Dec. 31, 2011	8.05	0.18	(0.16)	(0.55)	(0.98)	(1.51)	—	(0.01)	—	—	(0.01)	6.51
Series D												
June 30, 2016	10.26	—	(0.06)	0.01	(0.38)	(0.43)	—	—	—	—	—	9.86
Dec. 31, 2015	8.69	0.13	(0.11)	2.71	0.25	2.98	(0.01)	(0.16)	—	—	(0.17)	10.26
Dec. 31, 2014	8.57	0.44	(0.10)	8.78	(9.78)	(0.66)	(0.03)	(0.09)	—	—	(0.12)	8.69
Dec. 31, 2013	7.20	0.21	(0.10)	0.63	0.75	1.49	—	(0.10)	—	—	(0.10)	8.57
Dec. 31, 2012	6.54	0.19	(0.09)	(0.19)	0.93	0.84	—	(0.11)	—	—	(0.11)	7.20
Dec. 31, 2011	8.10	0.19	(0.09)	(0.55)	(0.98)	(1.43)	—	(0.09)	—	—	(0.09)	6.54
Series F												
June 30, 2016	11.11	—	(0.05)	0.01	(0.41)	(0.45)	—	—	—	—	—	10.69
Dec. 31, 2015	9.41	0.15	(0.10)	3.25	0.30	3.60	(0.01)	(0.20)	—	—	(0.21)	11.11
Dec. 31, 2014	9.23	0.43	(0.09)	8.61	(9.60)	(0.65)	(0.02)	(0.07)	—	—	(0.09)	9.41
Dec. 31, 2013	7.76	0.23	(0.09)	0.68	0.81	1.63	—	(0.15)	—	—	(0.15)	9.23
Dec. 31, 2012	7.06	0.20	(0.07)	(0.21)	0.91	0.83	—	(0.15)	—	—	(0.15)	7.76
Dec. 31, 2011	8.77	0.20	(0.08)	(0.60)	(1.07)	(1.55)	—	(0.13)	—	—	(0.13)	7.06
Series O												
June 30, 2016	10.11	—	—	0.01	(0.37)	(0.36)	—	—	—	—	—	9.78
Dec. 31, 2015	8.56	0.07	—	1.40	0.13	1.60	(0.01)	(0.27)	—	—	(0.28)	10.11
Dec. 31, 2014	8.63	0.14	—	2.81	(3.13)	(0.18)	(0.10)	(0.34)	—	—	(0.44)	8.56
Dec. 31, 2013	7.24	0.21	—	0.64	0.76	1.61	—	(0.20)	—	—	(0.20)	8.63
Dec. 31, 2012	6.56	0.19	—	(0.19)	0.92	0.92	—	(0.17)	—	—	(0.17)	7.24
Dec. 31, 2011	8.13	0.19	—	(0.55)	(0.99)	(1.35)	—	(0.18)	—	—	(0.18)	6.56

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	9.74	57 226	5 878	2.12⁴	2.12	33.50	—
Dec. 31, 2015	10.18	62 391	6 130	2.11	2.11	43.55	0.38
Dec. 31, 2014	8.62	56 922	6 602	2.18	2.18	175.02	0.64
Dec. 31, 2013	8.50	63 284	7 445	2.26	2.26	86.06	0.33
Dec. 31, 2012	7.14	57 926	8 111	2.25	2.25	98.72	0.46
Dec. 31, 2011	6.49	59 267	9 128	2.25	2.25	113.78	0.57
Advisor Series							
June 30, 2016	9.77	295	30	2.12⁴	2.12	33.50	—
Dec. 31, 2015	10.21	319	31	2.13	2.13	43.55	0.38
Dec. 31, 2014	8.65	280	32	2.20	2.20	175.02	0.64
Dec. 31, 2013	8.53	260	30	2.22	2.22	86.06	0.33
Dec. 31, 2012	7.16	63	9	2.20	2.20	98.72	0.46
Dec. 31, 2011	6.51	58	9	2.21	2.21	113.78	0.57
Series D							
June 30, 2016	9.86	6 426	652	1.18	1.18	33.50	—
Dec. 31, 2015	10.26	6 864	669	1.18	1.18	43.55	0.38
Dec. 31, 2014	8.69	5 578	642	1.22	1.22	175.02	0.64
Dec. 31, 2013	8.57	5 512	643	1.27	1.27	86.06	0.33
Dec. 31, 2012	7.20	3 675	511	1.26	1.26	98.72	0.46
Dec. 31, 2011	6.54	3 328	509	1.26	1.26	113.78	0.57
Series F							
June 30, 2016	10.69	1 148	107	0.90	0.90	33.50	—
Dec. 31, 2015	11.11	1 332	120	0.92	0.92	43.55	0.38
Dec. 31, 2014	9.41	675	72	0.95	0.95	175.02	0.64
Dec. 31, 2013	9.23	285	31	1.01	1.01	86.06	0.33
Dec. 31, 2012	7.76	175	22	1.00	1.00	98.72	0.46
Dec. 31, 2011	7.06	190	27	0.99	0.99	113.78	0.57
Series O							
June 30, 2016	9.78	1	—	0.05	0.05	33.50	—
Dec. 31, 2015	10.11	334	33	0.05	0.05	43.55	0.38
Dec. 31, 2014	8.56	206 023	24 055	0.03	0.03	175.02	0.64
Dec. 31, 2013	8.63	1 163 528	134 860	0.02	0.02	86.06	0.33
Dec. 31, 2012	7.24	892 460	123 264	0.02	0.02	98.72	0.46
Dec. 31, 2011	6.56	662 670	101 089	0.02	0.02	113.78	0.57

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 2.00% and Advisor Series – 2.01%.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.75%	62%	38%
Advisor Series	1.75%	62%	38%
Series D	1.00%	25%	75%
Series F	0.75%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

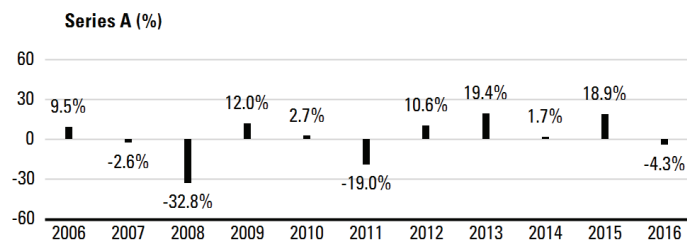
* Includes all costs related to management, trustee, investment advisory services, general administration and profit.

PAST PERFORMANCE

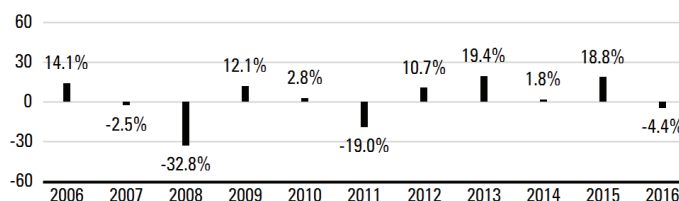
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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 (%)

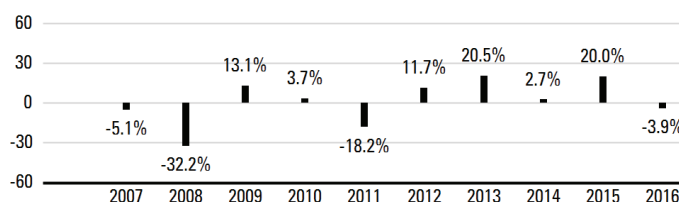
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



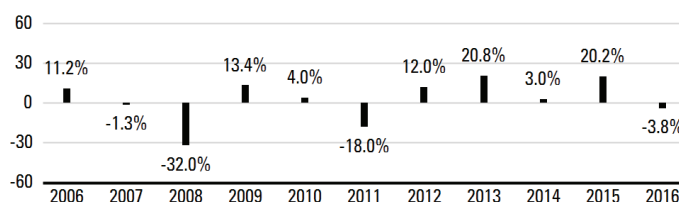
Advisor Series (%)



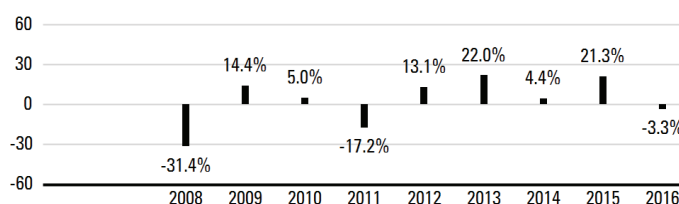
Series D (%)



Series F (%)



Series O (%)



Series O units have been available for sale to unitholders since January 1, 2008, Series D units since July 3, 2007, and Advisor Series units since August 28, 2006.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Asian (excluding Japan) Equity Funds	60.1
Japanese Equity Funds	40.0
Cash/Other	(0.1)

Top 25 Holdings*

	% of Net Asset Value
RBC Asia Pacific ex-Japan Equity Fund	60.0
RBC Japanese Equity Fund	39.9
Cash & Cash Equivalents	0.1
Total	100.0

* 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.

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



INTERNATIONAL EQUITY FUND

**RBC ASIA PACIFIC EX-JAPAN
EQUITY FUND**

June 30, 2016

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

Sub-Advisor: RBC Investment Management (Asia) Limited, Hong Kong, China

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in equity securities of companies located or having a principal business interest in Asian markets such as Hong Kong, South Korea, China, Taiwan, Australia, New Zealand, Singapore, India, Malaysia, Thailand, the Philippines and Indonesia. The Fund does not invest in Japan.

To achieve the Fund's objectives, the portfolio manager uses primarily fundamental research to assess the economic outlook for the Asian region, including expected growth, market valuations and economic trends. The portfolio manager may invest as much as 10% of the Fund's assets in other mutual funds managed by RBC GAM or an affiliate.

Results of Operations

The Fund's net asset value was \$1.6 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 4.9%. 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 any other series, which may vary because of differences in management fees and expenses.

The first quarter of the year was a difficult one given an early-year sell-off that particularly affected higher-quality growth stocks constituting key holdings for the Fund. Even a widespread stock rally that took root in February failed to help relative performance, as stocks favoured by the Fund continued to underperform. However, in the second quarter, relative performance rebounded significantly given improved stock selection by the sub-advisor.

Stocks that had the most negative impact on relative returns were insurance companies China Taiping and AIA, and the consumer-products company Colgate India. Returns were also negatively affected by large- and mid-cap Australian stocks. Stocks that had a positive impact included Largan Precision and AAC, both of which are manufacturers of high-quality smartphone components. From a country perspective, the Fund performed poorly in Australia, in part because of exposure to companies whose earnings tend to be more sensitive to the pace of economic growth.

The sub-advisor did not make any major changes to the portfolio over the six-month period. One stock added by the sub-advisor was Cochlear, an Australian company that makes cochlear implants. Valuations of the Fund's preferred investments – high-quality growth stocks – are historically high relative to so-called value stocks. This situation prompted the sub-advisor to invest in SK Hynix, a maker of computer chips that offers exposure to faster economic growth at a reasonable valuation.

Recent Developments

The main issues facing investors over the next six months are likely to be the fallout from Britain's exit from the EU, whether U.S. economic growth is sufficiently strong for the U.S. Federal Reserve to raise interest rates and the sustainability of China's expansion and economic-reform efforts. Given these uncertainties, the outlook for Asian stocks remains challenging. Any negative developments in European markets could have potentially negative consequences for Asian markets.

Effective June 30, 2016, Series H and Series I units were closed to all investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

RBC Investment Management (Asia) Limited is the sub-advisor and provides investment advice for the Fund.

Distributors

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

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 units of the Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016	10.97	0.13	(0.11)	(0.27)	(0.24)	(0.49)	—	—	—	—	—	10.43	
Dec. 31, 2015	10.34	0.56	(0.24)	0.54	0.53	1.39	(0.04)	(0.20)	(0.50)	—	(0.74)	10.97	
Dec. 31, 2014 ³	10.00 [†]	0.28	(0.19)	0.13	0.25	0.47	(0.01)	(0.04)	(0.08)	—	(0.13)	10.34	
Advisor Series													
June 30, 2016	11.01	0.13	(0.11)	(0.28)	(0.24)	(0.50)	—	—	—	—	—	10.46	
Dec. 31, 2015	10.39	0.57	(0.24)	0.55	0.54	1.42	(0.05)	(0.20)	(0.51)	—	(0.76)	11.01	
Dec. 31, 2014 ³	10.00 [†]	0.32	(0.18)	0.15	0.29	0.58	—	(0.02)	(0.08)	—	(0.10)	10.39	
Series D													
June 30, 2016	11.01	0.13	(0.07)	(0.28)	(0.24)	(0.46)	—	—	—	—	—	10.50	
Dec. 31, 2015	10.39	0.57	(0.16)	0.55	0.54	1.50	(0.06)	(0.28)	(0.51)	—	(0.85)	11.01	
Dec. 31, 2014 ³	10.00 [†]	0.27	(0.12)	0.12	0.25	0.52	(0.02)	(0.05)	(0.08)	—	(0.15)	10.39	
Series F													
June 30, 2016	11.04	0.13	(0.06)	(0.28)	(0.24)	(0.45)	—	—	—	—	—	10.55	
Dec. 31, 2015	10.45	0.56	(0.13)	0.54	0.53	1.50	(0.07)	(0.30)	(0.54)	—	(0.91)	11.04	
Dec. 31, 2014 ³	10.00 [†]	0.26	(0.09)	0.12	0.24	0.53	(0.01)	(0.04)	(0.08)	—	(0.13)	10.45	
Series O													
June 30, 2016	10.95	0.13	—	(0.28)	(0.24)	(0.39)	—	—	—	—	—	10.52	
Dec. 31, 2015	10.35	0.57	—	0.55	0.54	1.66	(0.09)	(0.41)	(0.52)	—	(1.02)	10.95	
Dec. 31, 2014 ³	10.00 [†]	0.29	—	0.13	0.27	0.69	(0.06)	(0.17)	(0.08)	—	(0.31)	10.35	

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From March 10, 2014.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	10.43	2 292	220	2.17	2.17	60.13	0.32
Dec. 31, 2015	10.97	2 257	206	2.16	2.16	80.43	0.47
Dec. 31, 2014 ⁴	10.34	1 271	123	2.19	2.19	105.08	0.51
Advisor Series							
June 30, 2016	10.46	14	1	2.24	2.24	60.13	0.32
Dec. 31, 2015	11.01	21	2	2.10	2.10	80.43	0.47
Dec. 31, 2014 ⁴	10.39	23	2	2.10	2.10	105.08	0.51
Series D							
June 30, 2016	10.50	643	61	1.39	1.39	60.13	0.32
Dec. 31, 2015	11.01	508	46	1.38	1.38	80.43	0.47
Dec. 31, 2014 ⁴	10.39	352	34	1.39	1.39	105.08	0.51
Series F							
June 30, 2016	10.55	769	73	1.11	1.11	60.13	0.32
Dec. 31, 2015	11.04	414	38	1.15	1.15	80.43	0.47
Dec. 31, 2014 ⁴	10.45	160	15	1.05	1.05	105.08	0.51
Series O							
June 30, 2016	10.52	1 550 894	147 442	0.02	0.02	60.13	0.32
Dec. 31, 2015	10.95	1 537 371	140 415	0.02	0.02	80.43	0.47
Dec. 31, 2014 ⁴	10.35	1 083 454	104 714	0.02	0.02	105.08	0.51

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

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

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

⁴ From March 10, 2014.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.85%	54%	46%
Advisor Series	1.85%	54%	46%
Series D	1.10%	23%	77%
Series F	0.85%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, trustee, 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.



Series D (%)



Series F (%)



Series O (%)



Series A, Advisor Series, Series D, Series F and Series O units have been available for sale to unitholders since March 10, 2014.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
China	18.6
India	18.3
Australia	18.0
South Korea	12.0
Taiwan	11.0
Hong Kong	7.0
Indonesia	5.4
Thailand	3.5
Other Countries	4.6
Cash/Other	1.6

Top 25 Holdings

	% of Net Asset Value
Tencent Holdings Ltd.	4.9
Taiwan Semiconductor Manufacturing Co. Ltd.	3.7
Samsung Electronics Co. Ltd.	3.7
AIA Group Ltd.	3.7
CSL Ltd.	3.5
China Mobile (Hong Kong) Ltd.	2.5
Shinhan Financial Group Co. Ltd.	2.3
PT Hanjaya Mandala Sampoerna Tbk	2.1
HDFC Bank Ltd. ADR	2.1
China Construction Bank Corp.	2.0
Macquarie Group Ltd.	1.9
HDFC Bank Ltd.	1.8
Samsung Electronics Co. Ltd. Preference	1.8
Sun Pharmaceutical Industries Ltd.	1.7
Lupin Ltd.	1.7
Hynix Semiconductor Inc.	1.7
Guangdong Investments Ltd.	1.7
Henderson Group Plc.	1.7
Brambles Ltd.	1.6
CP All PCL	1.5
MediaTek Inc.	1.5
Amcor Ltd.	1.4
DBS Group Holdings Ltd.	1.4
Amorepacific Corp.	1.4
Asian Paints Ltd.	1.4
Top 25 Holdings	54.7

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.



INTERNATIONAL EQUITY FUND

RBC JAPANESE EQUITY FUND

June 30, 2016

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

Sub-Advisor: RBC Investment Management (Asia) Limited, Hong Kong, China

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

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

To achieve the Fund's objectives, the portfolio manager uses primarily fundamental research to assess the economic outlook for Japan, including expected growth, market valuations and economic trends. The portfolio manager may invest as much as 10% of the Fund's assets in other mutual funds managed by RBC GAM or an affiliate.

Results of Operations

The Fund's net asset value was \$953 million as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 3.7%. 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 any other series, which may vary because of differences in management fees and expenses.

Japanese stock markets were under pressure during the first half of 2016. Of particular consequence was the strengthening yen, which reduced the overseas profits of manufacturers and cut overall profit growth. The currency's surge to an 18-month high was an unwelcome development, especially since it followed the introduction of negative interest rates by the Bank of Japan (the "BOJ") – where lenders essentially pay to hold government bonds. The Japanese yen was bolstered in part by its status as a safe-haven currency amid uncertain global markets. Many investors did not expect the U.K.'s vote in late June to leave the EU and so the decision had a significantly negative impact on markets during the final week of the period.

The Fund's holdings in the Information Technology sector held back relative performance. An investment in Cookpad, which runs a recipe website, hurt relative returns amid a boardroom struggle for control of the company. The sub-advisor, however, maintains its positive long-term stance on Cookpad, believing that shares will perform well once the company's strategy has been clarified. More generally, manufacturer stocks in the portfolio were hurt by the stronger yen, while the BOJ's introduction of negative rates squeezed banks' profits by further narrowing the spread between what they charge for loans and what they pay for funding.

The Industrials, Health Care and Consumer Discretionary sectors were the leading contributors to the Fund's performance during the past six months. The portfolio stock that rose the most was PeptiDream, a biopharmaceutical company that develops protein molecules for treating disease. PeptiDream has a number of high-profile partners including Bristol-Myers. Another bright spot for the Fund was industrial boilermaker Miura Co., whose environmentally friendly products are selling well in China.

Recent Developments

The main issues facing investors over the next six months are likely to be the fallout from the U.K.'s exit from the EU, whether U.S. economic growth is sufficient for the U.S. Federal Reserve to raise interest rates and whether China can sustain its expansion pace while pursuing economic reforms. Given these uncertainties, the outlook for Asian stocks remains challenging. Any negative developments in European markets could have consequences for Japanese and other Asian markets.

Effective June 30, 2016, Series H and Series I units were closed to all investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

RBC Investment Management (Asia) Limited is the sub-advisor and provides investment advice for the Fund.

Distributors

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

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 units of the Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	11.89	0.09	(0.12)	0.53	(0.90)	(0.40)	—	—	—	—	—	11.46
Dec. 31, 2015	10.00	0.17	(0.27)	1.15	1.69	2.74	—	—	(0.91)	—	(0.91)	11.89
Dec. 31, 2014 ³	10.00 [†]	0.11	(0.18)	0.25	0.38	0.56	—	—	(0.21)	—	(0.21)	10.00
Advisor Series												
June 30, 2016	11.92	0.09	(0.12)	0.53	(0.90)	(0.40)	—	—	—	—	—	11.49
Dec. 31, 2015	10.02	0.17	(0.26)	1.15	1.69	2.75	—	—	(0.91)	—	(0.91)	11.92
Dec. 31, 2014 ³	10.00 [†]	0.16	(0.17)	0.35	0.55	0.89	—	—	(0.21)	—	(0.21)	10.02
Series D												
June 30, 2016	12.06	0.09	(0.08)	0.53	(0.91)	(0.37)	—	—	—	—	—	11.67
Dec. 31, 2015	10.06	0.17	(0.17)	1.16	1.71	2.87	—	—	(0.93)	—	(0.93)	12.06
Dec. 31, 2014 ³	10.00 [†]	0.11	(0.11)	0.25	0.39	0.64	—	(0.01)	(0.21)	—	(0.22)	10.06
Series F												
June 30, 2016	12.07	0.10	(0.06)	0.54	(0.92)	(0.34)	—	—	—	—	—	11.70
Dec. 31, 2015	10.07	0.17	(0.13)	1.15	1.69	2.88	—	(0.03)	(0.95)	—	(0.98)	12.07
Dec. 31, 2014 ³	10.00 [†]	0.20	(0.07)	0.44	0.68	1.25	—	(0.04)	(0.21)	—	(0.25)	10.07
Series O												
June 30, 2016	12.08	0.10	—	0.54	(0.92)	(0.28)	—	—	—	—	—	11.77
Dec. 31, 2015	10.08	0.17	—	1.18	1.74	3.09	—	(0.16)	(0.94)	—	(1.10)	12.08
Dec. 31, 2014 ³	10.00 [†]	0.12	—	0.27	0.41	0.80	—	(0.10)	(0.21)	—	(0.31)	10.08

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From March 10, 2014.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	11.46	4 436	387	2.23	2.23	76.18	0.19
Dec. 31, 2015	11.89	4 693	395	2.23	2.23	89.25	0.26
Dec. 31, 2014 ⁴	10.00	711	71	2.23	2.23	91.34	0.29
Advisor Series							
June 30, 2016	11.49	55	5	2.13	2.13	76.18	0.19
Dec. 31, 2015	11.92	81	7	2.18	2.18	89.25	0.26
Dec. 31, 2014 ⁴	10.02	4	—	2.10	2.10	91.34	0.29
Series D							
June 30, 2016	11.67	1 945	167	1.38	1.38	76.18	0.19
Dec. 31, 2015	12.06	2 662	221	1.39	1.39	89.25	0.26
Dec. 31, 2014 ⁴	10.06	311	31	1.38	1.38	91.34	0.29
Series F							
June 30, 2016	11.70	2 496	213	1.05	1.05	76.18	0.19
Dec. 31, 2015	12.07	619	51	1.06	1.06	89.25	0.26
Dec. 31, 2014 ⁴	10.07	1	—	1.05	1.05	91.34	0.29
Series O							
June 30, 2016	11.77	943 789	80 176	0.02	0.02	76.18	0.19
Dec. 31, 2015	12.08	965 842	79 923	0.02	0.02	89.25	0.26
Dec. 31, 2014 ⁴	10.08	698 163	69 231	0.02	0.02	91.34	0.29

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

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

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

⁴ From March 10, 2014.

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	Management Fees	Breakdown of Services	
		Distribution	Other*
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Advisor Series	1.85%	54%	46%
Series D	1.10%	23%	77%
Series F	0.85%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, trustee, 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.



Series D (%)



Series F (%)



Series O (%)



Series A, Advisor Series, Series D, Series F and Series O units have been available for sale to unitholders since March 10, 2014.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Consumer Discretionary	21.7
Financials	15.9
Consumer Staples	13.8
Industrials	13.0
Health Care	12.6
Information Technology	10.2
Telecommunication Services	7.9
Materials	1.5
Cash/Other	3.4

Top 25 Holdings

	% of Net Asset Value
SoftBank Group Corp.	5.1
Toyota Motor Corp.	4.8
Mitsubishi UFJ Financial Group Inc.	3.5
Cash & Cash Equivalents	3.2
Bridgestone Corp.	3.1
Nippon Telegraph & Telephone Corp.	2.9
Japan Tobacco Inc.	2.7
PeptiDream Inc.	2.7
Mizuho Financial Group Inc.	2.6
Mitsui Fudosan Co. Ltd.	2.6
Sumitomo Mitsui Financial Group Inc.	2.5
Sony Corp.	2.2
Sysmex Corp.	2.2
Nitori Co. Ltd.	2.1
Ajinomoto Co. Inc.	2.1
Olympus Optical Co. Ltd.	2.1
Fuji Heavy Industries Ltd.	2.1
Miura Co. Ltd.	2.0
Kubota Corp.	2.0
Daikin Industries Ltd.	1.9
Murata Manufacturing Co. Ltd.	1.9
Seven & I Holdings Co. Ltd.	1.8
Yahoo! Japan Corp.	1.7
MEIJI Holdings Co. Ltd.	1.7
Hoshizaki Electric Co. Ltd.	1.7
Top 25 Holdings	63.2

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.



INTERNATIONAL EQUITY FUND

RBC EMERGING MARKETS DIVIDEND FUND

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (UK) Limited, London, England

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 total returns consisting of dividend income and capital growth by investing in equity securities of companies that are located or active in emerging markets and that offer above-average dividend yields.

To achieve the Fund's objectives, the portfolio manager selects equity securities of companies in emerging-market countries, including, but not limited to, China, Brazil, South Korea, Taiwan, India, South Africa, Russia, Mexico, Peru, Malaysia, Indonesia, Turkey, Chile, Thailand and Poland. The Fund's investment process is based primarily on fundamental research, although the portfolio manager will also consider quantitative and technical factors. Stock selection is ultimately based on an understanding of the company, its business and its outlook. The portfolio manager also assesses the economic outlook in each emerging-market region, including expected growth, market valuations and economic trends. The Fund is diversified by sector and emerging-market country to help reduce risk.

Results of Operations

The Fund's net asset value was \$464 million as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 1.3%. 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 any other series, which may vary because of differences in management fees and expenses.

In the first six months of the year, emerging-market equities delivered a strong positive performance, despite the results of the Brexit referendum towards the end of the period. Positive drivers included sentiment that the U.S. Federal Reserve (the "Fed") was not likely to raise interest rates and the associated weakening of the U.S. dollar. The concerns surrounding a severe devaluation of the Chinese renminbi also abated. Falling commodity prices have impacted performance over the past five years, although the asset class has become more consumer-driven. However, a recovery in oil prices helped the performance of certain Latin American countries, such as Brazil, and Russia during the first half of the year.

In terms of underperformers, China has been one of the weakest markets given mixed economic data, notably weak data for exports and imports, as well as industrial production and retail sales. Greece and Poland were the two worst-performing markets given that they are the two countries with the closest links to the U.K. and Europe.

Stock selection was the driver of positive relative performance, notably in the Financials, Materials and Consumer Discretionary sectors. At the country level stock selection was strong in China and South Korea as well as in Russia.

Recent Developments

Despite the volatility and uncertainty that Brexit has brought for emerging-market equities, very little has changed in terms of the sub-advisor's outlook. In fact, it is the sub-advisor's view that Brexit has brought a few positive elements.

It is now considered unlikely the Fed will raise interest rates this year and this, combined with the presumed weakness in the U.S. dollar as a result, is positive for emerging markets. Secondly, there is much debate about the impact of the decision on certain developed markets such as the U.K. and Europe, but most commentators expect a slowdown. The sub-advisor believes that a narrowing in the differential of economic growth between emerging markets and developed markets is supportive of outperformance for emerging markets.

As such, the sub-advisor sees the environment for emerging-market equities going into the third quarter of 2016 as positive both relative to developed markets and compared with performance in recent years.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

RBC Global Asset Management (UK) Limited is the sub-advisor and provides investment advice for the Fund.

Distributors

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

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 units of the Fund.



Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$2,000 (2015 – \$0) or 0% (2015 – 0%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	10.64	0.24	(0.12)	(0.64)	0.70	0.18	—	(0.06)	—	—	(0.06)	10.72
Dec. 31, 2015	11.26	0.35	(0.28)	0.07	(0.84)	(0.70)	—	(0.13)	(0.07)	—	(0.20)	10.64
Dec. 31, 2014	10.68	0.47	(0.28)	0.13	0.35	0.67	—	(0.12)	(0.11)	—	(0.23)	11.26
Dec. 31, 2013 ³	10.00 [†]	0.15	(0.15)	(0.10)	0.48	0.38	—	(0.02)	—	—	(0.02)	10.67
Advisor Series												
June 30, 2016	10.66	0.24	(0.13)	(0.64)	0.70	0.17	—	(0.05)	—	—	(0.05)	10.74
Dec. 31, 2015	11.28	0.35	(0.28)	0.07	(0.84)	(0.70)	—	(0.13)	(0.07)	—	(0.20)	10.66
Dec. 31, 2014	10.68	0.46	(0.27)	0.13	0.34	0.66	—	(0.11)	(0.11)	—	(0.22)	11.28
Dec. 31, 2013 ³	10.00 [†]	0.14	(0.15)	(0.10)	0.46	0.35	—	(0.02)	—	—	(0.02)	10.68
Series D												
June 30, 2016	10.72	0.24	(0.08)	(0.65)	0.71	0.22	—	(0.08)	—	—	(0.08)	10.83
Dec. 31, 2015	11.30	0.35	(0.19)	0.07	(0.84)	(0.61)	—	(0.17)	(0.07)	—	(0.24)	10.72
Dec. 31, 2014	10.70	0.48	(0.18)	0.13	0.36	0.79	—	(0.20)	(0.11)	—	(0.31)	11.30
Dec. 31, 2013 ³	10.00 [†]	0.15	(0.10)	(0.10)	0.48	0.43	—	(0.03)	—	—	(0.03)	10.70
Series F												
June 30, 2016	10.81	0.24	(0.07)	(0.65)	0.71	0.23	—	(0.09)	—	—	(0.09)	10.92
Dec. 31, 2015	11.38	0.35	(0.16)	0.07	(0.84)	(0.58)	—	(0.19)	(0.07)	—	(0.26)	10.81
Dec. 31, 2014	10.71	0.43	(0.15)	0.12	0.32	0.72	—	(0.16)	(0.11)	—	(0.27)	11.38
Dec. 31, 2013 ³	10.00 [†]	0.15	(0.08)	(0.10)	0.47	0.44	—	(0.03)	—	—	(0.03)	10.70
Series O												
June 30, 2016	10.49	0.24	(0.01)	(0.64)	0.69	0.28	—	(0.14)	—	—	(0.14)	10.61
Dec. 31, 2015	11.04	0.34	(0.03)	0.07	(0.82)	(0.44)	—	(0.29)	(0.07)	—	(0.36)	10.49
Dec. 31, 2014	10.43	0.45	(0.03)	0.13	0.34	0.89	—	(0.31)	(0.11)	—	(0.42)	11.04
Dec. 31, 2013 ⁴	10.00 [†]	0.17	(0.02)	(0.12)	0.56	0.59	(0.01)	(0.11)	—	—	(0.12)	10.42

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From August 12, 2013.

⁴ From June 10, 2013.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	10.72	15 022	1 401	2.43	2.43	79.26	0.54
Dec. 31, 2015	10.64	15 274	1 436	2.43	2.43	69.98	0.50
Dec. 31, 2014	11.26	11 639	1 034	2.46	2.46	74.47	0.49
Dec. 31, 2013 ⁴	10.68	3 362	315	2.46	2.46	45.95	0.43
Advisor Series							
June 30, 2016	10.74	2 286	213	2.48	2.48	79.26	0.54
Dec. 31, 2015	10.66	2 453	230	2.43	2.43	69.98	0.50
Dec. 31, 2014	11.28	1 656	147	2.39	2.39	74.47	0.49
Dec. 31, 2013 ⁴	10.68	408	38	2.38	2.38	45.95	0.43
Series D							
June 30, 2016	10.83	2 752	254	1.60	1.60	79.26	0.54
Dec. 31, 2015	10.72	2 732	255	1.60	1.60	69.98	0.50
Dec. 31, 2014	11.30	1 636	145	1.62	1.62	74.47	0.49
Dec. 31, 2013 ⁴	10.70	696	65	1.62	1.62	45.95	0.43
Series F							
June 30, 2016	10.92	15 008	1 374	1.36	1.36	79.26	0.54
Dec. 31, 2015	10.81	19 177	1 775	1.36	1.36	69.98	0.50
Dec. 31, 2014	11.38	8 435	741	1.35	1.35	74.47	0.49
Dec. 31, 2013 ⁴	10.71	602	56	1.34	1.34	45.95	0.43
Series O							
June 30, 2016	10.61	429 267	40 469	0.28	0.28	79.26	0.54
Dec. 31, 2015	10.49	392 045	37 366	0.28	0.28	69.98	0.50
Dec. 31, 2014	11.04	269 582	24 428	0.28	0.28	74.47	0.49
Dec. 31, 2013 ⁵	10.43	94 132	9 026	0.28	0.28	45.95	0.43

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

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

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

⁴ From August 12, 2013

⁵ From June 10, 2013.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.85%	54%	46%
Advisor Series	1.85%	54%	46%
Series D	1.10%	23%	77%
Series F	0.85%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, trustee, 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.



Series F (%)



Series O (%)



Series A, Advisor Series, Series D and Series F units have been available for sale to unitholders since August 12, 2013, and Series O units since June 10, 2013.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
China	22.6
South Korea	16.5
Taiwan	10.3
India	8.7
South Africa	7.3
Brazil	5.4
Russia	4.7
Indonesia	4.0
Thailand	3.0
Turkey	3.0
Mexico	1.9
Other Countries	11.7
Cash/Other	0.9

Top 25 Holdings

	% of Net Asset Value
Samsung Electronics Co. Ltd.	5.0
China Construction Bank Corp.	4.7
Taiwan Semiconductor Manufacturing Co. Ltd.	3.6
China Mobile (Hong Kong) Ltd.	2.5
Alibaba Group Holding Ltd. ADR	2.2
Naspers Ltd.	1.8
Netease.com ADR	1.8
China Petroleum & Chemical Corp.	1.6
CNOOC Ltd.	1.6
Itau Unibanco Holding S.A. Preference	1.5
Sberbank of Russia ADR	1.5
Tata Motors Limited ADR	1.5
Kweichow Moutai Co. Ltd.	1.4
Sinopharm Group Co.	1.4
Hon Hai Precision Industry Co. Ltd.	1.4
Standard Bank Group Ltd.	1.4
Lee & Man Paper Manufacturing Ltd.	1.3
MTN Group Ltd.	1.3
Lukoil PJSC ADR	1.3
Hynix Semiconductor Inc.	1.3
EDP - Energias do Brasil S.A.	1.3
Korea Electric Power Corp.	1.2
Hyundai Mobis	1.2
Mando Corp.	1.2
China Railway Construction Corp Ltd.	1.1
Top 25 Holdings	46.1

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.



INTERNATIONAL EQUITY FUND

**RBC EMERGING MARKETS
EQUITY FUND**

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (UK) Limited, London, England

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

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

The Fund's investment process is based primarily on fundamental research, and includes an assessment of each emerging-market region, including expected growth, market valuations and economic trends. Quantitative and technical factors may also be considered. The Fund may invest 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 \$2.4 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 0.8%. 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 any other series, which may vary because of differences in management fees and expenses.

In the first six months of the year, emerging-market equities delivered a strong positive performance, despite the results of the Brexit referendum towards the end of the period. Positive drivers included sentiment that the U.S. Federal Reserve (the "Fed") was not likely to raise interest rates and the associated weakening of the U.S. dollar. The concerns surrounding a severe devaluation of the Chinese renminbi also abated. Falling commodity prices have impacted performance over the past five years, although the asset class has become more consumer-driven. However, a recovery in the oil price has helped performance for certain Latin American countries, such as Brazil, and Russia.

In terms of underperformers, China has been one of the weakest markets given mixed economic data, notably weak data for exports and imports, as well as industrial production and retail sales. Greece and Poland were the two worst-performing markets given that they are the two countries with the closest links to the U.K. and Europe.

Stock selection was the driver of positive relative performance, notably in the Financials sector. At the country level, an underweight position in China was positive for performance, while an underweight position in Russia detracted from performance.

Recent Developments

Despite the volatility and uncertainty that Brexit has brought for emerging-market equities, very little has changed in terms of the sub-advisor's outlook. In fact, it is the sub-advisor's view that Brexit has brought a few positive elements.

It is now considered unlikely the Fed will raise interest rates this year and this, combined with the presumed weakness in the U.S. dollar as a result, is positive for emerging markets. Secondly, there is much debate about the impact of the decision on certain developed markets such as the U.K. and Europe, but most commentators expect a slowdown. The sub-advisor believes that a narrowing in the differential of economic growth between emerging markets and developed markets is supportive of outperformance for emerging markets.

As such, the sub-advisor sees the environment for emerging-market equities going into the third quarter of 2016 as positive both relative to developed markets and compared with performance in recent years.

Effective June 30, 2016, Series I units were closed to all investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

RBC Global Asset Management (UK) Limited is the sub-advisor and provides investment advice for the Fund.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc. and RBC Dominion Securities Inc. are principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series D units.

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 units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016	13.91	0.16	(0.16)	0.16	(0.25)	(0.09)	—	—	—	—	—	13.80	
Dec. 31, 2015	13.10	0.43	(0.34)	0.53	0.19	0.81	—	(0.08)	—	—	(0.08)	13.91	
Dec. 31, 2014	11.50	0.33	(0.30)	0.31	1.29	1.63	—	(0.01)	—	—	(0.01)	13.10	
Dec. 31, 2013	10.97	0.26	(0.27)	0.27	0.25	0.51	—	—	—	—	—	11.49	
Dec. 31, 2012	9.33	0.25	(0.24)	(0.12)	1.95	1.84	—	(0.01)	—	—	(0.01)	10.97	
Dec. 31, 2011	11.06	0.25	(0.23)	(0.52)	(1.21)	(1.71)	—	—	—	—	—	9.33	
Advisor Series													
June 30, 2016	13.89	0.16	(0.16)	0.16	(0.25)	(0.09)	—	—	—	—	—	13.78	
Dec. 31, 2015	13.08	0.43	(0.34)	0.53	0.19	0.81	—	(0.08)	—	—	(0.08)	13.89	
Dec. 31, 2014	11.48	0.33	(0.30)	0.31	1.29	1.63	—	(0.01)	—	—	(0.01)	13.08	
Dec. 31, 2013	10.95	0.26	(0.27)	0.27	0.25	0.51	—	—	—	—	—	11.47	
Dec. 31, 2012	9.31	0.25	(0.24)	(0.12)	1.92	1.81	—	(0.01)	—	—	(0.01)	10.95	
Dec. 31, 2011	11.05	0.25	(0.23)	(0.52)	(1.21)	(1.71)	—	—	—	—	—	9.31	
Series D													
June 30, 2016	14.07	0.17	(0.10)	0.16	(0.26)	(0.03)	—	—	—	—	—	14.03	
Dec. 31, 2015	13.25	0.44	(0.21)	0.54	0.19	0.96	—	(0.21)	—	—	(0.21)	14.07	
Dec. 31, 2014	11.61	0.33	(0.19)	0.31	1.31	1.76	—	(0.11)	—	—	(0.11)	13.25	
Dec. 31, 2013	11.06	0.26	(0.17)	0.28	0.26	0.63	—	(0.09)	—	—	(0.09)	11.60	
Dec. 31, 2012	9.39	0.25	(0.15)	(0.12)	1.98	1.96	—	(0.09)	—	—	(0.09)	11.06	
Dec. 31, 2011	11.14	0.25	(0.15)	(0.53)	(1.23)	(1.66)	—	(0.09)	—	—	(0.09)	9.39	
Series F													
June 30, 2016	14.17	0.17	(0.08)	0.16	(0.26)	(0.01)	—	—	—	—	—	14.14	
Dec. 31, 2015	13.33	0.43	(0.17)	0.54	0.19	0.99	—	(0.25)	—	—	(0.25)	14.17	
Dec. 31, 2014	11.63	0.33	(0.15)	0.31	1.31	1.80	—	(0.08)	—	—	(0.08)	13.33	
Dec. 31, 2013	11.06	0.27	(0.13)	0.28	0.26	0.68	—	(0.10)	—	—	(0.10)	11.62	
Dec. 31, 2012	9.37	0.25	(0.12)	(0.12)	1.96	1.97	—	(0.11)	—	—	(0.11)	11.06	
Dec. 31, 2011	11.16	0.26	(0.12)	(0.54)	(1.25)	(1.65)	—	(0.16)	—	—	(0.16)	9.37	
Series O													
June 30, 2016	14.20	0.17	(0.02)	0.16	(0.26)	0.05	—	—	—	—	—	14.24	
Dec. 31, 2015	13.37	0.44	(0.04)	0.55	0.20	1.15	—	(0.39)	—	—	(0.39)	14.20	
Dec. 31, 2014	11.72	0.34	(0.04)	0.32	1.33	1.95	—	(0.27)	—	—	(0.27)	13.37	
Dec. 31, 2013	11.18	0.27	(0.03)	0.28	0.26	0.78	—	(0.25)	—	—	(0.25)	11.71	
Dec. 31, 2012	9.46	0.25	(0.03)	(0.12)	1.98	2.08	—	(0.19)	—	—	(0.19)	11.18	
Dec. 31, 2011	11.21	0.26	(0.03)	(0.54)	(1.24)	(1.55)	—	(0.19)	—	—	(0.19)	9.46	

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	13.80	114 414	8 290	2.43	2.43	21.29	0.15
Dec. 31, 2015	13.91	122 456	8 802	2.43	2.43	24.03	0.17
Dec. 31, 2014	13.10	110 209	8 416	2.43	2.43	38.68	0.21
Dec. 31, 2013	11.50	93 340	8 119	2.44	2.44	42.50	0.25
Dec. 31, 2012	10.97	69 217	6 307	2.40	2.40	37.84	0.32
Dec. 31, 2011	9.33	48 449	5 193	2.39	2.39	65.49	0.46
Advisor Series							
June 30, 2016	13.78	24 776	1 798	2.45	2.45	21.29	0.15
Dec. 31, 2015	13.89	20 707	1 491	2.44	2.44	24.03	0.17
Dec. 31, 2014	13.08	9 308	712	2.44	2.44	38.68	0.21
Dec. 31, 2013	11.48	3 870	337	2.41	2.41	42.50	0.25
Dec. 31, 2012	10.96	1 143	104	2.44	2.44	37.84	0.32
Dec. 31, 2011	9.32	541	58	2.43	2.43	65.49	0.46
Series D							
June 30, 2016	14.03	28 251	2 014	1.48	1.48	21.29	0.15
Dec. 31, 2015	14.07	27 124	1 927	1.48	1.48	24.03	0.17
Dec. 31, 2014	13.25	19 721	1 489	1.48	1.48	38.68	0.21
Dec. 31, 2013	11.61	13 121	1 130	1.48	1.48	42.50	0.25
Dec. 31, 2012	11.07	8 197	741	1.49	1.49	37.84	0.32
Dec. 31, 2011	9.40	5 607	597	1.49	1.49	65.49	0.46
Series F							
June 30, 2016	14.14	105 044	7 429	1.20	1.20	21.29	0.15
Dec. 31, 2015	14.17	76 433	5 395	1.19	1.19	24.03	0.17
Dec. 31, 2014	13.33	14 802	1 111	1.20	1.20	38.68	0.21
Dec. 31, 2013	11.63	3 400	292	1.19	1.19	42.50	0.25
Dec. 31, 2012	11.06	1 219	110	1.22	1.22	37.84	0.32
Dec. 31, 2011	9.37	828	88	1.21	1.21	65.49	0.46
Series O							
June 30, 2016	14.24	2 124 317	149 192	0.27	0.27	21.29	0.15
Dec. 31, 2015	14.20	2 093 317	147 407	0.28	0.28	24.03	0.17
Dec. 31, 2014	13.37	1 727 073	129 154	0.28	0.28	38.68	0.21
Dec. 31, 2013	11.72	1 412 998	120 577	0.28	0.28	42.50	0.25
Dec. 31, 2012	11.19	1 395 194	124 730	0.28	0.28	37.84	0.32
Dec. 31, 2011	9.46	834 723	88 216	0.28	0.28	65.49	0.46

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

² The 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 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. The portfolio turnover rate is not applicable to money market funds.

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



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

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

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

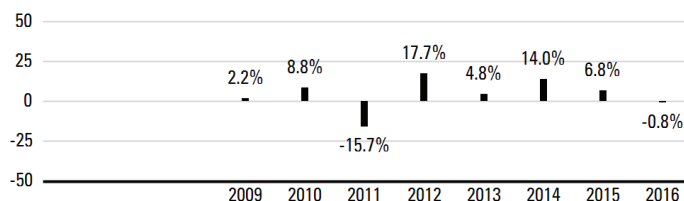
PAST PERFORMANCE

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.

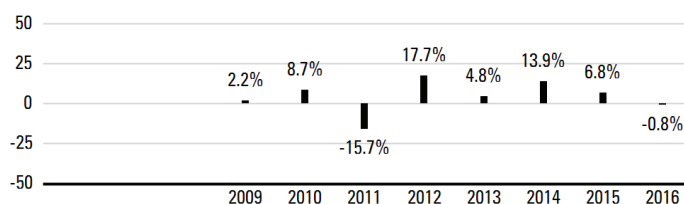
Year-by-Year Returns (%)

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.

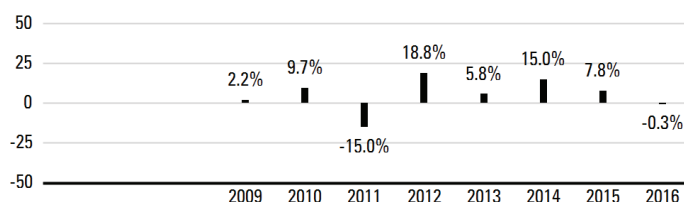
Series A (%)



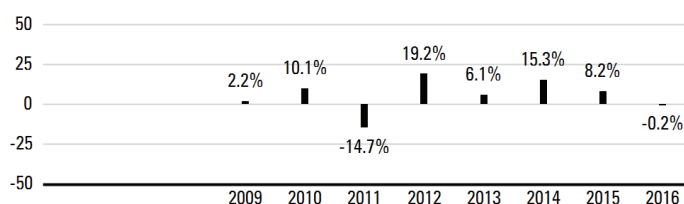
Advisor Series (%)



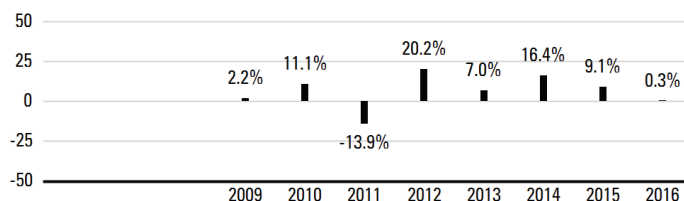
Series D (%)



Series F (%)



Series O (%)



Series A, Advisor Series, Series D, Series F and Series O units have been available for sale to unitholders since December 23, 2009.

Inception dates are not provided for series that have been in existence for more than 10 years. For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
India	15.0
China	14.1
South Korea	10.4
Taiwan	10.3
South Africa	8.6
Brazil	7.4
Hong Kong	5.0
United Kingdom	3.7
Malaysia	3.5
Philippines	3.3
Indonesia	3.0
Peru	2.5
Mexico	2.3
Turkey	2.1
Other Countries	6.2
Cash/Other	2.6

Top 25 Holdings

	% of Net Asset Value
Dr. Reddy's Laboratories Ltd. ADR	4.5
Samsung Electronics Co. Ltd.	4.3
Housing Development Finance Corp.	4.2
Taiwan Semiconductor Manufacturing Co. Ltd.	4.2
Naspers Ltd.	3.6
Banco Bradesco S.A. ADR	3.5
AIA Group Ltd.	3.5
SM Investments Corp.	3.3
Clicks Group Ltd.	2.8
China Mobile (Hong Kong) Ltd.	2.7
Credicorp Ltd.	2.5
Infosys Technologies Ltd. ADR	2.4
Cash & Cash Equivalents	2.3
Unilever Plc.	2.1
Standard Foods Corp.	2.0
Axiata Group Berhad	2.0
Alibaba Group Holding Ltd. ADR	1.9
Baidu.com Inc. ADR	1.8
Fuyao Glass Industry Group Co. Ltd.	1.7
Hikma Pharmaceuticals Plc.	1.6
China Merchants Holdings Co. Ltd.	1.6
Public Bank Berhad	1.6
PT Kalbe Farma Tbk	1.6
Samsonite International S.A.	1.6
Kimberly-Clark de Mexico S.A.	1.6
Top 25 Holdings	64.9

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



INTERNATIONAL EQUITY FUND

RBC EMERGING MARKETS SMALL-CAP EQUITY FUND

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (UK) Limited, London, England

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

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

To achieve the Fund's objectives, the portfolio manager selects equity securities of companies in emerging-market countries, including, but not limited to, China, Brazil, South Korea, Taiwan, India, South Africa, Russia, Mexico, Peru, Malaysia, Indonesia, Turkey, Chile, Thailand and Poland. The Fund's investment process is based primarily on fundamental research, although the portfolio manager will also consider quantitative and technical factors. Stock selection is ultimately based on an understanding of the company, its business and its outlook. The portfolio manager also assesses the economic outlook in each emerging-market region, including expected growth, market valuations and economic trends. The Fund is diversified by sector and emerging market country to help reduce risk.

Results of Operations

The Fund's net asset value was \$345 million as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 0.6%. 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 any other series, which may vary because of differences in management fees and expenses.

In the first six months of the year, emerging-market equities delivered a strong positive performance, despite the results of the Brexit referendum towards the end of the period. Positive drivers included sentiment that the U.S. Federal Reserve (the "Fed") was not likely to raise interest rates and the associated weakening of the U.S. dollar. The concerns surrounding a severe devaluation of the Chinese renminbi also abated. Falling commodity prices have impacted performance over the past five years, although the asset class has become more consumer-driven. However, a recovery in oil prices helped the performance of certain Latin American countries, such as Brazil, and Russia during the first half of the year.

In terms of underperformers, China has been one of the weakest markets given mixed economic data, notably weak data for exports and imports, as well as industrial production and retail sales. Greece and Poland were also amongst the worst-performing markets given that they are the two countries with the closest links to the U.K. and Europe.

Stock selection was the driver of positive relative performance, notably in the Financials and Consumer Staples sectors. At the country level, stock selection was strong in India and Taiwan.

Recent Developments

Despite the volatility and uncertainty that Brexit has brought for emerging-market equities, very little has changed in terms of the sub-advisor's outlook. In fact, it is the sub-advisor's view that Brexit has brought a few positive elements.

It is now considered unlikely the Fed will raise interest rates this year and this, combined with the presumed weakness in the U.S. dollar as a result, is positive for emerging markets. Secondly, there is much debate about the impact of the decision on certain developed markets such as the U.K. and Europe, but most commentators expect a slowdown. The sub-advisor believes that narrowing in the differential of economic growth between emerging markets and developed markets is supportive of outperformance for emerging markets.

As such, the sub-advisor sees the environment for emerging-market equities going into the third quarter of 2016 as positive both relative to developed markets and compared with performance in recent years.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

RBC Global Asset Management (UK) Limited is the sub-advisor and provides investment advice for the Fund.

Distributors

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

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 units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	12.38	0.17	(0.14)	0.08	(0.13)	(0.02)	—	—	—	—	—	12.30
Dec. 31, 2015	11.51	0.33	(0.29)	0.31	0.75	1.10	—	—	(0.25)	—	(0.25)	12.38
Dec. 31, 2014	10.14	0.28	(0.27)	0.14	1.10	1.25	—	—	(0.11)	—	(0.11)	11.51
Dec. 31, 2013 ³	10.00 [†]	—	(0.14)	(0.04)	0.30	0.12	—	—	—	—	—	10.12
Advisor Series												
June 30, 2016	12.35	0.17	(0.14)	0.08	(0.13)	(0.02)	—	—	—	—	—	12.27
Dec. 31, 2015	11.50	0.34	(0.31)	0.32	0.78	1.13	—	—	(0.25)	—	(0.25)	12.35
Dec. 31, 2014	10.14	0.22	(0.29)	0.11	0.87	0.91	—	—	(0.11)	—	(0.11)	11.50
Dec. 31, 2013 ³	10.00 [†]	—	(0.14)	(0.04)	0.30	0.12	—	—	—	—	—	10.12
Series D												
June 30, 2016	12.50	0.17	(0.10)	0.09	(0.13)	0.03	—	—	—	—	—	12.48
Dec. 31, 2015	11.60	0.33	(0.20)	0.32	0.76	1.21	—	(0.07)	(0.25)	—	(0.32)	12.50
Dec. 31, 2014	10.17	0.28	(0.18)	0.13	1.09	1.32	—	(0.04)	(0.11)	—	(0.15)	11.60
Dec. 31, 2013 ³	10.00 [†]	—	(0.09)	(0.04)	0.30	0.17	—	—	—	—	—	10.15
Series F												
June 30, 2016	12.57	0.17	(0.08)	0.09	(0.13)	0.05	—	—	—	—	—	12.56
Dec. 31, 2015	11.67	0.33	(0.17)	0.31	0.76	1.23	—	(0.11)	(0.25)	—	(0.36)	12.57
Dec. 31, 2014	10.19	0.22	(0.15)	0.11	0.89	1.07	—	(0.03)	(0.11)	—	(0.14)	11.67
Dec. 31, 2013 ³	10.00 [†]	—	(0.07)	(0.04)	0.29	0.18	—	—	—	—	—	10.17
Series O												
June 30, 2016	12.62	0.17	(0.02)	0.09	(0.13)	0.11	—	—	—	—	—	12.68
Dec. 31, 2015	11.72	0.34	(0.03)	0.32	0.77	1.40	—	(0.25)	(0.25)	—	(0.50)	12.62
Dec. 31, 2014	10.24	0.28	(0.03)	0.13	1.09	1.47	(0.02)	(0.13)	(0.11)	—	(0.26)	11.72
Dec. 31, 2013 ⁴	10.00 [†]	—	(0.02)	(0.04)	0.32	0.26	—	—	—	—	—	10.21

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From August 12, 2013.

⁴ From June 10, 2013.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	12.30	2 551	207	2.41	2.41	27.85	0.19
Dec. 31, 2015	12.38	2 465	199	2.38	2.38	24.73	0.22
Dec. 31, 2014	11.51	1 509	131	2.42	2.42	30.77	0.36
Dec. 31, 2013 ⁴	10.14	492	48	2.41	2.41	22.87	0.29
Advisor Series							
June 30, 2016	12.27	2 232	182	2.46	2.46	27.85	0.19
Dec. 31, 2015	12.35	1 749	142	2.50	2.50	24.73	0.22
Dec. 31, 2014	11.50	4 402	383	2.51	2.51	30.77	0.36
Dec. 31, 2013 ⁴	10.14	230	23	2.48	2.48	22.87	0.29
Series D							
June 30, 2016	12.48	2 221	178	1.60	1.60	27.85	0.19
Dec. 31, 2015	12.50	2 086	167	1.60	1.60	24.73	0.22
Dec. 31, 2014	11.60	1 008	87	1.59	1.59	30.77	0.36
Dec. 31, 2013 ⁴	10.17	242	24	1.58	1.58	22.87	0.29
Series F							
June 30, 2016	12.56	15 729	1 252	1.35	1.35	27.85	0.19
Dec. 31, 2015	12.57	14 680	1 168	1.32	1.32	24.73	0.22
Dec. 31, 2014	11.67	430	37	1.27	1.27	30.77	0.36
Dec. 31, 2013 ⁴	10.19	26	3	1.26	1.26	22.87	0.29
Series O							
June 30, 2016	12.68	322 757	25 455	0.27	0.27	27.85	0.19
Dec. 31, 2015	12.62	291 706	23 114	0.28	0.28	24.73	0.22
Dec. 31, 2014	11.72	193 849	16 545	0.28	0.28	30.77	0.36
Dec. 31, 2013 ⁵	10.24	62 320	6 088	0.28	0.28	22.87	0.29

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

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

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

⁴ From August 12, 2013.

⁵ From June 10, 2013.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.85%	54%	46%
Advisor Series	1.85%	54%	46%
Series D	1.10%	23%	77%
Series F	0.85%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, trustee, 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.



Series F (%)



Series O (%)



Series A, Advisor Series, Series D and Series F units have been available for sale to unitholders since August 12, 2013, and Series O units since June 10, 2013.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
India	19.2
Taiwan	11.7
South Africa	10.6
South Korea	7.6
Thailand	7.2
Brazil	6.5
Chile	6.0
China	5.1
Hong Kong	4.4
Philippines	4.1
Indonesia	3.0
Mexico	3.0
Malaysia	2.7
United Arab Emirates	2.4
Other Countries	2.2
Cash/Other	4.3

Top 25 Holdings

	% of Net Asset Value
Cash & Cash Equivalents	4.2
Indraprastha Gas Ltd.	3.5
Marico Ltd.	3.3
Amorepacific Corp. Preference	3.2
Clicks Group Ltd.	3.1
Godrej Industries Ltd.	3.1
PT Ace Hardware Indonesia Tbk	3.0
Luthai Textile Co. Ltd.	3.0
Hyprop Investments Ltd. Real Estate Investment Trust	3.0
Tube Investments of India Ltd.	2.8
Inversiones Aguas Metropolitanas S.A.	2.8
Security Bank Corp.	2.8
Aeon Thana Sinsap Thailand PCL, Subscription Receipts	2.7
Airtac International Group	2.6
Standard Foods Corp.	2.5
Chroma ATE Inc.	2.5
Aramex PJSC, Participation Notes	2.4
MC Group PCL	2.4
Cummins India Ltd.	2.3
Oceana Group Ltd.	2.1
Delta Electronics Thailand PCL	2.1
DGB Financial Group Inc.	2.0
Samsonite International S.A.	1.9
Sundaram Finance Ltd.	1.9
Natura Cosmeticos S.A.	1.7
Top 25 Holdings	66.9

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



GLOBAL EQUITY FUND

RBC GLOBAL DIVIDEND GROWTH FUND

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (UK) Limited, London, England

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks long-term capital growth by investing in equity securities of a diversified mix of companies operating in various countries around the world across a range of sectors.

The Fund invests in stocks that have undergone a selection process emphasizing companies with a leading market position or lucrative niche, consistent and predictable profit growth and strong management teams.

Results of Operations

The Fund's net asset value was \$2.2 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 9.9%. 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 any other series, which may vary because of differences in management fees and expenses.

Positions in holdings such as Legal & General, Prudential Plc, Blackstone, Mitsubishi UFJ and Intesa Sanpaolo contributed the major portion of the Fund's underperformance. The sub-advisor reduced exposure to the Financials sector during the period and further focused the Fund's holdings by eliminating the position in Mitsubishi UFJ and Intesa Sanpaolo, while maintaining exposure to financial-services companies that have strong long-term growth prospects and don't depend on increases in short-term interest rates to widen profit margins. Also having a negative impact on performance were new positions in aircraft maker Boeing and Inmarsat, a satellite-communications company. The sub-advisor increased holdings in Boeing as the share price declined and given its current cash flow and long-term prospects. The holding in Inmarsat was eliminated as new capacity is expected to challenge pricing and returns.

Positive contributions to performance came from the Fund's holdings in NextEra, a power production and marketing company; UnitedHealth, a health-care provider; AbbVie, a pharmaceuticals company; Microchip, a semiconductor maker; Cisco, a networking-hardware company; and Fidelity National, a real estate services firm that is a new holding. All delivered unexpectedly strong earnings, reinforcing their attractive long-term prospects.

Portfolio turnover was relatively high for the Fund as the sub-advisor attempted to generate better returns through active fund management. Turnover was elevated towards the end of the period as management of the Fund was transitioned to RBC GAM (UK).

Recent Developments

Central banks continue to promote economic growth through historically low interest rates and other forms of monetary stimulus. While many investors had expected the U.S. Federal Reserve to follow its initial interest-rate hike with additional ones in 2016, concerns about the ability of the U.S. economy to create jobs, November's U.S. presidential election and global uncertainty will likely delay these until 2017, in the sub-advisor's view. Britain's vote in June to leave the EU was among the issues creating uncertainty and market volatility.

RBC GAM (UK) was appointed sub-advisor of the Fund effective June 20, 2016. This transition will likely result in lower portfolio turnover, as the new sub-advisor plans to concentrate the Fund's holdings in fewer positions while maintaining adequate diversification for risk mitigation.

Effective June 30, 2016, management fees were reduced from 1.85% to 1.75% for Series A, Advisor Series, Series T5 and Series T8 units. Also effective June 30, 2016, Series H and Series I units were closed to all investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

RBC Global Asset Management (UK) Limited is the sub-advisor and provides investment advice for the Fund.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, Series T5, Series T8 and Series D units.

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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$183,000 (2015 – \$43,000) or 3% (2015 – 1%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016	13.34	0.20	(0.14)	0.13	(1.46)	(1.27)	—	—	—	—	—	12.02	
Dec. 31, 2015	12.23	0.34	(0.31)	1.65	0.55	2.23	—	(0.02)	(1.28)	—	(1.30)	13.34	
Dec. 31, 2014	11.94	0.40	(0.28)	2.22	(0.54)	1.80	—	(0.13)	(1.15)	—	(1.28)	12.23	
Dec. 31, 2013	8.80	0.25	(0.23)	1.60	1.56	3.18	—	(0.03)	—	—	(0.03)	11.94	
Dec. 31, 2012	7.91	0.24	(0.19)	0.32	0.55	0.92	—	(0.05)	—	—	(0.05)	8.80	
Dec. 31, 2011	8.43	0.26	(0.18)	(0.03)	(0.49)	(0.44)	—	(0.07)	—	—	(0.07)	7.91	
Advisor Series													
June 30, 2016	13.50	0.20	(0.14)	0.13	(1.48)	(1.29)	—	—	—	—	—	12.17	
Dec. 31, 2015	12.37	0.34	(0.32)	1.65	0.55	2.22	—	(0.03)	(1.29)	—	(1.32)	13.50	
Dec. 31, 2014	12.06	0.40	(0.29)	2.20	(0.53)	1.78	—	(0.11)	(1.16)	—	(1.27)	12.37	
Dec. 31, 2013	8.88	0.26	(0.23)	1.62	1.57	3.22	—	(0.03)	—	—	(0.03)	12.06	
Dec. 31, 2012	7.98	0.24	(0.19)	0.32	0.55	0.92	—	(0.05)	—	—	(0.05)	8.88	
Dec. 31, 2011	8.49	0.26	(0.17)	(0.03)	(0.50)	(0.44)	—	(0.07)	—	—	(0.07)	7.98	
Series T5													
June 30, 2016	12.33	0.18	(0.12)	0.11	(1.33)	(1.16)	—	(0.31)	—	—	(0.31)	10.81	
Dec. 31, 2015	11.45	0.30	(0.28)	1.49	0.50	2.01	—	(0.03)	(1.35)	—	(1.38)	12.33	
Dec. 31, 2014	11.39	0.37	(0.26)	2.06	(0.50)	1.67	—	(0.09)	(1.33)	—	(1.42)	11.45	
Dec. 31, 2013	8.74	0.24	(0.24)	1.54	1.49	3.03	—	(0.03)	—	(0.41)	(0.44)	11.39	
Dec. 31, 2012 ³	8.61 [†]	0.06	(0.05)	0.09	0.14	0.24	—	(0.01)	—	(0.10)	(0.11)	8.74	
Series T8													
June 30, 2016	9.55	0.14	(0.09)	0.09	(1.03)	(0.89)	—	(0.38)	—	—	(0.38)	8.23	
Dec. 31, 2015	8.97	0.23	(0.22)	1.14	0.38	1.53	—	(0.02)	(1.14)	—	(1.16)	9.55	
Dec. 31, 2014	8.85	0.29	(0.20)	1.58	(0.38)	1.29	—	(0.07)	(0.94)	—	(1.01)	8.97	
Dec. 31, 2013	6.98	0.19	(0.18)	1.23	1.19	2.43	—	(0.02)	—	(0.54)	(0.56)	8.85	
Dec. 31, 2012	6.75	0.20	(0.15)	0.26	0.45	0.76	—	(0.04)	—	(0.50)	(0.54)	6.98	
Dec. 31, 2011	7.75	0.23	(0.16)	(0.03)	(0.44)	(0.40)	—	(0.06)	—	(0.56)	(0.62)	6.75	
Series D													
June 30, 2016	13.57	0.21	(0.08)	0.13	(1.49)	(1.23)	—	—	—	—	—	12.28	
Dec. 31, 2015	12.45	0.34	(0.18)	1.67	0.56	2.39	—	(0.17)	(1.31)	—	(1.48)	13.57	
Dec. 31, 2014	12.10	0.40	(0.16)	2.22	(0.54)	1.92	—	(0.20)	(1.17)	—	(1.37)	12.45	
Dec. 31, 2013	8.88	0.26	(0.13)	1.62	1.58	3.33	—	(0.10)	—	—	(0.10)	12.10	
Dec. 31, 2012	7.97	0.25	(0.11)	0.33	0.55	1.02	—	(0.13)	—	—	(0.13)	8.88	
Dec. 31, 2011	8.49	0.26	(0.10)	(0.03)	(0.50)	(0.37)	—	(0.14)	—	—	(0.14)	7.97	



FINANCIAL HIGHLIGHTS (cont.)

Change in Net Assets Per Unit (\$) (cont.)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					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	Total	
Series F												
June 30, 2016	14.46	0.22	(0.07)	0.14	(1.58)	(1.29)	—	—	—	—	—	13.11
Dec. 31, 2015	13.26	0.36	(0.15)	1.75	0.59	2.55	—	(0.22)	(1.40)	—	(1.62)	14.46
Dec. 31, 2014	12.89	0.41	(0.14)	2.28	(0.55)	2.00	—	(0.23)	(1.26)	—	(1.49)	13.26
Dec. 31, 2013	9.45	0.27	(0.11)	1.73	1.68	3.57	—	(0.14)	—	—	(0.14)	12.88
Dec. 31, 2012	8.49	0.26	(0.09)	0.35	0.59	1.11	—	(0.17)	—	—	(0.17)	9.45
Dec. 31, 2011	9.05	0.28	(0.08)	(0.04)	(0.53)	(0.37)	—	(0.19)	—	—	(0.19)	8.49
Series FT5												
June 30, 2016⁴	13.66[†]	0.22	(0.05)	0.13	(1.56)	(1.26)	—	—	—	(0.29)	(0.29)	12.83
Series O												
June 30, 2016	13.50	0.20	—	0.13	(1.48)	(1.15)	—	—	—	—	—	12.30
Dec. 31, 2015	12.40	0.34	—	1.69	0.57	2.60	—	(0.35)	(1.33)	—	(1.68)	13.50
Dec. 31, 2014	12.24	0.37	—	2.06	(0.50)	1.93	—	(0.56)	(1.17)	—	(1.73)	12.40
Dec. 31, 2013	9.00	0.26	—	1.66	1.61	3.53	—	(0.27)	—	—	(0.27)	12.24
Dec. 31, 2012	8.09	0.25	—	0.33	0.56	1.14	—	(0.25)	—	—	(0.25)	9.00
Dec. 31, 2011	8.64	0.27	—	(0.04)	(0.51)	(0.28)	—	(0.28)	—	—	(0.28)	8.09

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From September 24, 2012.

⁴ From January 25, 2016.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	12.02	365 021	30 361	2.25⁴	2.25	203.57	0.56
Dec. 31, 2015	13.34	388 783	29 137	2.25	2.25	130.01	0.32
Dec. 31, 2014	12.23	251 698	20 581	2.25	2.25	155.90	0.39
Dec. 31, 2013	11.94	207 142	17 348	2.26	2.26	143.17	0.36
Dec. 31, 2012	8.81	148 837	16 900	2.24	2.24	139.72	0.28
Dec. 31, 2011	7.91	147 634	18 655	2.25	2.25	136.55	0.43
Advisor Series							
June 30, 2016	12.17	83 230	6 841	2.21⁴	2.21	203.57	0.56
Dec. 31, 2015	13.50	84 851	6 285	2.23	2.23	130.01	0.32
Dec. 31, 2014	12.37	26 567	2 148	2.24	2.24	155.90	0.39
Dec. 31, 2013	12.06	14 769	1 225	2.24	2.24	143.17	0.36
Dec. 31, 2012	8.89	6 430	723	2.18	2.18	139.72	0.28
Dec. 31, 2011	7.98	2 949	370	2.19	2.19	136.55	0.43
Series T5							
June 30, 2016	10.81	3 731	345	2.20⁴	2.20	203.57	0.56
Dec. 31, 2015	12.33	3 596	292	2.18	2.18	130.01	0.32
Dec. 31, 2014	11.45	1 107	97	2.18	2.18	155.90	0.39
Dec. 31, 2013	11.39	691	61	2.27	2.27	143.17	0.36
Dec. 31, 2012 ⁵	8.75	2	—	2.26	2.26	139.72	0.28



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data (cont.)

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series T8							
June 30, 2016	8.23	5 989	728	2.18⁴	2.18	203.57	0.56
Dec. 31, 2015	9.55	7 078	741	2.21	2.21	130.01	0.32
Dec. 31, 2014	8.97	1 664	185	2.22	2.22	155.90	0.39
Dec. 31, 2013	8.85	1 027	116	2.24	2.24	143.17	0.36
Dec. 31, 2012	6.99	396	57	2.19	2.19	139.72	0.28
Dec. 31, 2011	6.75	303	45	2.21	2.21	136.55	0.43
Series D							
June 30, 2016	12.28	30 881	2 514	1.26	1.26	203.57	0.56
Dec. 31, 2015	13.57	37 755	2 783	1.27	1.27	130.01	0.32
Dec. 31, 2014	12.45	12 482	1 003	1.26	1.26	155.90	0.39
Dec. 31, 2013	12.10	6 521	539	1.27	1.27	143.17	0.36
Dec. 31, 2012	8.89	2 434	274	1.26	1.26	139.72	0.28
Dec. 31, 2011	7.97	1 892	237	1.26	1.26	136.55	0.43
Series F							
June 30, 2016	13.11	50 700	3 869	0.99	0.99	203.57	0.56
Dec. 31, 2015	14.46	43 949	3 040	1.00	1.00	130.01	0.32
Dec. 31, 2014	13.26	6 324	477	1.00	1.00	155.90	0.39
Dec. 31, 2013	12.89	2 273	176	0.99	0.99	143.17	0.36
Dec. 31, 2012	9.46	897	95	0.99	0.99	139.72	0.28
Dec. 31, 2011	8.49	856	101	0.99	0.99	136.55	0.43
Series FT5							
June 30, 2016⁶	12.83	1	—	1.02	1.02	203.57	0.56
Series O							
June 30, 2016	12.30	1 662 099	135 167	0.02	0.02	203.57	0.56
Dec. 31, 2015	13.50	1 645 546	121 922	0.02	0.02	130.01	0.32
Dec. 31, 2014	12.40	1 248 577	100 686	0.02	0.02	155.90	0.39
Dec. 31, 2013	12.24	632 520	51 672	0.02	0.02	143.17	0.36
Dec. 31, 2012	9.01	448 601	49 789	0.02	0.02	139.72	0.28
Dec. 31, 2011	8.09	351 421	43 453	0.02	0.02	136.55	0.43

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 2.14%, Advisor Series – 2.10%, Series T5 – 2.09% and Series T8 – 2.07%.

⁵ From September 24, 2012.

⁶ From January 25, 2016.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.75%	62%	38%
Advisor Series	1.75%	62%	38%
Series T5	1.75%	62%	38%
Series T8	1.75%	62%	38%
Series D	1.00%	25%	75%
Series F	0.75%	—	100%
Series FT5	0.75%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

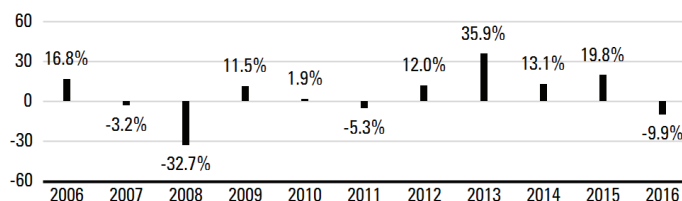
PAST PERFORMANCE

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.

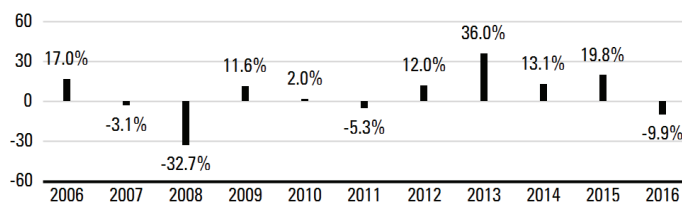
Year-by-Year Returns (%)

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.

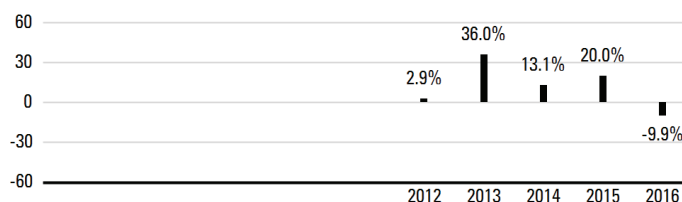
Series A (%)



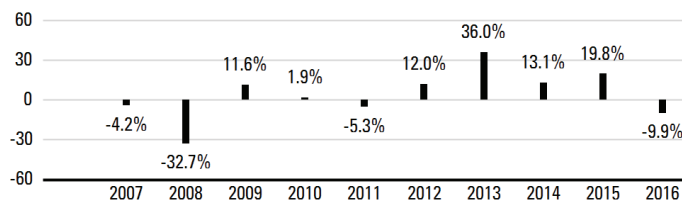
Advisor Series (%)



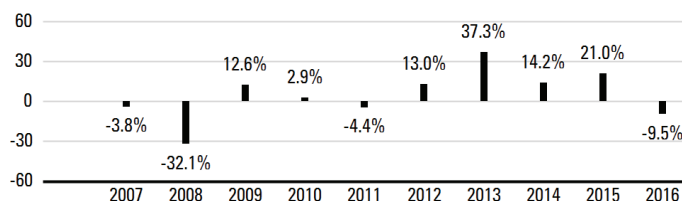
Series T5 (%)



Series T8 (%)

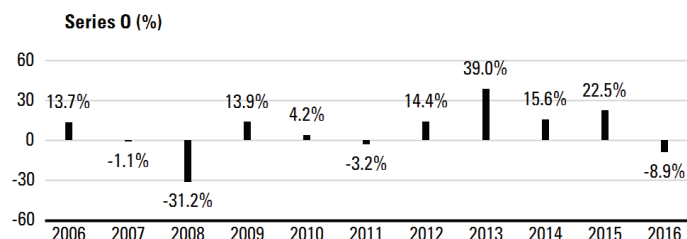
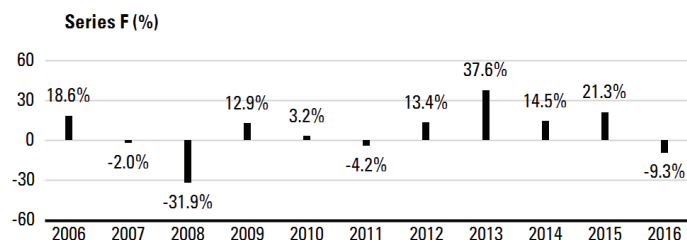


Series D (%)





PAST PERFORMANCE (cont.)



Series FT5 units have been available for sale to unitholders since January 25, 2016, Series T5 units since September 24, 2012, Series T8 and Series D units since July 3, 2007, and Series O units since September 5, 2006.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United States	51.2
United Kingdom	10.8
France	5.8
Japan	5.5
Taiwan	4.1
Switzerland	3.1
Germany	3.0
Belgium	2.7
South Africa	2.7
Denmark	2.6
India	2.2
Hong Kong	2.1
Other Countries	2.7
Cash/Other	1.5

Top 25 Holdings

	% of Net Asset Value
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	4.1
Blackstone Group LP	3.9
Intuit Inc.	3.7
TJX Companies Inc.	3.6
Amgen Inc.	3.5
International Flavors & Fragrances Inc.	3.5
Estée Lauder Companies Inc., Class A	3.5
UnitedHealth Group Incorporated	3.3
Pernod-Ricard S.A.	3.2
Roche Holdings AG Genussscheine	3.2
Danaher Corp.	3.1
EOG Resources Inc.	3.1
First Republic Bank	3.1
InterContinental Hotels Group Plc.	3.0
Deutsche Post AG	3.0
Naspers Ltd.	2.7
InBev N.V.	2.7
Novo Nordisk A/S	2.6
Safran S.A.	2.6
Occidental Petroleum Corp.	2.5
Invesco Ltd.	2.3
HDFC Bank Ltd. ADR	2.2
Royal Dutch Shell Plc., B Shares	2.2
Reynolds American Inc.	2.1
AIA Group Ltd.	2.1
Top 25 Holdings	74.8

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.



GLOBAL EQUITY FUND

RBC GLOBAL EQUITY FUND

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (UK) Limited, London, England

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in equity securities of a diversified mix of companies operating around the world and across a range of sectors.

To achieve the Fund's objectives, the portfolio manager uses primarily fundamental research to assess the economic outlook for regions around the world, including expected growth, market valuations and economic trends. The Fund may invest in American Depositary Receipts and may invest as much as 10% of its assets in units of other mutual funds managed by RBC GAM or an affiliate.

Results of Operations

The Fund's net asset value was \$690 million as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 6.9%. 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 any other series, which may vary because of differences in management fees and expenses.

Early in the period, market returns were dominated by concerns about China and its ability to manage its capital markets. This was combined with the continuation of rapidly falling oil prices, which reached a low in mid-February. The fast turnaround in commodity and equity prices that followed was largely the result of central banks around the globe responding with a combination of asset purchases and interest-rate cuts, which in the case of Japan took official rates negative – much to the market's surprise. An indiscriminate rally followed in February until the end of the first quarter.

Towards the end of the period, the market focus was squarely on the U.K.'s referendum regarding its membership in the EU ("Brexit"), which caused considerable volatility in asset prices at the very end of the period. The Fund was not positioned specifically for either outcome but rather continued to focus on a diversified collection of global equities.

The Fund benefited from individual positions in the Information Technology, Consumer Discretionary and Financials sectors. Holdings in the Financials and Consumer Discretionary sectors had a negative impact on performance, albeit to a lesser extent.

Recent Developments

Although concerns over Brexit dominated the period, the sub-advisor is mindful that there are many more issues affecting the world's markets. Much of the world is struggling with negative interest rates and low growth in both GDP and wages. Geopolitical concerns are still very apparent and will possibly be exacerbated by Brexit. As

always, the sub-advisor looks to build a portfolio of companies with strong fundamentals that are leaders in their fields and which are well positioned to weather near-term turbulence and deliver strong risk-adjusted returns over the long term.

Effective June 30, 2016, management fees were reduced as follows: from 1.85% to 1.75% for Series A and Advisor Series units; from 1.10% to 1.00% for Series D units; and from 0.85% to 0.75% for Series F units. Also effective June 30, 2016, Series H and Series I units were closed to all investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

RBC Global Asset Management (UK) Limited is the sub-advisor and provides investment advice for the Fund.

Distributors

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

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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$48,000 (2015 – \$47,000) or 6% (2015 – 16%) of the total transaction costs paid for this Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016	12.98	0.18	(0.13)	(0.02)	(0.87)	(0.84)	—	—	—	—	—	12.08	
Dec. 31, 2015	10.68	0.22	(0.26)	0.31	2.26	2.53	—	(0.01)	(0.12)	—	(0.13)	12.98	
Dec. 31, 2014 ³	10.00 [†]	0.14	(0.18)	(0.03)	0.84	0.77	—	—	—	—	—	10.68	
Advisor Series													
June 30, 2016	12.96	0.18	(0.13)	(0.02)	(0.87)	(0.84)	—	—	—	—	—	12.06	
Dec. 31, 2015	10.68	0.21	(0.28)	0.30	2.17	2.40	—	(0.01)	(0.12)	—	(0.13)	12.96	
Dec. 31, 2014 ³	10.00 [†]	0.14	(0.19)	(0.03)	0.85	0.77	—	—	—	—	—	10.68	
Series D													
June 30, 2016	13.13	0.18	(0.08)	(0.02)	(0.89)	(0.81)	—	—	—	—	—	12.27	
Dec. 31, 2015	10.73	0.21	(0.18)	0.30	2.20	2.53	—	(0.01)	(0.12)	—	(0.13)	13.13	
Dec. 31, 2014 ³	10.00 [†]	0.14	(0.12)	(0.03)	0.86	0.85	—	(0.03)	—	—	(0.03)	10.73	
Series F													
June 30, 2016	13.18	0.18	(0.06)	(0.02)	(0.89)	(0.79)	—	—	—	—	—	12.33	
Dec. 31, 2015	10.74	0.19	(0.14)	0.28	2.04	2.37	—	(0.01)	(0.12)	—	(0.13)	13.18	
Dec. 31, 2014 ³	10.00 [†]	0.14	(0.09)	(0.03)	0.87	0.89	—	(0.04)	—	—	(0.04)	10.74	
Series O													
June 30, 2016	13.19	0.18	—	(0.02)	(0.89)	(0.73)	—	—	—	—	—	12.41	
Dec. 31, 2015	10.75	0.22	—	0.31	2.27	2.80	—	(0.15)	(0.12)	—	(0.27)	13.19	
Dec. 31, 2014 ³	10.00 [†]	0.14	—	(0.03)	0.88	0.99	—	(0.13)	—	—	(0.13)	10.75	

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From March 10, 2014.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	12.08	14 844	1 228	2.15⁴	2.15	37.80	0.23
Dec. 31, 2015	12.98	12 690	978	2.15	2.15	31.76	0.25
Dec. 31, 2014 ⁵	10.68	3 325	311	2.21	2.21	52.06	0.24
Advisor Series							
June 30, 2016	12.06	292	24	2.19⁴	2.19	37.80	0.23
Dec. 31, 2015	12.96	257	20	2.28	2.28	31.76	0.25
Dec. 31, 2014 ⁵	10.68	44	4	2.28	2.28	52.06	0.24
Series D							
June 30, 2016	12.27	1 785	145	1.39⁴	1.39	37.80	0.23
Dec. 31, 2015	13.13	2 206	168	1.42	1.42	31.76	0.25
Dec. 31, 2014 ⁵	10.73	167	16	1.41	1.41	52.06	0.24
Series F							
June 30, 2016	12.33	3 750	304	1.06⁴	1.06	37.80	0.23
Dec. 31, 2015	13.18	2 748	209	1.13	1.13	31.76	0.25
Dec. 31, 2014 ⁵	10.74	359	33	1.13	1.13	52.06	0.24
Series O							
June 30, 2016	12.41	669 030	53 907	0.02	0.02	37.80	0.23
Dec. 31, 2015	13.19	654 821	49 646	0.02	0.02	31.76	0.25
Dec. 31, 2014 ⁵	10.75	311 664	29 004	0.02	0.02	52.06	0.24

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 2.04%, Advisor Series – 2.08%, Series D – 1.28% and Series F – 0.95%.

⁵ From March 10, 2014.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.75%	54%	46%
Advisor Series	1.75%	54%	46%
Series D	1.00%	23%	77%
Series F	0.75%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, trustee, 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.



Series D (%)



Series F (%)



Series O (%)



Series A, Advisor Series, Series D, Series F and Series O units have been available for sale to unitholders since March 10, 2014.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United States	56.0
United Kingdom	6.2
Japan	5.2
France	5.1
Switzerland	3.8
Taiwan	3.0
Belgium	2.7
South Africa	2.7
Denmark	2.6
India	2.6
Germany	2.3
Australia	1.9
Hong Kong	1.9
Ireland	1.5
Netherlands	0.8
Philippines	0.7
Cash/Other	1.0

Top 25 Holdings

	% of Net Asset Value
Amazon.com, Inc.	3.5
Intuit Inc.	3.4
International Flavors & Fragrances Inc.	3.3
ITC Holdings Corp.	3.3
UnitedHealth Group Incorporated	3.3
Danaher Corp.	3.3
EOG Resources Inc.	3.2
Estée Lauder Companies Inc., Class A	3.1
First Republic Bank	3.0
Alphabet Inc., Class A	3.0
TJX Companies Inc.	3.0
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	3.0
InBev N.V.	2.8
Naspers Ltd.	2.7
Roche Holdings AG Genusscheine	2.6
Novo Nordisk A/S	2.6
HDFC Bank Ltd. ADR	2.6
Pernod-Ricard S.A.	2.5
Safran S.A.	2.5
Amgen Inc.	2.4
Gartner Inc.	2.3
Cognizant Technology Solutions Corp., Class A	2.3
Deutsche Post AG	2.3
Blackstone Group LP	2.2
InterContinental Hotels Group Plc.	2.2
Top 25 Holdings	70.4

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.



GLOBAL EQUITY FUND

RBC GLOBAL EQUITY FOCUS FUND

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (UK) Limited, London, England

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in equity securities of a diversified mix of companies operating around the world and across a range of sectors. The Fund generally invests in fewer companies and has a more concentrated portfolio than other global equity funds.

To achieve the Fund's objectives, the portfolio manager uses primarily fundamental research to assess the economic outlook for regions around the world, including expected growth, market valuations and economic trends. The Fund may invest in American Depositary Receipts and may invest as much as 10% of its assets in units of other mutual funds managed by RBC GAM or an affiliate.

Results of Operations

The Fund's net asset value was \$1.9 billion as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 6.1%. 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 any other series, which may vary because of differences in management fees and expenses.

Early in the period, market returns were dominated by concerns about China and its ability to manage its capital markets. This was combined with the continuation of a rapidly falling oil price, which reached a low in mid-February. The fast turnaround in commodity and equity prices that followed was largely the result of central banks around the globe responding with a combination of asset purchases and interest-rate cuts, which in the case of Japan took official rates negative – much to the market's surprise. An indiscriminate rally followed in February until the end of the first quarter.

Towards the end of the period, the market focus was squarely on the U.K.'s referendum regarding its membership in the EU ("Brexit"), which caused considerable volatility in asset prices at the very end of the period. The Fund was not positioned specifically for either outcome but rather continued to focus on a diversified collection of global equities.

The Fund benefited from individual positions in the Information Technology, Consumer Discretionary and Financials sectors. Holdings in the Financials and Consumer Discretionary sectors had a negative impact on performance, albeit to a lesser extent.

Recent Developments

Although concerns over Brexit dominated the period, the sub-advisor is mindful that there are many more issues affecting the world's markets. Much of the world is struggling with negative interest rates and low growth in both GDP and wages. Geopolitical concerns are

still very apparent and will possibly be exacerbated by Brexit. As always, the sub-advisor looks to build a portfolio of companies with strong fundamentals that are leaders in their fields and which are well positioned to weather near-term turbulence and deliver strong risk-adjusted returns over the long term.

Effective June 30, 2016, management fees were reduced as follows: from 1.85% to 1.75% for Series A and Advisor Series units; from 1.10% to 1.00% for Series D units; and from 0.85% to 0.75% for Series F units. Also effective June 30, 2016, Series H and Series I units were closed to all investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

RBC Global Asset Management (UK) Limited is the sub-advisor and provides investment advice for the Fund.

Distributors

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

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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$26,000 (2015 – \$164,000) or 2% (2015 – 14%) of the total transaction costs paid for this Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016	13.37	0.18	(0.14)	0.12	(0.91)	(0.75)	—	—	—	—	—	12.55	
Dec. 31, 2015	11.17	0.21	(0.29)	0.62	1.87	2.41	—	(0.01)	(0.26)	—	(0.27)	13.37	
Dec. 31, 2014 ³	10.00 [†]	0.11	(0.16)	(0.15)	1.17	0.97	—	—	—	—	—	11.17	
Advisor Series													
June 30, 2016	13.37	0.18	(0.14)	0.12	(0.91)	(0.75)	—	—	—	—	—	12.55	
Dec. 31, 2015	11.17	0.22	(0.29)	0.64	1.91	2.48	—	(0.01)	(0.26)	—	(0.27)	13.37	
Dec. 31, 2014 ³	10.00 [†]	0.10	(0.16)	(0.15)	1.13	0.92	—	—	—	—	—	11.17	
Series D													
June 30, 2016	13.53	0.18	(0.09)	0.12	(0.93)	(0.72)	—	—	—	—	—	12.76	
Dec. 31, 2015	11.20	0.21	(0.17)	0.63	1.89	2.56	—	(0.01)	(0.26)	—	(0.27)	13.53	
Dec. 31, 2014 ³	10.00 [†]	0.11	(0.10)	(0.16)	1.20	1.05	—	(0.03)	—	—	(0.03)	11.20	
Series F													
June 30, 2016	13.56	0.18	(0.07)	0.12	(0.92)	(0.69)	—	—	—	—	—	12.80	
Dec. 31, 2015	11.21	0.21	(0.15)	0.61	1.82	2.49	—	(0.03)	(0.26)	—	(0.29)	13.56	
Dec. 31, 2014 ³	10.00 [†]	0.10	(0.08)	(0.14)	1.07	0.95	—	(0.05)	—	—	(0.05)	11.21	
Series O													
June 30, 2016	13.70	0.19	—	0.12	(0.94)	(0.63)	—	—	—	—	—	13.00	
Dec. 31, 2015	11.34	0.22	—	0.66	1.97	2.85	—	(0.18)	(0.27)	—	(0.45)	13.70	
Dec. 31, 2014 ⁴	9.95 [†]	0.24	—	(0.34)	2.63	2.53	—	(0.11)	—	—	(0.11)	11.34	

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From April 28, 2014.

⁴ From December 30, 2013. Although Series O units of the Fund were created in December 2013, units were not offered for sale under a simplified prospectus until April 28, 2014.

[†] Initial offering net asset value per unit.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	12.55	7 833	624	2.19⁴	2.19	33.82	0.19
Dec. 31, 2015	13.37	7 424	555	2.25	2.25	40.84	0.22
Dec. 31, 2014 ⁵	11.17	964	86	2.23	2.23	54.23	0.38
Advisor Series							
June 30, 2016	12.55	319	25	2.18⁴	2.18	33.82	0.19
Dec. 31, 2015	13.37	324	24	2.23	2.23	40.84	0.22
Dec. 31, 2014 ⁵	11.17	152	14	2.27	2.27	54.23	0.38
Series D							
June 30, 2016	12.76	2 366	185	1.36⁴	1.36	33.82	0.19
Dec. 31, 2015	13.53	2 590	191	1.35	1.35	40.84	0.22
Dec. 31, 2014 ⁵	11.20	338	30	1.38	1.38	54.23	0.38
Series F							
June 30, 2016	12.80	4 744	371	1.11⁴	1.11	33.82	0.19
Dec. 31, 2015	13.56	2 641	195	1.11	1.11	40.84	0.22
Dec. 31, 2014 ⁵	11.21	426	38	1.13	1.13	54.23	0.38
Series O							
June 30, 2016	13.00	1 862 296	143 265	0.02	0.02	33.82	0.19
Dec. 31, 2015	13.70	1 766 859	128 980	0.02	0.02	40.84	0.22
Dec. 31, 2014 ⁶	11.34	1 050 728	92 674	0.02	0.02	n/a	0.38

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 2.09%, Advisor Series – 2.08%, Series D – 1.25% and Series F – 1.00%.

⁵ From April 28, 2014.

⁶ From December 30, 2013. Although Series O units of the Fund were created in December 2013, units were not offered for sale under a simplified prospectus until April 28, 2014.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.75%	54%	46%
Advisor Series	1.75%	54%	46%
Series D	1.00%	23%	77%
Series F	0.75%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, trustee, 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.



Series D (%)



Series F (%)



Series O (%)



Series A, Advisor Series, Series D, Series F and Series O units have been available for sale to unitholders since April 28, 2014.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United States	58.8
France	6.6
United Kingdom	5.0
India	3.8
South Africa	3.3
Japan	3.2
Belgium	3.1
Germany	3.1
Switzerland	3.1
Denmark	2.9
Taiwan	2.4
Hong Kong	1.9
Ireland	1.8
Cash/Other	1.0

Top 25 Holdings

	% of Net Asset Value
TJX Companies Inc.	4.1
Danaher Corp.	4.1
Intuit Inc.	4.0
First Republic Bank	3.9
EOG Resources Inc.	3.9
International Flavors & Fragrances Inc.	3.9
UnitedHealth Group Incorporated	3.8
HDFC Bank Ltd. ADR	3.8
Pernod-Ricard S.A.	3.4
Amazon.com, Inc.	3.4
Naspers Ltd.	3.3
Estée Lauder Companies Inc., Class A	3.3
ITC Holdings Corp.	3.3
Safran S.A.	3.2
Deutsche Post AG	3.1
Blackstone Group LP	3.1
Roche Holdings AG Genusscheine	3.1
InBev N.V.	3.1
Cognizant Technology Solutions Corp., Class A	3.0
Alphabet Inc., Class A	3.0
Novo Nordisk A/S	2.9
Amgen Inc.	2.8
InterContinental Hotels Group Plc.	2.7
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	2.4
Gartner Inc.	2.4
Top 25 Holdings	83.0

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



GLOBAL EQUITY FUND

RBC QUBE GLOBAL EQUITY FUND

June 30, 2016

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

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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 throughout the world using a quantitative investment approach.

The Fund is managed using a quantitative investment model designed to select individual stocks while controlling portfolio-level risk. This involves building a portfolio that maximizes exposure to factors associated with outperformance, while controlling for exposure to risk factors. The portfolio manager will diversify across industries within the global market.

Results of Operations

The Fund's net asset value was \$400 million as of June 30, 2016.

Over the past six months, the Fund's Series O units lost 9.3%. The Fund's return is after the deduction of expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

Global equity markets fell during the period, with all of the declines coming during the first quarter, amid concern about global economic weakness. Stocks recovered somewhat in the second quarter before the U.K. voted to leave the EU ("Brexit"), which pushed stocks back down.

The Information Technology sector was the largest contributor to relative Fund performance as positive absolute returns from key overweight positions in IBM and Accenture were additive in an otherwise poorly performing sector. The Consumer Staples sector was also among the largest contributors to the Fund's relative returns during the period as a result of a combination of asset weighting and security selection. The Fund's overweight position in American global food processor Archer-Daniels-Midland was among the key contributors.

Financials was the weakest-performing sector over the period, as challenging economic conditions were worsened by the U.K. referendum. Insurance companies had the most negative impact on performance, with Direct Line and NN Group among companies that declined sharply. The Consumer Discretionary sector also weighed on performance as global retailers such as Nordstrom and Target experienced weakness.

Portfolio turnover is normally high for this Fund given the portfolio manager's model-driven investment process.

Recent Developments

Slow economic growth and heightened levels of uncertainty are creating a challenging environment for investors. While the overall backdrop seems slightly less murky than a quarter ago, the list of threats to the economy and capital markets remains extensive and clustered to the downside. Profit growth has yet to recover, although there are signs that earnings may now be stabilizing, and the geopolitical and financial risks on the horizon are varied. Most prominent of late was the Brexit vote, which has created risks in financial conditions in the near term and political developments in the longer term. Globally, the prospect of better growth over the second half of 2016 and into 2017 now appears much less certain, in the portfolio manager's view.

Effective June 30, 2016, management fees were reduced as follows: from 1.85% to 1.75% for Series A and Advisor Series units; from 1.10% to 1.00% for Series D units; and from 0.85% to 0.75% for Series F units.

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Registrars

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Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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

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Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series O												
June 30, 2016	12.98	0.20	—	0.04	(1.41)	(1.17)	—	—	—	—	—	11.77
Dec. 31, 2015	12.56	0.52	—	1.63	0.45	2.60	—	(0.53)	(1.64)	—	(2.17)	12.98
Dec. 31, 2014	11.68	0.43	—	0.91	0.67	2.01	—	(0.36)	(0.80)	—	(1.16)	12.56
Dec. 31, 2013 ³	10.00 [†]	0.10	—	0.21	1.99	2.30	—	(0.05)	(0.12)	—	(0.17)	11.68

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From June 28, 2013.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series O							
June 30, 2016	11.77	400 128	34 001	0.02	0.02	115.05	0.09
Dec. 31, 2015	12.98	440 187	33 921	0.02	0.02	95.03	0.08
Dec. 31, 2014	12.56	365 354	29 083	0.02	0.02	110.16	0.11
Dec. 31, 2013 ⁴	11.68	236 478	20 247	0.02	0.02	37.64	0.23

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

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

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

⁴ From June 28, 2013.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. No management fees are paid by the Fund with respect to 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.



Series O units have been available for sale to unitholders since June 28, 2013.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United States	63.9
Japan	9.4
France	5.9
United Kingdom	3.4
Australia	3.1
Switzerland	2.6
Denmark	2.5
Netherlands	1.8
Other Countries	8.5
Cash/Other	(1.1)

Top 25 Holdings

	% of Net Asset Value
Johnson & Johnson	3.4
Philip Morris International Inc.	3.0
General Electric Company	2.8
Amgen Inc.	2.6
Amazon.com, Inc.	2.4
Swiss Re AG	2.3
The Procter & Gamble Co.	2.2
Home Depot Inc.	2.1
Intel Corp.	2.0
American International Group Inc.	1.9
Citigroup Inc.	1.7
Nippon Telegraph & Telephone Corp.	1.6
Nvidia Corp.	1.6
Altria Group Inc.	1.6
NN Group N.V.	1.6
eBay Inc.	1.6
HP Inc.	1.5
LyondellBasell Industries N.V.	1.4
Alphabet Inc., Class C	1.3
Delta Air Lines Inc.	1.3
Total S.A.	1.3
Scentre Group Real Estate Investment Trust	1.3
Vestas Wind Systems A/S	1.3
AmerisourceBergen Corp.	1.3
Daiichi Sankyo Co. Ltd.	1.2
Top 25 Holdings	46.3

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.



GLOBAL EQUITY FUND

**RBC QUBE LOW VOLATILITY
GLOBAL EQUITY FUND**

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in equity securities of global companies using a quantitative approach. The Fund seeks to achieve a reduced level of volatility of returns compared with the broader global equity market.

The Fund is managed using a quantitative investment model designed to select individual stocks while controlling portfolio-level risk.

This involves building a portfolio that maximizes exposure to factors associated with outperformance, while controlling for exposure to risk factors. The portfolio manager will diversify across industries within the global market.

Results of Operations

The Fund's net asset value was \$613 million as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 2.4%. 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 any other series, which may vary because of differences in management fees and expenses.

Global equity markets fell during the period, with all of the declines coming during the first quarter, amid concern about global economic weakness. Stocks recovered somewhat in the second quarter before the U.K. voted to leave the EU ("Brexit"), which pushed stocks back down.

The Utilities sector was the largest contributor to the Fund's returns during the period, and also accounted for the largest sector overweight position. The Utilities sector benefited especially from cash distributions, which are more attractive in the current low-yield environment. The Fund's overweight positions in Consolidated Edison and NextEra Energy were among the largest contributors to performance. Materials was also among the Fund's best-performing sectors, as metals and mining stocks rose amid gains in the price of gold. Franco-Nevada was the Fund's largest holding in the area and was the largest contributor to the Fund's performance.

Financials was the weakest-performing sector over the period, as challenging economic conditions were worsened by the U.K. referendum. Insurance companies had the most negative impact on performance, with Everest Re Group and XL Group among companies that declined sharply. Heath Care was also among the Fund's weakest-performing sectors. AmerisourceBergen and Cardinal Health, which are pharmacy benefit managers, were among the key contributors to negative returns.

Recent Developments

Slow economic growth and heightened levels of uncertainty are creating a challenging environment for investors. While the overall backdrop seems slightly less murky than a quarter ago, the list of threats to the economy and capital markets remains extensive and clustered to the downside. Profit growth has yet to recover, although there are signs that earnings may now be stabilizing, and the geopolitical and financial risks on the horizon are varied. Most prominent of late was the Brexit vote, which has created risks in financial conditions in the near term and political developments in the longer term. Globally, the prospect of better growth over the second half of 2016 and into 2017 now appears much less certain in the portfolio manager's view.

Effective June 30, 2016, management fees were reduced as follows: from 1.85% to 1.75% for Series A, Advisor Series and Series T5 units; from 1.10% to 1.00% for Series D units; and from 0.85% to 0.75% for Series F and Series FT5 units. Also effective June 30, 2016, Series H and Series I units were closed to all investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, Series T5 and Series D units.

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 units of the Fund.



Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$1,000 (2015 – \$0) or 1% (2015 – 0%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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		
Series A												
June 30, 2016	17.01	0.24	(0.18)	0.33	0.14	0.53	—	—	—	—	—	17.42
Dec. 31, 2015	14.48	0.44	(0.35)	0.70	1.90	2.69	—	—	(0.27)	—	(0.27)	17.01
Dec. 31, 2014	12.32	0.34	(0.30)	0.86	1.63	2.53	—	(0.02)	(0.28)	—	(0.30)	14.48
Dec. 31, 2013	9.99	0.20	(0.25)	0.07	1.32	1.34	—	(0.01)	(0.08)	—	(0.09)	12.32
Dec. 31, 2012 ³	10.00 [†]	0.02	(0.01)	0.01	0.01	0.03	(0.03)	—	—	—	(0.03)	9.99
Advisor Series												
June 30, 2016	17.00	0.24	(0.19)	0.33	0.14	0.52	—	—	—	—	—	17.41
Dec. 31, 2015	14.48	0.43	(0.36)	0.69	1.87	2.63	—	—	(0.27)	—	(0.27)	17.00
Dec. 31, 2014	12.32	0.35	(0.29)	0.88	1.66	2.60	—	(0.03)	(0.28)	—	(0.31)	14.48
Dec. 31, 2013	9.99	0.20	(0.25)	0.07	1.31	1.33	—	(0.01)	(0.08)	—	(0.09)	12.31
Dec. 31, 2012 ³	10.00 [†]	0.02	(0.01)	0.01	0.01	0.03	(0.03)	—	—	—	(0.03)	9.99
Series T5												
June 30, 2016⁴	16.71[†]	0.20	(0.16)	0.27	0.12	0.43	—	(0.36)	—	—	(0.36)	17.05
Series D												
June 30, 2016	17.20	0.24	(0.11)	0.34	0.15	0.62	—	—	—	—	—	17.69
Dec. 31, 2015	14.62	0.45	(0.22)	0.72	1.95	2.90	—	(0.12)	(0.27)	—	(0.39)	17.20
Dec. 31, 2014	12.38	0.34	(0.18)	0.87	1.64	2.67	—	(0.09)	(0.28)	—	(0.37)	14.62
Dec. 31, 2013	9.99	0.21	(0.16)	0.08	1.41	1.54	—	(0.05)	(0.08)	—	(0.13)	12.38
Dec. 31, 2012 ³	10.00 [†]	0.02	—	0.01	0.01	0.04	(0.03)	—	—	—	(0.03)	9.99
Series F												
June 30, 2016	17.19	0.24	(0.09)	0.33	0.15	0.63	—	—	—	—	—	17.69
Dec. 31, 2015	14.60	0.45	(0.17)	0.72	1.95	2.95	—	(0.16)	(0.27)	—	(0.43)	17.19
Dec. 31, 2014	12.42	0.36	(0.15)	0.90	1.71	2.82	—	(0.19)	(0.28)	—	(0.47)	14.60
Dec. 31, 2013	10.00	0.19	(0.13)	0.07	1.25	1.38	—	(0.04)	(0.08)	—	(0.12)	12.42
Dec. 31, 2012 ³	10.00 [†]	0.02	—	0.01	0.01	0.04	(0.03)	—	—	—	(0.03)	10.00
Series FT5												
June 30, 2016⁴	16.90[†]	0.19	(0.08)	0.26	0.11	0.48	—	(0.36)	—	—	(0.36)	17.33



FINANCIAL HIGHLIGHTS (cont.)

Change in Net Assets Per Unit (\$) (cont.)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					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	Total	
Series O												
June 30, 2016	17.25	0.24	—	0.34	0.15	0.73	—	—	—	—	—	17.86
Dec. 31, 2015	14.66	0.46	—	0.73	1.97	3.16	—	(0.34)	(0.28)	—	(0.62)	17.25
Dec. 31, 2014	12.42	0.35	—	0.89	1.69	2.93	—	(0.28)	(0.29)	—	(0.57)	14.66
Dec. 31, 2013	10.00	0.30	—	0.11	2.02	2.43	—	(0.16)	(0.08)	—	(0.24)	12.42
Dec. 31, 2012 ³	10.00 [†]	0.02	—	0.01	0.01	0.04	(0.04)	—	—	—	(0.04)	10.00

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From December 17, 2012.

⁴ From January 25, 2016.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	17.42	133 209	7 645	2.17⁴	2.17	55.46	0.07
Dec. 31, 2015	17.01	88 701	5 213	2.20	2.20	35.60	0.08
Dec. 31, 2014	14.48	24 317	1 679	2.21	2.21	60.53	0.07
Dec. 31, 2013	12.32	6 632	538	2.13	2.13	22.39	0.14
Dec. 31, 2012 ⁵	9.99	1	—	2.10	2.10	—	0.06
Advisor Series							
June 30, 2016	17.41	26 549	1 525	2.22⁴	2.22	55.46	0.07
Dec. 31, 2015	17.00	17 809	1 047	2.23	2.23	35.60	0.08
Dec. 31, 2014	14.48	3 409	235	2.20	2.20	60.53	0.07
Dec. 31, 2013	12.32	1 908	155	2.13	2.13	22.39	0.14
Dec. 31, 2012 ⁵	9.99	1	—	2.10	2.10	—	0.06
Series T5							
June 30, 2016⁶	17.05	498	29	2.26⁴	2.26	55.46	0.07
Series D							
June 30, 2016	17.69	48 376	2 734	1.34⁴	1.34	55.46	0.07
Dec. 31, 2015	17.20	38 261	2 224	1.35	1.35	35.60	0.08
Dec. 31, 2014	14.62	14 227	973	1.34	1.34	60.53	0.07
Dec. 31, 2013	12.38	3 798	307	1.33	1.33	22.39	0.14
Dec. 31, 2012 ⁵	9.99	1	—	1.31	1.31	—	0.06
Series F							
June 30, 2016	17.69	24 236	1 370	1.11⁴	1.11	55.46	0.07
Dec. 31, 2015	17.19	11 507	669	1.07	1.07	35.60	0.08
Dec. 31, 2014	14.60	3 751	257	1.11	1.11	60.53	0.07
Dec. 31, 2013	12.42	3 028	244	1.07	1.07	22.39	0.14
Dec. 31, 2012 ⁵	10.00	1	—	1.05	1.05	—	0.06
Series FT5							
June 30, 2016⁶	17.33	127	7	1.13⁴	1.13	55.46	0.07



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data (cont.)

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series O							
June 30, 2016	17.86	380 205	21 293	0.02	0.02	55.46	0.07
Dec. 31, 2015	17.25	279 059	16 177	0.02	0.02	35.60	0.08
Dec. 31, 2014	14.66	112 300	7 659	0.02	0.02	60.53	0.07
Dec. 31, 2013	12.42	64 089	5 160	0.03	0.03	22.39	0.14
Dec. 31, 2012 ⁵	10.00	3 005	301	0.01	0.01	—	0.06

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 2.06%, Advisor Series – 2.11%, Series T5 – 2.15%, Series D – 1.24%, Series F – 1.00% and Series FT5 – 1.02%.

⁵ From December 17, 2012.

⁶ From January 25, 2016.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.75%	54%	46%
Advisor Series	1.75%	54%	46%
Series T5	1.75%	54%	46%
Series D	1.00%	23%	77%
Series F	0.75%	—	100%
Series FT5	0.75%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, trustee, 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.



Series D (%)



Series F (%)



Series FT5 (%)



Series O (%)



Series T5 and Series FT5 units have been available for sale to unitholders since January 25, 2016, Series A, Advisor Series, Series D and Series F units since April 8, 2013, and Series O units since January 18, 2013.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United States	63.5
Japan	9.9
Hong Kong	4.6
Switzerland	3.8
Canada	3.3
Israel	2.5
Belgium	2.3
United Kingdom	2.3
Australia	2.2
Singapore	1.6
Spain	1.4
Other Countries	2.3
Cash/Other	0.3

Top 25 Holdings

	% of Net Asset Value
General Mills Inc.	3.2
AT&T Inc.	3.1
PepsiCo Inc.	3.0
Johnson & Johnson	3.0
The Coca-Cola Co.	2.8
CLP Holdings Ltd.	2.7
Philip Morris International Inc.	2.2
Consolidated Edison Inc.	2.1
Verizon Communications Inc.	2.0
Republic Services Inc.	1.9
Stryker Corp.	1.9
Everest Re Group Ltd.	1.9
Southern Co.	1.9
Honeywell International Inc.	1.8
NTT DoCoMo Inc.	1.7
Berkshire Hathaway Inc., Class B	1.7
NextEra Energy Inc.	1.5
Sysco Corp.	1.5
Iberdrola S.A.	1.4
Cardinal Health Inc.	1.3
Bank Hapoalim Ltd.	1.3
RenaissanceRe Holdings Ltd.	1.3
Dexus Property Group Real Estate Investment Trust	1.3
Swiss Re AG	1.2
Duke Energy Corp.	1.2
Top 25 Holdings	48.9

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



GLOBAL EQUITY FUND

RBC JANTZI GLOBAL EQUITY FUND

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (UK) Limited, London, England
(for the European equity portion of the Fund)

Sub-Advisor: RBC Investment Management (Asia) Limited, Hong Kong, China
(for the Asian equity portion of the Fund)

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund provides the potential for long-term capital growth to investors seeking exposure to “socially responsible investing.” Investments that qualify for inclusion in the portfolio must possess strong environmental, social and governance practices relative to industry peers, as defined by Sustainalytics Best-of-Sector™ methodology.

The Fund invests primarily in equity securities of companies throughout the world and may use derivatives for hedging purposes.

Results of Operations

The Fund's net asset value was \$36 million as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 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 any other series, which may vary because of differences in management fees and expenses.

Global equity markets in the developed world were subject to significant fluctuations over the first half of 2016, driven by slowing emerging markets, big swings in commodity prices and falling government-bond yields. Following on a weak first quarter to the year, major equity markets rebounded as global growth prospects improved. U.S. markets advanced with other developed markets, while Asian markets did not respond as favourably. All 10 global equity sectors gained during the quarter ended June 30. The best-performing market sector was Energy, followed by Utilities, while the worst-performing sectors over the past six months were Financials, Consumer Discretionary and Health Care.

European markets underperformed during the first half of 2016 amid sluggish Eurozone growth and investor concern about the possibility that the U.K. would decide to leave the EU in a June referendum. In Asia, equity markets rebounded, led by sectors that perform well when economic growth is expected to quicken. Gains were fuelled by a recovery in commodity and oil prices, stimulus measures from central banks and expectations of a slower pace of rate hikes by the U.S. Federal Reserve (the “Fed”).

The Fund benefited from stock selection in the Health Care and Utilities sectors, offset by holdings in the Energy and Information Technology sectors.

Holdings that had a positive impact on performance were U.S. utility company NiSource; consumer-products company Kimberly-Clark; Brambles, an Australian company that rents containers and pallets to shippers; and U.S. telecommunications company AT&T. Stocks that had a negative impact on performance were Devon Energy, Goldman Sachs, Morgan Stanley and Delta Airlines.

Sustainalytics completed a semi-annual review of the holdings in the Fund. Eligibility for the Fund was determined in relation to the environmental, social and governance (“ESG”) criteria developed by Sustainalytics for the Jantzi Social Index. In the opinion of Sustainalytics, all holdings in the Fund were eligible based on the above criteria as of June 30, 2016. However, during the first half of the year, three companies were removed from the Fund as they no longer met certain ESG criteria.

Portfolio turnover is normally high for the Fund, as the portfolio manager attempts to generate better returns through active sector and stock selection.

Recent Developments

The portfolio manager anticipates a slower-than-expected global recovery, making it more difficult for the Fed to embark on its plan to begin raising interest rates. While higher short-term rates could cause stocks to fall at some point, equities remain attractive in the longer term. This is especially so for equities in the U.S., where the Fund has the most assets. In an environment of stable growth and modest inflation, the portfolio manager expects corporations to continue to boost earnings and push stocks higher. Currency fluctuations may remain a key factor in regional performance, as the strong U.S. dollar puts pressure on domestic revenue growth and the weak euro and yen support recoveries in Europe and Japan. Britain's decision to leave the EU could also negatively affect share prices.

Effective June 30, 2016, management fees were reduced from 1.85% to 1.75% for Series A and Advisor Series units. Also effective June 30, 2016, Series I units were closed to all investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisors

RBC Global Asset Management (UK) Limited and RBC Investment Management (Asia) Limited are the sub-advisors and provide investment advice for the Fund.

™ Best-of-Sector is a trademark of Sustainalytics. Used under licence.



Distributors

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

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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$0 (2015 – \$1,000) or 0% (2015 – 4%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	11.79	0.13	(0.12)	(0.27)	(0.61)	(0.87)	—	—	—	—	—	10.89
Dec. 31, 2015	10.98	0.27	(0.27)	0.99	0.50	1.49	—	—	(0.87)	—	(0.87)	11.79
Dec. 31, 2014	10.67	0.21	(0.25)	2.18	(0.84)	1.30	—	—	(0.99)	—	(0.99)	10.98
Dec. 31, 2013	7.87	0.21	(0.21)	0.90	1.91	2.81	—	(0.01)	—	—	(0.01)	10.67
Dec. 31, 2012	7.08	0.17	(0.17)	0.31	0.47	0.78	—	—	—	—	—	7.87
Dec. 31, 2011	7.48	0.16	(0.16)	0.05	(0.45)	(0.40)	—	—	—	—	—	7.08
Advisor Series												
June 30, 2016	11.84	0.14	(0.12)	(0.27)	(0.61)	(0.86)	—	—	—	—	—	10.95
Dec. 31, 2015	11.02	0.27	(0.28)	0.99	0.50	1.48	—	—	(0.88)	—	(0.88)	11.84
Dec. 31, 2014	10.70	0.21	(0.25)	2.18	(0.84)	1.30	—	—	(0.97)	—	(0.97)	11.02
Dec. 31, 2013	7.89	0.21	(0.21)	0.90	1.90	2.80	—	(0.01)	—	—	(0.01)	10.70
Dec. 31, 2012	7.10	0.17	(0.17)	0.31	0.47	0.78	—	—	—	—	—	7.89
Dec. 31, 2011	7.49	0.16	(0.16)	0.05	(0.45)	(0.40)	—	—	—	—	—	7.10
Series D												
June 30, 2016	12.44	0.14	(0.07)	(0.29)	(0.64)	(0.86)	—	—	—	—	—	11.55
Dec. 31, 2015	11.55	0.28	(0.17)	1.03	0.52	1.66	—	(0.07)	(0.93)	—	(1.00)	12.44
Dec. 31, 2014	11.11	0.22	(0.15)	2.29	(0.88)	1.48	—	—	(1.03)	—	(1.03)	11.55
Dec. 31, 2013	8.16	0.21	(0.13)	0.92	1.95	2.95	—	(0.07)	—	—	(0.07)	11.11
Dec. 31, 2012	7.28	0.18	(0.10)	0.32	0.49	0.89	—	—	—	—	—	8.16
Dec. 31, 2011	7.61	0.16	(0.09)	0.06	(0.46)	(0.33)	—	—	—	—	—	7.28
Series F												
June 30, 2016	12.72	0.15	(0.06)	(0.29)	(0.66)	(0.86)	—	—	—	—	—	11.83
Dec. 31, 2015	11.84	0.29	(0.13)	1.06	0.53	1.75	—	(0.07)	(1.03)	—	(1.10)	12.72
Dec. 31, 2014	11.36	0.22	(0.12)	2.31	(0.89)	1.52	—	—	(1.05)	—	(1.05)	11.84
Dec. 31, 2013	8.34	0.22	(0.10)	0.96	2.04	3.12	—	(0.10)	—	—	(0.10)	11.36
Dec. 31, 2012	7.42	0.18	(0.08)	0.32	0.50	0.92	—	—	—	—	—	8.34
Dec. 31, 2011	7.74	0.17	(0.08)	0.06	(0.46)	(0.31)	—	—	—	—	—	7.42

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	10.89	21 418	1 966	2.24⁴	2.25	284.49	0.09
Dec. 31, 2015	11.79	22 404	1 900	2.24	2.25	436.89	0.17
Dec. 31, 2014	10.98	16 994	1 548	2.24	2.25	379.51	0.27
Dec. 31, 2013	10.67	13 797	1 293	2.26	2.26	119.88	0.14
Dec. 31, 2012	7.87	9 058	1 151	2.28	2.28	135.99	0.21
Dec. 31, 2011	7.08	8 407	1 187	2.30	2.30	161.92	0.32
Advisor Series							
June 30, 2016	10.95	5 397	493	2.23⁴	2.24	284.49	0.09
Dec. 31, 2015	11.84	5 685	480	2.24	2.25	436.89	0.17
Dec. 31, 2014	11.02	3 534	321	2.26	2.27	379.51	0.27
Dec. 31, 2013	10.70	2 496	233	2.27	2.27	119.88	0.14
Dec. 31, 2012	7.89	896	114	2.26	2.26	135.99	0.21
Dec. 31, 2011	7.10	776	109	2.29	2.29	161.92	0.32
Series D							
June 30, 2016	11.55	5 010	434	1.27	1.28	284.49	0.09
Dec. 31, 2015	12.44	5 273	424	1.28	1.29	436.89	0.17
Dec. 31, 2014	11.55	2 723	236	1.29	1.30	379.51	0.27
Dec. 31, 2013	11.11	2 587	233	1.31	1.31	119.88	0.14
Dec. 31, 2012	8.17	441	54	1.32	1.32	135.99	0.21
Dec. 31, 2011	7.28	269	37	1.33	1.33	161.92	0.32
Series F							
June 30, 2016	11.83	3 711	314	1.00	1.01	284.49	0.09
Dec. 31, 2015	12.72	2 949	232	0.98	0.99	436.89	0.17
Dec. 31, 2014	11.84	1 444	122	1.01	1.02	379.51	0.27
Dec. 31, 2013	11.36	395	35	0.99	0.99	119.88	0.14
Dec. 31, 2012	8.34	220	26	1.04	1.04	135.99	0.21
Dec. 31, 2011	7.42	268	36	1.07	1.07	161.92	0.32

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 2.13% and Advisor Series – 2.12%.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.75%	62%	38%
Advisor Series	1.75%	62%	38%
Series D	1.00%	25%	75%
Series F	0.75%	—	100%

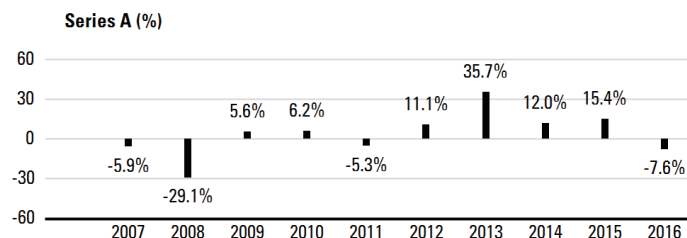
* Includes all costs related to management, trustee, investment advisory services, general administration and profit.

PAST PERFORMANCE

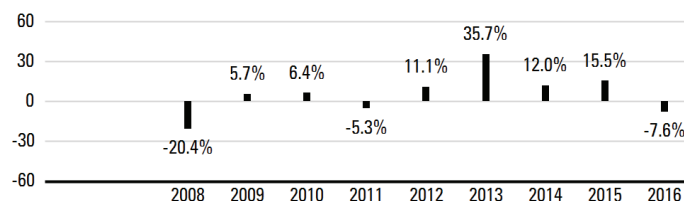
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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 (%)

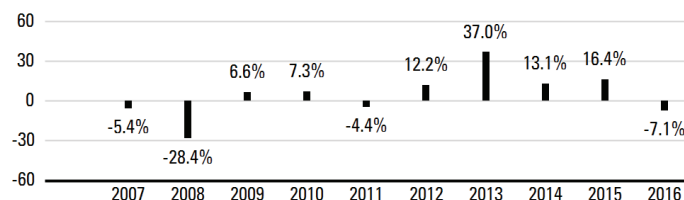
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



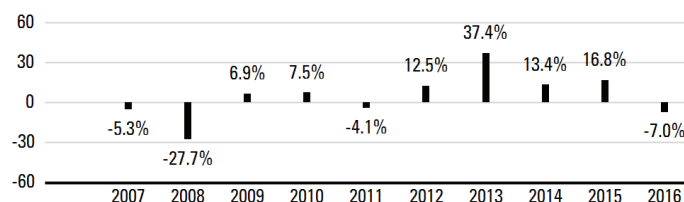
Advisor Series (%)



Series D (%)



Series F (%)



Advisor Series units have been available for sale to unitholders since January 21, 2008, and Series A, Series D and Series F units since July 3, 2007.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United States	62.1
Japan	7.7
United Kingdom	4.9
Germany	3.9
Denmark	3.8
Switzerland	3.5
Australia	3.3
Netherlands	2.3
Other Countries	6.7
Cash/Other	1.8

Top 25 Holdings

	% of Net Asset Value
Microsoft Corp.	2.0
Apple Inc.	1.9
NiSource Inc.	1.9
The Procter & Gamble Co.	1.8
Cash & Cash Equivalents	1.8
UnitedHealth Group Incorporated	1.7
Schlumberger Ltd.	1.7
Pfizer Inc.	1.6
PepsiCo Inc.	1.6
The Coca-Cola Co.	1.6
Novo Nordisk A/S	1.6
InBev N.V.	1.5
General Electric Company	1.5
TJX Companies Inc.	1.4
Roche Holdings AG Genusscheine	1.4
Honeywell International Inc.	1.4
Accenture Plc., Class A	1.4
Christian Hansen Holding A/S	1.3
CSL Ltd.	1.3
Masco Corp.	1.3
Alphabet Inc., Class A	1.3
Henkel KGaA, Preferred Non-Voting	1.2
Brambles Ltd.	1.2
Relx N.V.	1.2
Visa Inc., Class A	1.2
Top 25 Holdings	37.8

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.



GLOBAL EQUITY FUND

**RBC O'SHAUGHNESSY
GLOBAL EQUITY FUND**

June 30, 2016

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

Sub-Advisor: O'Shaughnessy Asset Management, L.L.C., Stamford, Connecticut

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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.

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MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term total returns consisting of capital growth and current income by investing primarily in equity securities of companies throughout the world based on Strategy Indexing®, an investment portfolio management model developed in 1995 by Jim O'Shaughnessy.

To achieve its objective, the Fund selects securities with the most attractive valuations based on a variety of measures, including a company's market capitalization ratios and financial statement metrics. The Fund also selects securities with the most consistently strong stock price momentum based on a number of measures, including six-month total return and nine-month total return. The Fund does not hedge currency exposure back to Canadian dollars.

Results of Operations

The Fund's net asset value was \$87 million as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 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 any other series, which may vary because of differences in management fees and expenses.

North American stock markets rose during the first half of the year after a weak start to 2016, with Canadian equities leading the way as commodity prices recovered from significant declines in 2015 and early 2016. Developed markets in Europe and Asia delivered mixed results, fluctuating significantly in the lead-up to and after the U.K.'s late-June decision to leave the EU.

An overweight allocation to value and momentum stocks held back Fund returns during the period. A slight overweight allocation to high-yielding stocks also contributed to performance, as did higher exposure to smaller-cap stocks.

Security selection in the Consumer Staples sector, as well as overweight allocations to the Energy and Utilities sectors, contributed to Fund performance. This was offset by the negative impact of stock selection in the Industrials, Materials and Energy sectors. Daihatsu Motor, Lion Corp. and Nippon Telephone & Telegraph were the largest individual contributors to returns. Stocks that had the most negative impact on performance were Marathon Petroleum, Valero Energy and American Airlines.

Security selection in the U.S. and an underweight allocation to that country hurt relative returns. Security selection in the U.K., as well as an overweight allocation to Japan, also held back performance. Security selection in Japan and Switzerland contributed to performance, as did overweight allocations to New Zealand and Brazil.

Recent Developments

Due to the Fund's investment process and market conditions over the course of the first half of 2016, the sub-advisor has decreased allocations to the Energy and Consumer Discretionary sectors and increased allocations to Industrials and Consumer Staples stocks.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

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- (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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series A												
June 30, 2016	9.35	0.16	(0.10)	0.23	(1.24)	(0.95)	—	—	—	—	—	8.41
Dec. 31, 2015	7.94	0.34	(0.20)	0.85	0.61	1.60	—	(0.14)	—	—	(0.14)	9.35
Dec. 31, 2014	7.77	0.25	(0.18)	1.33	(1.16)	0.24	—	(0.06)	—	—	(0.06)	7.94
Dec. 31, 2013	5.58	0.20	(0.15)	1.09	1.11	2.25	—	(0.05)	—	—	(0.05)	7.77
Dec. 31, 2012	4.99	0.20	(0.12)	(0.21)	0.83	0.70	—	(0.16)	—	—	(0.16)	5.58
Dec. 31, 2011	5.85	0.27	(0.12)	0.31	(1.13)	(0.67)	—	(0.15)	—	—	(0.15)	4.99
Advisor Series												
June 30, 2016	9.34	0.16	(0.09)	0.23	(1.24)	(0.94)	—	—	—	—	—	8.41
Dec. 31, 2015	7.94	0.34	(0.20)	0.85	0.61	1.60	—	(0.14)	—	—	(0.14)	9.34
Dec. 31, 2014	7.77	0.25	(0.18)	1.33	(1.16)	0.24	—	(0.07)	—	—	(0.07)	7.94
Dec. 31, 2013	5.58	0.20	(0.15)	1.09	1.11	2.25	—	(0.05)	—	—	(0.05)	7.77
Dec. 31, 2012	4.98	0.20	(0.12)	(0.21)	0.83	0.70	—	(0.16)	—	—	(0.16)	5.58
Dec. 31, 2011	5.87	0.27	(0.12)	0.31	(1.12)	(0.66)	—	(0.17)	—	—	(0.17)	4.98
Series D												
June 30, 2016	9.39	0.16	(0.06)	0.23	(1.25)	(0.92)	—	—	—	—	—	8.49
Dec. 31, 2015	7.98	0.34	(0.12)	0.86	0.62	1.70	—	(0.22)	—	—	(0.22)	9.39
Dec. 31, 2014	7.82	0.25	(0.11)	1.34	(1.17)	0.31	—	(0.14)	—	—	(0.14)	7.98
Dec. 31, 2013	5.58	0.20	(0.09)	1.09	1.11	2.31	—	(0.07)	—	—	(0.07)	7.82
Dec. 31, 2012	4.98	0.20	(0.07)	(0.21)	0.84	0.76	—	(0.20)	—	—	(0.20)	5.58
Dec. 31, 2011	5.85	0.27	(0.08)	0.31	(1.13)	(0.63)	—	(0.20)	—	—	(0.20)	4.98
Series F												
June 30, 2016	9.40	0.16	(0.05)	0.23	(1.25)	(0.91)	—	—	—	—	—	8.51
Dec. 31, 2015	7.99	0.34	(0.10)	0.85	0.62	1.71	—	(0.25)	—	—	(0.25)	9.40
Dec. 31, 2014	7.84	0.25	(0.09)	1.35	(1.18)	0.33	—	(0.17)	—	—	(0.17)	7.99
Dec. 31, 2013	5.62	0.20	(0.07)	1.10	1.12	2.35	—	(0.12)	—	—	(0.12)	7.84
Dec. 31, 2012	5.05	0.20	(0.06)	(0.21)	0.84	0.77	—	(0.26)	—	—	(0.26)	5.62
Dec. 31, 2011	5.97	0.27	(0.06)	0.31	(1.15)	(0.63)	—	(0.25)	—	—	(0.25)	5.05
Series O												
June 30, 2016	10.55	0.18	—	0.26	(1.41)	(0.97)	—	—	—	—	—	9.60
Dec. 31, 2015	8.97	0.39	—	0.99	0.71	2.09	—	(0.40)	—	—	(0.40)	10.55
Dec. 31, 2014	8.78	0.28	—	1.52	(1.33)	0.47	—	(0.28)	—	—	(0.28)	8.97
Dec. 31, 2013	6.29	0.22	—	1.24	1.26	2.72	—	(0.22)	—	—	(0.22)	8.78
Dec. 31, 2012	5.57	0.21	—	(0.23)	0.90	0.88	—	(0.30)	—	—	(0.30)	6.29
Dec. 31, 2011	6.53	0.30	—	0.34	(1.27)	(0.63)	—	(0.29)	—	—	(0.29)	5.57

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	8.41	68 772	8 178	2.25	2.25	76.46	0.11
Dec. 31, 2015	9.35	81 469	8 716	2.25	2.25	78.52	0.13
Dec. 31, 2014	7.94	77 293	9 730	2.25	2.25	89.77	0.13
Dec. 31, 2013	7.77	77 644	9 992	2.26	2.26	82.15	0.13
Dec. 31, 2012	5.58	55 985	10 032	2.26	2.26	83.07	0.17
Dec. 31, 2011	4.99	58 004	11 624	2.26	2.26	94.51	0.19
Advisor Series							
June 30, 2016	8.41	5 427	645	2.20	2.20	76.46	0.11
Dec. 31, 2015	9.34	6 451	690	2.19	2.19	78.52	0.13
Dec. 31, 2014	7.94	6 039	761	2.19	2.19	89.77	0.13
Dec. 31, 2013	7.77	6 355	818	2.20	2.20	82.15	0.13
Dec. 31, 2012	5.58	5 390	966	2.21	2.21	83.07	0.17
Dec. 31, 2011	4.99	6 514	1 307	2.22	2.22	94.51	0.19
Series D							
June 30, 2016	8.49	9 170	1 081	1.37	1.37	76.46	0.11
Dec. 31, 2015	9.39	11 021	1 174	1.37	1.37	78.52	0.13
Dec. 31, 2014	7.98	9 057	1 135	1.37	1.37	89.77	0.13
Dec. 31, 2013	7.82	8 571	1 096	1.37	1.37	82.15	0.13
Dec. 31, 2012	5.58	2 713	486	1.38	1.38	83.07	0.17
Dec. 31, 2011	4.98	2 355	473	1.39	1.39	94.51	0.19
Series F							
June 30, 2016	8.51	3 530	415	1.09	1.09	76.46	0.11
Dec. 31, 2015	9.40	4 385	466	1.11	1.11	78.52	0.13
Dec. 31, 2014	7.99	6 503	814	1.11	1.11	89.77	0.13
Dec. 31, 2013	7.84	7 381	941	1.10	1.10	82.15	0.13
Dec. 31, 2012	5.62	4 603	819	1.11	1.11	83.07	0.17
Dec. 31, 2011	5.05	5 635	1 115	1.11	1.11	94.51	0.19
Series O							
June 30, 2016	9.60	128	13	0.03	0.03	76.46	0.11
Dec. 31, 2015	10.55	144	14	0.02	0.02	78.52	0.13
Dec. 31, 2014	8.97	1	—	0.02	0.02	89.77	0.13
Dec. 31, 2013	8.78	1	—	0.02	0.02	82.15	0.13
Dec. 31, 2012	6.29	1	—	0.03	0.03	83.07	0.17
Dec. 31, 2011	5.58	17 623	3 161	0.03	0.03	94.51	0.19

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

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

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



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.85%	54%	46%
Advisor Series	1.85%	54%	46%
Series D	1.10%	23%	77%
Series F	0.85%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

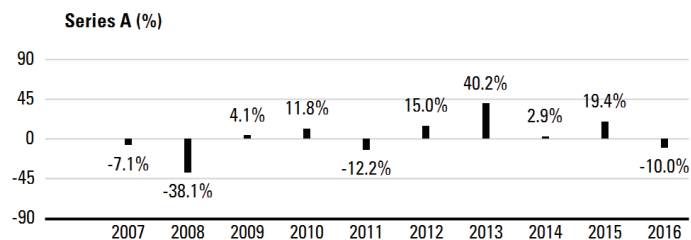
* Includes all costs related to management, trustee, investment advisory services, general administration and profit.

PAST PERFORMANCE

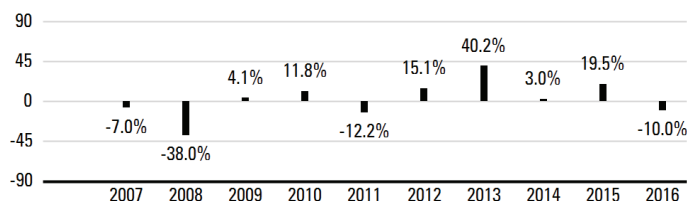
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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 (%)

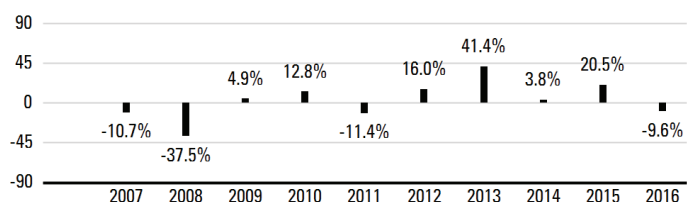
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



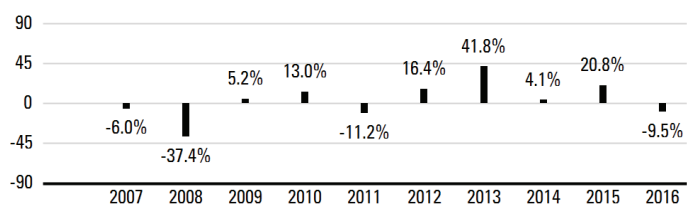
Advisor Series (%)



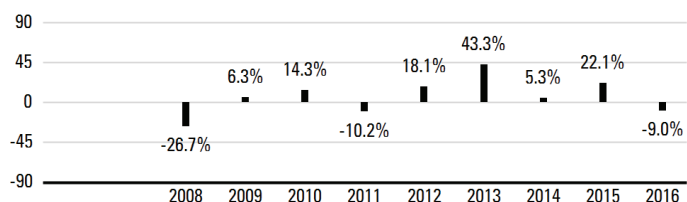
Series D (%)



Series F (%)



Series O (%)



Series O units have been available for sale to unitholders since July 18, 2008, Series D units since July 3, 2007, and Series A, Advisor Series and Series F units since January 22, 2007.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United States	37.4
Japan	17.7
Switzerland	7.5
United Kingdom	5.9
South Korea	5.0
Russia	3.3
Canada	3.0
France	2.9
Germany	2.4
Brazil	1.6
Other Countries	12.0
Cash/Other	1.3

Top 25 Holdings

	% of Net Asset Value
Allstate Corp.	1.8
Valero Energy Corp.	1.8
LG Display Co. Ltd.	1.6
General Motors Co.	1.5
LyondellBasell Industries N.V.	1.5
Marathon Petroleum Corp.	1.4
Zurich Insurance Group AG	1.4
Bell AG	1.3
BKW AG	1.3
Archer Daniels Midland Co.	1.3
National Oilwell Varco Inc.	1.3
Nippon Telegraph & Telephone Corp.	1.2
Cash & Cash Equivalents	1.1
Novae Group Plc.	1.0
Muenchener Rueckversicherungs- Gesellschaft AG	1.0
Transport International Holdings Ltd.	1.0
Lukoil PJSC	0.9
American Airlines Group Inc.	0.9
Electricite de France S.A.	0.9
Direct Line Insurance Group Plc.	0.9
Macy's Inc.	0.9
Hynix Semiconductor Inc.	0.9
JBS S.A.	0.9
Emmi AG	0.9
Old Republic International Corp.	0.8
Top 25 Holdings	29.5

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.



GLOBAL EQUITY FUND

**RBC QUBE ALL COUNTRY
WORLD EQUITY FUND**

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in equity securities of companies around the world, including companies located or active in emerging markets, using a quantitative investment approach.

To achieve the Fund's objective, the portfolio manager uses a quantitative investment model designed to select individual stocks while controlling portfolio-level risk. This involves building a portfolio that maximizes exposure to factors associated with outperformance, while controlling for exposure to risk factors.

Results of Operations

The Fund's net asset value was \$101 million as of June 30, 2016.

Over the past six months, the Fund's Series O units lost 9.2%. The Fund's return is after the deduction of expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

Global equity markets fell during the period, with all of the declines coming during the first quarter, amid concern about global economic weakness. Stocks recovered somewhat in the second quarter before the U.K. voted to leave the EU ("Brexit"), which pushed stocks back down.

The Information Technology sector was the largest contributor to relative Fund performance driven by overweight positions in Apple Inc. and Computer Sciences, which offset the sector's generally poor performance. The Telecommunication Services sector was also among the largest contributors to the Fund's relative returns during the period, led by an overweight position in Japanese telecommunications company Nippon Telegraph & Telephone.

Industrials was the weakest-performing sector over the period, as challenging economic conditions, increasing geopolitical risks and reduced stability in Europe weighed on air carriers. Airline companies had the most negative impact on Fund performance, with positions in Delta Air and Boeing holding back returns. An underweight position in the Energy sector also weighed on performance.

Portfolio turnover is normally high for this Fund given the portfolio manager's model-driven investment process.

Recent Developments

Slow economic growth and heightened levels of uncertainty are creating a challenging environment for investors. While the overall backdrop seems slightly less murky than a quarter ago, the list of threats to the economy and capital markets remains extensive and clustered to the downside. Profit growth has yet to recover,

although there are signs that earnings may now be stabilizing, and the geopolitical and financial risks on the horizon are varied. Most prominent of late was the Brexit vote, which has created risks in financial conditions in the near term and political developments in the longer term. Globally, the prospect of better growth over the second half of 2016 and into 2017 now appears much less certain, in the portfolio manager's view.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund.

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 units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series O												
June 30, 2016	10.73	0.18	—	(0.09)	(1.07)	(0.98)	—	—	—	—	—	9.74
Dec. 31, 2015	10.32	0.45	—	0.89	0.41	1.75	—	(0.45)	(0.90)	—	(1.35)	10.73
Dec. 31, 2014 ³	10.00 [†]	0.21	—	0.33	0.42	0.96	—	(0.16)	(0.29)	—	(0.45)	10.32

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From March 10, 2014.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series O							
June 30, 2016	9.74	101 084	10 377	0.02	0.02	135.20	0.12
Dec. 31, 2015	10.73	109 744	10 227	0.02	0.02	130.68	0.11
Dec. 31, 2014 ⁴	10.32	93 610	9 067	0.03	0.03	94.00	0.18

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

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

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

⁴ From March 10, 2014.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. No management fees are paid by the Fund with respect to 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.



Series 0 units have been available for sale to unitholders since March 10, 2014.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United States	55.0
Japan	10.9
China	3.7
France	3.7
South Korea	2.8
Switzerland	2.7
United Kingdom	2.5
Netherlands	2.3
Canada	2.0
Denmark	1.8
Spain	1.8
Australia	1.7
Other Countries	8.7
Cash/Other	0.4

Top 25 Holdings

	% of Net Asset Value
Swiss Re AG	2.7
The Procter & Gamble Co.	2.7
Amazon.com, Inc.	2.5
Nippon Telegraph & Telephone Corp.	2.2
eBay Inc.	2.2
Delta Air Lines Inc.	2.1
LyondellBasell Industries N.V.	2.1
JPMorgan Chase & Co.	2.0
O'Reilly Automotive Inc.	1.9
Citigroup Inc.	1.9
Tyson Foods Inc.	1.8
NN Group N.V.	1.7
Public Storage Inc. Real Estate Investment Trust	1.7
Daiichi Sankyo Co. Ltd.	1.7
American International Group Inc.	1.6
General Dynamics Corp.	1.6
General Electric Company	1.6
Amgen Inc.	1.6
Intel Corp.	1.6
Endesa S.A.	1.6
Constellation Software Inc.	1.4
Gilead Sciences Inc.	1.4
Engie	1.4
Otsuka Holdings Co. Ltd.	1.3
Vestas Wind Systems A/S	1.3
Top 25 Holdings	45.6

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.



GLOBAL EQUITY FUND

**RBC QUBE LOW VOLATILITY ALL
COUNTRY WORLD EQUITY FUND**

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in equity securities of companies around the world, including companies located or active in emerging markets, using a quantitative investment approach. The Fund seeks to achieve a reduced level of volatility of returns compared to the broader global equity market.

To achieve the Fund's objective, the portfolio manager uses a quantitative investment model designed to select individual stocks while controlling portfolio-level risk. This involves building a portfolio that maximizes exposure to factors associated with outperformance, while controlling for exposure to risk factors.

Results of Operations

The Fund's net asset value was \$72 million as of June 30, 2016.

Over the past six months, the Fund's Series O units gained 3.0%. The Fund's return is after the deduction of expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

Global equity markets fell during the period, with all of the declines coming during the first quarter, amid concern about global economic weakness. Stocks recovered somewhat in the second quarter before the U.K. voted to leave the EU ("Brexit"), which pushed stocks back down.

The Utilities sector was the largest contributor to the Fund's returns during the period, and also accounted for the Fund's largest sector overweight position. The Utilities sector benefited especially from cash distributions, which are more attractive in the current low-yield environment. The Fund's overweight positions in Consolidated Edison and CLP Holdings were among the largest contributors to performance. Materials was also among the Fund's best-performing sectors. Franco-Nevada was the largest holding in this area and was the largest contributor to the Fund's performance.

Financials was the weakest-performing sector over the period, as challenging economic conditions were worsened by the U.K. referendum. Insurance companies had the most negative impact on performance, as Everest Re Group and XL Group were among companies that declined sharply. Heath Care was also among the Fund's weakest-performing sectors. AmerisourceBergen and Cardinal Health, which are pharmacy benefit managers, were among the key contributors to negative returns.

Recent Developments

Slow economic growth and heightened levels of uncertainty are creating a challenging environment for investors. While the overall backdrop seems slightly less murky than a quarter ago, the list of threats to the economy and capital markets remains extensive and clustered to the downside. Profit growth has yet to recover, although there are signs that earnings may now be stabilizing, and the geopolitical and financial risks on the horizon are varied. Most prominent of late was the Brexit vote, which has created risks in financial conditions in the near term and political developments in the longer term. Globally, the prospect of better growth over the second half of 2016 and into 2017 now appears much less certain, in the portfolio manager's view.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund.

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 units of the Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series O												
June 30, 2016	12.60	0.19	—	0.34	(0.11)	0.42	—	—	—	—	—	12.98
Dec. 31, 2015	10.99	0.35	—	0.58	1.53	2.46	—	(0.26)	(0.48)	—	(0.74)	12.60
Dec. 31, 2014 ³	10.00 [†]	0.20	—	0.10	0.97	1.27	—	(0.18)	(0.11)	—	(0.29)	10.99

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From April 24, 2014.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series O							
June 30, 2016	12.98	72 057	5 553	0.03	0.03	62.05	0.06
Dec. 31, 2015	12.60	62 713	4 979	0.02	0.03	46.05	0.06
Dec. 31, 2014 ⁴	10.99	32 640	2 970	0.02	0.03	23.50	0.07

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

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

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

⁴ From April 24, 2014.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. No management fees are paid by the Fund with respect to 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.



Series 0 units have been available for sale to unitholders since April 24, 2014.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United States	58.3
Japan	8.7
Hong Kong	5.0
Switzerland	4.5
Taiwan	3.0
Israel	2.8
Australia	2.7
Malaysia	2.7
Belgium	2.3
Canada	1.8
United Kingdom	1.5
Other Countries	6.5
Cash/Other	0.2

Top 25 Holdings

	% of Net Asset Value
General Mills Inc.	3.2
AT&T Inc.	3.1
Johnson & Johnson	3.0
PepsiCo Inc.	3.0
Chunghwa Telecom Co. Ltd.	3.0
CLP Holdings Ltd.	2.9
The Coca-Cola Co.	2.8
Republic Services Inc.	2.2
Consolidated Edison Inc.	2.2
Church & Dwight Co. Inc.	2.0
Southern Co.	1.8
Everest Re Group Ltd.	1.8
Honeywell International Inc.	1.8
Swiss Re AG	1.7
Xcel Energy Inc.	1.7
RenaissanceRe Holdings Ltd.	1.7
Verizon Communications Inc.	1.7
Philip Morris International Inc.	1.6
Nestlé S.A.	1.5
Clorox Company	1.5
Bank Hapoalim Ltd.	1.4
Duke Energy Corp.	1.4
Berkshire Hathaway Inc., Class B	1.4
Mizrahi Tefahot Bank Ltd.	1.4
Groupe Bruxelles Lambert S.A.	1.3
Top 25 Holdings	51.1

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.



GLOBAL EQUITY FUND

RBC GLOBAL ENERGY FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund pursues long-term capital growth by investing in equity securities of companies throughout the world that are involved directly or indirectly in the exploration, development, production or distribution of energy and energy-related products, or activities in the Energy sector.

To achieve its goal, the Fund invests in oil and gas companies with proven management, low-cost operations, strong balance sheets, high-quality reserves and consistent growth in the production of crude oil and natural gas. The Fund diversifies holdings among large, mid-size and small oil and gas producers and providers. The Fund may also invest in income trusts.

Results of Operations

The Fund's net asset value was \$303 million as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 16.0%. 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 any other series, which may vary because of differences in management fees and expenses.

Prices for oil and natural gas and related securities fell significantly to multi-year lows early in 2016, as crude-oil supply and inventory climbed. Crude-oil benchmark prices touched 12-year lows in February near US\$25 per barrel, a price level that was well below North American production costs. Prices rebounded to US\$50 a barrel in June as supply and demand moved more into balance and global production declined, while demand remained strong. Natural-gas prices stayed relatively weak as a mild winter swelled inventories. North American natural gas production is expected to drop due to the challenging economics, while the outlook for demand into next year is improving, providing some support to natural gas prices in June.

Stock selection drove returns given a rebound in commodity prices and the Fund's exposure to companies that are especially sensitive to small price changes. The Fund's position in Seven Generations, a producer with assets in Alberta's petroleum-rich Montney formation, boosted returns given the company's exposure to the recovery in prices, as well as its solid balance sheet. Positions in Continental Resources, EQT and Diamondback Energy, all with significant U.S. oil reserves being developed with relatively new extraction techniques, drove outperformance as valuations began to anticipate higher crude-oil prices and cash flow. The Fund's allocation to uranium explorer NexGen Energy also aided returns.

Recent Developments

Early signs indicate that supply and demand for oil may balance later this year, given declines in global capital spending and anemic drilling activity in North America. While demand for oil remains robust, the portfolio manager is monitoring for signs of global economic weakness that could hurt prices. Geopolitical risks to supply are also present with increased tensions in OPEC countries.

North American natural-gas inventories remain elevated. However, the portfolio manager is becoming more optimistic that prices can rise given warmer temperatures in the northern hemisphere and expectations for improving demand into next year. The portfolio manager's approach remains to invest in companies with high-quality assets, strong management teams and the ability to finance growth projects.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series D units.

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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$16,000 (2015 – \$1,000) or 6% (2015 – 0%) of the total transaction costs paid for this Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016	34.87	0.36	(0.39)	(2.04)	7.70	5.63	—	—	—	—	—	40.44	
Dec. 31, 2015	38.52	0.85	(0.84)	(3.09)	(0.50)	(3.58)	—	—	—	—	—	34.87	
Dec. 31, 2014	46.34	0.71	(1.08)	5.19	(8.71)	(3.89)	—	—	(3.29)	—	(3.29)	38.52	
Dec. 31, 2013	38.50	0.52	(0.89)	3.89	4.23	7.75	—	—	—	—	—	46.32	
Dec. 31, 2012	44.43	0.53	(0.85)	(3.12)	(2.66)	(6.10)	—	—	—	—	—	38.50	
Dec. 31, 2011	52.50	0.26	(1.09)	6.84	(8.75)	(2.74)	—	—	(5.30)	—	(5.30)	44.43	
Advisor Series													
June 30, 2016	35.07	0.36	(0.38)	(2.05)	7.74	5.67	—	—	—	—	—	40.68	
Dec. 31, 2015	38.72	0.85	(0.83)	(3.11)	(0.50)	(3.59)	—	—	—	—	—	35.07	
Dec. 31, 2014	46.55	0.71	(1.06)	5.22	(8.76)	(3.89)	—	—	(3.29)	—	(3.29)	38.72	
Dec. 31, 2013	38.65	0.52	(0.87)	3.90	4.25	7.80	—	—	—	—	—	46.53	
Dec. 31, 2012	44.59	0.53	(0.84)	(3.13)	(2.67)	(6.11)	—	—	—	—	—	38.65	
Dec. 31, 2011	52.66	0.26	(1.06)	6.86	(8.79)	(2.73)	—	—	(5.30)	—	(5.30)	44.59	
Series D													
June 30, 2016	37.59	0.38	(0.25)	(2.20)	8.31	6.24	—	—	—	—	—	43.77	
Dec. 31, 2015	41.15	0.91	(0.53)	(3.31)	(0.53)	(3.46)	—	—	—	—	—	37.59	
Dec. 31, 2014	49.00	0.75	(0.67)	5.52	(9.25)	(3.65)	—	—	(3.45)	—	(3.45)	41.15	
Dec. 31, 2013	40.36	0.55	(0.55)	4.09	4.45	8.54	—	—	—	—	—	48.98	
Dec. 31, 2012	46.17	0.55	(0.52)	(3.25)	(2.78)	(6.00)	—	—	—	—	—	40.36	
Dec. 31, 2011	54.08	0.27	(0.66)	7.07	(9.05)	(2.37)	—	—	(5.50)	—	(5.50)	46.17	
Series F													
June 30, 2016	40.65	0.41	(0.21)	(2.38)	8.98	6.80	—	—	—	—	—	47.35	
Dec. 31, 2015	44.40	0.98	(0.45)	(3.58)	(0.58)	(3.63)	—	—	—	—	—	40.65	
Dec. 31, 2014	52.75	0.81	(0.57)	5.95	(9.98)	(3.79)	—	—	(3.75)	—	(3.75)	44.40	
Dec. 31, 2013	43.33	0.59	(0.47)	4.40	4.79	9.31	—	—	—	—	—	52.73	
Dec. 31, 2012	49.43	0.59	(0.44)	(3.49)	(2.98)	(6.32)	—	—	—	—	—	43.33	
Dec. 31, 2011	58.08	0.29	(0.56)	7.60	(9.73)	(2.40)	—	—	(6.20)	—	(6.20)	49.43	

¹ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciling of beginning to ending net assets per unit.

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	40.44	243 556	6 023	2.13	2.13	91.04	0.19
Dec. 31, 2015	34.87	213 215	6 114	2.13	2.13	80.53	0.19
Dec. 31, 2014	38.52	244 868	6 357	2.13	2.13	79.24	0.19
Dec. 31, 2013	46.34	305 095	6 584	2.14	2.14	152.77	0.34
Dec. 31, 2012	38.59	294 761	7 639	2.14	2.14	114.77	0.36
Dec. 31, 2011	44.56	372 881	8 367	2.13	2.13	268.07	0.76
Advisor Series							
June 30, 2016	40.68	6 243	153	2.08	2.08	91.04	0.19
Dec. 31, 2015	35.07	4 010	114	2.09	2.09	80.53	0.19
Dec. 31, 2014	38.72	2 851	74	2.09	2.09	79.24	0.19
Dec. 31, 2013	46.55	2 516	54	2.08	2.08	152.77	0.34
Dec. 31, 2012	38.74	2 356	61	2.09	2.09	114.77	0.36
Dec. 31, 2011	44.72	3 203	72	2.09	2.09	268.07	0.76
Series D							
June 30, 2016	43.77	46 943	1 073	1.26	1.26	91.04	0.19
Dec. 31, 2015	37.59	35 804	953	1.25	1.25	80.53	0.19
Dec. 31, 2014	41.15	36 009	875	1.25	1.25	79.24	0.19
Dec. 31, 2013	49.00	36 816	751	1.26	1.26	152.77	0.34
Dec. 31, 2012	40.45	35 678	882	1.26	1.26	114.77	0.36
Dec. 31, 2011	46.32	43 107	931	1.25	1.25	268.07	0.76
Series F							
June 30, 2016	47.35	5 869	124	0.99	0.99	91.04	0.19
Dec. 31, 2015	40.65	3 581	88	0.99	0.99	80.53	0.19
Dec. 31, 2014	44.40	2 773	62	0.99	0.99	79.24	0.19
Dec. 31, 2013	52.75	2 992	57	0.99	0.99	152.77	0.34
Dec. 31, 2012	43.43	2 476	57	0.99	0.99	114.77	0.36
Dec. 31, 2011	49.59	2 970	60	0.98	0.98	268.07	0.76

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

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

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

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund.

Management fees of each series of the Fund are calculated at 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	1.75%	66%	34%
Advisor Series	1.75%	66%	34%
Series D	1.00%	25%	75%
Series F	0.75%	—	100%

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

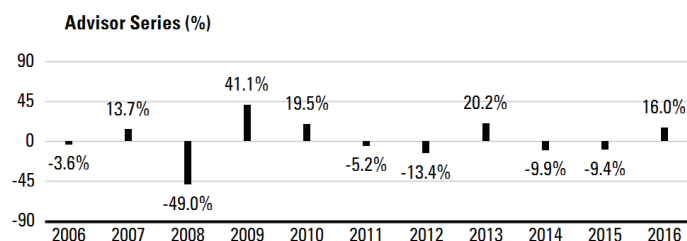
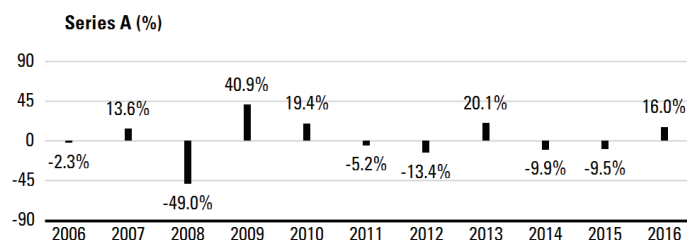


PAST PERFORMANCE

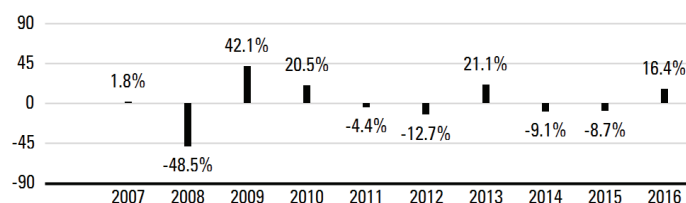
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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 (%)

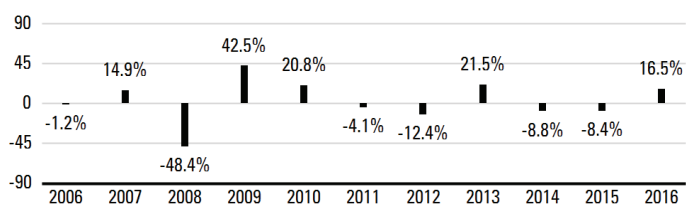
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



Series D (%)



Series F (%)



Series D units have been available for sale to unitholders since July 3, 2007, and Advisor Series units since August 28, 2006.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix – Sectors

	% of Net Asset Value
Oil, Gas and Consumable Fuels	87.7
Energy Equipment and Services	6.8
Independent Power and Renewable Electricity Producers	1.9
Chemicals	0.5
Semiconductors and Semiconductor Equipment	0.5
Metals and Mining	0.5
Cash/Other	2.1

Investment Mix – Countries/Regions

	% of Net Asset Value
United States	55.7
Canada	26.5
France	5.0
Portugal	4.3
Italy	3.7
Norway	3.3
Cash/Other	1.5

Top 25 Holdings

	% of Net Asset Value
Continental Resources Inc.	6.1
Exxon Mobil Corp.	5.6
Total S.A.	5.0
Diamondback Energy Inc.	4.9
Seven Generations Energy Ltd.	4.8
Galp Energia SGPS S.A.	4.3
EQT Corp.	4.0
Newfield Exploration Company	3.9
Anadarko Petroleum Corp.	3.9
Cabot Oil & Gas Corp.	3.8
Parex Resources Inc.	3.7
ENI S.p.A.	3.7
Devon Energy Corporation	3.6
Cash & Cash Equivalents	3.4
StatoilHydro ASA	3.3
Halliburton Co.	3.3
Concho Resources Inc.	3.1
NexGen Energy Ltd.	2.6
Pioneer Natural Resources Co.	2.4
Laredo Petroleum Inc.	2.3
Canadian Natural Resources Ltd.	2.1
EOG Resources Inc.	2.0
Suncor Energy Inc.	2.0
Raging River Exploration Inc.	1.9
Baker Hughes Inc.	1.7
Top 25 Holdings	87.4

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.



GLOBAL EQUITY FUND

RBC GLOBAL PRECIOUS METALS FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in equity securities of companies throughout the world involved directly or indirectly in the exploration, mining and production of precious metals including gold, silver and platinum. The Fund may also invest in bullion, coins, receipts and certificates.

The Fund selects companies with experienced management, strong balance sheets, proven ore bodies or excellent geological potential. The Fund may invest up to 20% of its assets in silver and platinum. The Fund diversifies by investing in senior and junior producers, as well as in pure exploration companies.

Results of Operations

The Fund's net asset value was \$676 million as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 92.0%. 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 any other series, which may vary because of differences in management fees and expenses.

Precious metal prices – gold in particular – began 2016 with sharp rallies, as the broader U.S. market suffered one of its worst ever starts to a year as oil prices plunged and investors worried about prospects for deteriorating global growth. Gold prices pulled back somewhat after the U.S. Federal Reserve (the "Fed") signalled that it was on course for additional interest-rate hikes in 2016. However, significantly weaker-than-expected U.S. job growth in June and the unexpected decision of British voters to decide to leave the EU propelled gold to its highest price in several years, regaining its status as a safe-haven asset and a hedge against global financial turmoil.

The price of gold rose about 25% to US\$1,322 per ounce during the first half of 2016, while silver rose 35% to US\$18.71 per ounce. Platinum and palladium underperformed, as investors shied away from metals with industrial uses due to concerns that global manufacturing was ebbing. Precious-metals equities generally performed strongly, some even doubling during the period and often rising much more than prices of precious metals. With gold prices gaining, small, debt-laden mining companies made attractive takeover targets and therefore rose the most as a group.

Security selection was the main reason for the Fund's outperformance in the first half of the year. Overweight positions in Belo Sun and MAG Silver, which have viable deposits, added to performance, as did overweight positions in Richmond Mines and Endeavour Mining, whose production levels are rising. Underweight

positions in Franco-Nevada and Goldcorp, which performed poorly during the period, was also beneficial. Underweight positions in Barrick Gold and Yamana Gold, two of last year's worst performers, had a negative impact on relative performance.

Portfolio turnover was relatively high for the Fund, as the portfolio manager attempted to generate better returns through active fund management.

Recent Developments

In the portfolio manager's view, the U.K. vote to exit the EU could mark a positive turning point in the medium-term outlook for prices of gold and other precious metals. The portfolio manager also believes that uncertainty created by the decision may keep the Fed from raising interest rates in the foreseeable future. Rising interest rates tend to dampen the appetite for gold because gold on its own offers no income.

The portfolio manager continues to invest primarily in higher-quality companies with superior assets, good cost controls and strong management teams. Recently, the Fund has begun to increase its weighting in smaller-cap companies involved in exploration and development. These junior companies are especially sensitive to relatively small changes in commodity prices and can make attractive takeover targets for larger companies looking to boost reserves.

Effective June 30, 2016, Series H and Series I units were closed to all investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series D units.



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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$28,000 (2015 – \$4,000) or 1% (2015 – 1%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016	19.58	0.09	(0.29)	2.55	15.62	17.97	—	—	—	—	—	37.59	
Dec. 31, 2015	22.16	0.19	(0.47)	(4.27)	2.09	(2.46)	—	—	—	—	—	19.58	
Dec. 31, 2014	22.30	0.19	(0.55)	(5.18)	5.58	0.04	—	—	—	—	—	22.16	
Dec. 31, 2013	39.41	0.27	(0.60)	(6.97)	(10.44)	(17.74)	—	—	—	—	—	22.14	
Dec. 31, 2012	45.04	0.22	(0.91)	(2.28)	(2.79)	(5.76)	—	—	—	—	—	39.41	
Dec. 31, 2011	76.31	0.71	(1.38)	9.72	(30.65)	(21.60)	—	—	(9.70)	—	(9.70)	45.04	
Advisor Series													
June 30, 2016	19.69	0.09	(0.29)	2.57	15.71	18.08	—	—	—	—	—	37.81	
Dec. 31, 2015	22.28	0.19	(0.46)	(4.30)	2.10	(2.47)	—	—	—	—	—	19.69	
Dec. 31, 2014	22.41	0.19	(0.55)	(5.20)	5.61	0.05	—	—	—	—	—	22.28	
Dec. 31, 2013	39.58	0.28	(0.59)	(7.00)	(10.48)	(17.79)	—	—	—	—	—	22.24	
Dec. 31, 2012	45.23	0.22	(0.88)	(2.29)	(2.80)	(5.75)	—	—	—	—	—	39.58	
Dec. 31, 2011	76.52	0.72	(1.35)	9.75	(30.74)	(21.62)	—	—	(9.70)	—	(9.70)	45.23	
Series D													
June 30, 2016	21.09	0.10	(0.19)	2.76	16.85	19.52	—	—	—	—	—	40.66	
Dec. 31, 2015	23.66	0.20	(0.30)	(4.58)	2.24	(2.44)	—	—	—	—	—	21.09	
Dec. 31, 2014	23.60	0.20	(0.35)	(5.50)	5.94	0.29	—	—	—	—	—	23.66	
Dec. 31, 2013	41.34	0.29	(0.37)	(7.35)	(11.00)	(18.43)	—	—	—	—	—	23.43	
Dec. 31, 2012	46.84	0.23	(0.56)	(2.38)	(2.91)	(5.62)	—	—	—	—	—	41.34	
Dec. 31, 2011	78.55	0.74	(0.84)	10.05	(31.67)	(21.72)	—	—	(10.00)	—	(10.00)	46.84	
Series F													
June 30, 2016	22.64	0.11	(0.16)	2.96	18.11	21.02	—	—	—	—	—	43.71	
Dec. 31, 2015	25.33	0.22	(0.25)	(4.92)	2.40	(2.55)	—	—	—	—	—	22.64	
Dec. 31, 2014	25.20	0.22	(0.29)	(5.88)	6.34	0.39	—	—	—	—	—	25.33	
Dec. 31, 2013	44.02	0.31	(0.32)	(7.78)	(11.65)	(19.44)	—	—	—	—	—	25.02	
Dec. 31, 2012	49.74	0.25	(0.47)	(2.52)	(3.09)	(5.83)	—	—	—	—	—	44.02	
Dec. 31, 2011	84.43	0.79	(0.71)	10.82	(34.10)	(23.20)	—	—	(11.43)	—	(11.43)	49.74	



FINANCIAL HIGHLIGHTS (cont.)

Change in Net Assets Per Unit (\$) (cont.)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					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	Total	
Series O												
June 30, 2016	21.56	0.10	—	2.82	17.27	20.19	—	—	—	—	—	41.82
Dec. 31, 2015	23.89	0.21	(0.01)	(4.66)	2.28	(2.18)	—	—	—	—	—	21.56
Dec. 31, 2014	23.53	0.20	(0.01)	(5.52)	5.96	0.63	—	—	—	—	—	23.89
Dec. 31, 2013	40.70	0.29	(0.01)	(7.43)	(11.13)	(18.28)	—	—	—	—	—	23.36
Dec. 31, 2012	45.54	0.23	(0.01)	(2.36)	(2.88)	(5.02)	—	—	—	—	—	40.70
Dec. 31, 2011 ³	68.82 [†]	0.30	—	4.06	(12.81)	(8.45)	—	—	(9.70)	—	(9.70)	45.54

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From August 2, 2011.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	37.59	475 315	12 644	2.12	2.12	133.89	0.91
Dec. 31, 2015	19.58	253 758	12 962	2.13	2.13	54.97	0.33
Dec. 31, 2014	22.16	317 674	14 336	2.13	2.13	79.20	0.37
Dec. 31, 2013	22.30	349 251	15 660	2.13	2.13	56.37	0.29
Dec. 31, 2012	39.83	701 246	17 608	2.13	2.13	76.03	0.32
Dec. 31, 2011	45.49	846 116	18 601	2.13	2.13	71.96	0.29
Advisor Series							
June 30, 2016	37.81	36 742	972	2.08	2.08	133.89	0.91
Dec. 31, 2015	19.69	18 356	932	2.09	2.09	54.97	0.33
Dec. 31, 2014	22.28	23 348	1 048	2.09	2.09	79.20	0.37
Dec. 31, 2013	22.41	25 817	1 152	2.10	2.10	56.37	0.29
Dec. 31, 2012	40.00	50 250	1 256	2.07	2.07	76.03	0.32
Dec. 31, 2011	45.68	52 950	1 160	2.07	2.07	71.96	0.29
Series D							
June 30, 2016	40.66	129 626	3 188	1.26	1.26	133.89	0.91
Dec. 31, 2015	21.09	67 200	3 186	1.26	1.26	54.97	0.33
Dec. 31, 2014	23.66	76 908	3 250	1.26	1.26	79.20	0.37
Dec. 31, 2013	23.60	75 419	3 195	1.26	1.26	56.37	0.29
Dec. 31, 2012	41.78	139 255	3 333	1.27	1.27	76.03	0.32
Dec. 31, 2011	47.31	159 089	3 363	1.27	1.27	71.96	0.29
Series F							
June 30, 2016	43.71	33 075	757	0.99	0.99	133.89	0.91
Dec. 31, 2015	22.64	13 813	610	0.99	0.99	54.97	0.33
Dec. 31, 2014	25.33	14 165	559	0.99	0.99	79.20	0.37
Dec. 31, 2013	25.20	15 791	627	0.99	0.99	56.37	0.29
Dec. 31, 2012	44.48	48 578	1 092	0.99	0.99	76.03	0.32
Dec. 31, 2011	50.24	73 860	1 470	0.99	0.99	71.96	0.29



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data (cont.)

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series O							
June 30, 2016	41.82	926	22	0.02	0.02	133.89	0.91
Dec. 31, 2015	21.56	462	21	0.02	0.02	54.97	0.33
Dec. 31, 2014	23.89	370	15	0.02	0.02	79.20	0.37
Dec. 31, 2013	23.53	343	15	0.02	0.02	56.37	0.29
Dec. 31, 2012	41.13	137	3	0.02	0.02	76.03	0.32
Dec. 31, 2011 ⁴	46.00	—	—	0.02	0.02	71.96	0.29

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

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

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

⁴ From August 2, 2011.

Management Fees

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

Series O — no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

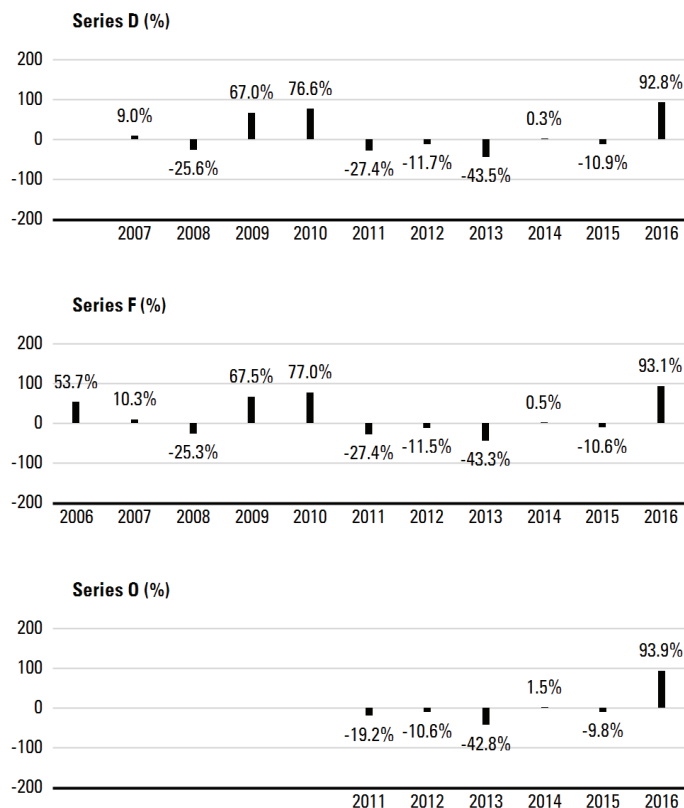
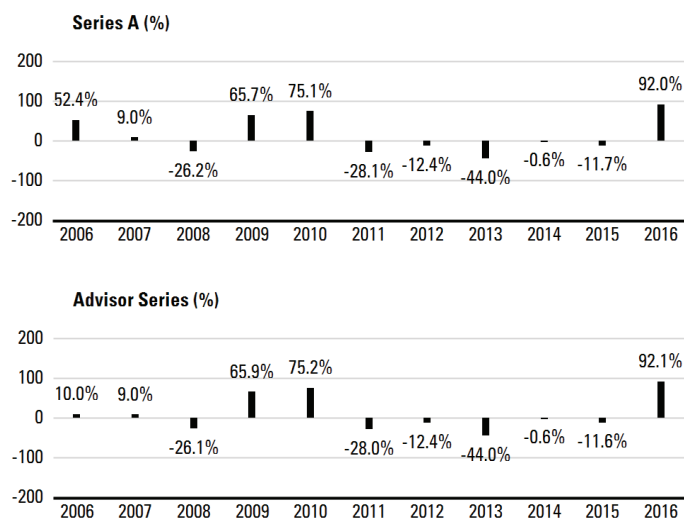


PAST PERFORMANCE

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.



Series O units have been available for sale to unitholders since August 2, 2011, Series D units since July 3, 2007, and Advisor Series units since August 28, 2006.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix – Sectors

	% of Net Asset Value
Gold	81.9
Precious Metals and Minerals	11.5
Diversified Metals and Mining	2.9
Silver	1.7
Cash/Other	2.0

Investment Mix – Countries/Regions

	% of Net Asset Value
Canada	81.4
United States	9.7
United Kingdom	4.0
Australia	2.9
Cash/Other	2.0

Top 25 Holdings

	% of Net Asset Value
Kinross Gold Corp.	5.4
Tahoe Resources Inc.	5.3
OceanaGold Corp.	5.2
Barrick Gold Corp.	5.0
Agnico Eagle Mines Ltd.	5.0
Semafo Inc.	4.7
Richmont Mines Inc.	4.5
Detour Gold Corp.	4.5
Endeavour Mining Corp.	4.3
Newmont Mining Corporation	4.2
B2Gold Corp.	3.2
Randgold Resources Ltd. ADR	3.2
Alamos Gold Inc., Class A	2.9
Franco-Nevada Corp.	2.9
Eldorado Gold Corp.	2.6
Torex Gold Resources Inc.	2.4
Mountain Province Diamonds Inc.	2.4
Belo Sun Mining Corp.	2.2
Cash & Cash Equivalents	2.1
Continental Gold Inc.	1.8
Wesdome Gold Mines Ltd.	1.8
Roxgold Inc.	1.6
Northern Star Resources Ltd.	1.6
MAG Silver Corp.	1.5
TMAC Resources Inc.	1.5
Top 25 Holdings	81.8

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.



GLOBAL EQUITY FUND

RBC GLOBAL RESOURCES FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing in stocks of companies around the world that are directly or indirectly involved in exploring for, developing, producing or distributing natural and other resources.

The 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 \$168 million as of June 30, 2016.

Over the past six months, the Fund's Series A units gained 14.9%. 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 any other series, which may vary because of differences in management fees and expenses.

The Fund benefited from significant outperformance in both the Energy and Materials sectors.

In the Energy sector, stock selection drove returns given a rebound in commodity prices and the Fund's exposure to companies that are especially sensitive to small changes in prices. Prices for oil and natural gas fell significantly to multi-year lows early in 2016, as crude-oil supply and inventory climbed. Crude-oil benchmark prices touched 12-year lows in February near US\$25 per barrel, a price level well below production costs. Prices rebounded to US\$50 a barrel in June as supply and demand moved more into balance as global production declined. Natural-gas prices stayed relatively weak as a mild winter swelled inventories.

The Fund's position in Seven Generations, a Canadian natural-gas company, boosted returns given the company's exposure to the recovery in petroleum prices, as well as its solid balance sheet. Positions in Continental Resources, EQT and Diamondback Energy, all with significant U.S. oil reserves being developed with relatively new extraction techniques, drove outperformance as valuations began to anticipate higher crude-oil prices. The Fund's allocation to uranium explorer NexGen Energy also aided returns.

In the Materials sector, stock selection aided relative returns outperformance as overweight positions in smaller-cap precious-metals companies helped the Fund take advantage of strength in prices for gold and silver, which gained 25% and 35%, respectively, during the period. Gold and silver were supported by negative

interest rates in Japan and Germany, two of the biggest bond markets, and the U.K.'s decision to exit the EU, fuelling gains in Detour Gold, Semafo and Tahoe Resources. A lack of relative exposure to Linde AG and LyondellBasell contributed to the performance during the period.

Portfolio turnover was relatively high for the Fund, as the portfolio manager attempted to generate better returns through active fund management.

Recent Developments

In the view of the portfolio manager, firming oil demand, combined with reduced capital spending and drilling activity in North America, signals that the outlook for crude-oil prices is improving. Geopolitical risks to supply are also present with increased socioeconomic and military tensions in OPEC countries. These factors are expected to cause the balance between supply and demand to tighten later this year. While the portfolio manager believes that the return potential for investing in the Energy sector has risen relative to the risks, a return to the boom days of unconventional shale production is not imminent. The arrival of negative interest rates may prove a catalyst for gold prices, and the portfolio manager is investing increasingly in smaller-cap stocks in this area to take advantage of the potential for higher prices.

Effective June 30, 2016, management fees were reduced from 1.85% to 1.75% for Series A and Advisor Series units. Also effective June 30, 2016, Series H and Series I units were closed to all investors.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series D units.



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 units of the Fund.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$16,000 (2015 – \$6,000) or 7% (2015 – 3%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series A													
June 30, 2016	27.04	0.32	(0.31)	(0.09)	4.08	4.00	—	—	—	—	—	31.08	
Dec. 31, 2015	30.01	0.60	(0.68)	(1.98)	(0.72)	(2.78)	—	—	—	—	—	27.04	
Dec. 31, 2014	32.20	0.50	(0.77)	1.98	(3.41)	(1.70)	—	—	—	—	—	30.01	
Dec. 31, 2013	29.77	0.35	(0.69)	(0.55)	3.19	2.30	—	—	—	—	—	32.18	
Dec. 31, 2012	33.30	0.23	(0.70)	(2.69)	(0.44)	(3.60)	—	—	—	—	—	29.77	
Dec. 31, 2011	40.22	0.10	(0.82)	5.02	(11.56)	(7.26)	—	—	—	—	—	33.30	
Advisor Series													
June 30, 2016	27.15	0.32	(0.31)	(0.09)	4.10	4.02	—	—	—	—	—	31.22	
Dec. 31, 2015	30.12	0.60	(0.67)	(1.98)	(0.72)	(2.77)	—	—	—	—	—	27.15	
Dec. 31, 2014	32.29	0.50	(0.76)	1.99	(3.42)	(1.69)	—	—	—	—	—	30.12	
Dec. 31, 2013	29.85	0.35	(0.67)	(0.55)	3.19	2.32	—	—	—	—	—	32.28	
Dec. 31, 2012	33.36	0.23	(0.69)	(2.70)	(0.44)	(3.60)	—	—	—	—	—	29.85	
Dec. 31, 2011	40.26	0.10	(0.80)	5.03	(11.58)	(7.25)	—	—	—	—	—	33.36	
Series D													
June 30, 2016	29.39	0.35	(0.19)	(0.10)	4.45	4.51	—	—	—	—	—	33.94	
Dec. 31, 2015	32.29	0.65	(0.41)	(2.14)	(0.77)	(2.67)	—	—	—	—	—	29.39	
Dec. 31, 2014	34.30	0.54	(0.46)	2.12	(3.65)	(1.45)	—	—	—	—	—	32.29	
Dec. 31, 2013	31.40	0.38	(0.41)	(0.58)	3.38	2.77	—	—	—	—	—	34.28	
Dec. 31, 2012	34.78	0.24	(0.41)	(2.83)	(0.46)	(3.46)	—	—	—	—	—	31.40	
Dec. 31, 2011	41.58	0.10	(0.48)	5.21	(12.01)	(7.18)	—	—	—	—	—	34.78	
Series F													
June 30, 2016	31.96	0.38	(0.17)	(0.11)	4.84	4.94	—	—	—	—	—	36.97	
Dec. 31, 2015	35.03	0.72	(0.34)	(2.36)	(0.85)	(2.83)	—	—	—	—	—	31.96	
Dec. 31, 2014	37.10	0.58	(0.40)	2.28	(3.93)	(1.47)	—	—	—	—	—	35.03	
Dec. 31, 2013	33.88	0.41	(0.35)	(0.63)	3.65	3.08	—	—	—	—	—	37.09	
Dec. 31, 2012	37.43	0.26	(0.35)	(3.04)	(0.49)	(3.62)	—	—	—	—	—	33.88	
Dec. 31, 2011	44.62	0.11	(0.40)	5.60	(12.90)	(7.59)	—	—	—	—	—	37.43	



FINANCIAL HIGHLIGHTS (cont.)

Change in Net Assets Per Unit (\$) (cont.)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					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	Total	
		Series O										
June 30, 2016	29.89	0.35	—	(0.10)	4.54	4.79	—	—	—	—	—	34.73
Dec. 31, 2015	32.44	0.66	(0.01)	(2.17)	(0.79)	(2.31)	—	—	—	—	—	29.89
Dec. 31, 2014	34.03	0.54	(0.01)	2.12	(3.66)	(1.01)	—	—	—	—	—	32.44
Dec. 31, 2013	30.77	0.37	(0.01)	(0.58)	3.36	3.14	—	—	—	—	—	34.01
Dec. 31, 2012	33.67	0.24	(0.01)	(2.79)	(0.45)	(3.01)	—	—	—	—	—	30.77
Dec. 31, 2011 ³	38.76 [†]	0.05	—	2.43	(5.60)	(3.12)	—	—	—	—	—	33.67

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From July 11, 2011.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	31.08	128 061	4 120	2.26⁴	2.26	99.29	0.30
Dec. 31, 2015	27.04	117 255	4 336	2.26	2.26	82.71	0.28
Dec. 31, 2014	30.01	152 310	5 075	2.26	2.26	69.71	0.22
Dec. 31, 2013	32.20	195 590	6 075	2.27	2.27	127.17	0.30
Dec. 31, 2012	29.89	219 608	7 347	2.26	2.26	103.36	0.32
Dec. 31, 2011	33.45	270 634	8 091	2.26	2.26	128.39	0.50
Advisor Series							
June 30, 2016	31.22	8 076	259	2.20⁴	2.20	99.29	0.30
Dec. 31, 2015	27.15	7 118	262	2.21	2.21	82.71	0.28
Dec. 31, 2014	30.12	8 644	287	2.20	2.20	69.71	0.22
Dec. 31, 2013	32.29	10 143	314	2.21	2.21	127.17	0.30
Dec. 31, 2012	29.97	12 145	405	2.21	2.21	103.36	0.32
Dec. 31, 2011	33.51	16 701	498	2.21	2.21	128.39	0.50
Series D							
June 30, 2016	33.94	23 474	692	1.26	1.26	99.29	0.30
Dec. 31, 2015	29.39	19 256	655	1.26	1.26	82.71	0.28
Dec. 31, 2014	32.29	23 082	715	1.26	1.26	69.71	0.22
Dec. 31, 2013	34.30	25 739	750	1.27	1.27	127.17	0.30
Dec. 31, 2012	31.53	27 338	867	1.27	1.27	103.36	0.32
Dec. 31, 2011	34.93	35 682	1 022	1.27	1.27	128.39	0.50
Series F							
June 30, 2016	36.97	4 644	126	1.00	1.00	99.29	0.30
Dec. 31, 2015	31.96	4 874	152	0.99	0.99	82.71	0.28
Dec. 31, 2014	35.03	2 216	63	1.00	1.00	69.71	0.22
Dec. 31, 2013	37.10	3 865	104	1.00	1.00	127.17	0.30
Dec. 31, 2012	34.02	4 118	121	1.00	1.00	103.36	0.32
Dec. 31, 2011	37.59	6 587	175	1.00	1.00	128.39	0.50



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data (cont.)

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series O							
June 30, 2016	34.73	3 300	95	0.02	0.02	99.29	0.30
Dec. 31, 2015	29.89	2 993	100	0.02	0.02	82.71	0.28
Dec. 31, 2014	32.44	1 671	52	0.02	0.02	69.71	0.22
Dec. 31, 2013	34.03	1 264	37	0.02	0.02	127.17	0.30
Dec. 31, 2012	30.90	802	26	0.02	0.02	103.36	0.32
Dec. 31, 2011 ⁵	33.82	—	—	0.02	0.02	128.39	0.50

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 2.14% and Advisor Series – 2.09%.

⁵ From July 11, 2011.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.75%	62%	38%
Advisor Series	1.75%	62%	38%
Series D	1.00%	25%	75%
Series F	0.75%	—	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

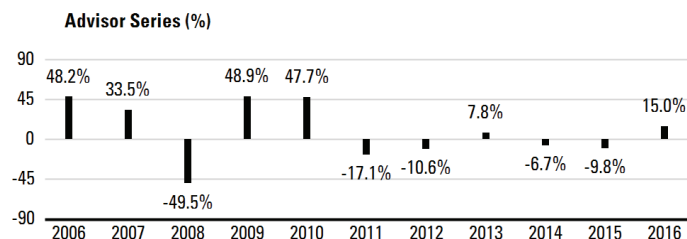
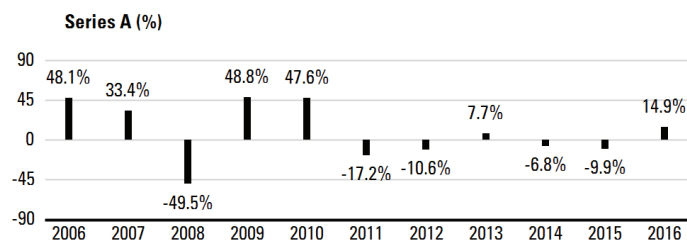


PAST PERFORMANCE

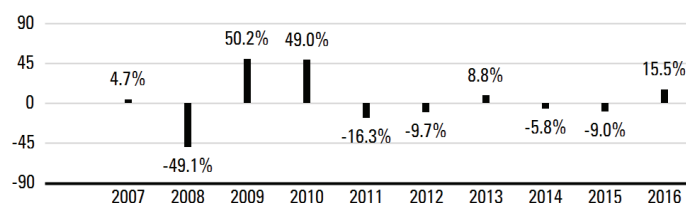
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Year-by-Year Returns (%)

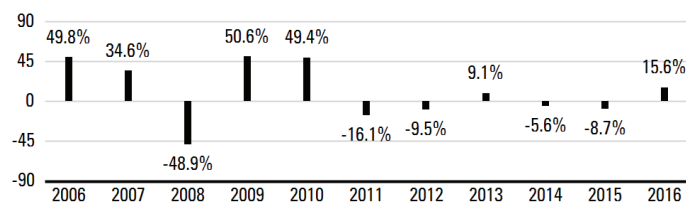
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



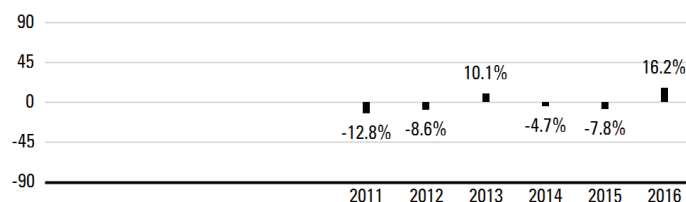
Series D (%)



Series F (%)



Series O (%)



Series O units have been available for sale to unitholders since July 11, 2011, and Series D units since July 3, 2007.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix – Sectors

	% of Net Asset Value
Oil, Gas and Consumable Fuels	47.6
Metals and Mining	19.6
Chemicals	14.3
Energy Equipment and Services	5.6
Construction Materials	3.2
Containers and Packaging	3.2
Paper and Forest Products	3.2
Independent Power and Renewable Electricity Producers	1.9
Semiconductors and Semiconductor Equipment	0.4
Cash/Other	1.0

Investment Mix – Countries/Regions

	% of Net Asset Value
United States	50.0
Canada	28.9
France	5.0
United Kingdom	5.0
Germany	2.2
Australia	2.1
Other Countries	5.8
Cash/Other	1.0

Top 25 Holdings

	% of Net Asset Value
Exxon Mobil Corp.	5.3
Total S.A.	5.0
Continental Resources Inc.	4.0
Seven Generations Energy Ltd.	3.4
Rio Tinto Plc.	3.3
Halliburton Co.	3.2
EQT Corp.	3.1
Concho Resources Inc.	2.9
NexGen Energy Ltd.	2.5
Agrium Inc.	2.5
HeidelbergCement AG	2.2
BHP Billiton Plc.	2.1
EOG Resources Inc.	2.0
Anadarko Petroleum Corp.	2.0
Cabot Oil & Gas Corp.	2.0
Monsanto Co.	2.0
International Flavors & Fragrances Inc.	2.0
Pioneer Natural Resources Co.	1.9
Parex Resources Inc.	1.9
Newfield Exploration Company	1.8
Croda International Plc.	1.7
Interfor Corp.	1.6
Dow Chemical Company	1.6
Louisiana-Pacific Corp.	1.5
Diamondback Energy Inc.	1.5
Top 25 Holdings	63.0

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



GLOBAL EQUITY FUND

RBC GLOBAL TECHNOLOGY FUND

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in equity securities of companies operating in various countries around the world that develop or market technology and telecommunications products and services.

The Fund invests in 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 \$42 million as of June 30, 2016.

Over the past six months, the Fund's Series A units lost 10.6%. 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 any other series, which may vary because of differences in management fees and expenses.

Technology stocks outperformed the broader market during the first half of 2016. The Fund's performance was negatively impacted by an underweight position in the Telecommunication Services sector, to which the Fund has significant exposure and which outperformed the Information Technology sector during the period. Telecom stocks benefited from their attractive dividend yields during a period when interest rates declined. Many investors buy telecom stocks for their payouts, and these became more attractive in the low-interest-rate environment.

Internet and system-software stocks performed poorly, reversing some of the relative gains from 2015. The best-performing groups were those most closely aligned with improving economic conditions, such as independent manufacturers that make brand-name electronics as well as companies that manage inventory for industrial clients. Modestly improved expectations for the global economy, combined with inexpensive valuations, provided a favourable backdrop for these stocks, and they contributed to the Fund's relative returns. Key contributors to the Fund's performance included Nvidia, Applied Materials and Ingram Micro. Smaller-cap companies such as ServiceNow, Zendesk and Square Inc. hurt performance during the period.

Portfolio turnover is normally high for the Fund given the sector's volatility. As a result, the portfolio manager actively manages the portfolio to capture profits and/or minimize losses.

Recent Developments

The portfolio manager remains somewhat optimistic about prospects for the Information Technology and Telecommunication Services sectors for the remainder of 2016. The U.K.'s decision in June to leave the EU will likely result in near-term market volatility, especially for technology companies. However, the portfolio manager expects the industry to benefit over the longer term from trends including a shift to the "shared" economy, the intensification of the transition to cloud-based services and demand for faster and more comprehensive connectivity.

While the sector may continue to trade higher against an uncertain macro backdrop it is characterized by high institutional sponsorship and could be susceptible to broad profit taking over the near-to-medium-term.

Effective June 30, 2016, management fees were reduced from 1.85% to 1.75% for Series A and Advisor Series units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 principal distributors of, or distribute certain series of the units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series and Series D units.

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 units of the Fund.



Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$2,000 (2015 – \$2,000) or 5% (2015 – 4%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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			
Series A													
June 30, 2016	3.85	0.02	(0.04)	(0.14)	(0.26)	(0.42)	—	—	—	—	—	3.44	
Dec. 31, 2015	3.23	0.03	(0.08)	0.50	0.15	0.60	—	—	—	—	—	3.85	
Dec. 31, 2014	2.71	0.03	(0.07)	0.53	—	0.49	—	—	—	—	—	3.23	
Dec. 31, 2013	1.93	0.02	(0.05)	0.57	0.23	0.77	—	—	—	—	—	2.71	
Dec. 31, 2012	1.83	0.02	(0.04)	0.08	0.04	0.10	—	—	—	—	—	1.93	
Dec. 31, 2011	1.99	0.01	(0.04)	(0.08)	(0.15)	(0.26)	—	—	—	—	—	1.83	
Advisor Series													
June 30, 2016	3.93	0.02	(0.04)	(0.14)	(0.26)	(0.42)	—	—	—	—	—	3.52	
Dec. 31, 2015	3.29	0.03	(0.08)	0.52	0.15	0.62	—	—	—	—	—	3.93	
Dec. 31, 2014	2.76	0.03	(0.07)	0.54	0.01	0.51	—	—	—	—	—	3.29	
Dec. 31, 2013	1.97	0.02	(0.05)	0.58	0.24	0.79	—	—	—	—	—	2.76	
Dec. 31, 2012	1.87	0.02	(0.04)	0.08	0.04	0.10	—	—	—	—	—	1.97	
Dec. 31, 2011	2.04	0.01	(0.04)	(0.08)	(0.15)	(0.26)	—	—	—	—	—	1.87	
Series D													
June 30, 2016	4.18	0.03	(0.02)	(0.15)	(0.28)	(0.42)	—	—	—	—	—	3.76	
Dec. 31, 2015	3.47	0.04	(0.05)	0.54	0.16	0.69	—	—	—	—	—	4.18	
Dec. 31, 2014	2.88	0.04	(0.04)	0.57	0.01	0.58	—	—	—	—	—	3.47	
Dec. 31, 2013	2.03	0.02	(0.03)	0.60	0.25	0.84	—	—	—	—	—	2.88	
Dec. 31, 2012	1.91	0.02	(0.03)	0.08	0.04	0.11	—	—	—	—	—	2.03	
Dec. 31, 2011	2.06	0.01	(0.03)	(0.08)	(0.15)	(0.25)	—	—	—	—	—	1.91	
Series F													
June 30, 2016	4.65	0.03	(0.02)	(0.17)	(0.31)	(0.47)	—	—	—	—	—	4.18	
Dec. 31, 2015	3.84	0.04	(0.04)	0.60	0.18	0.78	—	—	—	—	—	4.65	
Dec. 31, 2014	3.19	0.04	(0.03)	0.63	0.01	0.65	—	—	—	—	—	3.84	
Dec. 31, 2013	2.24	0.02	(0.03)	0.67	0.27	0.93	—	—	—	—	—	3.19	
Dec. 31, 2012	2.10	0.02	(0.02)	0.09	0.05	0.14	—	—	—	—	—	2.24	
Dec. 31, 2011	2.26	0.01	(0.02)	(0.08)	(0.15)	(0.24)	—	—	—	—	—	2.10	

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
June 30, 2016	3.44	27 824	8 087	2.26⁴	2.27	352.96	0.17
Dec. 31, 2015	3.85	31 990	8 311	2.27	2.27	396.65	0.24
Dec. 31, 2014	3.23	24 620	7 634	2.27	2.28	494.71	0.33
Dec. 31, 2013	2.71	20 088	7 422	2.28	2.28	325.83	0.32
Dec. 31, 2012	1.93	15 973	8 272	2.27	2.27	271.49	0.18
Dec. 31, 2011	1.83	16 461	8 976	2.28	2.28	297.92	0.27
Advisor Series							
June 30, 2016	3.52	1 478	420	2.24⁴	2.25	352.96	0.17
Dec. 31, 2015	3.93	1 649	419	2.25	2.26	396.65	0.24
Dec. 31, 2014	3.29	1 378	419	2.26	2.27	494.71	0.33
Dec. 31, 2013	2.76	1 392	504	2.29	2.29	325.83	0.32
Dec. 31, 2012	1.97	1 072	544	2.21	2.21	271.49	0.18
Dec. 31, 2011	1.87	914	488	2.24	2.24	297.92	0.27
Series D							
June 30, 2016	3.76	11 683	3 109	1.26	1.27	352.96	0.17
Dec. 31, 2015	4.18	14 189	3 392	1.26	1.27	396.65	0.24
Dec. 31, 2014	3.47	8 217	2 368	1.25	1.26	494.71	0.33
Dec. 31, 2013	2.88	4 418	1 532	1.27	1.27	325.83	0.32
Dec. 31, 2012	2.04	2 986	1 466	1.28	1.28	271.49	0.18
Dec. 31, 2011	1.92	3 163	1 651	1.28	1.28	297.92	0.27
Series F							
June 30, 2016	4.18	941	225	1.02	1.03	352.96	0.17
Dec. 31, 2015	4.65	1 558	335	0.99	1.00	396.65	0.24
Dec. 31, 2014	3.84	467	121	0.98	0.99	494.71	0.33
Dec. 31, 2013	3.19	479	150	1.02	1.02	325.83	0.32
Dec. 31, 2012	2.24	487	217	0.99	0.99	271.49	0.18
Dec. 31, 2011	2.10	545	259	1.03	1.03	297.92	0.27

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series A – 2.15% and Advisor Series – 2.13%.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	1.75%	62%	38%
Advisor Series	1.75%	62%	38%
Series D	1.00%	25%	75%
Series F	0.75%	—	100%

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

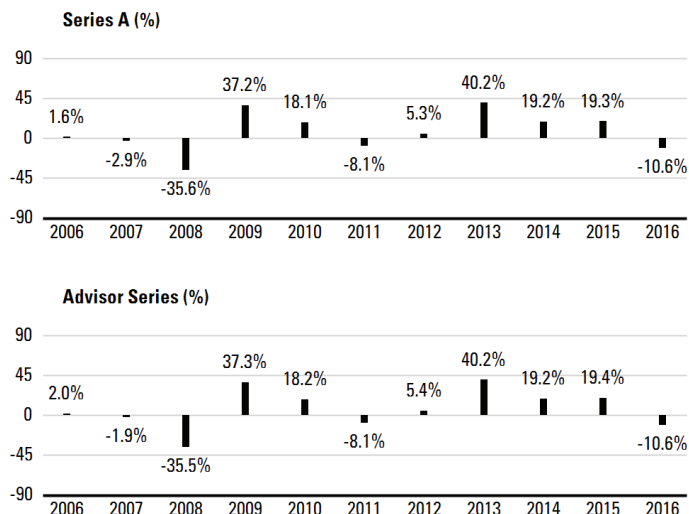


PAST PERFORMANCE

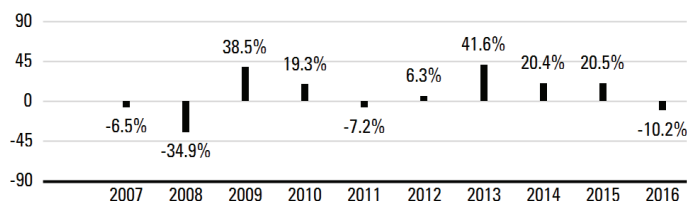
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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 (%)

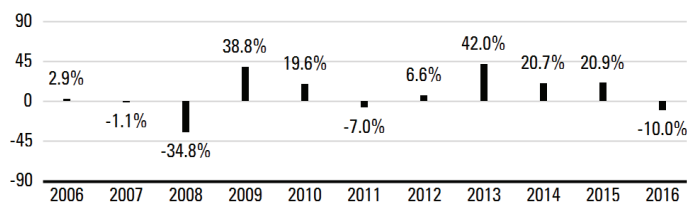
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



Series D (%)



Series F (%)



Series D units have been available for sale to unitholders since July 3, 2007.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix – Sectors

	% of Net Asset Value
Software	28.6
Semiconductors and Semiconductor Equipment	25.9
Internet Software and Services	15.2
Technology Hardware, Storage and Peripherals	9.6
IT Services	5.6
Real Estate Investment Trusts	3.1
Wireless Telecommunication Services	2.6
Communications Equipment	2.5
Internet and Catalogue Retail	2.2
Diversified Telecommunication	1.7
Electronic Equipment and Instruments	1.6
Cash/Other	1.4

Investment Mix – Countries/Regions

	% of Net Asset Value
United States	88.3
China	2.3
Netherlands	1.8
Other Countries	6.2
Cash/Other	1.4

Top 25 Holdings

	% of Net Asset Value
Apple Inc.	5.1
Microsoft Corp.	3.3
Facebook Inc., Class A	3.2
Alphabet Inc., Class A	3.0
Amazon.com, Inc.	2.2
Broadcom Ltd.	2.2
NXP Semiconductor N.V.	1.8
Applied Materials Inc.	1.8
Texas Instruments Inc.	1.7
Citrix Systems Inc.	1.6
Cash & Cash Equivalents	1.6
International Business Machines	1.5
Oracle Corporation	1.5
Intel Corp.	1.5
Activision Blizzard Inc.	1.4
Fair Isaac & Co. Inc.	1.4
Lam Research Corp.	1.4
Microchip Technology Inc.	1.4
Cisco Systems Inc.	1.4
T-Mobile US Inc.	1.3
Ebix Inc.	1.3
Take-Two Interactive Software Inc.	1.3
Micron Technology Inc.	1.3
NTT DoCoMo Inc.	1.3
Fidelity National Information Services Inc.	1.3
Top 25 Holdings	46.8

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



FIXED INCOME

**RBC PRIVATE SHORT-TERM
INCOME POOL**

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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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MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide a competitive level of monthly income by investing primarily in short-term, high-quality fixed-income securities issued or guaranteed by Canadian federal, provincial or municipal governments or corporations, asset-backed securities and corporate bonds.

The Fund's assets have an average maturity of two to five years. The Fund invests no more than 40% of its assets in high-quality first mortgages on Canadian residential property insured by the Canada Mortgage and Housing Corporation. Corporate bonds have a minimum rating of BBB as rated by the Dominion Bond Rating Service or its equivalent.

Results of Operations

The Fund's net asset value was \$1.4 billion as of June 30, 2016.

Over the past six months, the Fund's Series O units gained 1.4%. The Fund's return is after the deduction of expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

Fixed-income markets vacillated at the start of the year amid weak global economic growth, rising geopolitical risks and uncertainty as to whether the U.S. Federal Reserve would carry out widely expected rate hikes. Bond markets also contended with Britain's decision in June to leave the EU, while the imposition of negative-interest-rate policy – where investors essentially pay for the safety of holding government bonds – drove German yields into negative territory and provided support for higher-yielding markets in North America. The U.S. economy proved a rare bright spot for the global economy, led by employment growth in the first quarter. Given the uncertainty and falling oil prices during much of the period, the Canadian economy's performance was less than stellar. Modest expansions in Ontario and Quebec, which have large manufacturing bases, were offset by weakness in oil-dependent Alberta. The Bank of Canada (the "BOC") left rates unchanged, judging a planned federal stimulus plan sufficient to bolster the domestic economy. In this environment, short-term bond yields traded in a narrow range.

The portfolio manager kept the Fund's exposure to corporate fixed income unchanged, as corporate balance sheets remained in decent shape and valuations were generally attractive. Overweight exposure to corporate bonds was good for relative performance during the period. The portfolio manager was active in managing the portfolio given the market volatility.

Recent Developments

Canadian monetary policy currently reflects a weak economy with little momentum. The BOC appears to believe that the process of the economy adjusting to lower energy prices continues, and the effect will be slower growth for longer. Projections for global economic growth continue to be reduced, and as a result, the portfolio manager believes that Canadian benchmark interest rates will remain unchanged well into 2017. Accordingly, the Fund will be focused on corporate bonds, bolstered by trading in government bonds when their yields become more attractive.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund.

RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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

Distributor

RBC GAM is the principal distributor of the Fund. Royal Mutual Funds Inc. and RBC Dominion Securities Inc. also distribute units of the Fund.

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. The registrar also processes orders and issues account statements.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series F												
June 30, 2016	103.88	1.36	(0.22)	(0.14)	0.31	1.31	(1.21)	—	—	—	(1.21)	103.96
Dec. 31, 2015	104.02	2.76	(0.45)	(0.26)	—	2.05	(2.30)	—	—	—	(2.30)	103.88
Dec. 31, 2014	103.54	2.93	(0.45)	(0.28)	0.68	2.88	(2.48)	—	—	—	(2.48)	104.02
Dec. 31, 2013	104.31	3.18	(0.47)	(0.33)	(0.57)	1.81	(2.75)	—	—	—	(2.75)	103.44
Dec. 31, 2012	105.45	3.72	(0.45)	(0.14)	(0.79)	2.34	(3.31)	—	—	—	(3.31)	104.31
Dec. 31, 2011	104.37	4.00	(0.43)	0.44	0.70	4.71	(3.55)	—	—	—	(3.55)	105.45
Series O												
June 30, 2016	104.06	1.36	(0.03)	(0.14)	0.31	1.50	(1.41)	—	—	—	(1.41)	104.13
Dec. 31, 2015	104.23	2.77	(0.06)	(0.26)	—	2.45	(2.72)	—	—	—	(2.72)	104.06
Dec. 31, 2014	103.74	2.92	(0.06)	(0.28)	0.68	3.26	(2.86)	—	—	—	(2.86)	104.23
Dec. 31, 2013	104.55	3.21	(0.06)	(0.34)	(0.58)	2.23	(3.18)	—	—	—	(3.18)	103.64
Dec. 31, 2012	105.58	3.69	(0.06)	(0.14)	(0.79)	2.70	(3.63)	—	—	—	(3.63)	104.55
Dec. 31, 2011	104.40	3.93	(0.05)	0.43	0.69	5.00	(3.84)	—	—	—	(3.84)	105.58

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series F							
June 30, 2016	103.96	21 307	205	0.43	0.43	22.33	—
Dec. 31, 2015	103.88	19 576	188	0.43	0.43	25.17	—
Dec. 31, 2014	104.02	13 408	129	0.43	0.43	33.94	—
Dec. 31, 2013	103.54	12 619	122	0.45	0.45	40.99	—
Dec. 31, 2012	104.54	7 599	73	0.43	0.43	28.40	—
Dec. 31, 2011	105.56	14 201	135	0.42	0.42	60.00	—
Series O							
June 30, 2016	104.13	1 378 395	13 237	0.05	0.05	22.33	—
Dec. 31, 2015	104.06	1 255 124	12 062	0.06	0.06	25.17	—
Dec. 31, 2014	104.23	1 074 039	10 304	0.06	0.06	33.94	—
Dec. 31, 2013	103.74	824 738	7 950	0.06	0.06	40.99	—
Dec. 31, 2012	104.76	765 050	7 303	0.06	0.06	28.40	—
Dec. 31, 2011	105.70	660 718	6 251	0.05	0.05	60.00	—

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

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

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

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. The management fee with respect to Series F units is payable by the Fund on a monthly basis and calculated at the annual percentages, before GST/HST, of the daily net asset value of Series F units of the Fund. The management fee in respect of Series F units is 100% for management, investment advisory services, general administration and profit. No amount is paid out of the management fee for distribution services.

The management fee with respect to Series O units is payable directly to RBC GAM by unitholders or distributors, and therefore is not charged to the Fund.

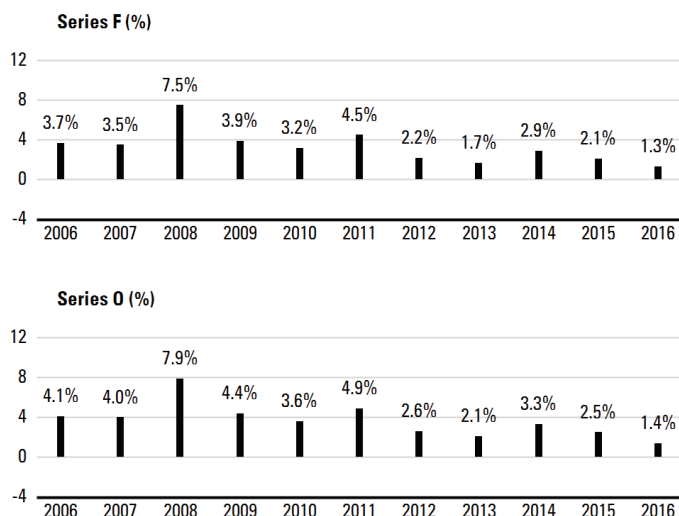


PAST PERFORMANCE

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, or 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.



Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Corporate Bonds	55.3
Provincial Bonds	25.7
Federal Bonds	16.6
Cash/Other	2.4

Top 25 Holdings

	% of Net Asset Value
Canada Housing Trust No. 1 2.650% Mar 15 2022	4.3
Province of Quebec 4.500% Dec 1 2017	3.5
Province of Quebec 3.500% Dec 1 2022	3.0
Province of Ontario 2.100% Sep 8 2019	2.9
Government of Canada 2.750% Jun 1 2022	2.7
Province of Ontario 4.000% Jun 2 2021	2.6
Province of Ontario 2.100% Sep 8 2018	2.1
Canada Housing Trust No. 1 2.050% Jun 15 2017	1.9
Province of Ontario 1.900% Sep 8 2017	1.9
Bank of Montreal 3.210% Sep 13 2018	1.9
Cash & Cash Equivalents	1.9
Canada Housing Trust No. 1 2.350% Dec 15 2018	1.8
Canada Housing Trust No. 1 1.700% Dec 15 2017	1.7
Canadian Imperial Bank of Commerce 1.850% Jul 14 2020	1.5
Toronto-Dominion Bank 2.447% Apr 2 2019	1.5
Province of New Brunswick 4.500% Jun 2 2020	1.5
Province of Ontario 2.850% Jun 2 2023	1.4
Royal Bank of Canada 1.920% Jul 17 2020	1.4
Province of Alberta 1.600% Jun 15 2018	1.4
Government of Canada 1.250% Aug 1 2017	1.4
National Bank of Canada 1.742% Mar 3 2020	1.3
Canadian Credit Card Trust II 1.829% Mar 24 2020	1.3
Bank of Nova Scotia 2.462% Mar 14 2019	1.3
Bank of Nova Scotia 2.090% Sep 9 2020	1.2
HSBC Bank Canada 2.938% Jan 14 2020	1.2
Top 25 Holdings	48.6

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available by calling us at 1-800-662-0652.



FIXED INCOME

**RBC PRIVATE CANADIAN
CORPORATE BOND POOL**

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term returns consisting primarily of interest income and moderate capital growth. The Fund invests in investment-grade fixed-income securities issued by Canadian corporations and may hold similar securities of U.S. corporations.

The Fund uses a disciplined approach to assess opportunities based on the overall direction of interest rates, expected changes in interest rate spreads, changes in individual credit ratings or quality perceptions, foreign currency risk and corporate bond risk premium and rate change. The Fund may invest up to 30% of its assets in foreign securities and no more than 20% may be invested in securities rated below BBB by Dominion Bond Rating Service or its equivalent.

Results of Operations

The Fund's net asset value was \$2.2 billion as of June 30, 2016.

Over the past six months, the Fund's Series O units gained 3.9%. The Fund's return is after the deduction of expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

Prices for energy and many other commodities continued to slide in early 2016, pressuring domestic economic growth and dropping Canadian bond yields to the lowest levels since the European financial crisis four years ago. However, the Bank of Canada (the "BOC") refrained from lowering its benchmark interest rate as the lacklustre domestic economy gained some momentum on the back of a weaker Canadian dollar, and the federal government committed to boosting infrastructure spending.

The lack of any change in Canadian interest rates, coupled with expectations that the U.S. Federal Reserve would increase rates due to a stronger economy, led to the outperformance of Canadian fixed-income securities. Elsewhere, the European Central Bank and the Bank of Japan intensified exceptionally strong monetary measures to force down bond yields. As a result, about 30% of global sovereign bonds carried negative yields as the period ended, creating sustained global interest in the relatively high yields offered by Canadian debt.

The excess yield earned on corporate bonds over government bonds with similar maturities narrowed during the first six months of 2016, resulting in the corporate-bond market outperforming the government-bond market. Factors contributing to corporate outperformance included a recovery in prices for energy and other commodities, which helped corporate profitability and

balance sheets, as well as investor demand for the higher yields offered by corporate bonds. The major contributor to the Fund's underperformance was a position in the U.S. dollar, which fell against the Canadian dollar during the period. The Fund reduced risk during the period by eliminating exposure to below-investment-grade bonds that have higher business risks associated with them.

Recent Developments

Central-bank policies and their impact on the path of interest rates will have an important influence on demand for corporate bonds. The portfolio manager expects the BOC to keep short-term interest rates where they are for the rest of 2016, as increased government spending helps to offset weakness in the economy, especially in Alberta. Continued low interest rates and steady, if slow, economic growth will support corporate profits, keeping corporate bonds attractive versus government bonds. The portfolio manager continues to monitor what impact the outcome of November's U.S. presidential election will have on growth, as well as the impact on profitability of the gradually slowing global economy, especially in China.

Effective June 30, 2016, management fees were reduced from 0.50% to 0.40% for Series F units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

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

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

Distributor

RBC GAM is the principal distributor of the Fund. Royal Mutual Funds Inc. and RBC Dominion Securities Inc. also distribute units of the Fund.

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. The registrar also processes orders and issues account statements.



Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$1,000 (2015 – \$0) or 7% (2015 – 0%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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		
Series F												
June 30, 2016	11.21	0.21	(0.03)	0.01	0.22	0.41	(0.19)	—	—	—	(0.19)	11.43
Dec. 31, 2015	11.32	0.42	(0.07)	0.01	(0.15)	0.21	(0.35)	—	—	—	(0.35)	11.21
Dec. 31, 2014	10.93	0.46	(0.07)	0.02	0.35	0.76	(0.39)	—	—	—	(0.39)	11.32
Dec. 31, 2013	11.23	0.47	(0.07)	0.05	(0.38)	0.07	(0.40)	—	—	—	(0.40)	10.91
Dec. 31, 2012	11.00	0.49	(0.07)	0.11	0.12	0.65	(0.43)	—	—	—	(0.43)	11.23
Dec. 31, 2011	10.65	0.53	(0.06)	0.06	0.29	0.82	(0.47)	—	—	—	(0.47)	11.00
Series O												
June 30, 2016	11.17	0.21	—	0.01	0.22	0.44	(0.22)	—	—	—	(0.22)	11.39
Dec. 31, 2015	11.28	0.42	—	0.01	(0.15)	0.28	(0.42)	—	—	—	(0.42)	11.17
Dec. 31, 2014	10.89	0.46	—	0.02	0.35	0.83	(0.45)	—	—	—	(0.45)	11.28
Dec. 31, 2013	11.19	0.47	—	0.05	(0.38)	0.14	(0.47)	—	—	—	(0.47)	10.87
Dec. 31, 2012	10.96	0.49	—	0.11	0.12	0.72	(0.49)	—	—	—	(0.49)	11.19
Dec. 31, 2011	10.61	0.53	—	0.06	0.29	0.88	(0.53)	—	—	—	(0.53)	10.96

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series F							
June 30, 2016	11.43	55 963	4 896	0.60⁴	0.60	19.04	—
Dec. 31, 2015	11.21	49 479	4 412	0.60	0.60	22.19	—
Dec. 31, 2014	11.32	42 717	3 772	0.60	0.60	27.89	—
Dec. 31, 2013	10.93	36 346	3 325	0.62	0.62	22.85	—
Dec. 31, 2012	11.26	35 527	3 156	0.60	0.60	31.88	—
Dec. 31, 2011	11.03	37 461	3 397	0.60	0.60	49.36	—
Series O							
June 30, 2016	11.39	2 096 266	184 064	0.03	0.03	19.04	—
Dec. 31, 2015	11.17	2 080 488	186 211	0.03	0.03	22.19	—
Dec. 31, 2014	11.28	1 896 603	168 089	0.03	0.03	27.89	—
Dec. 31, 2013	10.89	1 412 211	129 647	0.03	0.03	22.85	—
Dec. 31, 2012	11.22	1 273 136	113 503	0.03	0.03	31.88	—
Dec. 31, 2011	10.99	1 171 429	106 632	0.03	0.03	49.36	—

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for Series F would be 0.49%.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund.

The management fee with respect to Series F units is payable by the Fund on a monthly basis and calculated at the annual percentages, before GST/HST, of the daily net asset value of Series F units of the Fund. The management fee in respect of Series F units is 100% for management, investment advisory services, general administration and profit. No amount is paid out of the management fee for distribution services.

The management fee with respect to Series O units is payable directly to RBC GAM by unitholders or distributors, and therefore is not charged to the Fund.

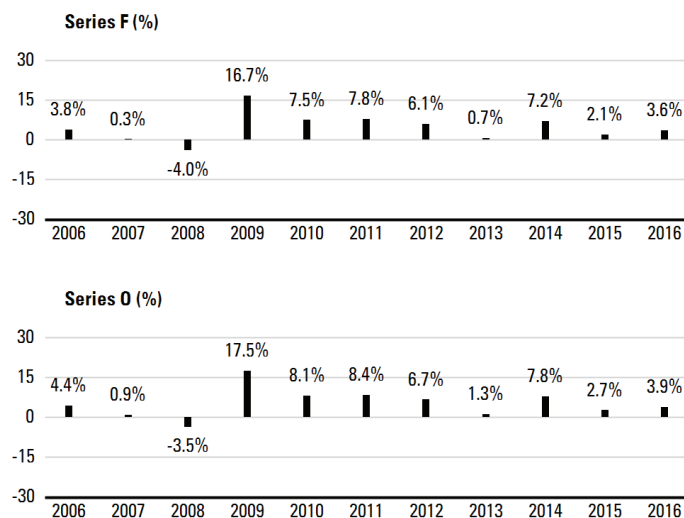


PAST PERFORMANCE

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, or 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.



Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Canadian Bonds	95.5
Foreign Bonds	2.2
Canadian Equities	0.3
Cash/Other	2.0

Top 25 Holdings

	% of Net Asset Value
Hydro One Inc. 5.360% May 20 2036	1.9
Greater Toronto Airports Authority 6.470% Feb 2 2034	1.4
Bank of Nova Scotia 2.090% Sep 9 2020	1.4
Toronto-Dominion Bank 3.226% Jul 24 2024	1.3
Bell Canada 6.100% Mar 16 2035	1.3
Toronto-Dominion Bank 4.779% Dec 14 2016	1.3
Toronto-Dominion Bank 2.621% Dec 22 2021	1.2
Cash & Cash Equivalents	1.2
Loblaw Companies Ltd. 5.900% Jan 18 2036	1.2
Great-West Lifeco Inc. 6.740% Nov 24 2031	1.1
TELUS Corp. 4.400% Apr 1 2043	1.0
Greater Toronto Airports Authority 7.100% Jun 4 2031	1.0
Toronto-Dominion Bank 2.447% Apr 2 2019	0.9
Bank of Montreal 6.020% May 2 2018	0.9
Royal Bank of Canada 2.820% Jul 12 2018	0.9
Loblaw Companies Ltd. 6.050% Jun 9 2034	0.9
Bank of Montreal 2.840% Jun 4 2020	0.9
Province of Ontario 3.450% Jun 2 2045	0.9
Toronto-Dominion Bank 2.563% Jun 24 2020	0.9
Bank of Montreal 3.210% Sep 13 2018	0.9
Aéroports de Montréal 5.670% Oct 16 2037	0.8
Canadian Imperial Bank of Commerce 1.900% Apr 26 2021	0.8
FortisBC Energy Inc. 5.900% Feb 26 2035	0.8
HSBC Bank Canada 2.491% May 13 2019	0.8
Canadian Western Bank 3.077% Jan 14 2019	0.8
Top 25 Holdings	26.5

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available by calling us at 1-800-662-0652.



BALANCED

RBC PRIVATE INCOME POOL

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide a competitive monthly income stream through relatively tax-efficient distributions of dividend income, interest income and capital gains, and to provide the potential for modest capital growth.

The Fund invests primarily in higher-yielding Canadian fixed-income securities such as corporate bonds, debentures, notes and preferred shares, and higher-yielding Canadian common shares, real estate investment trusts, income trusts and other similar securities.

Corporate bonds in the portfolio must have a minimum rating of BBB from Dominion Bond Rating Service or its equivalent. The Fund may also invest in comparable foreign 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.

Results of Operations

The Fund's net asset value was \$88 million as of June 30, 2016.

Over the past six months, the Fund's Series O units gained 7.5%. The Fund's return is after the deduction of expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

The Fund made monthly distributions of 53.30 cents per Series O unit in the first half of 2016.

The S&P/TSX Composite Index, Canada's equity benchmark, outperformed most other global indices during the period. The resource-heavy Canadian index was bolstered by surging prices for oil, natural gas and gold, given supply disruptions. This benefited Canadian energy stocks, which account for about a fifth of S&P/TSX market capitalization. Concurrently, global growth concerns made headlines once again after the U.K.'s surprising decision to leave the EU ("Brexit"). The Brexit vote diverted investor focus from some positive economic developments in North America and signs of stabilization emerging in China.

U.S. government and corporate bonds posted gains in the first half of 2016. Volatile oil prices, investor concerns about fragile global economic growth and the U.K.'s Brexit decision led the U.S. Federal Reserve (the "Fed") to maintain an easy monetary policy, which pushed up bonds as interest rates declined. U.S. rates that were attractive relative to those available elsewhere provided further demand for U.S. fixed income.

In the equity portion of the portfolio, positive relative performance in the Energy and Utilities sectors was partially offset by weaker performance in the Materials sector.

An overweight allocation to the Energy sector drove returns due to a rebound in commodity prices. Prices for oil and natural gas fell significantly to multi-year lows early in 2016, as crude-oil supply and inventory climbed. Crude-oil benchmark prices touched 12-year lows in February near US\$25 per barrel, a price level well below production costs. Prices rebounded to US\$50 a barrel in June as supply and demand moved more into balance as global production declined. Natural-gas prices stayed relatively weak as a mild winter swelled inventories.

An underweight position in the Materials sector hindered returns, predominately from an underweight in gold-related companies as the price of the commodity rose significantly during the period. Gold and silver prices were supported by negative interest rates in Japan and Germany, two of the biggest bond markets, and the Brexit vote. A below-benchmark allocation to Barrick Gold negatively impacted performance.

The excess yield earned on corporate bonds over government bonds with similar maturities narrowed during the first six months of 2016, resulting in the corporate market outperforming the government-bond market. Factors contributing to corporate outperformance included a recovery in prices for energy and other commodities, which helped corporate profitability and balance sheets, as well as investor demand for the higher yields offered by corporate bonds.

Recent Developments

An improvement in the performance of Canadian equity markets will require a bigger contribution from stocks in the Financials and Energy sectors. While the supply-demand equation for a number of commodities has improved, the portfolio manager believes it is hard to envision a surge from here without stronger global economic growth. Meanwhile, the domestic economy's reliance on housing and questions about the ability of consumers to maintain their spending continue to be points of discussion. The interest-rate policy divergence between the Fed and the Bank of Canada (the "BOC") is likely to widen if commodity prices remain weak, which could further weaken the Canadian dollar.

Central-bank policies and their impact on the path of interest rates will have an important influence on demand for corporate bonds. The portfolio manager expects the BOC to keep short-term interest rates where they are for the rest of 2016, as increased government spending helps to offset weakness in the economy, especially in Alberta.



Continued low interest rates and steady, if slow, economic growth will support corporate profits, keeping corporate bonds attractive versus government bonds. The portfolio manager continues to monitor what impact the outcome of November's U.S. presidential election will have on growth, as well as the impact on profitability of the gradually slowing global economy, especially in China.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

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

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

Distributor

RBC GAM is the principal distributor of the Fund. Royal Mutual Funds Inc. and RBC Dominion Securities Inc. also distribute units of the Fund.

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. The registrar also processes orders and issues account statements.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$0 (2015 – \$1,000) or 0% (2015 – 5%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series F												
June 30, 2016	174.56	3.59	(0.53)	(1.38)	10.50	12.18	(2.74)	—	—	—	(2.74)	184.23
Dec. 31, 2015	188.89	7.62	(1.12)	15.14	(27.47)	(5.83)	(2.92)	(3.42)	—	—	(6.34)	174.56
Dec. 31, 2014	179.30	6.73	(1.13)	5.97	4.04	15.61	(2.91)	(2.90)	—	—	(5.81)	188.89
Dec. 31, 2013	170.21	6.50	(1.04)	2.41	6.40	14.27	(2.91)	(2.83)	—	—	(5.74)	179.09
Dec. 31, 2012	161.54	6.27	(1.00)	3.00	5.32	13.59	(2.75)	(2.50)	—	—	(5.25)	170.21
Dec. 31, 2011	164.96	5.93	(0.95)	3.57	(7.02)	1.53	(3.26)	(2.14)	—	—	(5.40)	161.54
Series O												
June 30, 2016	173.99	3.57	(0.05)	(1.38)	10.47	12.61	(3.20)	—	—	—	(3.20)	183.64
Dec. 31, 2015	188.24	7.35	(0.11)	14.62	(26.52)	(4.66)	(3.35)	(3.94)	—	—	(7.29)	173.99
Dec. 31, 2014	178.97	6.68	(0.11)	5.92	4.01	16.50	(3.56)	(3.56)	—	—	(7.12)	188.24
Dec. 31, 2013	169.74	6.49	(0.10)	2.40	6.39	15.18	(3.29)	(3.21)	—	—	(6.50)	178.76
Dec. 31, 2012	161.09	6.26	(0.09)	2.99	5.31	14.47	(3.23)	(2.92)	—	—	(6.15)	169.74
Dec. 31, 2011	164.96	6.10	(0.09)	3.67	(7.22)	2.46	(4.06)	(2.67)	—	—	(6.73)	161.09

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series F							
June 30, 2016	184.23	28 036	152	0.60	0.60	1.07	0.02
Dec. 31, 2015	174.56	28 483	163	0.60	0.60	9.58	0.04
Dec. 31, 2014	188.89	40 362	214	0.60	0.60	16.06	0.03
Dec. 31, 2013	179.30	44 772	250	0.60	0.60	17.28	0.01
Dec. 31, 2012	170.54	51 029	299	0.60	0.60	23.95	0.02
Dec. 31, 2011	161.87	55 129	341	0.60	0.60	41.32	0.05
Series O							
June 30, 2016	183.64	59 688	325	0.06	0.06	1.07	0.02
Dec. 31, 2015	173.99	61 989	356	0.06	0.06	9.58	0.04
Dec. 31, 2014	188.24	103 951	552	0.06	0.06	16.06	0.03
Dec. 31, 2013	178.97	160 056	894	0.06	0.06	17.28	0.01
Dec. 31, 2012	170.07	157 668	927	0.06	0.06	23.95	0.02
Dec. 31, 2011	161.42	164 733	1 021	0.06	0.06	41.32	0.05

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

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

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

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund.

The management fee with respect to Series F units is payable by the Fund on a monthly basis and calculated at the annual percentages, before GST/HST, of the daily net asset value of Series F units of the Fund. The management fee in respect of Series F units is 100% for management, investment advisory services, general administration and profit. No amount is paid out of the management fee for distribution services.

The management fee with respect to Series O units is payable directly to RBC GAM by unitholders or distributors, and therefore is not charged to the Fund.

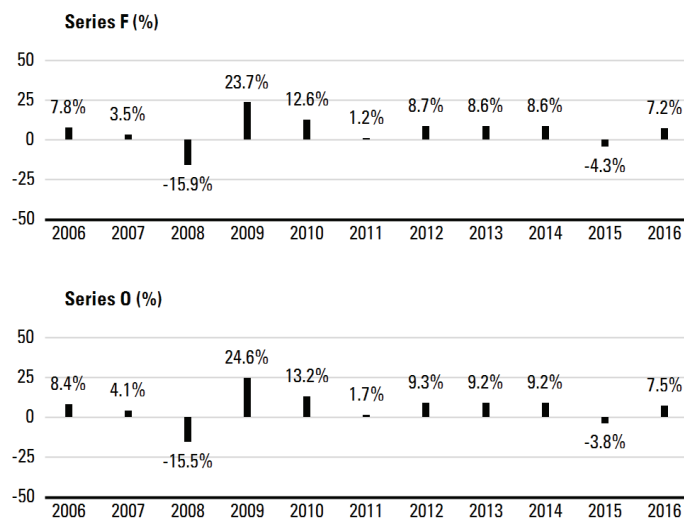


PAST PERFORMANCE

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, or 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.



Inception dates are not provided for series that have been in existence for more than 10 years.
For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Bonds	42.0
Financials	20.9
Energy	14.3
Utilities	4.6
Materials	4.3
Industrials	3.6
Consumer Discretionary	3.2
Telecommunication Services	3.1
Consumer Staples	1.1
Health Care	0.5
Cash/Other	2.4

Top 25 Holdings

	% of Net Asset Value
Toronto-Dominion Bank	3.7
Bank of Nova Scotia	3.6
Canadian Imperial Bank of Commerce	3.2
TransCanada Corp.	2.6
Enbridge Inc.	2.5
Canadian National Railway Co.	2.4
Bank of Montreal	2.3
Canadian Natural Resources Ltd.	2.0
Manulife Financial Corporation	1.9
Greater Toronto Airports Authority 6.980% Oct 15 2032	1.8
Cash & Cash Equivalents	1.8
Bell Canada 6.100% Mar 16 2035	1.7
407 International Inc. 5.750% Feb 14 2036	1.7
Loblaw Companies Ltd. 6.450% Feb 9 2028	1.7
Rogers Communications Inc. 6.110% Aug 25 2040	1.7
Magna International Inc., Class A	1.6
TransCanada PipeLines Ltd. 5.650% Jun 20 2029	1.6
Suncor Energy Inc.	1.6
Rogers Communications Inc. 5.340% Mar 22 2021	1.6
Brookfield Property Partners LP	1.6
Fairfax Financial Holdings Ltd. 6.400% May 25 2021	1.6
Sun Life Financial Inc. 5.700% Jul 2 2019	1.5
Inter Pipeline Ltd. 4.967% Feb 2 2021	1.5
Agrium Inc.	1.5
First Capital Realty Inc. 4.430% Jan 31 2022	1.5
Top 25 Holdings	50.2

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available by calling us at 1-800-662-0652.



CANADIAN EQUITY

**RBC PRIVATE CANADIAN
DIVIDEND POOL**

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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.

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MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to achieve long-term 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.

The Fund invests primarily in common shares with above-average dividend yields and also invests in preferred shares of major Canadian companies. The Fund selects companies with long-term prospects of growing their dividends and tends to focus on interest-sensitive securities to achieve dividend income, primarily investing in the Financial Services, Telecommunications and Utilities sectors.

Results of Operations

The Fund's net asset value was \$2.3 billion as of June 30, 2016.

Over the past six months, the Fund's Series O units gained 8.4%. The Fund's return is after the deduction of expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

The S&P/TSX Composite Index, Canada's equity benchmark, outperformed most other global indexes during the period, as the resource-heavy Canadian index was positively impacted by surging commodity prices. Crude oil prices found a bottom and started recovering from levels that were well below the marginal cost of production, nearly doubling through the first half of the year. As well, gold prices rebounded, and as the fundamental outlook became more constructive, the Energy sector and gold companies began to outperform the broader market. This benefited the S&P/TSX, where energy and gold stocks together account for more than a quarter of the index's market capitalization. Concurrently, global growth concerns made headlines once again after the U.K.'s surprising decision to leave the EU ("Brexit"). The Brexit vote diverted investor focus from some positive economic developments in North America and signs of stabilization emerging from China.

In the first half of 2016, the Fund underperformed, primarily due to an underweight positioning in gold companies. Gold stocks as a whole have historically been challenging for dividend investors to own, as the sector has not been a reliable source of dividends. As well, many companies in the sector have a poor track record of allocating capital.

The Fund's performance was also hindered by overweight and underweight exposures to the Financials and Telecom sectors, respectively.

Financials stocks failed to keep pace with the market as concerns over banks' exposure to potential fallout from rapidly appreciating Canadian housing prices and the troubled Energy sector continued to impact their performance.

Valuations for Telecom stocks have increased materially in recent years even though growth rates in dividends and earnings have been modest.

Smaller gains in other sectors served to partially offset losses including holdings in Consumer Discretionary, Consumer Staples and Utilities.

Recent Developments

An improvement in the performance of Canadian equity markets will require a bigger contribution from stocks in the Financials and Energy sectors. While the supply-demand conditions for a number of commodities have improved, the portfolio manager believes it is hard to envision a surge from here without stronger global economic growth. Meanwhile, the domestic economy's reliance on housing and questions about the ability of consumers to maintain their spending continue to be points of discussion. The interest rate policy divergence between the U.S. Federal Reserve and the Bank of Canada is likely to widen if commodity prices remain weak, which could add further pressure to the Canadian dollar.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

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

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

Distributor

RBC GAM is the principal distributor of the Fund. Royal Mutual Funds Inc. and RBC Dominion Securities Inc. also distribute units of the Fund.

Custodian

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

Registrars

RBC IS and RBC GAM are registrars of the Fund and keep records of who owns the units of the Fund. The registrars also process orders and issue account statements.



Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$84,000 (2015 – \$21,000) or 20% (2015 – 9%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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		
Series F												
June 30, 2016	37.28	0.70	(0.13)	0.03	2.44	3.04	—	(0.60)	—	—	(0.60)	39.68
Dec. 31, 2015	40.35	1.29	(0.28)	(0.08)	(3.31)	(2.38)	(0.03)	(0.85)	—	—	(0.88)	37.28
Dec. 31, 2014	36.62	1.14	(0.28)	0.67	3.08	4.61	(0.05)	(0.81)	—	—	(0.86)	40.35
Dec. 31, 2013	32.14	1.07	(0.24)	0.55	4.02	5.40	(0.02)	(0.81)	—	—	(0.83)	36.61
Dec. 31, 2012	29.76	1.00	(0.22)	0.62	1.86	3.26	(0.03)	(0.73)	—	—	(0.76)	32.14
Dec. 31, 2011	30.77	0.93	(0.21)	0.54	(1.52)	(0.26)	(0.43)	(0.28)	(0.05)	—	(0.76)	29.76
Series O												
June 30, 2016	37.75	0.71	(0.01)	0.03	2.47	3.20	—	(0.74)	—	—	(0.74)	40.17
Dec. 31, 2015	40.86	1.29	(0.03)	(0.08)	(3.32)	(2.14)	(0.04)	(1.10)	—	—	(1.14)	37.75
Dec. 31, 2014	37.05	1.15	(0.03)	0.68	3.10	4.90	(0.06)	(1.04)	—	—	(1.10)	40.86
Dec. 31, 2013	32.52	1.08	(0.02)	0.56	4.07	5.69	(0.03)	(1.03)	—	—	(1.06)	37.04
Dec. 31, 2012	30.09	1.01	(0.02)	0.63	1.87	3.49	(0.02)	(0.92)	—	—	(0.94)	32.52
Dec. 31, 2011	31.08	0.94	(0.02)	0.55	(1.53)	(0.06)	(0.54)	(0.35)	(0.05)	—	(0.94)	30.09

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series F							
June 30, 2016	39.68	44 087	1 111	0.70	0.70	16.95	0.04
Dec. 31, 2015	37.28	37 126	996	0.71	0.71	11.01	0.05
Dec. 31, 2014	40.35	38 814	962	0.71	0.71	10.98	0.03
Dec. 31, 2013	36.62	40 430	1 104	0.72	0.72	13.49	0.03
Dec. 31, 2012	32.18	34 813	1 082	0.71	0.71	25.75	0.05
Dec. 31, 2011	29.80	35 715	1 198	0.70	0.70	27.22	0.05
Series O							
June 30, 2016	40.17	2 241 607	55 801	0.07	0.07	16.95	0.04
Dec. 31, 2015	37.75	2 013 283	53 338	0.07	0.07	11.01	0.05
Dec. 31, 2014	40.86	1 541 245	37 720	0.07	0.07	10.98	0.03
Dec. 31, 2013	37.05	1 115 421	30 105	0.07	0.07	13.49	0.03
Dec. 31, 2012	32.56	908 489	27 898	0.07	0.07	25.75	0.05
Dec. 31, 2011	30.14	757 066	25 123	0.05	0.05	27.22	0.05

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

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

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

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. The management fee with respect to Series F units is payable by the Fund on a monthly basis and calculated at the annual percentages, before GST/HST, of the daily net asset value of Series F units of the Fund. The management fee in respect of Series F units is 100% for management, investment advisory services, general administration and profit. No amount is paid out of the management fee for distribution services.

The management fee with respect to Series O units is payable directly to RBC GAM by unitholders or distributors, and therefore is not charged to the Fund.

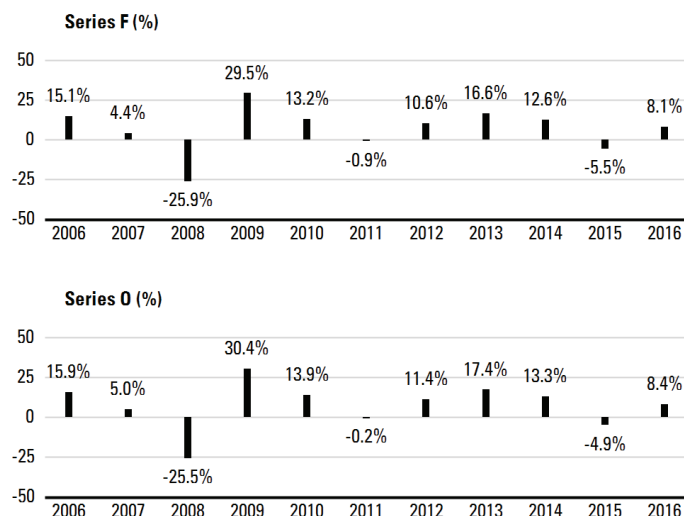


PAST PERFORMANCE

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, or 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.



Inception dates are not provided for series that have been in existence for more than 10 years.
For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Financials	44.2
Energy	20.8
Industrials	6.3
Utilities	5.7
Consumer Discretionary	4.3
Telecommunication Services	4.2
Consumer Staples	4.0
Materials	3.4
Health Care	0.5
Information Technology	0.2
Cash/Other	6.4

Top 25 Holdings

	% of Net Asset Value
Royal Bank of Canada	7.0
Toronto-Dominion Bank	6.7
Cash & Cash Equivalents	5.8
Bank of Nova Scotia	5.8
Brookfield Asset Management Inc., Class A	3.9
Canadian National Railway Co.	3.9
Bank of Montreal	3.8
TransCanada Corp.	3.4
Enbridge Inc.	3.3
Canadian Imperial Bank of Commerce	3.2
Suncor Energy Inc.	2.9
Canadian Natural Resources Ltd.	2.8
Manulife Financial Corporation	2.1
Loblaw Companies Ltd.	1.8
Sun Life Financial Inc.	1.7
Power Corporation of Canada	1.5
Imperial Oil Ltd.	1.5
BCE Inc.	1.5
Canadian Pacific Railway Ltd.	1.4
TELUS Corp.	1.4
Rogers Communications Inc., Class B	1.3
Fortis Inc.	1.3
Thomson Corp.	1.3
Onex Corporation	1.2
Brookfield Property Partners LP	1.1
Top 25 Holdings	71.6

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available by calling us at 1-800-662-0652.



CANADIAN EQUITY

**RBC PRIVATE CANADIAN GROWTH
AND INCOME EQUITY POOL**

June 30, 2016

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

Sub-Advisor: Greystone Managed Investments Inc., Regina, Saskatchewan

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide a competitive current income stream relative to that generally available in the broad Canadian equity market, and the potential for long-term capital growth through capital appreciation.

The Fund invests in dividend-paying Canadian companies with above-average financial strength and predictable and growing levels of profitability. The Fund will have representation in at least five of the 10 S&P/TSX industry sectors.

Results of Operations

The Fund's net asset value was \$147 million as of June 30, 2016.

Over the past six months, the Fund's Series O units gained 6.8%. The Fund's return is after the deduction of expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

Canadian stocks gained during the first half of 2016 as prices for oil, gold and other commodities increased. The market's best-performing area was gold stocks, which almost doubled as the price of gold was pulled higher by falling bond yields, political uncertainty such as the U.K.'s decision to exit the EU ("Brexit") and other macroeconomic concerns. Precious-metals stocks accounted for almost half the overall gains in Canadian stocks, while accounting for less than 10% of their market capitalization. Sectors that outperformed during the period included Energy, Utilities and Telecommunication Services, while the Health Care, Information Technology and Consumer Discretionary sectors underperformed.

The Fund's performance was hurt by a lack of relative exposure to gold stocks. This was offset by overweight positions in the Energy, Telecommunication Services and Utilities sectors. Railroad stocks underperformed during the period due to lower shipments given weaker commodity prices, and so a holding in Canadian Pacific held back returns.

Pembina Pipeline aided relative returns as oil prices rebounded to US\$50 during the second quarter. The sub-advisor expects the company to benefit from significant capital expenditures and take-or-pay contracts, which entitle suppliers to payments even when they are not required to deliver goods. Element Financial was one of the weakest performers in the portfolio. The sub-advisor remains optimistic that last year's acquisition of General Electric's vehicle-leasing unit will boost earnings.

Goldcorp, a gold-mining company, was added to the portfolio during the period.

Recent Developments

Brexit has raised the likelihood of even lower global growth in what was already a low-growth environment. Bond yields remain rooted at the lowest level in decades, and therefore continue to make dividend yields look relatively attractive. The sub-advisor still expects yields to eventually rise but the timing remains uncertain. As a result, the sub-advisor has added stocks that will increase the portfolio's yield at the expense of earnings growth. While the sub-advisor remains optimistic about the longer-term prospects of its holdings, a worsening in the macroeconomic outlook would likely lead to the outperformance of higher-yield stocks.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund.

RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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

Distributor

RBC GAM is the principal distributor of the Fund, and RBC Dominion Securities Inc. also distributes units of the Fund.

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. The registrar also processes orders and issues account statements.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$6,000 (2015 – \$11,000) or 5% (2015 – 16%) of the total transaction costs paid for this Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total		
Series F													
June 30, 2016	19.16	0.37	(0.09)	(0.10)	1.05	1.23	—	(0.39)	—	—	(0.39)	19.99	
Dec. 31, 2015	21.66	0.79	(0.19)	0.24	(2.64)	(1.80)	(0.02)	(0.58)	—	—	(0.60)	19.16	
Dec. 31, 2014	20.76	0.80	(0.20)	1.25	(0.34)	1.51	(0.02)	(0.63)	—	—	(0.65)	21.66	
Dec. 31, 2013	18.62	0.72	(0.17)	0.38	1.71	2.64	(0.02)	(0.50)	—	—	(0.52)	20.76	
Dec. 31, 2012	17.92	0.80	(0.17)	(0.44)	0.99	1.18	(0.02)	(0.47)	—	—	(0.49)	18.62	
Dec. 31, 2011	18.51	0.73	(0.17)	1.25	(1.81)	—	—	(0.58)	—	—	(0.58)	17.92	
Series O													
June 30, 2016	19.17	0.36	(0.01)	(0.10)	1.03	1.28	—	(0.47)	—	—	(0.47)	20.00	
Dec. 31, 2015	21.67	0.79	(0.02)	0.24	(2.64)	(1.63)	(0.03)	(0.74)	—	—	(0.77)	19.17	
Dec. 31, 2014	20.75	0.80	(0.02)	1.25	(0.34)	1.69	(0.02)	(0.79)	—	—	(0.81)	21.67	
Dec. 31, 2013	18.60	0.72	(0.02)	0.38	1.71	2.79	(0.03)	(0.64)	—	—	(0.67)	20.75	
Dec. 31, 2012	17.77	0.80	(0.02)	(0.44)	0.99	1.33	(0.02)	(0.48)	—	—	(0.50)	18.60	
Dec. 31, 2011	18.35	0.73	(0.02)	1.24	(1.80)	0.15	(0.01)	(0.71)	—	—	(0.72)	17.77	

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series F							
June 30, 2016	19.99	3 651	183	0.91	0.91	42.02	0.13
Dec. 31, 2015	19.16	3 781	197	0.91	0.91	30.87	0.06
Dec. 31, 2014	21.66	5 630	260	0.91	0.91	39.49	0.06
Dec. 31, 2013	20.76	6 454	311	0.91	0.91	50.27	0.10
Dec. 31, 2012	18.65	8 069	433	0.91	0.91	31.49	0.12
Dec. 31, 2011	17.94	9 137	509	0.92	0.92	26.18	0.06
Series O							
June 30, 2016	20.00	143 033	7 153	0.10	0.10	42.02	0.13
Dec. 31, 2015	19.17	205 546	10 720	0.10	0.10	30.87	0.06
Dec. 31, 2014	21.67	256 199	11 821	0.10	0.10	39.49	0.06
Dec. 31, 2013	20.75	228 185	10 994	0.10	0.10	50.27	0.10
Dec. 31, 2012	18.64	210 386	11 289	0.10	0.10	31.49	0.12
Dec. 31, 2011	17.80	43 799	2 461	0.11	0.11	26.18	0.06

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

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

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

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund.

The management fee with respect to Series F units is payable by the Fund on a monthly basis and calculated at the annual percentages, before GST/HST, of the daily net asset value of Series F units of the Fund. The management fee in respect of Series F units is 100% for management, investment advisory services, general administration and profit. No amount is paid out of the management fee for distribution services.

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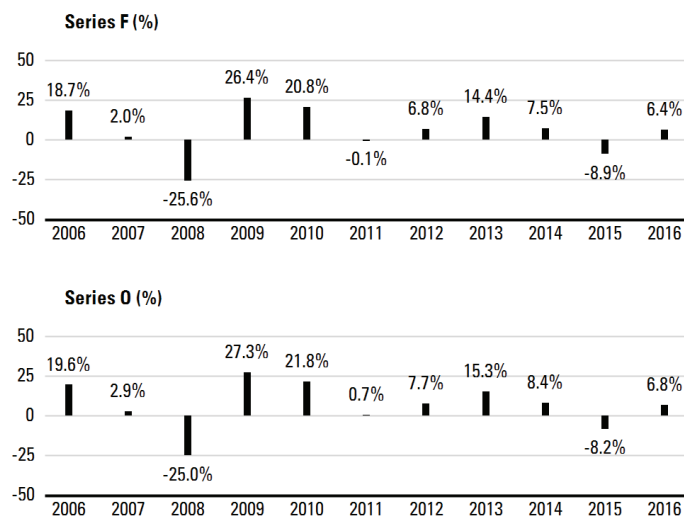


PAST PERFORMANCE

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, or 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.



Inception dates are not provided for series that have been in existence for more than 10 years.
For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Financials	39.6
Energy	20.2
Materials	8.0
Industrials	7.9
Telecommunication Services	7.9
Utilities	7.9
Consumer Discretionary	4.1
Information Technology	3.9
Cash/Other	0.5

Top 25 Holdings

	% of Net Asset Value
Intact Financial Corp.	4.2
ARC Resources Ltd.	4.1
AltaGas Ltd.	4.1
Enbridge Inc.	4.1
Pembina Pipeline Corp.	4.1
Waste Connections Inc.	4.0
National Bank of Canada	4.0
Toronto-Dominion Bank	4.0
Royal Bank of Canada	4.0
Goldcorp Inc.	4.0
Emera Inc.	4.0
Bank of Nova Scotia	4.0
Fortis Inc.	4.0
Allied Properties Real Estate Investment Trust	4.0
BCE Inc.	4.0
TELUS Corp.	3.9
DH Corp.	3.9
Vermilion Energy Inc.	3.9
Manulife Financial Corporation	3.8
Element Financial Corp.	3.7
Smart Real Estate Investment Trust	2.2
New Flyer Industries Inc.	2.0
Chemtrade Logistics Income Fund	2.0
Cineplex Inc.	2.0
Great-West Lifeco Inc.	2.0
Top 25 Holdings	90.0

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available by calling us at 1-800-662-0652.



CANADIAN EQUITY

RBC PRIVATE CANADIAN EQUITY POOL

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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.

This interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks long-term total returns primarily consisting of capital appreciation by investing in equity securities of major Canadian companies.

The Fund invests primarily in large-cap Canadian companies and may take advantage of opportunities in mid-cap companies. The Fund diversifies across S&P/TSX industry sectors, within minimum and maximum exposures. The Fund may use derivatives for hedging purposes and as a substitute for direct investment.

Results of Operations

The Fund's net asset value was \$3.3 billion as of June 30, 2016.

Over the past six months, the Fund's Series O units gained 9.5%. The Fund's return is after the deduction of expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

The S&P/TSX Composite Index, Canada's equity benchmark, outperformed most other global indices during the period. The resource-heavy Canadian index was bolstered by surging prices for oil, natural gas and gold, given supply disruptions. This benefited Canadian energy stocks, which account for about a fifth of S&P/TSX market capitalization. Concurrently, global growth concerns made headlines once again after the U.K.'s surprising decision to leave the EU ("Brexit"). The Brexit vote diverted investor focus from some positive economic developments in North America and signs of stabilization emerging in China.

Positive relative performance in the Health Care and Energy sectors was offset by weaker performance in the Materials sector.

Returns in the Canadian Health Care sector benefited from a lack of exposure to Valeant Pharmaceuticals. The company's stock came under pressure due to increased scrutiny over its drug-pricing practices, declining financial estimates and the delayed filing of its audited financial statements. An overweight allocation to the Energy sector drove returns due to a rebound in commodity prices. Prices for oil and natural gas fell significantly to multi-year lows early in 2016, as crude-oil supply and inventory climbed. Crude-oil benchmark prices touched 12-year lows in February near US\$25 per barrel, a price level well below production costs. Prices rebounded to US\$50 a barrel in June as supply and demand moved more into balance as global production declined. Natural-gas prices stayed relatively weak as a mild winter swelled inventories.

An underweight position in the Materials sector hindered returns, predominately from an underweight in gold-related companies, as the price of the commodity rose significantly during the period. Gold and silver prices were supported by negative interest rates in Japan and Germany, two of the biggest bond markets, and the Brexit vote. A below-benchmark allocation to Barrick Gold negatively impacted performance.

Recent Developments

An improvement in the performance of Canadian equity markets will require a bigger contribution from stocks in the Financials and Energy sectors. While the supply-demand equation for a number of commodities has improved, the portfolio manager believes it is hard to envision a surge from here without stronger global economic growth. Meanwhile, the domestic economy's reliance on housing and questions about the ability of consumers to maintain their spending continue to be points of discussion. The interest-rate policy divergence between the U.S. Federal Reserve and the Bank of Canada is likely to widen if commodity prices remain weak, which could further weaken the Canadian dollar.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund.

RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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

Distributor

RBC GAM is the principal distributor of the Fund. Royal Mutual Funds Inc. and RBC Dominion Securities Inc. also distribute units of the Fund.

Custodian

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

Registrars

RBC IS and RBC GAM are registrars of the Fund and keep records of who owns the units of the Fund. The registrars also process orders and issue account statements.



Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$163,000 (2015 – \$221,000) or 10% (2015 – 12%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series F												
June 30, 2016	20.68	0.36	(0.07)	(0.51)	2.16	1.94	—	(0.32)	—	—	(0.32)	22.25
Dec. 31, 2015	23.29	0.74	(0.16)	(0.01)	(2.68)	(2.11)	(0.02)	(0.47)	(0.12)	—	(0.61)	20.68
Dec. 31, 2014	21.69	1.21	(0.17)	1.56	(3.85)	(1.25)	(0.06)	(0.36)	(0.50)	—	(0.92)	23.29
Dec. 31, 2013	19.48	0.59	(0.15)	1.07	1.50	3.01	—	(0.45)	(0.32)	—	(0.77)	21.68
Dec. 31, 2012	18.20	0.52	(0.13)	0.76	0.61	1.76	—	(0.38)	—	—	(0.38)	19.48
Dec. 31, 2011	20.43	0.37	(0.13)	0.30	(2.44)	(1.90)	—	(0.31)	—	—	(0.31)	18.20
Series O												
June 30, 2016	20.78	0.36	(0.01)	(0.51)	2.17	2.01	—	(0.39)	—	—	(0.39)	22.36
Dec. 31, 2015	23.41	0.73	(0.02)	(0.01)	(2.66)	(1.96)	(0.02)	(0.62)	(0.12)	—	(0.76)	20.78
Dec. 31, 2014	21.71	0.69	(0.02)	0.88	(2.18)	(0.63)	(0.06)	(0.42)	(0.50)	—	(0.98)	23.41
Dec. 31, 2013	19.49	0.59	(0.01)	1.07	1.51	3.16	—	(0.58)	(0.32)	—	(0.90)	21.70
Dec. 31, 2012	18.22	0.52	(0.01)	0.76	0.61	1.88	—	(0.51)	—	—	(0.51)	19.49
Dec. 31, 2011	20.45	0.37	(0.01)	0.30	(2.44)	(1.78)	—	(0.44)	—	—	(0.44)	18.22

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series F							
June 30, 2016	22.25	16 183	727	0.70	0.70	42.10	0.11
Dec. 31, 2015	20.68	14 710	711	0.71	0.71	43.95	0.14
Dec. 31, 2014	23.29	15 774	677	0.71	0.71	51.04	0.16
Dec. 31, 2013	21.69	16 297	751	0.72	0.72	54.79	0.11
Dec. 31, 2012	19.51	16 320	836	0.71	0.71	39.45	0.12
Dec. 31, 2011	18.23	17 718	972	0.71	0.71	42.30	0.12
Series O							
June 30, 2016	22.36	3 323 169	148 638	0.07	0.07	42.10	0.11
Dec. 31, 2015	20.78	3 134 604	150 813	0.07	0.07	43.95	0.14
Dec. 31, 2014	23.41	2 431 677	103 860	0.07	0.07	51.04	0.16
Dec. 31, 2013	21.71	302 819	13 950	0.07	0.07	54.79	0.11
Dec. 31, 2012	19.53	272 232	13 940	0.07	0.07	39.45	0.12
Dec. 31, 2011	18.25	305 681	16 746	0.06	0.06	42.30	0.12

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

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

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

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund.

The management fee with respect to Series F units is payable by the Fund on a monthly basis and calculated at the annual percentages, before GST/HST, of the daily net asset value of Series F units of the Fund. The management fee in respect of Series F units is 100% for management, investment advisory services, general administration and profit. No amount is paid out of the management fee for distribution services.

The management fee with respect to Series O units is payable directly to RBC GAM by unitholders or distributors, and therefore is not charged to the Fund.

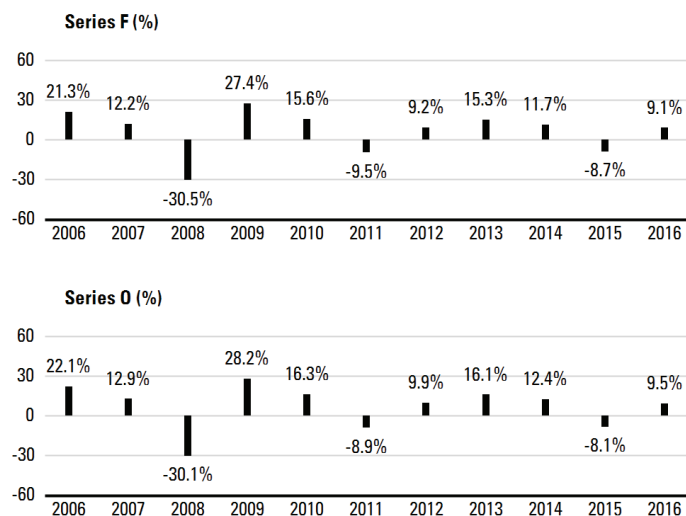


PAST PERFORMANCE

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, or 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.



Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Financials	32.0
Energy	21.0
Industrials	8.9
Materials	8.2
Consumer Discretionary	6.3
Consumer Staples	5.9
Utilities	4.7
Telecommunication Services	3.4
Information Technology	2.9
Health Care	0.3
Cash/Other	6.4

Top 25 Holdings

	% of Net Asset Value
Royal Bank of Canada	5.5
Suncor Energy Inc.	3.8
Toronto-Dominion Bank	3.6
Bank of Nova Scotia	3.6
Canadian National Railway Co.	3.3
Brookfield Asset Management Inc., Class A	3.1
RBC Canadian Small & Mid-Cap Resources Fund	3.0
Cash & Cash Equivalents	3.0
Enbridge Inc.	2.8
Manulife Financial Corporation	2.8
TransCanada Corp.	2.6
Canadian Natural Resources Ltd.	2.1
Bank of Montreal	1.9
Loblaw Companies Ltd.	1.8
Alimentation Couche-Tard Inc.	1.8
Agrium Inc.	1.7
Magna International Inc., Class A	1.7
Canadian Pacific Railway Ltd.	1.6
TELUS Corp.	1.6
Sun Life Financial Inc.	1.6
ARC Resources Ltd.	1.4
Potash Corporation of Saskatchewan Inc.	1.4
Brookfield Property Partners LP	1.3
BCE Inc.	1.2
Pembina Pipeline Corp.	1.2
Top 25 Holdings	59.4

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available by calling us at 1-800-662-0652.

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



CANADIAN EQUITY

**RBC PRIVATE CANADIAN
GROWTH EQUITY POOL**

June 30, 2016

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

Sub-Advisor: Guardian Capital LP, Toronto, Ontario

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term growth primarily through capital appreciation by investing in common stock and equivalent securities of Canadian corporations.

To achieve its objective, the Fund uses a qualitative approach to invest in larger capitalization, well-recognized and soundly managed Canadian companies. It invests in companies that have attractive earnings growth, value, quality and risk characteristics. The Fund diversifies its assets across the S&P/TSX industry sectors, with minimum and maximum exposures.

Results of Operations

The Fund's net asset value was \$203 million as of June 30, 2016.

Over the past six months, the Fund's Series O units gained 6.6%. The Fund's return is after the deduction of expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

The best-performing stocks in the Fund during the period were gold producers and Energy-sector holdings: Tahoe Resources, NuVista, Seven Generations, Goldcorp, New Gold, Canadian Natural Resources and Pembina Pipelines. The portfolio's worst-performing stocks were: HudBay Minerals, West Fraser, Mitel, Bombardier, AutoCanada and IMAX. The best-performing sectors in the portfolio were Energy, which benefited from a rebound in the price of oil, and Health Care, where a decision not to hold poorly performing Valeant contributed significantly to returns. The Fund's returns were negatively impacted by stock selection in the Materials, Information Technology and Consumer Discretionary sectors.

The Fund added eight stocks during the period and sold 10. The additions were: TransCanada, Tahoe Resources, Methanex, Magna International, Royal Bank of Canada, SNC-Lavalin, Sleep Country and Waste Connections. The deletions were: Enbridge Inc., Bombardier, Canadian National Railway, AutoCanada, Amaya, Loblaw, CI Financial, Royal Bank, Hudbay Minerals and Magna. The sub-advisor bought and sold the positions in Royal Bank and Magna within the period, which is not typical for the Fund. Royal Bank was added in the first quarter to reduce the portfolio's underweight exposure to banks based on the view that bank valuations were set to rise. The position was sold in the second quarter as the stock approached record highs to make room for higher-growth opportunities. Magna was added to the Fund earlier this year when the stock fell to a valuation that made it compelling to own. However, the sub-advisor believes that the U.K.'s decision in June to exit the EU ("Brexit") could stall European growth and therefore

sold the stock to mitigate this risk. In response to Brexit, the sub-advisor also began selling its stake in CAE and added to the portfolio's gold holdings. Positions in Waste Connections and SNC-Lavalin were increased, while exposure to Stantec was decreased.

Recent Developments

The sub-advisor remains bullish about stocks but believes that the Brexit decision will be a short-term headwind. Equity markets could stay volatile for some time, as uncertainty caused by Brexit may lead to a recession in the U.K. and Europe. However, the U.K. and EU represent only about 2% and 16% of world economic growth, respectively, and the sub-advisor believes that the U.S. and Asia can continue to grow without Europe, as they did during Europe's financial crisis. The sub-advisor believes that central banks have the tools to head off financial instability, and therefore expects the U.S. Federal Reserve to delay raising its benchmark interest rate until December 2016 at the earliest. The sub-advisor further believes that stocks are inexpensive relative to interest rates, and that there is sufficient liquidity to remain bullish.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

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

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

Distributor

RBC GAM is the principal distributor of the Fund, and RBC Dominion Securities Inc. also distributes units of the Fund.

Custodian

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

Registrars

RBC IS and RBC GAM are registrars of the Fund and keep records of who owns the units of the Fund. The registrars also process orders and issue account statements.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$25,000 (2015 – \$13,000) or 14% (2015 – 12%) of the total transaction costs paid for this Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series F												
June 30, 2016	182.83	2.24	(0.85)	(0.24)	11.38	12.53	—	(1.26)	—	—	(1.26)	192.84
Dec. 31, 2015	213.33	4.17	(1.97)	9.65	(28.36)	(16.51)	—	(2.01)	(11.75)	—	(13.76)	182.83
Dec. 31, 2014	197.77	3.67	(1.98)	12.19	2.87	16.75	—	(1.70)	—	—	(1.70)	213.33
Dec. 31, 2013	167.55	3.30	(1.70)	14.87	15.59	32.06	—	(1.79)	—	—	(1.79)	197.69
Dec. 31, 2012	161.47	3.93	(1.53)	5.71	0.68	8.79	—	(2.44)	—	—	(2.44)	167.55
Dec. 31, 2011	182.46	3.49	(1.57)	6.30	(26.65)	(18.43)	—	(2.44)	—	—	(2.44)	161.47
Series O												
June 30, 2016	184.12	2.25	(0.05)	(0.24)	11.46	13.42	—	(2.11)	—	—	(2.11)	194.17
Dec. 31, 2015	215.22	4.21	(0.12)	9.74	(28.63)	(14.80)	—	(3.93)	(12.12)	—	(16.05)	184.12
Dec. 31, 2014	199.48	3.70	(0.12)	12.28	2.89	18.75	—	(3.56)	—	—	(3.56)	215.22
Dec. 31, 2013	168.99	3.34	(0.10)	15.02	15.75	34.01	—	(3.40)	—	—	(3.40)	199.40
Dec. 31, 2012	162.86	3.98	(0.10)	5.78	0.69	10.35	—	(3.90)	—	—	(3.90)	168.99
Dec. 31, 2011	183.88	3.57	(0.10)	6.45	(27.29)	(17.37)	—	(3.77)	—	—	(3.77)	162.86

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series F							
June 30, 2016	192.84	5 696	30	0.93	0.93	60.91	0.18
Dec. 31, 2015	182.83	5 611	31	0.93	0.93	38.37	0.14
Dec. 31, 2014	213.33	7 007	33	0.93	0.93	33.67	0.09
Dec. 31, 2013	197.77	7 536	38	0.94	0.94	84.54	0.22
Dec. 31, 2012	167.79	5 681	34	0.93	0.93	40.28	0.11
Dec. 31, 2011	161.72	8 051	50	0.92	0.92	54.64	0.15
Series O							
June 30, 2016	194.17	197 216	1 016	0.06	0.06	60.91	0.18
Dec. 31, 2015	184.12	173 438	942	0.06	0.06	38.37	0.14
Dec. 31, 2014	215.22	212 613	988	0.06	0.06	33.67	0.09
Dec. 31, 2013	199.48	180 460	905	0.06	0.06	84.54	0.22
Dec. 31, 2012	169.23	145 057	857	0.06	0.06	40.28	0.11
Dec. 31, 2011	163.11	182 694	1 120	0.06	0.06	54.64	0.15

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

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

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

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. The management fee with respect to Series F units is payable by the Fund on a monthly basis and calculated at the annual percentages, before GST/HST, of the daily net asset value of Series F units of the Fund. The management fee in respect of Series F units is 100% for management, investment advisory services, general administration and profit. No amount is paid out of the management fee for distribution services.

The management fee with respect to Series O units is payable directly to RBC GAM by unitholders or distributors, and therefore is not charged to the Fund.

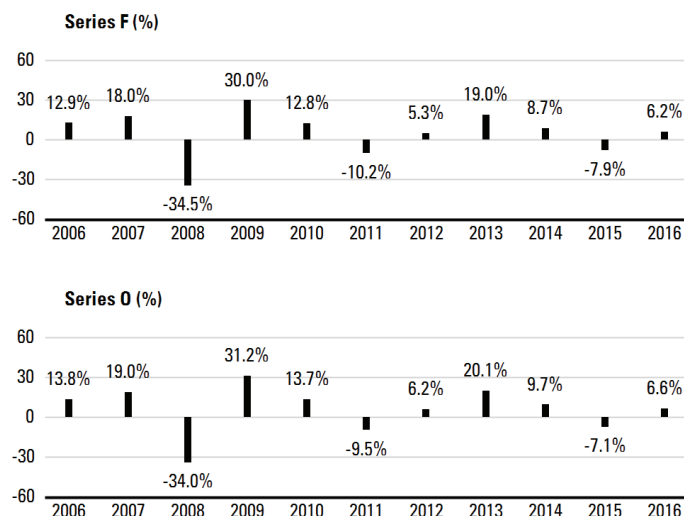


PAST PERFORMANCE

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, or 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.



Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Financials	28.7
Energy	19.0
Materials	15.0
Industrials	10.9
Information Technology	9.4
Consumer Discretionary	7.3
Consumer Staples	4.8
Cash/Other	4.9

Top 25 Holdings

	% of Net Asset Value
Toronto-Dominion Bank	6.6
Bank of Montreal	6.5
Bank of Nova Scotia	5.9
Cash & Cash Equivalents	4.7
Canadian Natural Resources Ltd.	4.2
Goldcorp Inc.	3.7
Canadian Pacific Railway Ltd.	3.5
Open Text Corp.	3.4
Manulife Financial Corporation	3.3
Seven Generations Energy Ltd.	3.2
Pembina Pipeline Corp.	3.1
CGI Group Inc., Class A	3.0
Gildan Activewear Inc., Class A	3.0
Tahoe Resources Inc.	3.0
Waste Connections Inc.	3.0
Alimentation Couche-Tard Inc.	2.7
TransCanada Corp.	2.7
SNC-Lavalin Group Inc.	2.4
CCL Industries, Class B	2.3
New Gold Inc.	2.3
Element Financial Corp.	2.3
Intact Financial Corp.	2.2
Maple Leaf Foods Inc.	2.1
West Fraser Timber Co. Ltd.	2.1
Stantec Inc.	2.0
Top 25 Holdings	83.2

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available by calling us at 1-800-662-0652.



CANADIAN EQUITY

**RBC PRIVATE CANADIAN
MID-CAP EQUITY POOL**

June 30, 2016

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund pursues long-term total returns consisting primarily of capital appreciation by focusing on equity securities of mid-sized Canadian companies that offer above-average prospects for growth. The Fund may also invest in smaller capitalization companies that have adequate liquidity.

The Fund focuses on companies with a history of high growth in sales and earnings, and with above-average prospects for continued growth. The Fund selects companies with strong management, focused business models and a competitive advantage. The 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 \$144 million as of June 30, 2016.

Over the past six months, the Fund's Series O units gained 20.8%. The Fund's return is after the deduction of expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

The S&P/TSX Composite Index, Canada's equity benchmark, outperformed most other global indices during the period. The resource-heavy Canadian index was positively impacted by surging commodity prices. Crude oil prices found a bottom and started recovering from levels that were well below the marginal cost of production, nearly doubling through the first half of the year. As the fundamental outlook became more constructive, the Energy sector began to outperform the broader market. This benefited Canadian energy stocks, which account for about a fifth of the S&P/TSX market capitalization. Concurrently, global growth concerns made headlines once again after the U.K.'s surprising decision to leave the EU ("Brexit"). The Brexit vote diverted investor focus from some positive economic developments in North America and signs of stabilization emerging from China.

Canadian mid-cap stocks outperformed their larger-cap peers in the first half of 2016. In the Fund, positive relative performance in the Energy, Financials and Industrials sectors was offset by weaker relative performance in the Consumer Discretionary sector.

In the Energy sector, stock selection drove positive relative performance. The Fund's allocation to Seven Generations Energy, a natural-gas company, boosted returns given the company's exposure to the recovery in petroleum prices, as well its solid balance sheet.

Stock selection also drove outperformance in the Financials sector. A position in Canadian Apartment Properties REIT proved beneficial as the company benefited from market expectations of continued low interest rates, as well as the company's relatively low exposure to Alberta.

Underweight exposure to the Industrials sector proved beneficial through the first half of 2016. A lack of exposure to MacDonald, Dettwiler and Associates aided returns as investor concerns regarding the health of the satellite industry weighed on the shares.

In the Consumer Discretionary sector, an overweight position in Linamar Corporation, an auto components supplier, hindered returns, reflecting investor concerns about the current stage of the auto cycle.

High portfolio turnover was primarily a function of asset changes required to keep the Fund in line with its mid-cap mandate.

Recent Developments

An improvement in the performance of Canadian equity markets will require a bigger contribution from stocks in the Financials and Energy sectors. While the supply-demand equation for a number of commodities has improved, the portfolio manager believes it is hard to envision a surge from here without stronger global economic growth. Meanwhile, the domestic economy's reliance on housing and questions about the ability of consumers to maintain their spending continue to be points of discussion. The interest rate policy divergence between the U.S. Federal Reserve and the Bank of Canada is likely to widen if commodity prices remain weak, which could add further pressure to the Canadian dollar.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund.

RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

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

Distributor

RBC GAM is the principal distributor of the Fund. Royal Mutual Funds Inc. and RBC Dominion Securities Inc. also distribute units of the Fund.



Custodian

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

Registrars

RBC IS and RBC GAM are registrars of the Fund and keep records of who owns the units of the Fund. The registrars also process orders and issue account statements.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$9,000 (2015 – \$47,000) or 4% (2015 – 13%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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		
Series F												
June 30, 2016	19.20	0.25	(0.07)	0.69	3.11	3.98	—	(0.20)	—	—	(0.20)	22.92
Dec. 31, 2015	22.50	0.59	(0.15)	(1.01)	(2.21)	(2.78)	(0.09)	(0.35)	—	—	(0.44)	19.20
Dec. 31, 2014	22.50	0.54	(0.18)	2.04	(0.80)	1.60	(0.05)	(0.32)	(1.45)	—	(1.82)	22.50
Dec. 31, 2013	20.39	0.51	(0.15)	0.82	1.51	2.69	(0.02)	(0.33)	(0.22)	—	(0.57)	22.48
Dec. 31, 2012	19.63	0.41	(0.14)	(0.15)	0.77	0.89	(0.02)	(0.22)	—	—	(0.24)	20.39
Dec. 31, 2011	22.83	0.27	(0.15)	1.62	(3.02)	(1.28)	(0.02)	(0.26)	(1.86)	—	(2.14)	19.63
Series O												
June 30, 2016	19.40	0.25	(0.01)	0.70	3.14	4.08	—	(0.26)	—	—	(0.26)	23.15
Dec. 31, 2015	22.74	0.55	(0.02)	(0.94)	(2.06)	(2.47)	(0.11)	(0.47)	—	—	(0.58)	19.40
Dec. 31, 2014	22.70	0.53	(0.03)	2.02	(0.79)	1.73	(0.06)	(0.44)	(1.45)	—	(1.95)	22.74
Dec. 31, 2013	20.57	0.52	(0.02)	0.83	1.52	2.85	(0.03)	(0.46)	(0.22)	—	(0.71)	22.69
Dec. 31, 2012	19.80	0.42	(0.02)	(0.15)	0.78	1.03	(0.03)	(0.33)	—	—	(0.36)	20.57
Dec. 31, 2011	23.05	0.27	(0.02)	1.63	(3.04)	(1.16)	(0.02)	(0.40)	(1.88)	—	(2.30)	19.80

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series F							
June 30, 2016	22.92	2 846	124	0.71	0.71	101.91	0.36
Dec. 31, 2015	19.20	2 777	145	0.71	0.71	92.80	0.28
Dec. 31, 2014	22.50	3 662	163	0.71	0.71	76.52	0.23
Dec. 31, 2013	22.50	6 592	293	0.72	0.72	83.93	0.23
Dec. 31, 2012	20.45	5 603	274	0.73	0.73	85.19	0.26
Dec. 31, 2011	19.70	5 253	267	0.72	0.72	109.08	0.33
Series O							
June 30, 2016	23.15	141 355	6 106	0.11	0.11	101.91	0.36
Dec. 31, 2015	19.40	114 159	5 885	0.11	0.11	92.80	0.28
Dec. 31, 2014	22.74	291 632	12 826	0.11	0.11	76.52	0.23
Dec. 31, 2013	22.70	215 454	9 490	0.11	0.11	83.93	0.23
Dec. 31, 2012	20.63	180 135	8 732	0.11	0.11	85.19	0.26
Dec. 31, 2011	19.87	161 640	8 133	0.11	0.11	109.08	0.33

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

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

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

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. The management fee with respect to Series F units is payable by the Fund on a monthly basis and calculated at the annual percentages, before GST/HST, of the daily net asset value of Series F units of the Fund. The management fee in respect of Series F units is 100% for management, investment advisory services, general administration and profit. No amount is paid out of the management fee for distribution services.

The management fee with respect to Series O units is payable directly to RBC GAM by unitholders or distributors, and therefore is not charged to the Fund.

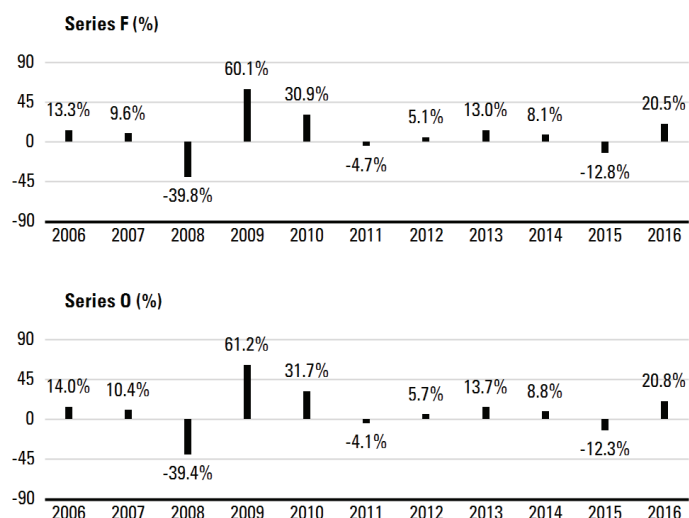


PAST PERFORMANCE

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, or 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.



Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Materials	22.1
Energy	21.0
Financials	20.7
Industrials	9.9
Utilities	7.7
Consumer Discretionary	5.9
Consumer Staples	5.0
Information Technology	4.1
Health Care	1.7
Cash/Other	1.9

Top 25 Holdings

	% of Net Asset Value
Seven Generations Energy Ltd.	2.9
Tourmaline Oil Corp.	2.7
Canadian Utilities Ltd., Class A	2.5
Tahoe Resources Inc.	2.5
Brookfield Property Partners LP	2.4
Alamos Gold Inc., Class A	2.1
H&R Real Estate Investment Trust	2.1
Eldorado Gold Corp.	2.0
Onex Corporation	2.0
George Weston Ltd.	1.9
Cash & Cash Equivalents	1.8
First Quantum Minerals Ltd.	1.8
Peyto Exploration & Development Corp.	1.7
Detour Gold Corp.	1.7
Element Financial Corp.	1.6
Keyera Corp.	1.6
Semafo Inc.	1.6
Brookfield Renewable Partners LP	1.6
Allied Properties Real Estate Investment Trust	1.6
Hydro One Ltd.	1.6
CCL Industries, Class B	1.6
Husky Energy Inc.	1.5
First Capital Realty Inc.	1.5
CAE Inc.	1.5
CI Financial Corp.	1.5
Top 25 Holdings	47.3

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available by calling us at 1-800-662-0652.



U.S. EQUITY

RBC PRIVATE U.S. LARGE-CAP VALUE EQUITY POOL

June 30, 2016

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

Sub-Advisor: Westwood Management Corp., Dallas, Texas

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 total returns primarily through capital appreciation by investing in common stocks and equivalent securities of U.S. corporations trading below their intrinsic value.

The Fund typically invests in U.S. and non-U.S. companies that are constituents of the Russell 1000 or S&P 500 indices. The Fund is diversified across major industry sectors, within minimum and maximum exposures.

Results of Operations

The Fund's net asset value was \$344 million as of June 30, 2016.

Over the past six months, the Fund's Series O units lost 2.0%. The Fund's return is after the deduction of expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

Volatility remained a fixture for stock markets in the first half of this year after a tumultuous 2015. Investors continued to grapple with fragile markets driven by uncertainty regarding central-bank policy and the widening gap between decent U.S. growth and economic weakness in many other regions. Given the uncertain outlook for profit growth, the market rewarded companies with consistent earnings growth and strong balance sheets.

Unfavourable stock selection in the Financials sector and an overweight position in the sector had a significant negative impact on returns. Falling interest rates led to lower interest income and hurt holdings including Bank of America, Wells Fargo and American International Group. Shares of Abbott Labs declined after the company agreed to buy St. Jude Medical, although the sub-advisor remains optimistic about the outlook for Abbott. Marathon Petroleum shares declined after the company's profits were hurt by falling cash flow at a limited partnership investment.

The portfolio's relative performance was driven by favourable security selection in the Consumer Staples and Health Care sectors. Among individual stocks, Johnson & Johnson contributed to returns given its exposure to many areas of the industry and effective asset purchases. McCormick & Co. and General Mills added to performance given their dominant and stable positions in spices and food, respectively, coupled with the potential for wider profit margins. Utilities companies WEC Energy Group and NextEra Energy contributed to returns as a favourable regulatory backdrop led to better-than-expected growth potential.

Recent Developments

Looking forward, investors will likely be forced to cope with volatile equity markets due to geopolitical events such as U.K.'s recent vote in favour of leaving the EU and continuing macroeconomic risks. The positive impact of better economic prospects may be tempered by valuations that are full, concerns about the potential for rate hikes by the U.S. Federal Reserve and uncertainty around the U.S. presidential election in November. Wages are rising and that is good for consumers, but higher labour expenses are a potential risk to corporate profits unless productivity gains can be found. The sub-advisor continues to focus on investing in high-quality businesses with undervalued growth prospects.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

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

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

Distributor

RBC GAM is the principal distributor of the Fund, and RBC Dominion Securities Inc. also distributes units of the Fund.

Custodian

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

Registrars

RBC IS and RBC GAM are registrars of the Fund and keep records of who owns the units of the Fund. The registrars also process orders and issue account statements.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$0 (2015 – \$1,000) or 0% (2015 – 2%) of the total transaction costs paid for this Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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		
Series F												
June 30, 2016	245.73	2.24	(1.39)	7.30	(14.77)	(6.62)	—	(0.94)	—	—	(0.94)	238.44
Dec. 31, 2015	209.30	4.03	(2.75)	25.30	11.39	37.97	—	(1.24)	—	—	(1.24)	245.73
Dec. 31, 2014	172.64	3.24	(2.22)	17.13	19.43	37.58	—	(1.14)	—	—	(1.14)	209.30
Dec. 31, 2013	126.49	2.69	(1.80)	18.59	27.31	46.79	—	(0.91)	—	—	(0.91)	172.63
Dec. 31, 2012	113.19	2.40	(1.44)	1.15	11.71	13.82	—	(0.86)	—	—	(0.86)	126.49
Dec. 31, 2011	116.37	5.39	(1.35)	(1.63)	(1.80)	0.61	—	(4.21)	—	—	(4.21)	113.19
Series O												
June 30, 2016	248.81	2.27	(0.12)	7.40	(14.98)	(5.43)	—	(2.26)	—	—	(2.26)	241.43
Dec. 31, 2015	211.98	4.08	(0.23)	25.64	11.55	41.04	—	(3.89)	—	—	(3.89)	248.81
Dec. 31, 2014	174.78	3.28	(0.19)	17.34	19.67	40.10	—	(3.17)	—	—	(3.17)	211.98
Dec. 31, 2013	128.06	2.72	(0.15)	18.80	27.62	48.99	—	(2.53)	—	—	(2.53)	174.77
Dec. 31, 2012	114.50	2.42	(0.12)	1.16	11.77	15.23	—	(2.13)	—	—	(2.13)	128.06
Dec. 31, 2011	116.79	5.34	(0.12)	(1.61)	(1.78)	1.83	—	(4.57)	—	—	(4.57)	114.50

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series F							
June 30, 2016	238.44	931	4	1.19	1.19	28.22	0.03
Dec. 31, 2015	245.73	1 323	5	1.19	1.19	29.26	0.03
Dec. 31, 2014	209.30	1 237	6	1.19	1.19	41.09	0.05
Dec. 31, 2013	172.64	1 500	9	1.19	1.19	64.41	0.06
Dec. 31, 2012	126.51	1 168	9	1.19	1.19	28.53	0.06
Dec. 31, 2011	113.20	1 126	10	1.20	1.20	51.81	0.07
Series O							
June 30, 2016	241.43	343 426	1 422	0.10	0.10	28.22	0.03
Dec. 31, 2015	248.81	367 833	1 478	0.10	0.10	29.26	0.03
Dec. 31, 2014	211.98	342 337	1 615	0.10	0.10	41.09	0.05
Dec. 31, 2013	174.78	288 136	1 649	0.10	0.10	64.41	0.06
Dec. 31, 2012	128.08	187 576	1 465	0.10	0.10	28.53	0.06
Dec. 31, 2011	114.51	127 646	1 115	0.10	0.10	51.81	0.07

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

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

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

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. The management fee with respect to Series F units is payable by the Fund on a monthly basis and calculated at the annual percentages, before GST/HST, of the daily net asset value of Series F units of the Fund. The management fee in respect of Series F units is 100% for management, investment advisory services, general administration and profit. No amount is paid out of the management fee for distribution services.

The management fee with respect to Series O units is payable directly to RBC GAM by unitholders or distributors, and therefore is not charged to the Fund.

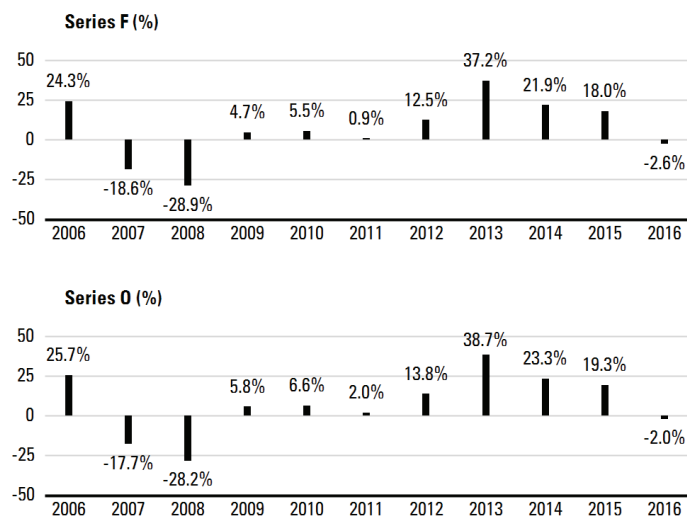


PAST PERFORMANCE

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, or 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.



Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Financials	19.5
Information Technology	14.2
Health Care	12.9
Industrials	12.4
Consumer Staples	11.3
Consumer Discretionary	9.4
Energy	9.4
Utilities	4.2
Telecommunication Services	2.2
Materials	2.0
Cash/Other	2.5

Top 25 Holdings

	% of Net Asset Value
Johnson & Johnson	3.9
Comcast Corp., Class A	3.6
JPMorgan Chase & Co.	3.4
Wells Fargo & Company	3.4
Amdocs Ltd.	3.0
Exxon Mobil Corp.	2.7
Abbott Laboratories	2.6
Bank of America Corp.	2.5
Cash & Cash Equivalents	2.5
Chubb Ltd.	2.5
Colgate-Palmolive Company	2.3
Becton Dickinson & Co.	2.3
Texas Instruments Inc.	2.3
American International Group Inc.	2.2
Verizon Communications Inc.	2.2
WEC Energy Group Inc.	2.2
Aetna Inc.	2.1
Booz Allen Hamilton Holding Corp.	2.1
Chevron Corp.	2.1
McCormick & Co. Inc.	2.1
PepsiCo Inc.	2.1
Honeywell International Inc.	2.1
Simon Property Group Inc.	2.1
NextEra Energy Inc.	2.1
EOG Resources Inc.	2.0
Top 25 Holdings	62.4

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available by calling us at 1-800-662-0652.



U.S. EQUITY

**RBC PRIVATE U.S. LARGE-CAP VALUE
EQUITY CURRENCY NEUTRAL POOL**

June 30, 2016

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

Sub-Advisor (for the underlying fund): Westwood Management Corp.,
Dallas, Texas

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term total returns primarily through capital appreciation by investing primarily in one or more mutual funds managed by RBC GAM or an affiliate. The assets are invested in common stocks and equivalent securities of U.S. corporations trading below their potential intrinsic value. The Fund also seeks to minimize exposure to currency fluctuations between the U.S. and Canadian dollars.

To achieve its investment objective, the Fund invests most of its assets in the RBC Private U.S. Large-Cap Value Equity Pool (the “underlying fund”), and uses currency hedges to minimize currency exposure. The underlying fund typically invests in U.S. and non-U.S. companies that are constituents of the Russell 1000 or S&P 500 indices. The underlying fund is diversified across major industry sectors, within minimum and maximum exposures.

Results of Operations

The Fund’s net asset value was \$25 million as of June 30, 2016.

Over the past six months, the Fund’s Series O units gained 4.0%. The Fund’s return is after the deduction of expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

Volatility remained a fixture for stock markets in the first half of this year after a tumultuous 2015. Investors continued to grapple with fragile markets driven by uncertainty regarding central-bank policy and the widening gap between decent U.S. growth and economic weakness in many other regions. Given the uncertain outlook for profit growth, the market rewarded companies with consistent earnings growth and strong balance sheets.

Unfavourable stock selection in the Financials sector and an overweight position in the sector had a significant negative impact on returns. Falling interest rates led to lower interest income and hurt holdings including Bank of America, Wells Fargo and American International Group. Shares of Abbott Labs declined after the company agreed to buy St. Jude Medical, although the sub-advisor remains optimistic about the outlook for Abbott. Marathon Petroleum shares declined after the company’s profits were hurt by falling cash flow at a limited partnership investment.

The portfolio’s relative performance was aided by favourable security selection in the Consumer Staples and Health Care sectors. Among individual stocks, Johnson & Johnson contributed to returns given its exposure to many areas of the industry and effective asset purchases. McCormick & Co. and General Mills added to

performance given their dominant and stable positions in spices and food, respectively, coupled with the potential for wider profit margins. Utilities companies WEC Energy Group and NextEra Energy contributed to returns as a favourable regulatory backdrop led to better-than-expected growth potential.

It is the policy of the Fund to maintain currency hedges at all times in order to neutralize exchange-rate movements between the U.S. dollar and the Canadian dollar. This policy had a positive impact on returns in the first half of 2016, as unitholders were protected against the U.S. dollar’s decline against the Canadian dollar.

Volatility in currency markets early in the period resulted in higher portfolio turnover during the first half of 2016 due to hedging-related transactions.

Recent Developments

Looking forward, investors will likely be forced to cope with volatile equity markets due to geopolitical events such as the U.K.’s recent vote in favour of leaving the EU and continuing macroeconomic risks. The positive impact of better economic prospects may be tempered by valuations that are full, concerns about the potential for rate hikes by the U.S. Federal Reserve and uncertainty around the U.S. presidential election in November. Wages are rising and that is good for consumers, but higher labour expenses are a potential risk to corporate profits unless productivity gains can be found. The sub-advisor continues to focus on investing in high-quality businesses with undervalued growth prospects.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

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

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

Distributor

RBC GAM is the principal distributor of the Fund, and RBC Dominion Securities Inc. also distributes units of the Fund.

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. The registrar also processes orders and issues account statements.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

							Annual Distributions ²					
Increase (Decrease) from Operations ¹							From		From			Net Assets
For the Year/ Period Ended	Net Assets	Total	Total	Realized	Unrealized		Income		Capital	Return		End of
	Beginning of Year/Period	Revenue	Expenses	Gains	Gains	Total	(Excluding	Dividends	Gains	of Capital	Total	Year/Period
		(Loss)		(Losses)	(Losses)		Dividends)					
Series O												
June 30, 2016	15.06	0.13	—	2.23	(0.99)	1.37	—	(0.11)	—	—	(0.11)	15.55
Dec. 31, 2015	16.10	0.27	(0.01)	1.15	(1.32)	0.09	—	(0.26)	(0.75)	—	(1.01)	15.06
Dec. 31, 2014	14.51	0.23	(0.01)	3.63	(2.20)	1.65	—	(0.24)	—	—	(0.24)	16.10
Dec. 31, 2013	11.30	0.21	(0.01)	0.05	3.17	3.42	—	(0.21)	—	—	(0.21)	14.51
Dec. 31, 2012	9.88	0.19	(0.01)	0.60	0.79	1.57	—	(0.18)	(0.06)	—	(0.24)	11.30
Dec. 31, 2011	10.40	0.54	(0.01)	(0.63)	(0.30)	(0.40)	—	(0.37)	—	—	(0.37)	9.88

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series O							
June 30, 2016	15.55	25 394	1 633	0.15	0.16	117.01	—
Dec. 31, 2015	15.06	15 781	1 048	0.15	0.18	48.03	0.03
Dec. 31, 2014	16.10	15 612	970	0.15	0.17	5.56	0.05
Dec. 31, 2013	14.51	28 693	1 977	0.16	0.16	13.25	0.06
Dec. 31, 2012	11.30	25 865	2 290	0.17	0.17	29.61	0.06
Dec. 31, 2011	9.88	17 632	1 784	0.21	0.21	53.51	0.07

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

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

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

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. The management fee with respect to Series O units is payable directly to RBC GAM by unitholders or distributors, and therefore is not charged to the Fund.

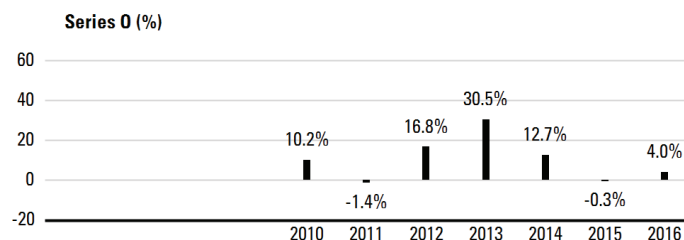


PAST PERFORMANCE

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, or 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.



Series 0 units have been available for sale to unitholders since January 11, 2010.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Financials	19.5
Information Technology	14.2
Health Care	12.9
Industrials	12.4
Consumer Staples	11.3
Consumer Discretionary	9.4
Energy	9.4
Utilities	4.2
Telecommunication Services	2.2
Materials	2.0
Cash/Other	2.5

Top 25 Holdings*

	% of Net Asset Value
Johnson & Johnson	3.9
Comcast Corp., Class A	3.6
JPMorgan Chase & Co.	3.4
Wells Fargo & Company	3.4
Amdocs Ltd.	3.0
Exxon Mobil Corp.	2.7
Abbott Laboratories	2.6
Bank of America Corp.	2.5
Cash & Cash Equivalents	2.5
Chubb Ltd.	2.5
Colgate-Palmolive Company	2.3
Becton Dickinson & Co.	2.3
Texas Instruments Inc.	2.3
American International Group Inc.	2.2
Verizon Communications Inc.	2.2
WEC Energy Group Inc.	2.2
Aetna Inc.	2.1
Booz Allen Hamilton Holding Corp.	2.1
Chevron Corp.	2.1
McCormick & Co. Inc.	2.1
PepsiCo Inc.	2.1
Honeywell International Inc.	2.1
Simon Property Group Inc.	2.1
NextEra Energy Inc.	2.1
EOG Resources Inc.	2.0
Top 25 Holdings	62.4

* The Fund invests substantially all of its assets directly in the RBC Private U.S. Large-Cap Value Equity Pool. The above are the Top 25 holdings of the RBC Private U.S. Large-Cap Value Equity Pool.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available by calling us at 1-800-662-0652.

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



U.S. EQUITY

RBC PRIVATE U.S. GROWTH EQUITY POOL

June 30, 2016

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

Sub-Advisor: Brown Advisory, LLC, Baltimore, Maryland

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks long-term growth primarily through capital appreciation by investing in common stocks and equivalent securities of U.S. corporations that offer above-average prospects for growth.

The Fund identifies opportunities using detailed, bottom-up fundamental research performed through the analysis of a company's financial statements, long-term business model and industry attractiveness.

The Fund diversifies across major industry sectors. The Fund invests in companies with an attractive combination of large and sustainable market opportunities, experienced and credible management, proprietary products or services, healthy financial position and attractive valuations relative to their long-term growth opportunity.

Results of Operations

The Fund's net asset value was \$352 million as of June 30, 2016.

Over the past six months, the Fund's Series O units lost 7.8%. The Fund's return is after the deduction of expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

U.S. equity markets got off to one of the worst starts ever to a calendar year in 2016 amid concern about global economic growth and the negative impact of low oil prices on energy-company earnings. Investors migrated toward companies in the Consumer Staples, Telecommunication Services and Utilities sectors – areas that tend to outperform in periods of slower growth. Stocks rebounded in the latter half of the period.

A holding in TripAdvisor, an online travel website, was negative for returns as a surge in terrorism dampened international travel and the company had costs linked to customers getting accustomed to a new streamlined booking process. The sub-advisor remains confident about TripAdvisor's prospects. The Fund eliminated the remaining energy stock in the portfolio, FMC Technologies, given the assessment that a rebound will require a rapid recovery in the price of oil. The proceeds were used to purchase SBA Communications, which owns and operates wireless-communications towers.

The Health Care and Information Technology sectors were the strongest contributors to the Fund's performance during the period. Intuitive Surgical made a strong contribution to returns as the company's minimally invasive robotic-surgery systems gained market share.

Recent Developments

Analysts have continued to reduce earnings expectations, and the S&P 500 posted its fourth consecutive quarter of overall declining profits. Estimates for the Energy, Materials and Industrials sectors are declining amid weak global demand for commodities. Rather than avoiding overseas exposure, the sub-advisor is looking for companies with products or services that are not easily replicated. For some of companies in the portfolio, currency fluctuations will be a temporary headwind.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

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

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

Distributor

RBC GAM is the principal distributor of the Fund, and RBC Dominion Securities Inc. also distributes units of the Fund.

Custodian

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

Registrars

RBC IS and RBC GAM are registrars of the Fund and keep records of who owns the units of the Fund. The registrars also process orders and issue account statements.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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		
Series F												
June 30, 2016	161.98	2.09	(0.89)	6.03	(20.85)	(13.62)	—	—	—	—	—	148.49
Dec. 31, 2015	127.74	0.95	(1.75)	18.45	17.31	34.96	—	—	—	—	—	161.98
Dec. 31, 2014	110.30	0.77	(1.38)	10.26	7.23	16.88	—	—	—	—	—	127.74
Dec. 31, 2013	80.26	0.60	(1.18)	2.96	27.47	29.85	—	—	—	—	—	110.28
Dec. 31, 2012	77.76	1.27	(0.94)	(0.22)	3.15	3.26	—	(0.42)	—	—	(0.42)	80.26
Dec. 31, 2011	81.41	0.80	(0.90)	4.53	(8.71)	(4.28)	—	—	—	—	—	77.76
Series O												
June 30, 2016	165.20	2.13	(0.06)	6.15	(21.29)	(13.07)	—	(0.28)	—	—	(0.28)	152.01
Dec. 31, 2015	129.64	0.97	(0.12)	18.74	17.58	37.17	—	(0.91)	—	—	(0.91)	165.20
Dec. 31, 2014	111.37	0.78	(0.09)	10.40	7.33	18.42	—	(0.70)	—	—	(0.70)	129.64
Dec. 31, 2013	80.78	0.61	(0.07)	2.98	27.68	31.20	—	(0.65)	—	—	(0.65)	111.35
Dec. 31, 2012	78.06	1.26	(0.06)	(0.22)	3.15	4.13	—	(1.09)	—	—	(1.09)	80.78
Dec. 31, 2011	81.63	0.80	(0.03)	4.54	(8.72)	(3.41)	—	(0.76)	—	—	(0.76)	78.06

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series F							
June 30, 2016	148.49	957	6	1.20	1.20	28.71	0.02
Dec. 31, 2015	161.98	941	6	1.19	1.19	30.59	0.03
Dec. 31, 2014	127.74	592	5	1.19	1.19	20.88	0.02
Dec. 31, 2013	110.30	703	6	1.24	1.24	23.38	0.02
Dec. 31, 2012	80.28	575	7	1.16	1.16	139.09	0.24
Dec. 31, 2011	77.83	4 839	62	1.12	1.12	66.24	0.15
Series O							
June 30, 2016	152.01	351 258	2 311	0.08	0.08	28.71	0.02
Dec. 31, 2015	165.20	394 114	2 386	0.08	0.08	30.59	0.03
Dec. 31, 2014	129.64	340 987	2 630	0.08	0.08	20.88	0.02
Dec. 31, 2013	111.37	322 841	2 899	0.08	0.08	23.38	0.02
Dec. 31, 2012	80.80	216 630	2 681	0.08	0.08	139.09	0.24
Dec. 31, 2011	78.13	207 078	2 650	0.04	0.04	66.24	0.15

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

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

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

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. The management fee with respect to Series F units is payable by the Fund on a monthly basis and calculated at the annual percentages, before GST/HST, of the daily net asset value of Series F units of the Fund. The management fee in respect of Series F units is 100% for management, investment advisory services, general administration and profit. No amount is paid out of the management fee for distribution services.

The management fee with respect to Series O units is payable directly to RBC GAM by unitholders or distributors, and therefore is not charged to the Fund.

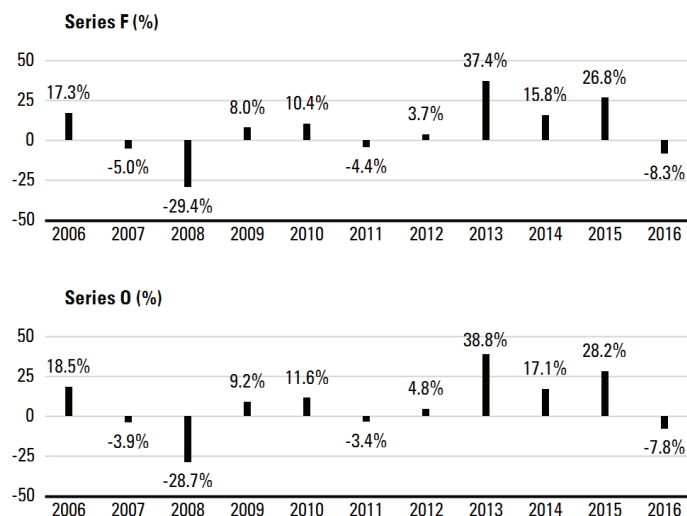


PAST PERFORMANCE

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, or 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.



Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Information Technology	39.9
Health Care	14.9
Consumer Discretionary	14.6
Consumer Staples	10.6
Industrials	8.3
Materials	3.5
Telecommunication Services	2.5
Financials	1.0
Cash/Other	4.7

Top 25 Holdings

	% of Net Asset Value
Amazon.com, Inc.	4.8
Cash & Cash Equivalents	4.6
Visa Inc., Class A	4.4
Facebook Inc., Class A	4.4
Starbucks Corp.	4.1
Danaher Corp.	4.1
Costco Wholesale Corp.	3.8
Bristol-Myers Squibb Co.	3.7
Estée Lauder Companies Inc., Class A	3.6
Intuitive Surgical Inc.	3.6
Ecolab Inc.	3.5
Salesforce.com Inc.	3.4
Mead Johnson Nutrition Co., Class A	3.2
Amphenol Corp., Class A	3.2
TripAdvisor Inc.	3.1
Express Scripts Holding Co.	3.0
Alphabet Inc., Class C	2.8
Genpact Ltd.	2.7
NXP Semiconductor N.V.	2.6
SBA Communications Corp.	2.5
DaVita HealthCare Partners Inc.	2.3
Adobe Systems Inc.	2.3
Alexion Pharmaceuticals Inc.	2.3
Cognizant Technology Solutions Corp., Class A	2.3
Akamai Technologies Inc.	2.3
Top 25 Holdings	82.6

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available by calling us at 1-800-662-0652.



U.S. EQUITY

RBC PRIVATE U.S. LARGE-CAP CORE EQUITY POOL

June 30, 2016

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

Sub-Advisor: RBC Global Asset Management (U.S.) Inc, Minneapolis, Minnesota

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term total returns consisting primarily of capital appreciation by investing in common stocks of U.S. corporations.

The Fund typically invests in large-cap companies that belong to the Standard & Poor's 500 Index. The Fund will be diversified across industries and, in aggregate, normally will have lower price-to-earnings, price-to-book, and price-to-cash-flow ratios than the Standard & Poor's 500 Index. Equities are also selected based on expectations of improved fundamentals that could result from restructurings, management changes and new-product cycles.

Results of Operations

The Fund's net asset value was \$1.8 billion as of June 30, 2016.

Over the past six months, the Fund's Series O units lost 7.1%. The Fund's return is after the deduction of expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

The optimism demonstrated by equity investors at the end of 2015 was short-lived as stock markets declined in the first week of 2016. The headwinds of slowing Chinese and global growth and plummeting oil prices remained unresolved heading into 2016 and played roles in one of the worst starts ever to a calendar year. In time, however, it became apparent that earnings prospects remained reasonably attractive, and stocks began to recover in mid-February. The trigger for the recovery was a rebound in oil prices, which boosted the Energy sector. Investor expectations that the U.S. Federal Reserve (the "Fed") would slow the pace of interest-rate hikes also supported stocks.

Eight of the 10 economic sectors in the S&P 500 recorded gains during the period, with the Energy, Telecommunication Services and Utilities sectors performing the best. The worst-performing sectors were Information Technology and Consumer Discretionary, which declined.

The Fund's policy of not favouring investments in any one sector was slightly negative for returns during the period. Stock selection in the Information Technology and Energy sectors had a negative impact on returns. Software-products developer Splunk and semiconductor manufacturer NXP Semiconductors performed poorly. In the Energy sector, Valero Energy was the Fund's worst-performing stock.

Portfolio turnover is normally high for the Fund, as the portfolio manager attempts to generate better returns through active sector and stock selection.

Recent Developments

Global growth remains slow as the latter half of 2016 gets underway. The fact that the U.S. economy is expanding faster than almost anywhere else has lessened the fears of domestic investors even as geopolitical risks persist, including fallout from Britain's recent decision to exit the EU. The recovery in oil prices has also helped to promote stability. With the Fed inclined to hold off on additional rate increases, the sub-advisor believes that markets can extend the rally that began in mid-February, with volatile periods included.

Effective June 30, 2016, management fees were reduced from 0.75% to 0.60% for Series F units.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

RBC Global Asset Management (U.S.) Inc. is the sub-advisor and provides investment advice for the Fund.

Distributor

RBC GAM is the principal distributor of the Fund. Royal Mutual Funds Inc. and RBC Dominion Securities Inc. also distribute units of the Fund.

Custodian

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

Registrars

RBC IS and RBC GAM are registrars of the Fund and keep records of who owns the units of the Fund. The registrars also process orders and issue account statements.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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		
Series F												
June 30, 2016	20.89	0.17	(0.09)	(0.49)	(1.03)	(1.44)	—	(0.09)	—	—	(0.09)	19.25
Dec. 31, 2015	18.58	0.37	(0.19)	1.93	1.00	3.11	—	(0.11)	(0.99)	—	(1.10)	20.89
Dec. 31, 2014	16.31	0.29	(0.16)	2.18	1.72	4.03	—	(0.11)	(1.57)	—	(1.68)	18.58
Dec. 31, 2013	12.59	0.31	(0.15)	1.42	2.70	4.28	—	(0.14)	(0.90)	—	(1.04)	16.31
Dec. 31, 2012	11.38	0.22	(0.11)	0.41	0.83	1.35	—	(0.10)	(0.20)	—	(0.30)	12.59
Dec. 31, 2011	11.35	0.17	(0.10)	0.06	0.06	0.19	—	(0.07)	—	—	(0.07)	11.38
Series O												
June 30, 2016	21.11	0.18	(0.01)	(0.50)	(1.04)	(1.37)	—	(0.16)	—	—	(0.16)	19.46
Dec. 31, 2015	18.78	0.35	(0.02)	1.83	0.94	3.10	—	(0.28)	(1.01)	—	(1.29)	21.11
Dec. 31, 2014	16.48	0.29	(0.02)	2.20	1.73	4.20	—	(0.26)	(1.57)	—	(1.83)	18.78
Dec. 31, 2013	12.75	0.34	(0.02)	1.56	2.97	4.85	—	(0.31)	(0.91)	—	(1.22)	16.48
Dec. 31, 2012	11.50	0.24	(0.01)	0.45	0.90	1.58	—	(0.19)	(0.20)	—	(0.39)	12.75
Dec. 31, 2011	11.48	0.18	(0.01)	0.06	0.06	0.29	—	(0.18)	—	—	(0.18)	11.50

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series F							
June 30, 2016	19.25	17 996	935	0.90⁴	0.90	96.79	0.10
Dec. 31, 2015	20.89	19 219	920	0.89	0.89	90.05	0.12
Dec. 31, 2014	18.58	11 902	641	0.90	0.90	76.82	0.10
Dec. 31, 2013	16.31	8 199	503	0.98	0.98	84.71	0.16
Dec. 31, 2012	12.59	545	43	0.92	0.92	76.59	0.20
Dec. 31, 2011	11.38	179	16	0.90	0.90	136.94	0.30
Series O							
June 30, 2016	19.46	1 785 153	91 758	0.11	0.11	96.79	0.10
Dec. 31, 2015	21.11	1 751 255	82 966	0.11	0.11	90.05	0.12
Dec. 31, 2014	18.78	675 585	35 974	0.11	0.11	76.82	0.10
Dec. 31, 2013	16.48	488 166	29 625	0.11	0.11	84.71	0.16
Dec. 31, 2012	12.75	224 364	17 599	0.11	0.11	76.59	0.20
Dec. 31, 2011	11.50	135 201	11 760	0.11	0.11	136.94	0.30

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

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

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

⁴ Effective June 30, 2016, the management fee was changed in respect of certain series of the Fund. If the change to the management fee would have been in effect throughout 2016, the adjusted MER for Series F would be 0.74%.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. The management fee with respect to Series F units is payable by the Fund on a monthly basis and calculated at the annual percentages, before GST/HST, of the daily net asset value of Series F units of the Fund. The management fee in respect of Series F units is 100% for management, investment advisory services, general administration and profit. No amount is paid out of the management fee for distribution services.

The management fee with respect to Series O units is payable directly to RBC GAM by unitholders or distributors, and therefore is not charged to the Fund.

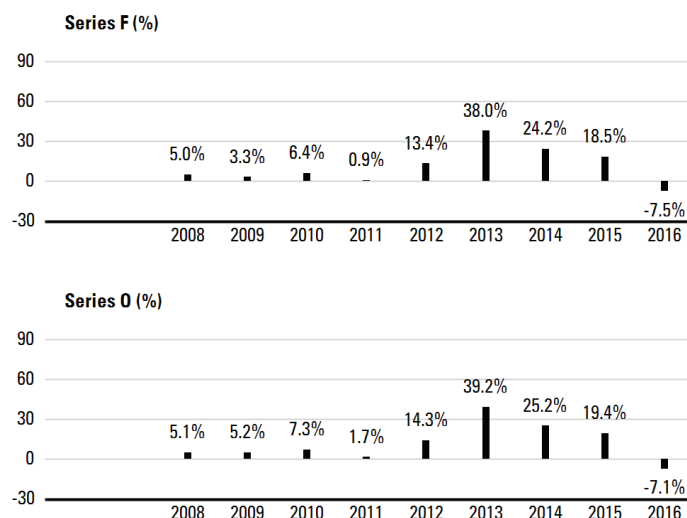


PAST PERFORMANCE

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, or 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.



Series F and Series O units have been available for sale to unitholders since October 20, 2008.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Information Technology	20.8
Financials	16.3
Health Care	14.2
Consumer Discretionary	12.2
Industrials	10.9
Consumer Staples	10.5
Energy	6.4
Utilities	5.6
Materials	1.8
Telecommunication Services	0.9
Cash/Other	0.4

Top 25 Holdings

	% of Net Asset Value
Alphabet Inc., Class C	2.8
American Electric Power	2.8
DTE Energy Company	2.8
Johnson & Johnson	2.8
Microsoft Corp.	2.7
Apple Inc.	2.5
Amazon.com, Inc.	2.4
Facebook Inc., Class A	2.3
The Procter & Gamble Co.	2.1
Medtronic Plc.	2.0
Honeywell International Inc.	2.0
PepsiCo Inc.	1.9
Occidental Petroleum Corp.	1.8
Broadcom Ltd.	1.8
Bank of New York Mellon Corp.	1.7
Simon Property Group Inc.	1.6
Chubb Ltd.	1.6
S&P Global Inc.	1.6
Bank of America Corp.	1.6
Lowe's Companies	1.5
Thermo Fisher Scientific Inc.	1.5
Boston Properties Inc.	1.5
General Electric Company	1.5
Celgene Corp.	1.5
Visa Inc., Class A	1.5
Top 25 Holdings	49.8

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available by calling us at 1-800-662-0652.



U.S. EQUITY

**RBC PRIVATE U.S. LARGE-CAP CORE
EQUITY CURRENCY NEUTRAL POOL**

June 30, 2016

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

Sub-Advisor (for the underlying fund): RBC Global Asset Management (U.S.) Inc,
Minneapolis, Minnesota

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term total returns consisting primarily of capital appreciation by investing primarily in one or more mutual funds managed by RBC GAM or an affiliate. The assets are invested in common stocks of U.S. corporations. The Fund also seeks to minimize the exposure of currency fluctuations between the U.S. and Canadian dollars.

To achieve its objective, the Fund invests most of its assets in the RBC Private U.S. Large-Cap Core Equity Pool (the “underlying fund”), and uses currency hedges to minimize currency exposure. The underlying fund typically invests in large-cap companies that belong to the Standard & Poor’s 500 Index. The underlying fund will be diversified across industries and, in aggregate, normally will have lower price-to-earnings, price-to-book, and price-to-cash-flow ratios than the Standard & Poor’s 500 Index. Equities are also selected based on expectations of improved fundamentals that could result from restructurings, management changes and new-product cycles.

Results of Operations

The Fund’s net asset value was \$71 million as of June 30, 2016.

Over the past six months, the Fund’s Series O units lost 0.9%. The Fund’s return is after the deduction of expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

The optimism demonstrated by equity investors at the end of 2015 was short-lived as stock markets declined in the first week of 2016. The headwinds of slowing Chinese and global growth and plummeting oil prices remained unresolved heading into 2016 and played roles in one of the worst starts ever to a calendar year. In time, however, it became apparent that earnings prospects remained reasonably attractive, and stocks began to recover in mid-February. The trigger for the recovery was a rebound in oil prices, which boosted the Energy sector. Investor expectations that the U.S. Federal Reserve (the “Fed”) would slow the pace of interest-rate hikes also supported stocks.

Eight of the 10 economic sectors in the S&P 500 recorded gains during the period, with the Energy, Telecommunication Services and Utilities and sectors performing the best. The worst-performing sectors were Information Technology and Consumer Discretionary, which declined.

The Fund’s policy of not favouring investments in any one sector was slightly negative for returns during the period. Stock selection in the Information Technology and Energy sectors had a negative impact on returns. Software-products developer Splunk and semiconductor manufacturer NXP Semiconductors performed poorly. In the Energy sector, Valero Energy was the Fund’s worst-performing stock.

It is the policy of the Fund to maintain currency hedges at all times in order to neutralize exchange-rate movements between the U.S. dollar and the Canadian dollar. This policy had a positive impact on returns in the first half of 2016, as unitholders were protected against the U.S. dollar’s decline against the Canadian dollar.

Portfolio turnover is normally high for the Fund, as the portfolio manager attempts to generate better returns through active sector and stock selection.

Recent Developments

Global growth remains slow as the latter half of 2016 gets underway. The fact that the U.S. economy is expanding faster than almost anywhere else has lessened the fears of domestic investors even as geopolitical risks persist, including fallout from Britain’s recent decision to exit the EU. The recovery in oil prices has also helped to promote stability. With the Fed inclined to hold off on additional rate increases, the sub-advisor believes that markets can extend the rally that began in mid-February, with volatile periods included.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager, trustee and portfolio manager 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, 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.

Sub-Advisor

RBC Global Asset Management (U.S.) Inc. is the sub-advisor and provides investment advice for the Fund.

Distributor

RBC GAM is the principal distributor of the Fund. Royal Mutual Funds Inc. and RBC Dominion Securities Inc. also distribute units of the Fund.

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. The registrar also processes orders and issues account statements.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series O												
June 30, 2016	13.01	0.11	—	1.36	(0.22)	1.25	—	(0.09)	—	—	(0.09)	12.80
Dec. 31, 2015	13.19	0.18	(0.01)	—	(0.15)	0.02	—	(0.17)	—	—	(0.17)	13.01
Dec. 31, 2014	12.96	0.20	(0.01)	1.49	0.26	1.94	—	(0.18)	(1.54)	—	(1.72)	13.19
Dec. 31, 2013	10.59	0.25	(0.01)	0.69	2.31	3.24	—	(0.24)	(0.69)	—	(0.93)	12.96
Dec. 31, 2012	10.08	0.18	(0.01)	1.07	0.30	1.54	—	(0.16)	(1.04)	—	(1.20)	10.59
Dec. 31, 2011	10.37	0.17	(0.05)	0.06	(0.24)	(0.06)	—	(0.12)	(0.01)	—	(0.13)	10.08

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

² Distributions are reinvested in additional units of the Fund or paid in cash.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series O							
June 30, 2016	12.80	70 976	5 547	0.16	0.16	142.47	—
Dec. 31, 2015	13.01	15 162	1 165	0.17	0.20	40.21	0.12
Dec. 31, 2014	13.19	8 271	627	0.16	0.20	28.77	0.10
Dec. 31, 2013	12.96	8 581	662	0.20	0.20	43.10	0.16
Dec. 31, 2012	10.59	6 137	579	0.22	0.22	78.00	0.20
Dec. 31, 2011	10.08	2 229	221	0.57	0.57	91.36	0.30

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

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

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

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. The management fee with respect to Series O units is payable directly to RBC GAM by unitholders or distributors, and therefore is not charged to the Fund.

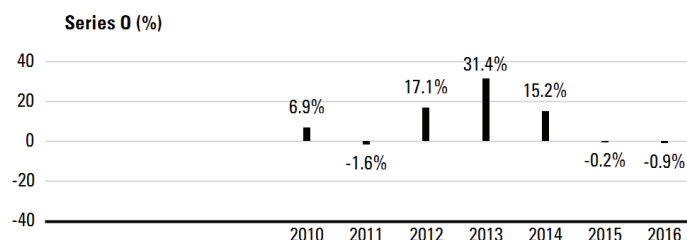


PAST PERFORMANCE

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, or 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.



Series 0 units have been available for sale to unitholders since January 11, 2010.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Information Technology	20.8
Financials	16.3
Health Care	14.2
Consumer Discretionary	12.2
Industrials	10.9
Consumer Staples	10.5
Energy	6.4
Utilities	5.6
Materials	1.8
Telecommunication Services	0.9
Cash/Other	0.4

Top 25 Holdings*

	% of Net Asset Value
Alphabet Inc., Class C	2.8
American Electric Power	2.8
DTE Energy Company	2.8
Johnson & Johnson	2.8
Microsoft Corp.	2.7
Apple Inc.	2.5
Amazon.com, Inc.	2.4
Facebook Inc., Class A	2.3
The Procter & Gamble Co.	2.1
Medtronic Plc.	2.0
Honeywell International Inc.	2.0
PepsiCo Inc.	1.9
Occidental Petroleum Corp.	1.8
Broadcom Ltd.	1.8
Bank of New York Mellon Corp.	1.7
Simon Property Group Inc.	1.6
Chubb Ltd.	1.6
S&P Global Inc.	1.6
Bank of America Corp.	1.6
Lowe's Companies	1.5
Thermo Fisher Scientific Inc.	1.5
Boston Properties Inc.	1.5
General Electric Company	1.5
Celgene Corp.	1.5
Visa Inc., Class A	1.5
Top 25 Holdings	49.8

* The Fund invests substantially all of its assets directly in the RBC Private U.S. Large-Cap Core Equity Pool. The above are the Top 25 holdings of the RBC Private U.S. Large-Cap Core Equity Pool.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available by calling us at 1-800-662-0652.

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



U.S. EQUITY

RBC PRIVATE U.S. SMALL-CAP EQUITY POOL

June 30, 2016

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

Sub-Advisor: Kennedy Capital Management, Inc., St. Louis, Missouri

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term growth, primarily through capital appreciation, by investing in a portfolio of common stocks and equivalent securities of small- to mid-capitalization U.S. companies.

The Fund typically invests in companies that trade regularly on major U.S. stock exchanges. Investments are primarily within the Russell 2000 Index and are diversified across major industry sectors within minimum and maximum exposures. The Fund may not purchase or sell derivatives instruments, including options, futures and forwards.

Results of Operations

The Fund's net asset value was \$158 million as of June 30, 2016.

Over the past six months, the Fund's Series O units gained 4.0%. The Fund's return is after the deduction of expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

Several companies in the Fund contributed meaningfully to performance during the period. SciQuest, which had the biggest positive impact on performance, agreed to be acquired for a premium over the market price. A relatively new investment, Universal Electronics, was the Fund's second-largest contributor, and several longer-term holdings also aided returns.

The stock that hurt relative returns most was PROS Holdings. The shares declined soon after being purchased, but the sub-advisor believes that the investment will work out well over time.

Based on sector, Health Care performed best on a relative basis. Returns partly reflected a complete lack of exposure to biotechnology stocks, which performed poorly during the period. The worst-performing sector on a relative basis was Materials on account of a decline in shares of Haynes International, which could be sold if performance does not improve. The sub-advisor reduced overall exposure to the Health Care sector, which was taken to a small underweight position from a heavy overweight. This reduction reflected both taking profits in stocks that had performed well and selling several positions that were habitual underperformers. The sub-advisor increased the Fund's weighting somewhat in the Information Technology sector, as this was an area where some of the best investment opportunities were found.

The Fund had zero exposure to the Consumer Staples sector, where the sub-advisor believes that valuations are too high to be attractive. The sub-advisor reduced the Fund's cash position to about 2.5% at the end of the period from about 7.8% in January, as market volatility created investment opportunities. In this environment, portfolio turnover was higher than usual. The market swings resulted in some stocks rising faster than anticipated, enabling the Fund to book gains through stock sales.

Recent Developments

Market volatility was relatively high during the period, and the sub-advisor was able to take advantage of market swings to buy companies whose stocks have fallen significantly but offer good prospects for higher earnings and stock gains when markets recover. Just as important, the sub-advisor has been willing to sell stocks that have risen to levels where it believes they are no longer attractive.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

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

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

Distributor

RBC GAM is the principal distributor of the Fund, and RBC Dominion Securities Inc. also distributes units of the Fund.

Custodian

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

Registrars

RBC IS and RBC GAM are registrars of the Fund and keep records of who owns the units of the Fund. The registrars also process orders and issue account statements.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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	Total	
Series F												
June 30, 2016	117.16	0.73	(0.84)	7.84	(4.55)	3.18	—	—	—	—	—	121.00
Dec. 31, 2015	117.16	1.45	(2.01)	24.46	(3.49)	20.41	—	—	(19.28)	—	(19.28)	117.16
Dec. 31, 2014	126.13	1.02	(1.95)	21.70	(14.09)	6.68	—	—	(16.80)	—	(16.80)	117.16
Dec. 31, 2013	93.97	0.84	(1.75)	13.28	23.04	35.41	—	—	(3.35)	—	(3.35)	126.06
Dec. 31, 2012	86.98	0.93	(1.31)	8.13	(1.26)	6.49	—	—	—	—	—	93.97
Dec. 31, 2011	82.34	0.60	(1.22)	1.08	2.89	3.35	—	—	—	—	—	86.98
Series O												
June 30, 2016	127.78	0.79	(0.07)	8.57	(4.97)	4.32	—	(0.71)	—	—	(0.71)	132.15
Dec. 31, 2015	127.33	1.55	(0.16)	26.09	(3.72)	23.76	—	(1.38)	(21.17)	—	(22.55)	127.78
Dec. 31, 2014	134.82	1.13	(0.15)	24.15	(15.69)	9.44	—	(1.02)	(16.80)	—	(17.82)	127.33
Dec. 31, 2013	99.59	0.88	(0.13)	13.95	24.22	38.92	—	(0.86)	(3.35)	—	(4.21)	134.75
Dec. 31, 2012	91.55	0.95	(0.11)	8.35	(1.30)	7.89	—	(0.62)	—	—	(0.62)	99.59
Dec. 31, 2011	86.02	0.64	(0.10)	1.17	3.12	4.83	—	(0.50)	—	—	(0.50)	91.55

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series F							
June 30, 2016	121.00	396	3	1.49	1.49	58.99	0.15
Dec. 31, 2015	117.16	396	3	1.53	1.53	58.71	0.16
Dec. 31, 2014	117.16	8	—	1.51	1.51	38.56	0.11
Dec. 31, 2013	126.13	120	1	1.54	1.54	42.48	0.11
Dec. 31, 2012	94.55	51	1	1.42	1.42	21.83	0.06
Dec. 31, 2011	87.36	111	1	1.43	1.43	20.85	0.08
Series O							
June 30, 2016	132.15	157 833	1 194	0.11	0.11	58.99	0.15
Dec. 31, 2015	127.78	170 400	1 334	0.11	0.11	58.71	0.16
Dec. 31, 2014	127.33	185 825	1 459	0.11	0.11	38.56	0.11
Dec. 31, 2013	134.82	244 594	1 814	0.11	0.11	42.48	0.11
Dec. 31, 2012	100.21	182 734	1 824	0.11	0.11	21.83	0.06
Dec. 31, 2011	91.95	132 858	1 445	0.12	0.12	20.85	0.08

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

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

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

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. The management fee with respect to Series F units is payable by the Fund on a monthly basis and calculated at the annual percentages, before GST/HST, of the daily net asset value of Series F units of the Fund. The management fee in respect of Series F units is 100% for management, investment advisory services, general administration and profit. No amount is paid out of the management fee for distribution services.

The management fee with respect to Series O units is payable directly to RBC GAM by unitholders or distributors, and therefore is not charged to the Fund.

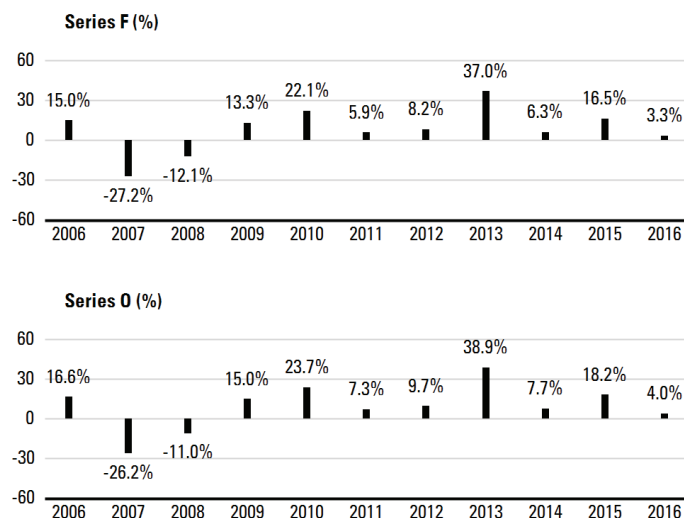


PAST PERFORMANCE

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, or 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.



Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Information Technology	23.1
Financials	22.9
Industrials	15.4
Consumer Discretionary	13.2
Health Care	11.8
Materials	5.0
Utilities	3.7
Energy	2.3
Cash/Other	2.6

Top 25 Holdings

	% of Net Asset Value
Spire Inc.	3.7
SciQuest Inc.	3.2
Itron Inc.	2.7
Universal Electronics Inc.	2.7
West Pharmaceutical Services Inc.	2.6
Gramercy Property Trust Real Estate Investment Trust	2.5
Microsemi Corp.	2.5
Cash & Cash Equivalents	2.5
Rofin-Sinar Technologies Inc.	2.4
Curtiss-Wright Corp.	2.4
Woodward Inc.	2.3
PTC Inc.	2.3
Kite Realty Group Trust Real Estate Investment Trust	2.2
Silgan Holdings Inc.	2.2
PROS Holdings Inc.	2.2
Kearny Financial Corp.	2.2
PharMerica Corp.	2.2
Clarcor Inc.	2.1
Time Inc.	2.1
EnerSys	2.1
Helen Of Troy Ltd.	2.0
CROCS Inc.	2.0
ESCO Technologies Inc.	2.0
Innophos Holdings Inc.	2.0
Magellan Health Inc.	2.0
Top 25 Holdings	59.1

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available by calling us at 1-800-662-0652.



INTERNATIONAL EQUITY

RBC PRIVATE EAFE EQUITY POOL

June 30, 2016

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

Sub-Advisor: EARNEST Partners, LLC, Atlanta, Georgia

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term growth primarily through capital appreciation by investing in a portfolio of common stocks, American Depositary Receipts ("ADRs") and equivalent securities of major companies domiciled in the developed countries of Europe, Australasia and the Far East ("EAFE").

The Fund selects medium- to large-capitalization companies which, in aggregate, normally exhibit lower price/earnings and price/cash flow ratios than the Morgan Stanley Capital International ("MSCI") EAFE Index. The Fund diversifies by region and sector within certain minimum and maximum exposures and may use derivatives for currency hedging purposes. The Fund may invest up to 20% of its assets in securities of companies not domiciled in EAFE countries, which may include emerging markets.

Results of Operations

The Fund's net asset value was \$236 million as of June 30, 2016.

Over the past six months, the Fund's Series O units lost 10.6%. The Fund's return is after the deduction of expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

Many global equity markets fell by at least 10% in early 2016, marking the sharpest stock decline in recent history to start a calendar year. Fears about a recession and slowing global growth carried over from 2015. Markets bottomed in February, and rebounded for much of the rest of the period. While the European Central Bank's expanded use of economy-stimulating bond purchases led to negative interest rates in Germany, the euro actually rose. After an initial rate hike at the end of 2015, the U.S. Federal Reserve kept rates unchanged, citing a recent slowdown in the U.S. labour market and sluggish global economy.

The portfolio's returns were held back by underweight positions in the Consumer Staples and Industrials sectors, which were among the top-performing areas. On a positive note, the Fund's emerging-market stock portfolio advanced nearly 10% during the period.

There were no material changes in the portfolio's composition during the period.

Recent Developments

In the opinion of the sub-advisor, emerging markets present more compelling growth opportunities than many developed markets, and also trade at a significant discount. Countries such as South Korea have infrastructure and regional/global opportunities similar to Japan, but without the regulatory limitations and high debt, and have thus seen an increase in business confidence and capacity utilization.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

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

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributor

RBC GAM is the principal distributor of the Fund, and RBC Dominion Securities Inc. also distributes units of the Fund.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

Registrars

RBC IS and RBC GAM are registrars of the Fund and keep records of who owns the units of the Fund. The registrars also process orders and issue account statements.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$1,000 (2015 – \$0) or 1% (2015 – 0%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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		
Series F												
June 30, 2016	12.13	0.18	(0.07)	0.38	(1.90)	(1.41)	—	(0.12)	—	—	(0.12)	10.66
Dec. 31, 2015	10.93	0.29	(0.15)	0.42	0.79	1.35	—	(0.15)	—	—	(0.15)	12.13
Dec. 31, 2014	10.91	0.24	(0.14)	0.19	(0.17)	0.12	—	(0.10)	—	—	(0.10)	10.93
Dec. 31, 2013	8.87	0.20	(0.12)	0.06	2.01	2.15	—	(0.08)	—	—	(0.08)	10.91
Dec. 31, 2012	7.83	0.17	(0.10)	(0.07)	1.08	1.08	—	(0.07)	—	—	(0.07)	8.87
Dec. 31, 2011	8.51	0.38	(0.10)	(1.75)	1.09	(0.38)	—	(0.28)	—	—	(0.28)	7.83
Series O												
June 30, 2016	12.17	0.18	—	0.38	(1.91)	(1.35)	—	(0.18)	—	—	(0.18)	10.69
Dec. 31, 2015	10.96	0.29	(0.01)	0.42	0.79	1.49	—	(0.28)	—	—	(0.28)	12.17
Dec. 31, 2014	10.95	0.24	(0.01)	0.19	(0.17)	0.25	—	(0.23)	—	—	(0.23)	10.96
Dec. 31, 2013	8.89	0.20	(0.01)	0.06	2.00	2.25	—	(0.18)	—	—	(0.18)	10.94
Dec. 31, 2012	7.84	0.17	(0.01)	(0.07)	1.08	1.17	—	(0.17)	—	—	(0.17)	8.89
Dec. 31, 2011	8.54	0.38	(0.01)	(1.75)	1.09	(0.29)	—	(0.38)	—	—	(0.38)	7.84

¹ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series F							
June 30, 2016	10.66	5 896	553	1.22	1.22	11.53	0.12
Dec. 31, 2015	12.13	6 620	546	1.23	1.23	10.14	0.05
Dec. 31, 2014	10.93	5 770	528	1.22	1.22	5.53	0.03
Dec. 31, 2013	10.91	6 773	621	1.23	1.23	11.08	0.07
Dec. 31, 2012	8.87	6 204	699	1.24	1.24	12.74	0.05
Dec. 31, 2011	7.83	4 404	562	1.25	1.25	101.19	0.17
Series O							
June 30, 2016	10.69	229 560	21 474	0.09	0.09	11.53	0.12
Dec. 31, 2015	12.17	303 502	24 946	0.09	0.09	10.14	0.05
Dec. 31, 2014	10.96	292 154	26 647	0.09	0.09	5.53	0.03
Dec. 31, 2013	10.95	288 265	26 338	0.09	0.09	11.08	0.07
Dec. 31, 2012	8.89	191 962	21 598	0.09	0.09	12.74	0.05
Dec. 31, 2011	7.85	156 231	19 899	0.09	0.09	101.19	0.17

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. The management fee with respect to Series F units is payable by the Fund on a monthly basis and calculated at the annual percentages, before GST/HST, of the daily net asset value of Series F units of the Fund. The management fee in respect of Series F units is 100% for management, investment advisory services, general administration and profit. No amount is paid out of the management fee for distribution services.

The management fee with respect to Series O units is payable directly to RBC GAM by unitholders or distributors, and therefore is not charged to the Fund.

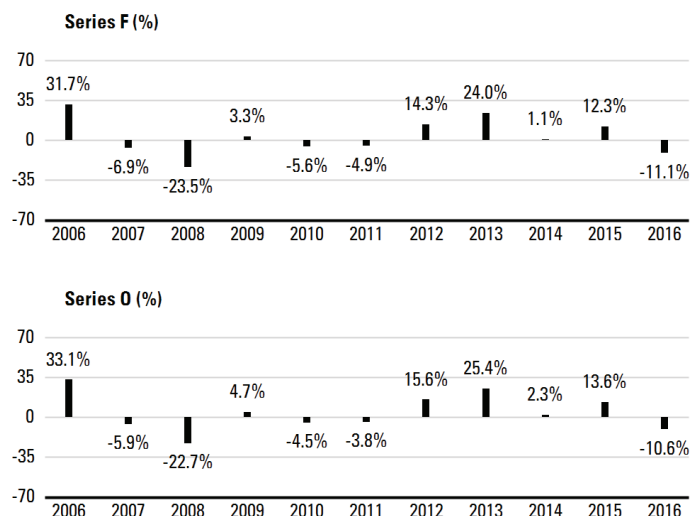


PAST PERFORMANCE

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, or 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.



Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United Kingdom	19.5
Japan	9.2
Switzerland	6.5
Austria	6.2
Norway	4.9
United States	4.6
France	4.4
Sweden	4.2
Ireland	3.8
Germany	3.2
Spain	3.2
Taiwan	3.1
Netherlands	2.9
Brazil	2.7
South Korea	2.5
Italy	2.4
China	2.3
Australia	2.0
Other Countries	10.6
Cash/Other	1.8

Top 25 Holdings

	% of Net Asset Value
ARM Holdings Plc. ADR	4.5
ICON Plc.	3.8
Shire Plc.	3.7
Amadeus IT Holding S.A.	3.2
Roche Holdings AG Genusschein	3.1
Core Laboratories N.V.	2.9
Secom Co. Ltd.	2.9
Getinge AB	2.7
Diageo Plc.	2.7
Carnival Corp.	2.6
Unilever Plc.	2.6
Denso Corp.	2.4
Luxottica Group S.p.A. ADR	2.4
Novartis AG	2.3
DnB ASA	2.2
Voestalpine AG	2.0
Everest Re Group Ltd.	2.0
HSBC Holdings Plc. (U.K. Reg.)	2.0
BASF AG	2.0
Sodexo	1.9
Banco Bradesco S.A. ADR	1.9
Taiwan Semiconductor Manufacturing Co. Ltd.	1.8
Kubota Corp.	1.7
ITV Plc.	1.6
Cash & Cash Equivalents	1.6
Top 25 Holdings	62.5

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available by calling us at 1-800-662-0652.



INTERNATIONAL EQUITY

RBC PRIVATE OVERSEAS EQUITY POOL

June 30, 2016

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

Sub-Advisor: Edinburgh Partners Limited, Edinburgh, Scotland

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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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MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term total returns through capital appreciation by investing in equity securities of companies domiciled primarily in the developed nations of Europe, Australasia and the Far East. It may also invest in equity securities of companies domiciled in other parts of the world, excluding Canada and the U.S.

The Fund diversifies its holdings by region and sector within certain minimum and maximum exposures and may use derivatives for currency hedging purposes. It may invest no more than 20% of its assets in securities of companies domiciled in emerging markets.

Results of Operations

The Fund's net asset value was \$203 million as of June 30, 2016.

Over the past six months, the Fund's Series O units lost 12.5%. The Fund's return is after the deduction of expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

International equities performed poorly in the first half of 2016, falling more than 10% in the first two months before recovering somewhat. Some of the significant price movements appeared to reflect negative investor sentiment rather than concern that valuations might be too high. The political backdrop was a source of concern, with populism on the rise across Europe, culminating in a June vote in which the U.K. voted to leave the EU ("Brexit").

The Fund's largest position was in banking, which performed poorly during the period. Banks in the developed world have faced many challenges since the financial crisis, ranging from increased capital requirements to litigation charges to low interest rates, the last of which squeezes net interest margins. However, banks are now better capitalized, are better funded and have higher liquidity. The sub-advisor believes that the portfolio's bank holdings remain attractive given that many trade at significant discounts to book.

The Fund's oil and gas holdings performed well led by Royal Dutch Shell, which completed its takeover of BG Group and subsequently announced further cost cuts. As demand for oil continues to grow and supply has been cut, most notably in U.S. shale, the market is starting to rebalance. The sub-advisor believes that this combination of cost-cutting, reduced supply and gently growing demand will allow major oil companies such as Shell to generate cash flow that is sufficient to replace their reserves and maintain their dividends.

The sub-advisor has made very few changes to the portfolio during the period. While exposure to Japan has been slightly reduced following the sale of telecoms operator KDDI, the Fund still has 34% of its assets in Japan. The purchase of Sanofi increased the Fund's holdings in the pharmaceuticals industry to about 14%.

Recent Developments

Market reaction to the Brexit vote was initially quite violent, with European stocks marked down and sterling devalued. The U.K.'s path to exit seems unlikely to be smooth and could have knock-on impacts in the rest of Europe. The effect of the U.K. vote on the rest of the world is difficult to gauge at this juncture, but a period of increased uncertainty and heightened volatility is unhelpful to markets. This uncertainty seems set to prolong the use of low interest rates, which have caused investors to seek safety in bonds and their stock-market equivalents.

The sub-advisor will not, for the time being, make significant changes to the portfolio as a result of the Brexit decision. Stocks fell in the wake of the vote and risks are unlikely to abate until the impact on the U.K. and Europe becomes clearer. The particularly large declines in banking stocks makes them look more attractive, but higher risks associated with Brexit mean that the Fund is unlikely for now to add to positions in this area.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributor

RBC GAM is the principal distributor of the Fund, and RBC Dominion Securities Inc. also distributes units of the Fund.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

Registrars

RBC IS and RBC GAM are registrars of the Fund and keep records of who owns the units of the Fund. The registrars also process orders and issue account statements.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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		
Series F												
June 30, 2016	10.15	0.17	(0.06)	0.24	(1.71)	(1.36)	—	(0.12)	—	—	(0.12)	8.72
Dec. 31, 2015	9.51	0.33	(0.14)	0.52	0.39	1.10	—	(0.18)	(0.38)	—	(0.56)	10.15
Dec. 31, 2014	9.42	0.34	(0.12)	0.69	(0.52)	0.39	—	(0.21)	(0.10)	—	(0.31)	9.51
Dec. 31, 2013	7.18	0.20	(0.11)	0.38	1.97	2.44	—	(0.09)	—	—	(0.09)	9.42
Dec. 31, 2012	6.39	0.22	(0.09)	(0.34)	1.14	0.93	—	(0.15)	—	—	(0.15)	7.18
Dec. 31, 2011	7.46	0.24	(0.08)	(0.48)	(0.69)	(1.01)	—	(0.14)	—	—	(0.14)	6.39
Series O												
June 30, 2016	10.27	0.18	(0.01)	0.24	(1.75)	(1.34)	—	(0.17)	—	—	(0.17)	8.82
Dec. 31, 2015	9.62	0.34	(0.02)	0.53	0.40	1.25	—	(0.30)	(0.39)	—	(0.69)	10.27
Dec. 31, 2014	9.53	0.34	(0.02)	0.70	(0.53)	0.49	—	(0.32)	(0.10)	—	(0.42)	9.62
Dec. 31, 2013	7.25	0.20	(0.01)	0.38	1.97	2.54	—	(0.18)	—	—	(0.18)	9.53
Dec. 31, 2012	6.46	0.23	(0.01)	(0.35)	1.16	1.03	—	(0.22)	—	—	(0.22)	7.25
Dec. 31, 2011	7.56	0.24	(0.01)	(0.48)	(0.69)	(0.94)	—	(0.24)	—	—	(0.24)	6.46

¹ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series F							
June 30, 2016	8.72	373	43	1.28	1.28	19.31	0.06
Dec. 31, 2015	10.15	738	73	1.30	1.30	29.11	0.10
Dec. 31, 2014	9.51	320	34	1.30	1.30	31.31	0.10
Dec. 31, 2013	9.42	319	34	1.30	1.30	25.06	0.14
Dec. 31, 2012	7.18	206	29	1.29	1.29	38.90	0.13
Dec. 31, 2011	6.39	194	30	1.29	1.29	37.23	0.13
Series O							
June 30, 2016	8.82	202 498	22 947	0.16	0.16	19.31	0.06
Dec. 31, 2015	10.27	276 539	26 925	0.16	0.16	29.11	0.10
Dec. 31, 2014	9.62	234 818	24 406	0.16	0.16	31.31	0.10
Dec. 31, 2013	9.53	193 093	20 264	0.17	0.17	25.06	0.14
Dec. 31, 2012	7.25	102 157	14 082	0.17	0.17	38.90	0.13
Dec. 31, 2011	6.46	93 036	14 395	0.16	0.16	37.23	0.13

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. The management fee with respect to Series F units is payable by the Fund on a monthly basis and calculated at the annual percentages, before GST/HST, of the daily net asset value of Series F units of the Fund. The management fee in respect of Series F units is 100% for management, investment advisory services, general administration and profit. No amount is paid out of the management fee for distribution services.

The management fee with respect to Series O units is payable directly to RBC GAM by unitholders or distributors, and therefore is not charged to the Fund.

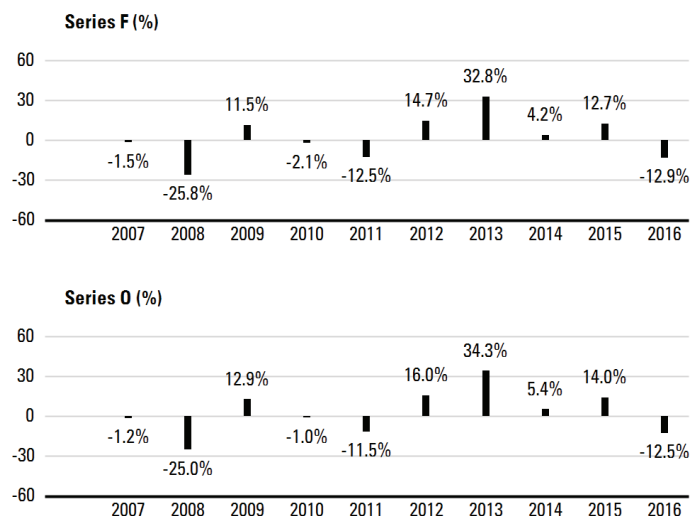


PAST PERFORMANCE

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, or 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.



Series F and Series O units have been available for sale to unitholders since August 29, 2007.

Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
Japan	34.2
United Kingdom	21.4
Switzerland	9.6
Hong Kong	8.2
France	7.7
Germany	7.0
Singapore	4.0
Finland	3.0
Thailand	2.4
Netherlands	2.0
China	1.6
Cash/Other	(1.1)

Top 25 Holdings

	% of Net Asset Value
Royal Dutch Shell Plc., A Shares	4.4
Roche Holdings AG Genusscheine	3.8
Novartis AG	3.5
AstraZeneca Plc.	3.4
Panasonic Corp.	3.4
Swire Pacific Ltd. 'A'	3.3
Sumitomo Mitsui Trust Holdings Inc.	3.2
East Japan Railway Company	3.2
Japan Tobacco Inc.	3.1
BP Plc.	3.1
Nokia OYJ	3.0
Nippon Telegraph & Telephone Corp.	2.8
Total S.A.	2.8
Omron Corp.	2.8
DBS Group Holdings Ltd.	2.8
Sanofi	2.7
CK Hutchison Holdings Ltd.	2.6
E.ON SE	2.6
Sumitomo Mitsui Financial Group Inc.	2.5
Bayer AG	2.5
Sumitomo Electric Industries Ltd.	2.5
Toyota Motor Corp.	2.5
Mitsubishi Corp.	2.5
Tesco Plc.	2.4
Bangkok Bank PCL	2.4
Top 25 Holdings	73.8

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available by calling us at 1-800-662-0652.



GLOBAL EQUITY

RBC PRIVATE WORLD EQUITY POOL

June 30, 2016

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

Sub-Advisor: Capital Guardian Trust Company, Los Angeles, California

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 10, 2016.

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 interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim 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/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term growth primarily through capital appreciation by investing in a portfolio of common stocks, American Depositary Receipts ("ADRs") and equivalent securities of companies domiciled in the U.S. and the developed countries of Europe, Australasia and the Far East ("EAFE").

The Fund invests in companies considered to have superior management, superior prospects for earnings growth or cash flow, long-term value in a competitive market position, asset value, new product potential and global market expansion. The Fund diversifies by region and sector within minimum and maximum exposures. The Fund will usually not invest more than 10% of the market value of the Fund in emerging markets, defined as those markets not in the MSCI World Equity Index.

Results of Operations

The Fund's net asset value was \$261 million as of June 30, 2016.

Over the past six months, the Fund's Series O units lost 5.5%. The Fund's return is after the deduction of expenses. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of any other series, which may vary because of differences in management fees and expenses.

Stocks in developed markets moved modestly higher in the first half of 2016 as a sharp sell-off in the opening weeks of the year was followed by gradual gains over the rest of the period. U.S. stocks recovered as fears of a potential recession subsided, oil prices rebounded and the U.S. Federal Reserve (the "Fed") slowed plans to raise interest rates. In Europe, stocks weakened as uncertainty about economic conditions lingered despite attempts by the European Central Bank to spark growth. In Japan, equities declined amid rising worries about the government's ability to stimulate the economy.

The portfolio was aided by results from utilities, financial-services providers and technology companies. Sempra Energy, which operates natural-gas power plants and storage facilities, advanced as energy prices rebounded from their early-year lows. Nielsen Holdings gained as the company signed a licensing agreement that is expected to boost the accuracy of its TV ratings. Keyence, a maker of factory-automation sensors, rose as fears of sharply slowing growth in China receded. Eaton Corp., an industrial-products manufacturer, announced better-than-expected earnings amid aggressive cost-cutting and additional share buybacks. Portfolio results were also positively affected by data-security company Iron Mountain, which was helped by an attractive dividend yield.

On the downside, the portfolio was negatively impacted by Royal Caribbean Cruises, which guided earnings expectations lower based on the costs of its China expansion. Pharmaceuticals company AstraZeneca issued a profit warning for 2016 due partially to competition from generic drugs. Incyte, a biopharmaceutical company specializing in cancer research, reported disappointing results in a drug trial. Murata Manufacturing, which makes electronic components, was hurt by concerns about slowing smartphone sales and the stronger Japanese yen. Airplane manufacturer Boeing was hurt by concerns about the pace of aircraft deliveries this year.

Recent Developments

The stock-market downturn at the beginning of the year provided a chance for the sub-advisor to acquire shares of attractive companies that were swept up in the selling. With the global economy growing slowly, investors in recent years have favoured shares of growth-oriented companies, which tend to be able to boost earnings regardless of economic conditions, over "value" stocks. As a result, valuations for value stocks became relatively attractive and created opportunities for the sub-advisor to establish positions in value-oriented industries such as financial services, railroads and energy. In financial services, areas of interest include credit-card companies and regional banks. Financial-services companies have suffered from fear that the soft global economy could trigger a rise in loan defaults. They were also hurt by the Fed's decision to tone down plans to raise interest rates. If the U.S. economy avoids a recession and continues to expand moderately, earnings of these companies could be better than many investors expect.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund.

RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributor

RBC GAM is the principal distributor of the Fund, and RBC Dominion Securities Inc. also distributes units of the Fund.



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. The registrar also processes orders and issues account statements.

Brokerage

The Fund has established standard brokerage agreements at market rates with related-party dealers. These related-party commissions were \$1,000 (2015 – \$3,000) or 3% (2015 – 2%) of the total transaction costs paid for this Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from 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 Independent Review Committee 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 June 30, 2016), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/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			
Series F													
June 30, 2016	213.17	2.87	(1.23)	5.12	(19.91)	(13.15)	—	(1.78)	—	—	(1.78)	198.60	
Dec. 31, 2015	187.57	4.07	(2.62)	18.77	13.37	33.59	—	(1.24)	(6.80)	—	(8.04)	213.17	
Dec. 31, 2014	167.71	3.33	(2.23)	8.76	11.12	20.98	—	(1.09)	—	—	(1.09)	187.57	
Dec. 31, 2013	126.37	2.35	(1.85)	4.91	38.42	43.83	—	(0.54)	—	—	(0.54)	167.70	
Dec. 31, 2012	112.01	2.45	(1.51)	0.32	14.22	15.48	—	(0.95)	—	—	(0.95)	126.37	
Dec. 31, 2011	116.86	2.06	(1.39)	(1.97)	(3.22)	(4.52)	—	(0.60)	—	—	(0.60)	112.01	
Series O													
June 30, 2016	213.62	2.88	(0.17)	5.14	(19.98)	(12.13)	—	(2.86)	—	—	(2.86)	199.01	
Dec. 31, 2015	188.04	4.09	(0.35)	18.82	13.41	35.97	—	(3.57)	(6.83)	—	(10.40)	213.62	
Dec. 31, 2014	168.09	3.33	(0.30)	8.78	11.14	22.95	—	(2.99)	—	—	(2.99)	188.04	
Dec. 31, 2013	126.49	2.31	(0.25)	4.83	37.79	44.68	—	(1.96)	—	—	(1.96)	168.08	
Dec. 31, 2012	112.05	2.44	(0.20)	0.32	14.16	16.72	—	(2.21)	—	—	(2.21)	126.49	
Dec. 31, 2011	116.86	2.06	(0.19)	(1.97)	(3.22)	(3.32)	—	(1.82)	—	—	(1.82)	112.05	

¹ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

² Distributions are reinvested in additional units of the Fund or paid in cash.



FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series F							
June 30, 2016	198.60	5 668	29	1.25	1.25	24.18	0.03
Dec. 31, 2015	213.17	6 652	31	1.26	1.26	27.86	0.07
Dec. 31, 2014	187.57	5 806	31	1.27	1.27	27.06	0.05
Dec. 31, 2013	167.71	5 490	33	1.28	1.28	25.27	0.09
Dec. 31, 2012	126.39	4 562	36	1.27	1.27	21.95	0.04
Dec. 31, 2011	112.02	4 293	38	1.28	1.28	27.79	0.06
Series O							
June 30, 2016	199.01	254 939	1 281	0.17	0.17	24.18	0.03
Dec. 31, 2015	213.62	280 279	1 312	0.17	0.17	27.86	0.07
Dec. 31, 2014	188.04	246 938	1 313	0.17	0.17	27.06	0.05
Dec. 31, 2013	168.09	190 309	1 132	0.17	0.17	25.27	0.09
Dec. 31, 2012	126.51	93 995	743	0.17	0.17	21.95	0.04
Dec. 31, 2011	112.06	65 446	584	0.17	0.17	27.79	0.06

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the Fund. The management fee with respect to Series F units is payable by the Fund on a monthly basis and calculated at the annual percentages, before GST/HST, of the daily net asset value of Series F units of the Fund. The management fee in respect of Series F units is 100% for management, investment advisory services, general administration and profit. No amount is paid out of the management fee for distribution services.

The management fee with respect to Series O units is payable directly to RBC GAM by unitholders or distributors, and therefore is not charged to the Fund.

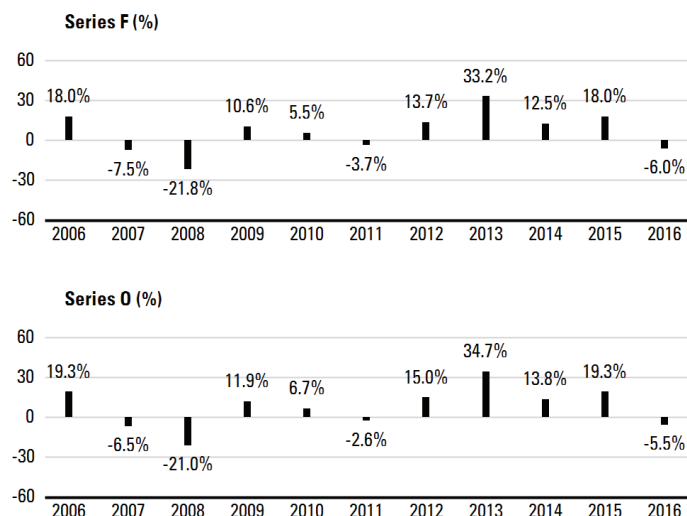


PAST PERFORMANCE

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, or 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.



Inception dates are not provided for series that have been in existence for more than 10 years.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2016.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2016

Investment Mix

	% of Net Asset Value
United States	49.4
United Kingdom	10.1
Japan	7.9
France	7.4
Switzerland	4.7
Denmark	3.6
Netherlands	2.9
Hong Kong	2.3
Finland	1.6
Sweden	1.6
Germany	1.4
Other Countries	2.6
Cash/Other	4.5

Top 25 Holdings

	% of Net Asset Value
Cash & Cash Equivalents	4.4
AstraZeneca Plc.	2.8
Keyence Corp.	2.7
Novo Nordisk A/S	2.6
AIA Group Ltd.	2.4
Unilever Plc.	2.3
Verizon Communications Inc.	2.3
ASML Holding N.V.	2.2
Chevron Corp.	2.0
Newell Brands Inc.	2.0
CME Group Inc., Class A	1.9
Pernod-Ricard S.A.	1.9
Nestlé S.A.	1.9
Roche Holdings AG Genusscheine	1.7
Boeing Co.	1.6
American Tower Corp. Real Estate Investment Trust	1.6
Assa Abloy AB	1.6
Safran S.A.	1.6
Sampo OYJ	1.6
Las Vegas Sands Corp.	1.5
Visa Inc., Class A	1.5
The Goldman Sachs Group Inc.	1.5
Eaton Corp Plc.	1.4
Siemens AG	1.4
Paychex Inc.	1.4
Top 25 Holdings	49.8

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available by calling us at 1-800-662-0652.



If you have questions regarding RBC Funds and/or RBC Private Pools, you can contact us using the following options:

By Phone

Investors: **1-800-463-FUND (3863)**

Dealers: **1-800-662-0652**

By Mail

Head office:

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