



RBC Global
Asset Management

RBC INSTITUTIONAL CASH FUNDS

2014
Semi-Annual Report



Management Report of Fund Performance

RBC Institutional Government – Plus Cash Fund	2
RBC Institutional Cash Fund	9
RBC Institutional US\$ Cash Fund	16
RBC Institutional Long Cash Fund	23

Financial Statements

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING	30
RBC Institutional Government – Plus Cash Fund	31
RBC Institutional Cash Fund	37
RBC Institutional US\$ Cash Fund	43
RBC Institutional Long Cash Fund	49
GENERIC NOTES TO FINANCIAL STATEMENTS	55
THE ROLE OF THE BOARD OF GOVERNORS	59
PLEASE CALL US	60



MONEY MARKET FUND

**RBC INSTITUTIONAL
GOVERNMENT – PLUS CASH FUND**

June 30, 2014

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

The Board of Directors of RBC Global Asset Management Inc. approved this semi-annual management report of fund performance on August 12, 2014.

A Note on Forward-looking Statements

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

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

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

This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual financial statements or the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-877-408-6019, 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 investors with a high level of interest income while focusing on preserving capital and maintaining liquidity. To achieve the Fund's investment objectives, we invest primarily in a well-diversified portfolio of Canadian dollar money market securities issued or guaranteed by Canadian federal and provincial government entities and their fully guaranteed agencies as well as corporate notes issued by the six largest Canadian Schedule 1 chartered banks as measured by market capitalization (excluding RBC). At the time of purchase, securities are restricted to a maximum term to maturity of 365 days and the portfolio's weighted average term to maturity will not exceed 60 days.

Results of Operations

The Fund's net asset value was \$85.0 million as of June 30, 2014.

As of June 30, 2014, the current yields were 0.86% for Series S units, 0.93% for Series I units, 0.96% for series J units and 1.05% for Series O units. Over the past six months, the Fund's Series I units returned 0.46%. 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 other series, if any, which may vary because of differences in management fees and expenses.

During the reporting period, the portfolio manager kept the Fund's allocation to Canadian banks near its maximum allowable limit of 40% to take advantage of their yield premium over Government of Canada Treasury bills. The remainder of the Fund was invested in provincial notes, which also pay a premium over Government of Canada Treasury bills. Combined, this allocation allowed the Fund to achieve a higher yield than its benchmark, the FTSE TMX Canada 30-Day T-Bill Index.

With still no changes, nor any expected for the remainder of the year, to the Bank of Canada's ("BOC") overnight target rate, and very little movement in Government of Canada Treasury bills, there were limited opportunities to add value via interest rate anticipation. The average term to maturity of the Fund was mainly influenced by the portfolio manager's credit strategies. Throughout the first half of 2014, and consistent with much of the period since the BOC's target rate reached 1% in 2010, the portfolio manager focused primarily on securities with a longer-term to maturity than the Fund's benchmark, in order to obtain the wider-credit premiums that exist further out in maturity.

Recent Developments

The strategies employed by the Fund have remained largely consistent since the start of the ultra-low interest rate cycle in 2009. There have been no meaningful shifts in the investment strategy this period or for the outlook for money-market rates, which will likely remain on hold for the remainder of 2014.

Related-Party Transactions

Manager, Portfolio Advisor and Registrar

RBC GAM is an indirect, wholly-owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, principal portfolio advisor and registrar of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM, as registrar, also keeps the records of who owns the units of 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.

Trustee and Custodian

RBC Investor Services Trust ("RBC IS") is the trustee and custodian of the Fund. RBC IS holds title to the Fund's property on behalf of unitholders and holds the assets of the Fund.

Other Related-Party Transactions

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

Related-Party Trading Activities

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



Inter-Fund Trading

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

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



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, 2014), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in accordance 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" are calculated in accordance with GAAP, and "Net Asset Value" is derived from the valuation method disclosed in the RBC Institutional Cash 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 S												
June 30, 2014	10.00	0.05	(0.01)	–	–	0.04	(0.04)	–	–	–	(0.04)	10.00
Dec. 31, 2013	10.00	0.12	(0.02)	–	–	0.10	(0.10)	–	–	–	(0.10)	10.00
Dec. 31, 2012	10.00	0.11	(0.02)	–	–	0.09	(0.09)	–	–	–	(0.09)	10.00
Dec. 31, 2011 ³	10.00 [†]	0.09	(0.02)	–	–	0.07	(0.07)	–	–	–	(0.07)	10.00
Series I												
June 30, 2014	10.00	0.06	(0.01)	–	–	0.05	(0.05)	–	–	–	(0.05)	10.00
Dec. 31, 2013	10.00	0.12	(0.02)	–	–	0.10	(0.10)	–	–	–	(0.10)	10.00
Dec. 31, 2012	10.00	0.11	(0.02)	–	–	0.09	(0.09)	–	–	–	(0.09)	10.00
Dec. 31, 2011	10.00	0.10	(0.01)	–	–	0.09	(0.09)	–	–	–	(0.09)	10.00
Dec. 31, 2010 ⁴	10.00 [†]	0.05	(0.01)	–	–	0.04	(0.04)	–	–	–	(0.04)	10.00
Series J												
June 30, 2014	10.00	0.06	(0.01)	–	–	0.05	(0.05)	–	–	–	(0.05)	10.00
Dec. 31, 2013	10.00	0.12	(0.01)	–	–	0.11	(0.11)	–	–	–	(0.11)	10.00
Dec. 31, 2012	10.00	0.11	(0.01)	–	–	0.10	(0.10)	–	–	–	(0.10)	10.00
Dec. 31, 2011	10.00	0.11	(0.01)	–	–	0.10	(0.10)	–	–	–	(0.10)	10.00
Dec. 31, 2010 ⁴	10.00 [†]	0.04	–	–	–	0.04	(0.04)	–	–	–	(0.04)	10.00
Series O												
June 30, 2014	10.00	0.05	–	–	–	0.05	(0.05)	–	–	–	(0.05)	10.00
Dec. 31, 2013	10.00	0.12	–	–	–	0.12	(0.12)	–	–	–	(0.12)	10.00
Dec. 31, 2012	10.00	0.11	–	–	–	0.11	(0.11)	–	–	–	(0.11)	10.00
Dec. 31, 2011	10.00	0.10	–	–	–	0.10	(0.10)	–	–	–	(0.10)	10.00
Dec. 31, 2010 ⁴	10.00 [†]	0.05	–	–	–	0.05	(0.05)	–	–	–	(0.05)	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 March 2011. Series S is offered to certain qualified investors in reliance on exemptions from prospectus requirements under applicable securities laws.

⁴ From January 2010.

[†] 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 S							
June 30, 2014	10.00	6 010	601	0.21	0.21	n/a	—
Dec. 31, 2013	10.00	6 010	601	0.21	0.21	n/a	—
Dec. 31, 2012	10.00	10 010	1 001	0.21	0.21	n/a	—
Dec. 31, 2011 ⁴	10.00	20 010	2 001	0.19	0.19	n/a	—
Series I							
June 30, 2014	10.00	1 190	119	0.14	0.14	n/a	—
Dec. 31, 2013	10.00	1 035	104	0.15	0.15	n/a	—
Dec. 31, 2012	10.00	1 045	105	0.15	0.15	n/a	—
Dec. 31, 2011	10.00	996	100	0.14	0.14	n/a	—
Dec. 31, 2010 ⁵	10.00	900	90	0.15	0.15	n/a	—
Series J							
June 30, 2014	10.00	13	1	0.11	0.11	n/a	—
Dec. 31, 2013	10.00	13	1	0.12	0.12	n/a	—
Dec. 31, 2012	10.00	12	1	0.12	0.12	n/a	—
Dec. 31, 2011	10.00	12	1	0.11	0.11	n/a	—
Dec. 31, 2010 ⁵	10.00	42	4	0.11	0.11	n/a	—
Series O							
June 30, 2014	10.00	77 825	7 783	0.02	0.02	n/a	—
Dec. 31, 2013	10.00	41 631	4 163	0.02	0.02	n/a	—
Dec. 31, 2012	10.00	122 552	12 255	0.02	0.02	n/a	—
Dec. 31, 2011	10.00	173 749	17 375	0.02	0.02	n/a	—
Dec. 31, 2010 ⁵	10.00	200 622	20 062	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 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 a percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From March 2011.

⁵ From January 2010.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, portfolio advisor and registrar 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 S	up to 0.16%	31%	69%
Series I	up to 0.11%	–	100%
Series J	up to 0.08%	–	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, investment advisory services, general administration and profit.

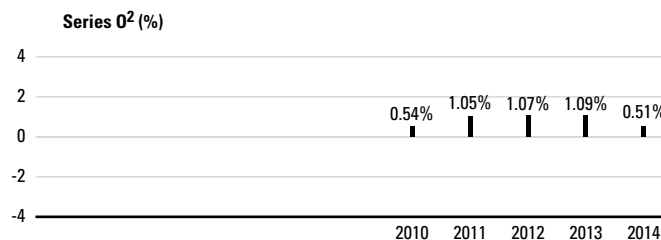
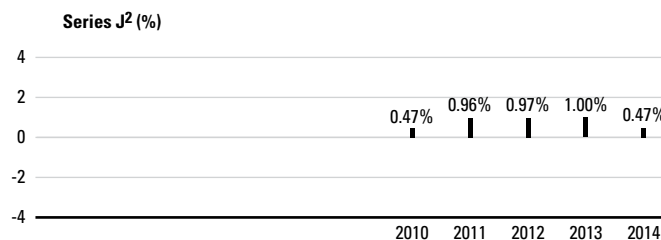
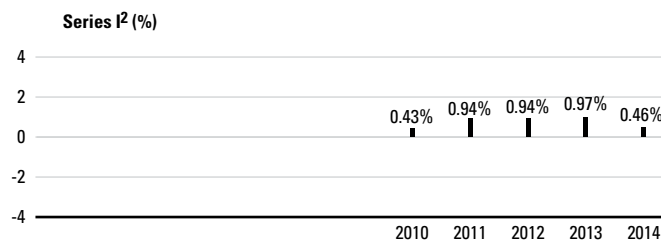
PAST PERFORMANCE

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.

The Fund was not a reporting issuer from January 26, 2010 until June 6, 2011. The expenses of the Fund would have been higher during the period when it was not a reporting issuer had the Fund been subject to the additional regulatory requirements applicable to a reporting issuer.

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.



¹ Inception date March 2011.

² Inception date January 2010.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2014.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2014

Investment Mix

	% of Net Asset Value
Corporate Notes	39.9
Government Notes	60.1

Top 25 Holdings*

	% of Net Asset Value
Province of Alberta 1.000% Jul 22 14	24.5
Province of Quebec 0.992% Aug 8 14	15.6
Province of British Columbia 0.990% Aug 14 14	12.3
National Bank of Canada 1.142% Jul 28 14	9.6
Canadian Imperial Bank of Commerce 1.181% Sep 8 14	9.1
Bank of Montreal 1.135% Jul 7 14	7.3
Bank of Nova Scotia 1.162% Aug 21 14	6.5
Province of Ontario 0.991% Sep 3 14	5.9
Bank of Nova Scotia 1.162% Aug 26 14	3.0
Toronto-Dominion Bank 1.135% Jul 28 14	1.8
Toronto-Dominion Bank 1.137% Jul 10 14	1.1
Province of Ontario 1.201% Jul 28 14	1.1
Financement-Québec 1.241% Sep 2 14	0.6
Bank of Montreal 1.380% Jul 15 14	0.5
Canadian Imperial Bank of Commerce 1.346% Jul 8 14	0.4
Bank of Nova Scotia 1.380% Jul 10 14	0.4
Cash & Cash Equivalents	0.3
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/reports.



MONEY MARKET FUND

RBC INSTITUTIONAL CASH FUND

June 30, 2014

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

The Board of Directors of RBC Global Asset Management Inc. approved this semi-annual management report of fund performance on August 12, 2014.

A Note on Forward-looking Statements

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

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

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

This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual financial statements or the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-877-408-6019, 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 investors with a high level of interest income while focusing on preserving capital and maintaining liquidity. To achieve the Fund's investment objectives, we invest primarily in a well-diversified portfolio of Canadian dollar money market securities issued by Canadian federal and provincial government entities and their fully guaranteed agencies, banks, corporations, trusts and foreign governments. At the time of purchase, securities are restricted to a maximum term to maturity of 365 days and the portfolio's weighted average term to maturity will not exceed 60 days.

Results of Operations

The Fund's net asset value was \$433.5 million as of June 30, 2014.

As of June 30, 2014, the current yields were 1.00% for Series S units, 1.07% for Series I units, 1.10% for Series J units and 1.19% for Series O units. Over the past six months, the Fund's Series I units returned 0.53%. 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 other series, if any, which may vary because of differences in management fees and expenses.

During the reporting period, the portfolio manager allocated all of the assets of the Fund to money-market instruments that pay a credit premium over Government of Canada Treasury bills. Such instruments included corporate notes, bank-sponsored asset-backed commercial paper, and bankers' acceptances, as well as a small allocation to short-term floating-rate notes.

With still no changes, nor any expected for the remainder of the year, to the Bank of Canada's ("BOC") overnight target rate, and very little movement in Government of Canada Treasury bills, there were limited opportunities to add value via interest rate anticipation. The average term to maturity of the Fund was mainly influenced by the portfolio manager's credit strategies. Throughout the first half of 2014, and consistent with much of the period since the BOC's target rate reached 1% in 2010, the portfolio manager focused primarily on corporate securities with a longer-term to maturity than the Fund's benchmark, the FTSE TMX Canada 30 Day T-Bill Index, in order to obtain the wider-credit premiums that exist further out in maturity.

Recent Developments

The strategies employed by the Fund have remained largely consistent since the start of the ultra-low interest rate cycle in 2009. There have been no meaningful shifts in the investment strategy this period or for the outlook for money-market rates, which will likely remain on hold for the remainder of 2014.

Related-Party Transactions

Manager, Portfolio Advisor and Registrar

RBC GAM is an indirect, wholly-owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, principal portfolio advisor and registrar of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM, as registrar, also keeps the records of who owns the units of 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.

Trustee and Custodian

RBC Investor Services Trust ("RBC IS") is the trustee and custodian of the Fund. RBC IS holds title to the Fund's property on behalf of unitholders and holds the assets of the Fund.

Other Related-Party Transactions

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

Related-Party Trading Activities

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



Inter-Fund Trading

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

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



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, 2014), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in accordance 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" are calculated in accordance with GAAP, and "Net Asset Value" is derived from the valuation method disclosed in the RBC Institutional Cash 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 S												
June 30, 2014	10.00	0.06	(0.01)	–	–	0.05	(0.05)	–	–	–	(0.05)	10.00
Dec. 31, 2013	10.00	0.13	(0.02)	–	–	0.11	(0.11)	–	–	–	(0.11)	10.00
Dec. 31, 2012	10.00	0.13	(0.03)	–	–	0.10	(0.10)	–	–	–	(0.10)	10.00
Dec. 31, 2011 ³	10.00 [†]	0.10	(0.02)	–	–	0.08	(0.08)	–	–	–	(0.08)	10.00
Series I												
June 30, 2014	10.00	0.06	(0.01)	–	–	0.05	(0.05)	–	–	–	(0.05)	10.00
Dec. 31, 2013	10.00	0.13	(0.01)	–	–	0.12	(0.12)	–	–	–	(0.12)	10.00
Dec. 31, 2012	10.00	0.13	(0.03)	–	–	0.10	(0.10)	–	–	–	(0.10)	10.00
Dec. 31, 2011	10.00	0.11	(0.01)	–	–	0.10	(0.10)	–	–	–	(0.10)	10.00
Dec. 31, 2010 ⁴	10.00 [†]	0.06	(0.01)	–	–	0.05	(0.05)	–	–	–	(0.05)	10.00
Series J												
June 30, 2014	10.00	0.06	(0.01)	–	–	0.05	(0.05)	–	–	–	(0.05)	10.00
Dec. 31, 2013	10.00	0.13	(0.01)	–	–	0.12	(0.12)	–	–	–	(0.12)	10.00
Dec. 31, 2012	10.00	0.13	(0.02)	–	–	0.11	(0.11)	–	–	–	(0.11)	10.00
Dec. 31, 2011	10.00	0.12	(0.01)	–	–	0.11	(0.11)	–	–	–	(0.11)	10.00
Dec. 31, 2010 ⁴	10.00 [†]	0.05	–	–	–	0.05	(0.05)	–	–	–	(0.05)	10.00
Series O												
June 30, 2014	10.00	0.06	–	–	–	0.06	(0.06)	–	–	–	(0.06)	10.00
Dec. 31, 2013	10.00	0.13	–	–	–	0.13	(0.13)	–	–	–	(0.13)	10.00
Dec. 31, 2012	10.00	0.12	–	–	–	0.12	(0.12)	–	–	–	(0.12)	10.00
Dec. 31, 2011	10.00	0.11	–	–	–	0.11	(0.11)	–	–	–	(0.11)	10.00
Dec. 31, 2010 ⁴	10.00 [†]	0.07	–	–	–	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.

³ From March 2011. Series S is offered to certain qualified investors in reliance on exemptions from prospectus requirements under applicable securities laws.

⁴ From January 2010.

[†] 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 S							
June 30, 2014	10.00	20 010	2 001	0.21	0.21	n/a	—
Dec. 31, 2013	10.00	20 010	2 001	0.21	0.21	n/a	—
Dec. 31, 2012	10.00	20 010	2 001	0.21	0.21	n/a	—
Dec. 31, 2011 ⁴	10.00	12 010	1 201	0.19	0.19	n/a	—
Series I							
June 30, 2014	10.00	203 235	20 324	0.14	0.14	n/a	—
Dec. 31, 2013	10.00	18 114	1 811	0.14	0.14	n/a	—
Dec. 31, 2012	10.00	26 987	2 699	0.15	0.15	n/a	—
Dec. 31, 2011	10.00	20 335	2 034	0.15	0.15	n/a	—
Dec. 31, 2010 ⁵	10.00	21 798	2 180	0.15	0.15	n/a	—
Series J							
June 30, 2014	10.00	7 042	704	0.12	0.12	n/a	—
Dec. 31, 2013	10.00	7 260	726	0.11	0.11	n/a	—
Dec. 31, 2012	10.00	285	28	0.11	0.11	n/a	—
Dec. 31, 2011	10.00	13	1	0.11	0.11	n/a	—
Dec. 31, 2010 ⁵	10.00	52	5	0.11	0.11	n/a	—
Series O							
June 30, 2014	10.00	203 175	20 318	0.02	0.02	n/a	—
Dec. 31, 2013	10.00	179 346	17 935	0.02	0.02	n/a	—
Dec. 31, 2012	10.00	158 858	15 886	0.02	0.02	n/a	—
Dec. 31, 2011	10.00	97 283	9 728	0.03	0.03	n/a	—
Dec. 31, 2010 ⁵	10.00	52 239	5 224	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 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 a percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From March 2011.

⁵ From January 2010.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, portfolio advisor and registrar 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 S	up to 0.16%	31%	69%
Series I	up to 0.11%	–	100%
Series J	up to 0.08%	–	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, investment advisory services, general administration and profit.

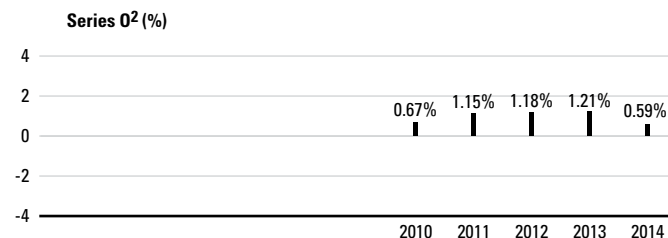
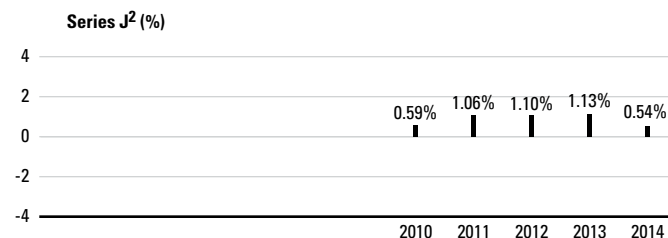
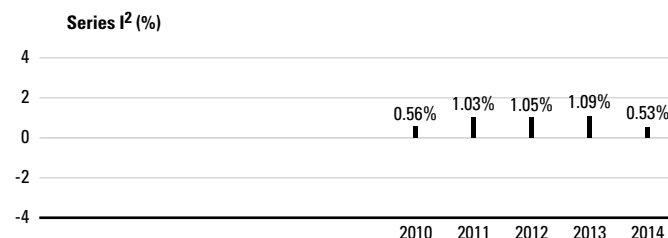
PAST PERFORMANCE

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.

The Fund was not a reporting issuer from January 26, 2010 until June 6, 2011. The expenses of the Fund would have been higher during the period when it was not a reporting issuer had the Fund been subject to the additional regulatory requirements applicable to a reporting issuer.

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.



¹ Inception date March 2011.

² Inception date January 2010.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2014.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2014

Investment Mix

	% of Net Asset Value
Corporate Notes	98.4
Government Notes	1.6

Top 25 Holdings

	% of Net Asset Value
National Bank of Canada 1.135% Jul 17 14	5.4
OMERS Realty Corp. 1.151% Jul 14 14	2.4
Ridge Trust 1.202% Aug 6 14	2.3
Enbridge Gas Distribution Inc. 1.204% Jul 9 14	2.1
Finning International Inc. 1.141% Jul 11 14	1.9
Darwin Receivables Trust - Senior Notes 1.202% Sep 19 14	1.8
Bay Street Funding Trust - Class A 1.174% Jul 28 14	1.7
National Bank of Canada 1.145% Jul 3 14	1.7
Merit Trust - Senior Notes 1.281% Jul 10 14	1.7
HSBC Bank Canada 1.174% Jul 7 14	1.6
Prime Trust - Senior Notes 1.165% Jul 21 14	1.6
Zeus Receivables Trust - Senior Notes 1.163% Jul 28 14	1.6
SOUND Trust 1.271% Dec 19 14	1.6
Darwin Receivables Trust - Senior Notes 1.281% Jul 10 14	1.6
Zeus Receivables Trust - Senior Notes 1.281% Jul 10 14	1.6
Reliant Trust 1.281% Jul 10 14	1.6
King Street Funding Trust 1.270% Oct 29 14	1.5
HSBC Bank Canada 1.141% Jul 16 14	1.5
National Bank of Canada 1.145% Jul 25 14	1.5
Caisse Centrale Desjardins 1.144% Jul 10 14	1.4
Fusion Trust 1.202% Aug 28 14	1.4
Bank of Nova Scotia 1.162% Aug 27 14	1.3
Bank of Montreal 1.135% Jul 7 14	1.2
Inter Pipeline Ltd. 1.202% Jul 11 14	1.2
Clarity Trust 1.202% Aug 27 14	1.2
Top 25 Holdings	44.4

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/reports.



MONEY MARKET FUND

RBC INSTITUTIONAL US\$ CASH FUND

June 30, 2014

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

The Board of Directors of RBC Global Asset Management Inc. approved this semi-annual management report of fund performance on August 12, 2014.

A Note on Forward-looking Statements

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

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

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

This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual financial statements or the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-877-408-6019, 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 investors with a high level of interest income while focusing on preserving capital and maintaining liquidity. To achieve the Fund's investment objectives, we invest primarily in a well-diversified portfolio of U.S. dollar denominated money market securities issued by Canadian federal and provincial government entities and their fully guaranteed agencies, banks, corporations, trusts and foreign governments. At the time of purchase, securities are restricted to a maximum term to maturity of 365 days and the portfolio's weighted average term to maturity will not exceed 60 days.

Results of Operations

The Fund's net asset value was \$38.8 million as of June 30, 2014.

As of June 30, 2014, the current yields were 0.03% for Series S units, 0.08% for Series I units, 0.16% for Series J units and 0.22% for Series O units. Over the past six months, the Fund's Series I units returned 0.04%. 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 other series, if any, which may vary because of differences in management fees and expenses.

The Fund maintained a higher yield than its benchmark, the Citigroup 30-Day T-Bill Index (USD), by allocating all of its assets to money-market instruments that pay a credit premium over U.S. Federal Government Treasury bills. Such instruments included U.S.-dollar-denominated corporate notes, bank-sponsored asset-backed commercial paper, and bankers' acceptances, as well as a small allocation to short-term floating-rate notes issued by Canadian companies. The Fund also invested a small portion in U.S.-dollar-denominated fixed and floating-rate notes from Canadian provinces.

With no changes taking place or expected in the U.S. Federal Reserve's Federal Funds Rate for the remainder of 2014, and very little movement in Federal Government Treasury bills, there were limited opportunities to add value through predicting the movement of interest rates. The average term to maturity of the Fund was influenced mainly by the portfolio manager's credit strategies. Throughout the first half of 2014, and consistent with much of the period since the Federal Funds Rate reached 0-0.25% in 2008, the portfolio manager focused primarily on securities with a longer term to maturity than the Fund's 30-day benchmark in order to obtain the wider credit premiums that exist further out in maturity.

Recent Developments

The strategies employed by the Fund have remained largely consistent since the start of the ultra-low interest rate cycle in 2008. There have been no meaningful shifts in the investment strategy this period or for the outlook for money-market rates, which will likely remain on hold for the remainder of 2014. The management fee continues to be reduced to ensure a modest but positive return in the Fund.

Related-Party Transactions

Manager, Portfolio Advisor and Registrar

RBC GAM is an indirect, wholly-owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, principal portfolio advisor and registrar of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM, as registrar, also keeps the records of who owns the units of 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.

Trustee and Custodian

RBC Investor Services Trust ("RBC IS") is the trustee and custodian of the Fund. RBC IS holds title to the Fund's property on behalf of unitholders and holds the assets of the Fund.

Other Related-Party Transactions

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

Related-Party Trading Activities

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



Inter-Fund Trading

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

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



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, 2014), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in accordance 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" are calculated in accordance with GAAP, and "Net Asset Value" is derived from the valuation method disclosed in the RBC Institutional Cash 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 S													
June 30, 2014	10.00	0.01	(0.01)	–	–	–	–	–	–	–	–	–	10.00
Dec. 31, 2013	10.00	0.03	(0.01)	–	–	0.02	(0.02)	–	–	–	–	(0.02)	10.00
Dec. 31, 2012	10.00	0.03	(0.02)	–	–	0.01	(0.01)	–	–	–	–	(0.01)	10.00
Dec. 31, 2011 ³	10.00 [†]	0.02	(0.01)	–	–	0.01	(0.01)	–	–	–	–	(0.01)	10.00
Series I													
June 30, 2014	10.00	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	0.03	(0.02)	–	–	0.01	(0.01)	–	–	–	–	(0.01)	10.00
Dec. 31, 2011	10.00	0.03	(0.02)	–	–	0.01	(0.01)	–	–	–	–	(0.01)	10.00
Dec. 31, 2010 ⁴	10.00 [†]	0.02	(0.01)	–	–	0.01	(0.01)	–	–	–	–	(0.01)	10.00
Series J													
June 30, 2014	10.00	0.01	–	–	–	0.01	(0.01)	–	–	–	–	(0.01)	10.00
Dec. 31, 2013	10.00	0.03	(0.01)	–	–	0.02	(0.02)	–	–	–	–	(0.02)	10.00
Dec. 31, 2012	10.00	0.03	(0.01)	–	–	0.02	(0.02)	–	–	–	–	(0.02)	10.00
Dec. 31, 2011	10.00	0.02	(0.01)	–	–	0.01	(0.01)	–	–	–	–	(0.01)	10.00
Dec. 31, 2010 ⁴	10.00 [†]	0.01	–	–	–	0.01	(0.01)	–	–	–	–	(0.01)	10.00
Series O													
June 30, 2014	10.00	0.01	–	–	–	0.01	(0.01)	–	–	–	–	(0.01)	10.00
Dec. 31, 2013	10.00	0.03	–	–	–	0.03	(0.03)	–	–	–	–	(0.03)	10.00
Dec. 31, 2012	10.00	0.03	(0.01)	–	–	0.02	(0.02)	–	–	–	–	(0.02)	10.00
Dec. 31, 2011	10.00	0.02	–	–	–	0.02	(0.02)	–	–	–	–	(0.02)	10.00
Dec. 31, 2010 ⁴	10.00 [†]	0.01	–	–	–	0.01	(0.01)	–	–	–	–	(0.01)	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 March 2011. Series S is offered to certain qualified investors in reliance on exemptions from prospectus requirements under applicable securities laws.

⁴ From January 2010.

[†] 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 S							
June 30, 2014	10.00	9 019	902	0.21	0.21	n/a	—
Dec. 31, 2013	10.00	6 283	628	0.19	0.19	n/a	—
Dec. 31, 2012	10.00	9	1	0.17	0.17	n/a	—
Dec. 31, 2011 ⁴	10.00	9	1	0.20	0.20	n/a	—
Series I							
June 30, 2014	10.00	5	1	0.15	0.15	n/a	—
Dec. 31, 2013	10.00	5	1	0.15	0.15	n/a	—
Dec. 31, 2012	10.00	10	1	0.15	0.15	n/a	—
Dec. 31, 2011	10.00	10	1	0.15	0.15	n/a	—
Dec. 31, 2010 ⁵	10.00	15	2	0.14	0.14	n/a	—
Series J							
June 30, 2014	10.00	6	1	0.08	0.08	n/a	—
Dec. 31, 2013	10.00	6	1	0.11	0.11	n/a	—
Dec. 31, 2012	10.00	9	1	0.11	0.11	n/a	—
Dec. 31, 2011	10.00	9	1	0.09	0.09	n/a	—
Dec. 31, 2010 ⁵	10.00	—	—	0.11	0.11	n/a	—
Series O							
June 30, 2014	10.00	29 731	2 973	0.03	0.03	n/a	—
Dec. 31, 2013	10.00	146 128	14 613	0.02	0.02	n/a	—
Dec. 31, 2012	10.00	111 463	11 146	0.03	0.03	n/a	—
Dec. 31, 2011	10.00	72 020	7 202	0.03	0.03	n/a	—
Dec. 31, 2010 ⁵	10.00	56 081	5 608	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 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 a percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From March 2011.

⁵ From January 2010.



FINANCIAL HIGHLIGHTS (in USD) (cont.)

Management Fees

RBC GAM is the manager, portfolio advisor and registrar 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 S	up to 0.16%	31%	69%
Series I	up to 0.11%	–	100%
Series J	up to 0.08%	–	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, investment advisory services, general administration and profit.

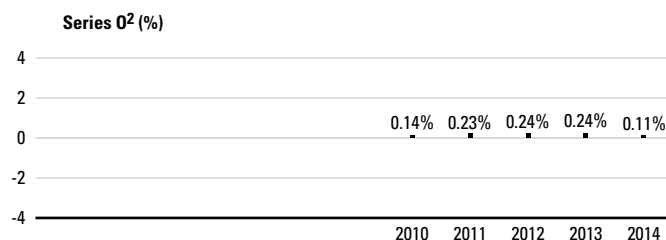
PAST PERFORMANCE (in USD)

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.

The Fund was not a reporting issuer from January 26, 2010 until June 6, 2011. The expenses of the Fund would have been higher during the period when it was not a reporting issuer had the Fund been subject to the additional regulatory requirements applicable to a reporting issuer.

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.



¹ Inception date March 2011.

² Inception date January 2010.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2014.



SUMMARY OF INVESTMENT PORTFOLIO (in USD)

(after consideration of derivative products, if any)

As at June 30, 2014

Investment Mix

	% of Net Asset Value
Corporate Notes	88.3
Government Notes	11.7

Top 25 Holdings

	% of Net Asset Value
Bank of Montreal 0.140% Aug 1 14	5.7
CPPIB Capital Inc. 0.131% Sep 2 14	4.5
Province of Ontario 0.108% Jul 29 14	4.3
Darwin Receivables Trust - Senior Notes 0.290% Sep 24 14	4.1
Hydro-Quebec 0.108% Jul 29 14	3.8
Clarity Trust 0.301% Sep 16 14	3.6
Toronto-Dominion Bank 0.103% Jul 14 14	3.4
Caisse Centrale Desjardins 0.170% Aug 21 14	3.4
Bank of Montreal 0.120% Aug 20 14	3.2
Prime Trust - Senior Notes 0.275% Jul 24 14	3.2
Fusion Trust 0.290% Jul 8 14	3.0
SOUND Trust 0.351% Oct 6 14	2.6
Ridge Trust 0.311% Dec 15 14	2.6
Toronto-Dominion Bank 0.112% Jul 3 14	2.5
Hydro-Quebec 0.111% Sep 10 14	2.5
Banner Trust 0.257% Aug 25 14	2.3
Enbridge Inc. 0.148% Aug 29 14	2.3
PSP Capital Inc. 0.131% Jul 2 14	2.1
Merit Trust - Senior Notes 0.310% Dec 12 14	2.0
Brookfield Asset Management Inc., Class A 0.396% Jul 11 14	1.9
Canadian Master Trust - Series A 0.270% Jul 14 14	1.9
Zeus Receivables Trust - Senior Notes 0.306% Dec 3 14	1.9
Reliant Trust 0.254% Jul 14 14	1.8
SAFE Trust - Series 1996-1 0.351% Nov 28 14	1.8
Reliant Trust 0.258% Jul 22 14	1.5
Top 25 Holdings	71.9

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/reports.



FIXED INCOME FUND

RBC INSTITUTIONAL LONG CASH FUND

June 30, 2014

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

The Board of Directors of RBC Global Asset Management Inc. approved this semi-annual management report of fund performance on August 12, 2014.

A Note on Forward-looking Statements

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

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

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

This semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual financial statements or the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-877-408-6019, 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 investors with a high level of interest income while focusing on preserving capital. To achieve the Fund's investment objectives, we invest primarily in a well-diversified portfolio of Canadian dollar short-term fixed income and money market securities issued or guaranteed by Canadian federal and provincial government entities, their fully guaranteed agencies, banks, corporations, trusts and foreign governments. At the time of purchase, securities are restricted to a maximum remaining term to maturity of two years and the portfolio's weighted average term to maturity is permitted to range from six to 18 months.

Results of Operations

The Fund's net asset value was \$36.2 million as of June 30, 2014.

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

Although long-term interest rates declined in the first half of 2014, short-term rates (30-day to two-year maturities) hardly moved at all. The result was the short-term securities were able to collect their yield, but were absent any capital gains or losses due to the effects of changing rates. The Fund was allocated entirely to securities that paid a premium over Government of Canada Treasury bills and notes. Specifically, short-term corporate and bank notes and highly rated asset-backed securities made up the majority of the Fund, while provincial bonds comprised the government bond portion.

Recent Developments

With the U.S. Federal Reserve's planned tapering of its quantitative easing program underway, and North American economic expansion expected to continue, the portfolio manager feels that the most likely direction for interest rates is upwards, although the timing of such a shift is difficult to predict. Corporate bond premiums, both investment grade and high yield, have tightened to their lowest levels since the credit crisis, and present a risk of widening should the strong investor demand for yield subside.

Related-Party Transactions

Manager, Portfolio Advisor and Registrar

RBC GAM is an indirect, wholly-owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, principal portfolio advisor and registrar of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM, as registrar, also keeps the records of who owns the units of 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.

Trustee and Custodian

RBC Investor Services Trust ("RBC IS") is the trustee and custodian of the Fund. RBC IS holds title to the Fund's property on behalf of unitholders and holds the assets of the Fund.

Other Related-Party Transactions

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

Related-Party Trading Activities

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



Inter-Fund Trading

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

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



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, 2014), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in accordance 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" are calculated in accordance with GAAP, and "Net Asset Value" is derived from the valuation method disclosed in the RBC Institutional Cash 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 I												
June 30, 2014	9.30	0.13	(0.01)	(0.08)	0.02	0.06	(0.11)	–	–	–	(0.11)	9.25
Dec. 31, 2013	9.41	0.30	(0.01)	(0.25)	0.10	0.14	(0.26)	–	–	–	(0.26)	9.29
Dec. 31, 2012	9.64	0.42	(0.01)	(0.22)	(0.03)	0.16	(0.38)	–	–	–	(0.38)	9.41
Dec. 31, 2011	9.82	0.46	(0.01)	(0.10)	(0.13)	0.22	(0.35)	–	–	–	(0.35)	9.64
Dec. 31, 2010 ³	10.00 [†]	0.27	(0.01)	(0.02)	(0.07)	0.17	(0.27)	–	–	–	(0.27)	9.82
Series J												
June 30, 2014	9.30	0.13	(0.01)	(0.08)	0.02	0.06	(0.13)	–	–	–	(0.13)	9.23
Dec. 31, 2013	9.45	0.30	(0.01)	(0.25)	0.10	0.14	(0.27)	–	–	–	(0.27)	9.29
Dec. 31, 2012	9.70	0.40	(0.01)	(0.21)	(0.03)	0.15	(0.40)	–	–	–	(0.40)	9.45
Dec. 31, 2011	9.83	0.26	(0.01)	(0.06)	(0.07)	0.12	(0.30)	–	–	–	(0.30)	9.70
Dec. 31, 2010 ³	10.00 [†]	0.27	–	(0.02)	(0.07)	0.18	(0.27)	–	–	–	(0.27)	9.83
Series O												
June 30, 2014	9.09	0.13	–	(0.08)	0.02	0.07	(0.17)	–	–	–	(0.17)	8.99
Dec. 31, 2013	9.32	0.30	–	(0.25)	0.10	0.15	(0.39)	–	–	–	(0.39)	9.08
Dec. 31, 2012	9.62	0.42	–	(0.22)	(0.03)	0.17	(0.45)	–	–	–	(0.45)	9.32
Dec. 31, 2011	9.81	0.47	–	(0.10)	(0.13)	0.24	(0.38)	–	–	–	(0.38)	9.62
Dec. 31, 2010 ³	10.00 [†]	0.29	–	(0.02)	(0.08)	0.19	(0.29)	–	–	–	(0.29)	9.81

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 2010.

[†] 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 I							
June 30, 2014	9.25	10 746	1 162	0.13	0.14	133.84	—
Dec. 31, 2013	9.30	12 765	1 373	0.14	0.14	127.08	—
Dec. 31, 2012	9.41	8 646	919	0.15	0.15	119.41	—
Dec. 31, 2011	9.65	8 670	899	0.14	0.14	99.87	—
Dec. 31, 2010 ⁴	9.82	11 447	1 165	0.15	0.15	73.53	—
Series J							
June 30, 2014	9.23	21 012	2 277	0.11	0.12	133.84	—
Dec. 31, 2013	9.30	30 807	3 316	0.12	0.12	127.08	—
Dec. 31, 2012	9.45	66 093	6 993	0.12	0.12	119.41	—
Dec. 31, 2011	9.71	74 858	7 708	0.12	0.12	99.87	—
Dec. 31, 2010 ⁴	9.83	4 576	465	0.11	0.11	73.53	—
Series O							
June 30, 2014	8.99	4 435	493	0.02	0.03	133.84	—
Dec. 31, 2013	9.09	7 391	813	0.03	0.03	127.08	—
Dec. 31, 2012	9.33	4 111	441	0.03	0.03	119.41	—
Dec. 31, 2011	9.63	6 016	625	0.03	0.03	99.87	—
Dec. 31, 2010 ⁴	9.82	15 961	1 625	0.02	0.02	73.53	—

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 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 a percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From January 2010.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, portfolio advisor and registrar 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 I	0.11%	–	100%
Series J	0.08%	–	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, investment advisory services, general administration and profit.

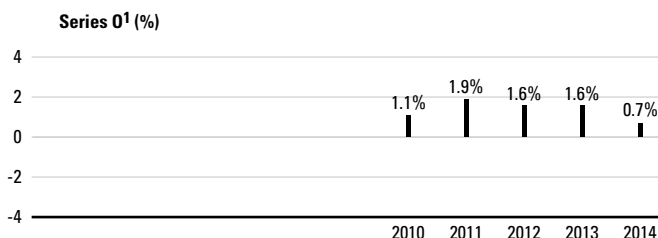
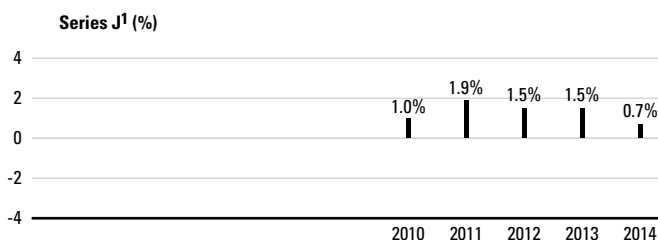
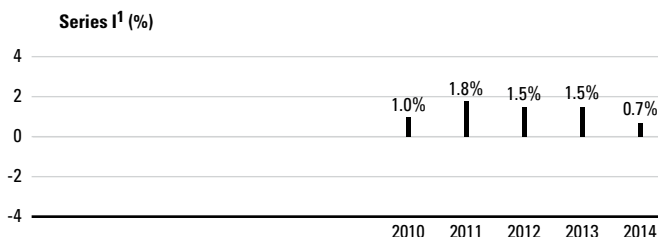
PAST PERFORMANCE

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.

The Fund was not a reporting issuer from January 26, 2010 until June 6, 2011. The expenses of the Fund would have been higher during the period when it was not a reporting issuer had the Fund been subject to the additional regulatory requirements applicable to a reporting issuer.

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.



¹ Inception date January 2010.

For the 12-month periods ended December 31 and the six-month period ended June 30, 2014.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2014

Investment Mix

	% of Net Asset Value
Corporate Bonds	70.0
Government Notes	30.0

Top 25 Holdings*

	% of Net Asset Value
Province of British Columbia 1.040% Feb 20 15	30.0
Bank of Nova Scotia 1.800% May 9 16	9.9
Bank of Montreal 3.930% Apr 27 15	9.8
National Bank of Canada 2.050% Jan 11 16	9.8
Canadian Imperial Bank of Commerce 3.400% Jan 14 16	9.7
HSBC Bank Canada 2.572% Nov 23 15	4.8
Master Credit Card Trust 3.502% May 21 16	4.8
bcIMC Realty Corp. 3.380% Jan 29 15	4.7
John Deere Credit Inc. 5.450% Sep 16 15	4.7
Cards II Trust 3.096% Sep 15 15	2.7
407 International Inc. 3.880% Jun 16 15	2.4
Eagle Credit Card Trust 3.474 Dec 17 15	2.2
Cards II Trust 1.984% Jan 15 16	2.1
Caisse Centrale Desjardins 3.114% Dec 4 14	1.9
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/reports.



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

We have maintained appropriate procedures and controls to ensure that relevant and reliable financial information is produced. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") (and they include certain amounts that are based on estimates and judgments). The significant accounting policies, which we believe are appropriate for the Funds, are described in Note 3 to the financial statements.

Although the Board of Directors of RBC GAM is solely responsible for approving the financial statements and overseeing management's financial reporting responsibilities, the Financial Advisory Committee of the Board of Governors provides advice to RBC GAM concerning financial reporting, the audit process and internal controls. Please see *The Role of the Board of Governors* at the end of this report.

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

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

August 12, 2014

Unaudited Semi-Annual Financial Statements

The accompanying semi-annual financial statements have not been reviewed by the external auditors of the Funds. The external auditors will be auditing the annual financial statements of the Funds in accordance with Canadian generally accepted auditing standards.



SCHEDULE OF INVESTMENT PORTFOLIO (unaudited) (in \$000s)
RBC INSTITUTIONAL GOVERNMENT – PLUS CASH FUND

June 30, 2014

Par Value (000s)	Security	Fair Value	% of Net Assets
BANKERS ACCEPTANCES AND BANK OBLIGATIONS			
6 690	Bank of Montreal	\$ 6 684	
8 470	Bank of Nova Scotia	8 447	
8 125	Canadian Imperial Bank of Commerce	8 079	
8 200	National Bank of Canada	8 192	
2 475	Toronto-Dominion Bank	2 473	
		33 875	39.8
PROVINCIAL OBLIGATIONS			
550	Financement-Québec	550	
20 900	Province of Alberta	20 849	
10 515	Province of British Columbia	10 501	
5 900	Province of Ontario	5 893	
13 300	Province of Quebec	13 285	
		51 078	60.1
TOTAL INVESTMENTS*		84 953	99.9
OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		85	0.1
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		\$ 85 038	100.0

*Investments, which are grouped by issuer, earn interest at rates ranging from 0.99% to 1.38% and mature between July 7, 2014 and January 9, 2015.



Statements of Financial Position (unaudited) (in \$000s except per unit amounts)

(see note 2 and note 7 in the generic notes)	June 30 2014	December 31 2013	January 1 2013
ASSETS			
Investments at fair value	\$ 84 953	\$ 48 630	\$ 133 444
Cash	5	6	5
Dividends receivable, interest accrued and other assets	88	60	192
TOTAL ASSETS	85 046	48 696	133 641
LIABILITIES			
Redemptions payable	–	–	10
Distributions payable	4	5	7
Accounts payable and accrued expenses	4	2	5
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	8	7	22
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")	\$ 85 038	\$ 48 689	\$ 133 619
Investments at cost	\$ 84 953	\$ 48 630	\$ 133 444
NAV, END OF PERIOD			
SERIES S	\$ 6 010	\$ 6 010	\$ 10 010
SERIES I	\$ 1 190	\$ 1 035	\$ 1 045
SERIES J	\$ 13	\$ 13	\$ 12
SERIES O	\$ 77 825	\$ 41 631	\$ 122 552
NAV PER UNIT, END OF PERIOD			
SERIES S	\$ 10.00	\$ 10.00	\$ 10.00
SERIES I	\$ 10.00	\$ 10.00	\$ 10.00
SERIES J	\$ 10.00	\$ 10.00	\$ 10.00
SERIES O	\$ 10.00	\$ 10.00	\$ 10.00

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



Statements of Comprehensive Income (unaudited)

(in \$000s except per unit amounts)

For the periods ended June 30 (see note 2 in the generic notes)	2014	2013
INCOME (see note 3 in the generic notes)		
Interest for distribution purposes	\$ 960	\$ 823
TOTAL INCOME (LOSS)	960	823
EXPENSES (see notes – Fund Specific Information)		
Management fees	5	2
Administration fees	19	14
Board of Governors costs	1	2
GST/HST	3	2
TOTAL EXPENSES	28	20
INCREASE (DECREASE) IN NAV	\$ 932	\$ 803
INCREASE (DECREASE) IN NAV		
SERIES S	\$ 25	\$ 8
SERIES I	\$ 5	\$ 5
SERIES J	\$ –	\$ –
SERIES O	\$ 902	\$ 790
INCREASE (DECREASE) IN NAV		
PER REDEEMABLE UNIT		
SERIES S	\$ 0.04	\$ 0.04
SERIES I	\$ 0.05	\$ 0.05
SERIES J	\$ 0.05	\$ 0.05
SERIES O	\$ 0.05	\$ 0.05

Statements of Cash Flow (unaudited) (in \$000s)

For the periods ended June 30 (see note 2 in the generic notes)	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in NAV	\$ 932	\$ 803
ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY OPERATIONS		
Net realized loss (gain) on investments	–	–
Change in unrealized loss (gain) on investments	–	–
(Increase) decrease in accrued receivables	(28)	27
Increase (decrease) in accrued payables	1	(13)
Cost of investments purchased	(736 412)	(424 383)
Proceeds on sales of investments	700 089	428 601
NET CASH PROVIDED BY OPERATING ACTIVITIES	(35 418)	5 035
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	253 452	57 603
Cash paid on redemption of redeemable units	(218 010)	(62 628)
Distributions paid to holders of redeemable units	(25)	(8)
NET CASH USED IN FINANCING ACTIVITIES	\$ 35 417	\$ (5 033)
Net increase (decrease) in cash for the year	(1)	2
Cash (bank overdraft), beginning of period	6	5
CASH (BANK OVERDRAFT), END OF PERIOD	\$ 5	\$ 7
Interest received	\$ 933	\$ 851
Dividends received, net of withholding taxes	\$ –	\$ –



Statements of Changes in NAV (unaudited) (in \$000s)

For the periods ended June 30 (see note 2 in the generic notes)	Series S		Series I		Series J	
	2014	2013	2014	2013	2014	2013
NAV AT BEGINNING OF PERIOD	\$ 6 010	\$ 10 010	\$ 1 035	\$ 1 045	\$ 13	\$ 12
INCREASE (DECREASE) IN NAV	25	8	5	5	–	–
Early redemption fees	–	–	–	–	–	–
Proceeds from redeemable units issued	–	6 003	150	–	–	–
Reinvestments of distributions to holders of redeemable units	–	–	5	5	–	–
Redemption of redeemable units	–	(10 003)	–	(20)	–	–
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	–	(4 000)	155	(15)	–	–
Distributions from net income	(25)	(8)	(5)	(5)	–	–
Distributions from net gains	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	(25)	(8)	(5)	(5)	–	–
NET INCREASE (DECREASE) IN NAV	–	(4 000)	155	(15)	–	–
NAV AT END OF PERIOD	\$ 6 010	\$ 6 010	\$ 1 190	\$ 1 030	\$ 13	\$ 12

For the periods ended June 30 (see note 2 in the generic notes)	Series O		Total	
	2014	2013	2014	2013
NAV AT BEGINNING OF PERIOD	\$ 41 631	\$ 122 552	\$ 48 689	\$ 133 619
INCREASE (DECREASE) IN NAV	902	790	932	803
Early redemption fees	–	–	–	–
Proceeds from redeemable units issued	253 302	51 600	253 452	57 603
Reinvestments of distributions to holders of redeemable units	903	790	908	795
Redemption of redeemable units	(218 010)	(52 605)	(218 010)	(62 628)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	36 195	(215)	36 350	(4 230)
Distributions from net income	(903)	(790)	(933)	(803)
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	(903)	(790)	(933)	(803)
NET INCREASE (DECREASE) IN NAV	36 194	(215)	36 349	(4 230)
NAV AT END OF PERIOD	\$ 77 825	\$ 122 337	\$ 85 038	\$ 129 389

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



June 30, 2014

General information (see note 1 in the generic notes)

The investment objective of the Fund is to provide investors with a high level of interest income while focusing on preserving capital and maintaining liquidity.

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

Credit risk (%)

The table below summarizes the Fund's credit risk exposure grouped by credit ratings as at:

Rating	June 30 2014	December 31 2013	January 1 2013
R-1 (H)	67.1	62.7	33.8
R-1 (M)	32.9	20.8	66.2
R-1 (L)	–	16.5	–
Total	100.0	100.0	100.0

Interest rate risk (%)

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

Term to maturity	June 30 2014	December 31 2013	January 1 2013
0 – 1 months	46.9	30.0	46.8
1 – 3 months	53.1	46.4	35.4
4 – 6 months	–	20.6	17.8
7 – 12 months	–	3.0	–
Total	100.0	100.0	100.0

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

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

The following is a summary of the inputs used as of June 30, 2014, December 31, 2013 and January 1, 2013. The valuation of the Fund's financial instruments are classified as Held for Trading and carried at fair value.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	–	–	–	–
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	84 953	–	84 953
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	–	84 953	–	84 953
% of total portfolio	–	100.0	–	100.0

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

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	–	–	–	–
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	48 630	–	48 630
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	–	48 630	–	48 630
% of total portfolio	–	100.0	–	100.0

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	–	–	–	–
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	133 444	–	133 444
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	–	133 444	–	133 444
% of total portfolio	–	100.0	–	100.0

For the periods ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers of financial instruments between Level 1 or Level 2 and Level 3.

Management fees (see note 6 in the generic notes)

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

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

Series S	up to 0.16%
Series I	up to 0.11%
Series J	up to 0.08%

Operating expenses (see note 6 in the generic notes)

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

Series S	0.02%
Series I	0.02%
Series J	0.02%
Series O	0.02%



June 30, 2014

**Investments by related parties
(\$000s except unit amounts)**

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

	June 30 2014	December 31 2013
Units held		
Series S	1 030	1 025
Series I	1 186	1 181
Series J	1 268	1 262
Series O	256	254
Value of all units	37	37

Taxes (\$000s) (see note 5 in the generic notes)

The Fund had no capital or non-capital losses as at December 31, 2013.

Unitholders' equity (000s)

The unitholders' equity of the Fund includes amounts representing units, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of units available for issue. Units are purchased and redeemed at the transactional NAV per unit.

For the periods ended June 30
(see note 2 in the generic notes)

	2014	2013
Series S		
Opening units	601	1 001
Issued number of units	–	600
Reinvested number of units	–	–
Redeemed number of units	–	(1 000)
Ending number of units	601	601
Series I		
Opening units	104	105
Issued number of units	15	–
Reinvested number of units	–	–
Redeemed number of units	–	(2)
Ending number of units	119	103
Series J		
Opening units	1	1
Issued number of units	–	–
Reinvested number of units	–	–
Redeemed number of units	–	–
Ending number of units	1	1
Series O		
Opening units	4 163	12 255
Issued number of units	25 331	5 160
Reinvested number of units	90	79
Redeemed number of units	(21 801)	(5 260)
Ending number of units	7 783	12 234

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

Transition to IFRS (\$000s) (see note 7 in the generic notes)

Reconciliation of net assets and comprehensive income as previously reported under Canadian GAAP to IFRS:

	June 30 2013	January 1 2013
Net assets		
Net assets as reported under Canadian GAAP	129 389	133 619
Revaluation of investments at FVTPL	–	–
Net assets attributable to holders of redeemable units	129 389	133 619
		June 30 2013
Comprehensive income		
Comprehensive income as reported under Canadian GAAP		803
Revaluation of investments at FVTPL (see note 3 in the generic notes)		–
Increase (decrease) in net assets attributable to holders of redeemable units		803



SCHEDULE OF INVESTMENT PORTFOLIO (unaudited) (in \$000s)
RBC INSTITUTIONAL CASH FUND

June 30, 2014

Par Value (000s)	Security	Fair Value	% of Net Assets
BANKERS ACCEPTANCES AND BANK OBLIGATIONS			
6 925	Bank of Montreal	\$ 6 920	
18 275	Bank of Nova Scotia	18 226	
1 825	Canadian Imperial Bank of Commerce	1 827	
20 900	HSBC Bank Canada	20 883	
41 685	National Bank of Canada	41 648	
4 275	Toronto-Dominion Bank	4 271	
		<u>93 775</u>	<u>21.6</u>
COMMERCIAL PAPER			
19 000	Banner Trust	18 913	
18 575	Bay Street Funding Trust - Class A	18 496	
10 000	Brookfield Asset Management Inc., Class A	9 978	
6 000	Caisse Centrale Desjardins	5 993	
11 800	Canadian Master Trust - Series A	11 765	
2 500	Canadian National Railway Co.	2 498	
13 250	Central 1 Credit Union	13 169	
9 600	Clarity Trust	9 556	
6 500	CU Inc.	6 487	
20 775	Darwin Receivables Trust - Senior Notes	20 670	
9 000	Enbridge Gas Distribution Inc.	8 990	
3 000	Enbridge Inc.	2 996	
8 350	Finning International Inc.	8 346	
10 000	Fusion Trust	9 961	
2 000	Honda Canada Finance Inc.	1 988	
12 125	Inter Pipeline Ltd.	12 088	
19 700	King Street Funding Trust	19 576	
18 800	Merit Trust - Senior Notes	18 703	
7 775	Nova Scotia Power Inc.	7 768	
13 250	OMERS Realty Corp.	13 227	
20 800	Prime Trust - Senior Notes	20 722	
16 100	Reliant Trust	16 019	
12 000	Ridge Trust	11 957	
7 150	SAFE Trust - Series 1996-1	7 105	
11 750	SOUND Trust	11 676	
11 925	TELUS Corp.	11 899	
7 860	TMX Group Ltd.	7 852	
2 500	TransCanada PipeLines Ltd.	2 497	
21 000	Zeus Receivables Trust - Senior Notes	20 913	
		<u>331 808</u>	<u>76.6</u>
PROVINCIAL OBLIGATIONS			
1 575	Financement-Québec	1 574	
2 000	Province of Nova Scotia	2 012	
3 500	Province of Ontario	3 519	
		<u>7 105</u>	<u>1.6</u>
TOTAL INVESTMENTS*			
		<u>432 688</u>	<u>99.8</u>
OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			
		<u>774</u>	<u>0.2</u>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			
		<u>\$ 433 462</u>	<u>100.0</u>

*Investments, which are grouped by issuer, earn interest at rates ranging from 1.14% to 1.43% and mature between July 2, 2014 and January 9, 2015.

This schedule and the accompanying notes are an integral part of the financial statements.



Statements of Financial Position (unaudited) (in \$000s except per unit amounts)

<small>(see note 2 and note 7 in the generic notes)</small>	June 30 2014	December 31 2013	January 1 2013
ASSETS			
Investments at fair value	\$ 432 688	\$ 224 269	\$ 205 812
Cash	84	6	3
Subscriptions receivable	–	35	–
Dividends receivable, interest accrued and other assets	745	453	356
TOTAL ASSETS	433 517	224 763	206 171
LIABILITIES			
Distributions payable	23	23	20
Accounts payable and accrued expenses	32	10	11
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	55	33	31
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")	\$ 433 462	\$ 224 730	\$ 206 140
Investments at cost	\$ 432 688	\$ 224 269	\$ 205 812
NAV, END OF PERIOD			
SERIES S	\$ 20 010	\$ 20 010	\$ 20 010
SERIES I	\$ 203 235	\$ 18 114	\$ 26 987
SERIES J	\$ 7 042	\$ 7 260	\$ 285
SERIES O	\$ 203 175	\$ 179 346	\$ 158 858
NAV PER UNIT, END OF PERIOD			
SERIES S	\$ 10.00	\$ 10.00	\$ 10.00
SERIES I	\$ 10.00	\$ 10.00	\$ 10.00
SERIES J	\$ 10.00	\$ 10.00	\$ 10.00
SERIES O	\$ 10.00	\$ 10.00	\$ 10.00

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



Statements of Comprehensive Income (unaudited)

(in \$000s except per unit amounts)

For the periods ended June 30 (see note 2 in the generic notes)	2014	2013
INCOME (see note 3 in the generic notes)		
Interest for distribution purposes	\$ 2 623	\$ 1 510
TOTAL INCOME (LOSS)	2 623	1 510
EXPENSES (see notes – Fund Specific Information)		
Management fees	165	24
Administration fees	43	24
Board of Governors costs	1	2
GST/HST	13	6
TOTAL EXPENSES	222	56
INCREASE (DECREASE) IN NAV	\$ 2 401	\$ 1 454
INCREASE (DECREASE) IN NAV		
SERIES S	\$ 99	\$ 33
SERIES I	\$ 1 407	\$ 173
SERIES J	\$ 39	\$ 33
SERIES O	\$ 856	\$ 1 215
INCREASE (DECREASE) IN NAV		
PER REDEEMABLE UNIT		
SERIES S	\$ 0.05	\$ 0.05
SERIES I	\$ 0.05	\$ 0.05
SERIES J	\$ 0.05	\$ 0.06
SERIES O	\$ 0.06	\$ 0.06

Statements of Cash Flow (unaudited) (in \$000s)

For the periods ended June 30 (see note 2 in the generic notes)	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in NAV	\$ 2 401	\$ 1 454
ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY OPERATIONS		
Net realized loss (gain) on investments	–	–
Change in unrealized loss (gain) on investments	–	–
(Increase) decrease in accrued receivables	(257)	(160)
Increase (decrease) in accrued payables	22	559
Cost of investments purchased	(2 339 552)	(866 976)
Proceeds on sales of investments	2 131 133	779 649
NET CASH PROVIDED BY OPERATING ACTIVITIES	(206 253)	(85 474)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	445 099	278 326
Cash paid on redemption of redeemable units	(238 632)	(192 781)
Distributions paid to holders of redeemable units	(136)	(59)
NET CASH USED IN FINANCING ACTIVITIES	\$ 206 331	\$ 85 486
Net increase (decrease) in cash for the year	78	12
Cash (bank overdraft), beginning of period	6	3
CASH (BANK OVERDRAFT), END OF PERIOD	\$ 84	\$ 15
Interest received	\$ 2 331	\$ 1 350
Dividends received, net of withholding taxes	\$ –	\$ –



Statements of Changes in NAV (unaudited) (in \$000s)

For the periods ended June 30 (see note 2 in the generic notes)	Series S		Series I		Series J	
	2014	2013	2014	2013	2014	2013
NAV AT BEGINNING OF PERIOD	\$ 20 010	\$ 20 010	\$ 18 114	\$ 26 987	\$ 7 260	\$ 285
INCREASE (DECREASE) IN NAV	99	33	1 407	173	39	33
Early redemption fees	–	–	–	–	–	–
Proceeds from redeemable units issued	–	20 000	363 598	35 558	1 398	7 452
Reinvestments of distributions to holders of redeemable units	–	8	1 370	139	39	34
Redemption of redeemable units	–	(20 008)	(179 847)	(42 271)	(1 655)	(868)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	–	–	185 121	(6 574)	(218)	6 618
Distributions from net income	(99)	(33)	(1 407)	(173)	(39)	(34)
Distributions from net gains	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	(99)	(33)	(1 407)	(173)	(39)	(34)
NET INCREASE (DECREASE) IN NAV	–	–	185 121	(6 574)	(218)	6 617
NAV AT END OF PERIOD	\$ 20 010	\$ 20 010	\$ 203 235	\$ 20 413	\$ 7 042	\$ 6 902

For the periods ended June 30 (see note 2 in the generic notes)	Series O		Total	
	2014	2013	2014	2013
NAV AT BEGINNING OF PERIOD	\$ 179 346	\$ 158 858	\$ 224 730	\$ 206 140
INCREASE (DECREASE) IN NAV	856	1 215	2 401	1 454
Early redemption fees	–	–	–	–
Proceeds from redeemable units issued	80 103	215 316	445 099	278 326
Reinvestments of distributions to holders of redeemable units	857	1 215	2 266	1 396
Redemption of redeemable units	(57 130)	(129 634)	(238 632)	(192 781)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	23 830	86 897	208 733	86 941
Distributions from net income	(857)	(1 215)	(2 402)	(1 455)
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	(857)	(1 215)	(2 402)	(1 455)
NET INCREASE (DECREASE) IN NAV	23 829	86 897	208 732	86 940
NAV AT END OF PERIOD	\$ 203 175	\$ 245 755	\$ 433 462	\$ 293 080

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



June 30, 2014

General information (see note 1 in the generic notes)

The investment objective of the Fund is to provide investors with a high level of interest income while focusing on preserving capital and maintaining liquidity.

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

Credit risk (%)

The table below summarizes the Fund's credit risk exposure grouped by credit ratings as at:

Rating	June 30 2014	December 31 2013	January 1 2013
R-1 (H)	62.6	70.4	80.7
R-1 (M)	18.3	3.5	7.1
R-1 (L)	19.1	26.1	12.2
Total	100.0	100.0	100.0

Interest rate risk (%)

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

Term to maturity	June 30 2014	December 31 2013	January 1 2013
0 – 1 months	56.9	35.6	30.9
1 – 3 months	31.1	43.7	47.1
4 – 6 months	12.0	20.0	22.0
7 – 12 months	–	0.7	–
Total	100.0	100.0	100.0

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

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

The following is a summary of the inputs used as of June 30, 2014, December 31, 2013 and January 1, 2013. The valuation of the Fund's financial instruments are classified as Held for Trading and carried at fair value.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	–	–	–	–
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	432 688	–	432 688
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	–	432 688	–	432 688
% of total portfolio	–	100.0	–	100.0

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	–	–	–	–
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	224 269	–	224 269
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	–	224 269	–	224 269
% of total portfolio	–	100.0	–	100.0

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	–	–	–	–
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	205 812	–	205 812
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	–	205 812	–	205 812
% of total portfolio	–	100.0	–	100.0

For the periods ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers of financial instruments between Level 1 or Level 2 and Level 3.

Management fees (see note 6 in the generic notes)

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

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

Series S	up to 0.16%
Series I	up to 0.11%
Series J	up to 0.08%

Operating expenses (see note 6 in the generic notes)

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

Series S	0.02%
Series I	0.02%
Series J	0.02%
Series O	0.02%



June 30, 2014

**Investments by related parties
(\$000s except unit amounts)**

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

	June 30 2014	December 31 2013
Units held		
Series S	1 034	1 029
Series I	289	287
Series J	1 287	1 280
Series O	256	255
Value of all units	29	29

Taxes (\$000s) (see note 5 in the generic notes)

The Fund had no capital or non-capital losses as at December 31, 2013.

Unitholders' equity (000s)

The unitholders' equity of the Fund includes amounts representing units, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of units available for issue. Units are purchased and redeemed at the transactional NAV per unit.

	2014	2013
For the periods ended June 30 (see note 2 in the generic notes)		
Series S		
Opening units	2 001	2 001
Issued number of units	–	2 000
Reinvested number of units	–	1
Redeemed number of units	–	(2 001)
Ending number of units	2 001	2 001
Series I		
Opening units	1 811	2 699
Issued number of units	36 361	3 556
Reinvested number of units	137	14
Redeemed number of units	(17 985)	(4 228)
Ending number of units	20 324	2 041
Series J		
Opening units	726	28
Issued number of units	140	745
Reinvested number of units	4	4
Redeemed number of units	(166)	(87)
Ending number of units	704	690

For the periods ended June 30
(see note 2 in the generic notes)

	2014	2013
Series O		
Opening units	17 935	15 886
Issued number of units	8 010	21 532
Reinvested number of units	86	121
Redeemed number of units	(5 713)	(12 963)
Ending number of units	20 318	24 576

**Investments by other related Investment Funds
(000s) (see note 6 in the generic notes)**

The following outstanding units of the Fund were held by the following related Investment Funds as at:

	June 30 2014	December 31 2013
Series O		
Phillips, Hager & North Balanced Pension Trust	7 319	7 077
Phillips, Hager & North Balanced Fund	3 878	3 646
Total	11 197	10 723

Transition to IFRS (\$000s) (see note 7 in the generic notes)

Reconciliation of net assets and comprehensive income as previously reported under Canadian GAAP to IFRS:

	June 30 2013	January 1 2013
Net assets		
Net assets as reported under Canadian GAAP	293 080	206 140
Revaluation of investments at FVTPL	–	–
Net assets attributable to holders of redeemable units	293 080	206 140
		June 30 2013
Comprehensive income		
Comprehensive income as reported under Canadian GAAP		1 454
Revaluation of investments at FVTPL (see note 3 in the generic notes)		–
Increase (decrease) in net assets attributable to holders of redeemable units		1 454



SCHEDULE OF INVESTMENT PORTFOLIO (unaudited) (in USD000s)
RBC INSTITUTIONAL US\$ CASH FUND

June 30, 2014

Par Value (000s)	Security	Fair Value	% of Net Assets
BANKERS ACCEPTANCES AND BANK OBLIGATIONS			
3 690	Bank of Montreal	\$ 3 688	
240	Bank of Nova Scotia	240	
240	Canadian Imperial Bank of Commerce	241	
1 275	HSBC Bank Canada	1 275	
3 020	Toronto-Dominion Bank	3 020	
		8 464	21.8
COMMERCIAL PAPER			
1 840	Banner Trust	1 838	
750	Brookfield Asset Management Inc., Class A	750	
1 815	Caisse Centrale Desjardins	1 814	
1 150	Canadian Master Trust - Series A	1 150	
1 400	Clarity Trust	1 399	
1 750	CPPIB Capital Inc.	1 749	
1 825	Darwin Receivables Trust - Senior Notes	1 823	
900	Enbridge Inc.	900	
1 170	Fusion Trust	1 169	
900	Gaz Metropolitain Inc.	900	
2 430	Hydro-Quebec	2 430	
1 780	Merit Trust - Senior Notes	1 778	
1 750	Prime Trust - Senior Notes	1 749	
830	PSP Capital Inc.	830	
1 850	Reliant Trust	1 849	
1 556	Ridge Trust	1 554	
1 095	SAFE Trust - Series 1996-1	1 093	
1 025	SOUND Trust	1 023	
525	TMX Group Ltd.	525	
1 850	Zeus Receivables Trust - Senior Notes	1 849	
		28 172	72.7
PROVINCIAL OBLIGATIONS			
2 113	Province of Ontario	2 114	
		2 114	5.5
TOTAL INVESTMENTS*			100.0
OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			—
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			\$ 38 761 100.0

*Investments, which are grouped by issuer, earn interest at rates ranging from 0.10% to 0.40% and mature between July 2, 2014 and September 11, 2015.



Statements of Financial Position (unaudited) (in \$000s except per unit amounts)

(see note 2 and note 7 in the generic notes)	June 30 2014	December 31 2013	January 1 2013
ASSETS			
Investments at fair value	\$ 38 750	\$ 152 368	\$ 111 458
Cash	4	6	3
Dividends receivable, interest accrued and other assets	9	54	32
TOTAL ASSETS	38 763	152 428	111 493
LIABILITIES			
Accounts payable and accrued expenses	2	4	2
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	2	4	2
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")	\$ 38 761	\$ 152 424	\$ 111 491
Investments at cost	\$ 38 750	\$ 152 368	\$ 111 458
NAV, END OF PERIOD			
SERIES S	\$ 9 019	\$ 6 284	\$ 9
SERIES I	\$ 5	\$ 5	\$ 10
SERIES J	\$ 6	\$ 6	\$ 9
SERIES O	\$ 29 731	\$ 146 129	\$ 111 463
NAV PER UNIT, END OF PERIOD			
SERIES S	\$ 10.00	\$ 10.00	\$ 10.00
SERIES I	\$ 10.00	\$ 10.00	\$ 10.00
SERIES J	\$ 10.00	\$ 10.00	\$ 10.00
SERIES O	\$ 10.00	\$ 10.00	\$ 10.00

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



Statements of Comprehensive Income (unaudited)

(in \$000s except per unit amounts)

For the periods ended June 30 (see note 2 in the generic notes)	2014	2013
INCOME (see note 3 in the generic notes)		
Interest for distribution purposes	\$ 115	\$ 253
TOTAL INCOME (LOSS)	115	253
EXPENSES (see notes – Fund Specific Information)		
Management fees	6	16
Administration fees	11	19
Board of Governors costs	1	2
GST/HST	2	3
TOTAL EXPENSES	20	40
INCREASE (DECREASE) IN NAV	\$ 95	\$ 213
INCREASE (DECREASE) IN NAV		
SERIES S	\$ 1	\$ 8
SERIES I	\$ –	\$ –
SERIES J	\$ –	\$ –
SERIES O	\$ 94	\$ 205
INCREASE (DECREASE) IN NAV		
PER REDEEMABLE UNIT		
SERIES S	\$ –	\$ –
SERIES I	\$ –	\$ 0.01
SERIES J	\$ 0.01	\$ 0.01
SERIES O	\$ 0.01	\$ 0.01

Statements of Cash Flow (unaudited) (in \$000s)

For the periods ended June 30 (see note 2 in the generic notes)	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in NAV	\$ 95	\$ 213
ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY OPERATIONS		
Net realized loss (gain) on investments	–	–
Change in unrealized loss (gain) on investments	–	–
(Increase) decrease in accrued receivables	45	(48)
Increase (decrease) in accrued payables	(2)	12
Cost of investments purchased	(443 159)	(1 276 853)
Proceeds on sales of investments	556 777	1 184 970
NET CASH PROVIDED BY OPERATING ACTIVITIES	113 756	(91 706)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	65 235	173 590
Cash paid on redemption of redeemable units	(178 993)	(81 880)
Distributions paid to holders of redeemable units	–	–
NET CASH USED IN FINANCING ACTIVITIES	\$ (113 758)	\$ 91 710
Net increase (decrease) in cash for the year	(2)	4
Cash (bank overdraft), beginning of period	6	3
CASH (BANK OVERDRAFT), END OF PERIOD	\$ 4	\$ 7
Interest received	\$ 160	\$ 205
Dividends received, net of withholding taxes	\$ –	\$ –



Statements of Changes in NAV (unaudited) (in \$000s)

For the periods ended June 30 (see note 2 in the generic notes)	Series S		Series I		Series J	
	2014	2013	2014	2013	2014	2013
NAV AT BEGINNING OF PERIOD	\$ 6 284	\$ 9	\$ 5	\$ 10	\$ 6	\$ 9
INCREASE (DECREASE) IN NAV	1	8	—	—	—	—
Early redemption fees	—	—	—	—	—	—
Proceeds from redeemable units issued	23 235	82 529	—	—	—	—
Reinvestments of distributions to holders of redeemable units	2	8	—	—	—	—
Redemption of redeemable units	(20 501)	(53 553)	—	(5)	—	(3)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	2 736	28 984	—	(5)	—	(3)
Distributions from net income	(2)	(8)	—	—	—	—
Distributions from net gains	—	—	—	—	—	—
Distributions from capital	—	—	—	—	—	—
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	(2)	(8)	—	—	—	—
NET INCREASE (DECREASE) IN NAV	2 735	28 984	—	(5)	—	(3)
NAV AT END OF PERIOD	\$ 9 019	\$ 28 993	\$ 5	\$ 5	\$ 6	\$ 6

For the periods ended June 30 (see note 2 in the generic notes)	Series O		Total	
	2014	2013	2014	2013
NAV AT BEGINNING OF PERIOD	\$ 146 129	\$ 111 463	\$ 152 424	\$ 111 491
INCREASE (DECREASE) IN NAV	94	205	95	213
Early redemption fees	—	—	—	—
Proceeds from redeemable units issued	42 000	91 061	65 235	173 590
Reinvestments of distributions to holders of redeemable units	96	207	98	215
Redemption of redeemable units	(158 492)	(28 319)	(178 993)	(81 880)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	(116 396)	62 949	(113 660)	91 925
Distributions from net income	(96)	(207)	(98)	(215)
Distributions from net gains	—	—	—	—
Distributions from capital	—	—	—	—
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	(96)	(207)	(98)	(215)
NET INCREASE (DECREASE) IN NAV	(116 398)	62 947	(113 663)	91 923
NAV AT END OF PERIOD	\$ 29 731	\$ 174 410	\$ 38 761	\$ 203 414

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



June 30, 2014

General information (see note 1 in the generic notes)

The investment objective of the Fund is to provide investors with a high level of interest income while focusing on preserving capital and maintaining liquidity.

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

Credit risk (%)

The table below summarizes the Fund's credit risk exposure grouped by credit ratings as at:

Rating	June 30 2014	December 31 2013	January 1 2013
R-1 (H)	77.1	81.9	61.7
R-1 (M)	15.0	7.1	20.3
R-1 (L)	7.9	11.0	18.0
Total	100.0	100.0	100.0

Interest rate risk (%)

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

Term to maturity	June 30 2014	December 31 2013	January 1 2013
0 – 1 months	37.2	37.6	40.6
1 – 3 months	44.4	42.8	51.2
4 – 6 months	18.4	19.6	8.2
7 – 12 months	–	–	–
Total	100.0	100.0	100.0

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

Fair value hierarchy (USD000s except % amounts) (see note 3 in the generic notes)

The following is a summary of the inputs used as of June 30, 2014, December 31, 2013 and January 1, 2013. The valuation of the Fund's financial instruments are classified as Held for Trading and carried at fair value.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	–	–	–	–
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	38 750	–	38 750
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	–	38 750	–	38 750
% of total portfolio	–	100.0	–	100.0

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

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	–	–	–	–
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	152 368	–	152 368
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	–	152 368	–	152 368
% of total portfolio	–	100.0	–	100.0

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	–	–	–	–
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	111 458	–	111 458
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	–	111 458	–	111 458
% of total portfolio	–	100.0	–	100.0

For the periods ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers of financial instruments between Level 1 or Level 2 and Level 3.

Management fees (see note 6 in the generic notes)

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

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

Series S	up to 0.16%
Series I	up to 0.11%
Series J	up to 0.08%

Operating expenses (see note 6 in the generic notes)

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

Series S	0.02%
Series I	0.02%
Series J	0.02%
Series O	0.02%



June 30, 2014

Taxes (CAD000s) (see note 5 in the generic notes)

The Fund prepares its financial statements in U.S. dollars but is taxable on its income and net realized capital gains (arising from foreign exchange movements) calculated on a Canadian dollar basis. The Fund may choose not to distribute net realized capital gains calculated on a Canadian dollar basis. Any income taxes payable in respect of capital gains not distributed, which are recoverable in the future, are recorded as refundable capital gains taxes.

The Fund had no capital or non-capital losses as at December 31, 2013.

Unitholders' equity (000s)

The unitholders' equity of the Fund includes amounts representing units, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of units available for issue. Units are purchased and redeemed at the transactional NAV per unit.

For the periods ended June 30
(see note 2 in the generic notes)

	2014	2013
Series S		
Opening units	628	1
Issued number of units	2 324	8 253
Reinvested number of units	–	1
Redeemed number of units	(2 050)	(5 356)
Ending number of units	902	2 899
Series I		
Opening units	1	1
Issued number of units	–	–
Reinvested number of units	–	–
Redeemed number of units	–	–
Ending number of units	1	1
Series J		
Opening units	1	1
Issued number of units	–	–
Reinvested number of units	–	–
Redeemed number of units	–	–
Ending number of units	1	1
Series O		
Opening units	14 613	11 146
Issued number of units	4 199	9 106
Reinvested number of units	10	21
Redeemed number of units	(15 849)	(2 832)
Ending number of units	2 973	17 441

Transition to IFRS (USD000s) (see note 7 in the generic notes)

Reconciliation of net assets and comprehensive income as previously reported under Canadian GAAP to IFRS:

	June 30 2013	January 1 2013
Net assets		
Net assets as reported under Canadian GAAP	203 414	111 491
Revaluation of investments at FVTPL	–	–
Net assets attributable to holders of redeemable units	203 414	111 491
Comprehensive income		
Comprehensive income as reported under Canadian GAAP		213
Revaluation of investments at FVTPL (see note 3 in the generic notes)		–
Increase (decrease) in net assets attributable to holders of redeemable units		213

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



SCHEDULE OF INVESTMENT PORTFOLIO (unaudited) (in \$000s)
RBC INSTITUTIONAL LONG CASH FUND

June 30, 2014

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
CANADIAN BONDS						
835	407 International Inc.	3.880	16-Jun-15	\$ 864	\$ 855	
3 475	Bank of Montreal	3.930	27-Apr-15	3 609	3 548	
3 575	Bank of Nova Scotia	1.800	09-May-16	3 584	3 586	
1 690	bcIMC Realty Corp.	3.380	29-Jan-15	1 726	1 709	
665	Caisse Centrale Desjardins	3.114	04-Dec-14	682	670	
3 420	Canadian Imperial Bank of Commerce	3.400	14-Jan-16	3 537	3 517	
950	Cards II Trust	3.096	15-Sep-15	973	969	
750	Cards II Trust	1.984	15-Jan-16	756	755	
780	Eagle Credit Card Trust	3.474	17-Dec-15	802	801	
1 710	HSBC Bank Canada	2.572	23-Nov-15	1 738	1 734	
1 630	John Deere Credit Inc.	5.450	16-Sep-15	1 732	1 708	
1 675	Master Credit Card Trust	3.502	21-May-16	1 736	1 733	
3 515	National Bank of Canada	2.050	11-Jan-16	3 546	3 542	
TOTAL CANADIAN BONDS				25 285	25 127	69.4
SHORT-TERM INVESTMENTS*						
2 770	Province of British Columbia			2 743	2 743	
8 190	Province of Ontario			8 111	8 111	
TOTAL SHORT-TERM INVESTMENTS				10 854	10 854	30.0
TOTAL INVESTMENTS				\$ 36 139	35 981	99.4
OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS					212	0.6
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS					\$ 36 193	100.0

*Short-term investments, which may be made up of treasury bills, commercial paper, term deposits and discount notes, and are grouped by issuer, earn interest at rates ranging from 1.02% to 1.08% and mature between December 3, 2014 and April 29, 2015.



Statements of Financial Position (unaudited) (in \$000s except per unit amounts)

(see note 2 and note 7 in the generic notes)	June 30 2014	December 31 2013	January 1 2013
ASSETS			
Investments at fair value	\$ 35 981	\$ 50 682	\$ 78 310
Cash	3	4	10
Dividends receivable, interest accrued and other assets	227	301	551
TOTAL ASSETS	36 211	50 987	78 871
LIABILITIES			
Distributions payable	13	20	12
Accounts payable and accrued expenses	5	4	8
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	18	24	20
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")	\$ 36 193	\$ 50 963	\$ 78 851
Investments at cost	\$ 36 139	\$ 50 953	\$ 79 260
NAV, END OF PERIOD			
SERIES I	\$ 10 746	\$ 12 765	\$ 8 646
SERIES J	\$ 21 012	\$ 30 807	\$ 66 094
SERIES O	\$ 4 435	\$ 7 391	\$ 4 111
NAV PER UNIT, END OF PERIOD			
SERIES I	\$ 9.25	\$ 9.30	\$ 9.41
SERIES J	\$ 9.23	\$ 9.30	\$ 9.45
SERIES O	\$ 8.99	\$ 9.09	\$ 9.33

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



Statements of Comprehensive Income (unaudited)

(in \$000s except per unit amounts)

For the periods ended June 30 (see note 2 in the generic notes)	2014	2013
INCOME (see note 3 in the generic notes)		
Interest for distribution purposes	\$ 693	\$ 1 258
Net realized gain (loss) on investments	(440)	(1 082)
Change in unrealized gain (loss) on investments	113	281
TOTAL INCOME (LOSS)	366	457
EXPENSES (see notes – Fund Specific Information)		
Management fees	19	29
Administration fees	5	7
Board of Governors costs	1	2
GST/HST	3	5
TOTAL EXPENSES	28	43
INCREASE (DECREASE) IN NAV	\$ 338	\$ 414
INCREASE (DECREASE) IN NAV		
SERIES I	\$ 84	\$ 63
SERIES J	\$ 205	\$ 326
SERIES O	\$ 49	\$ 25
INCREASE (DECREASE) IN NAV		
PER REDEEMABLE UNIT		
SERIES I	\$ 0.06	\$ 0.06
SERIES J	\$ 0.06	\$ 0.05
SERIES O	\$ 0.07	\$ 0.06

Statements of Cash Flow (unaudited) (in \$000s)

For the periods ended June 30 (see note 2 in the generic notes)	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in NAV	\$ 338	\$ 414
ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY OPERATIONS		
Net realized loss (gain) on investments	440	1 082
Change in unrealized loss (gain) on investments	(113)	(281)
(Increase) decrease in accrued receivables	74	(11)
Increase (decrease) in accrued payables	(6)	2
Cost of investments purchased	(40 535)	(59 997)
Proceeds on sales of investments	54 909	69 403
NET CASH PROVIDED BY OPERATING ACTIVITIES	15 107	10 612
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	495	5 525
Cash paid on redemption of redeemable units	(15 521)	(16 050)
Distributions paid to holders of redeemable units	(82)	(95)
NET CASH USED IN FINANCING ACTIVITIES	\$ (15 108)	\$ (10 620)
Net increase (decrease) in cash for the year	(1)	(8)
Cash (bank overdraft), beginning of period	4	10
CASH (BANK OVERDRAFT), END OF PERIOD	\$ 3	\$ 2
Interest received	\$ 766	\$ 1 246
Dividends received, net of withholding taxes	\$ –	\$ –



Statements of Changes in NAV (unaudited) (in \$000s)

For the periods ended June 30 (see note 2 in the generic notes)	Series I		Series J		Series O		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
NAV AT BEGINNING OF PERIOD	\$ 12 765	\$ 8 646	\$ 30 807	\$ 66 094	\$ 7 391	\$ 4 111	\$ 50 963	\$ 78 851
INCREASE (DECREASE) IN NAV	84	63	205	326	49	25	338	414
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from redeemable units issued	–	4 525	–	–	495	1 000	495	5 525
Reinvestments of distributions to holders of redeemable units	67	82	402	933	115	95	584	1 110
Redemption of redeemable units	(2 021)	–	(10 000)	(16 050)	(3 500)	–	(15 521)	(16 050)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	(1 954)	4 607	(9 598)	(15 117)	(2 890)	1 095	(14 442)	(9 415)
Distributions from net income	(149)	(177)	(402)	(933)	(115)	(95)	(666)	(1 205)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	(149)	(177)	(402)	(933)	(115)	(95)	(666)	(1 205)
NET INCREASE (DECREASE) IN NAV	(2 019)	4 493	(9 795)	(15 724)	(2 956)	1 025	(14 770)	(10 206)
NAV AT END OF PERIOD	\$ 10 746	\$ 13 139	\$ 21 012	\$ 50 370	\$ 4 435	\$ 5 136	\$ 36 193	\$ 68 645

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



June 30, 2014

General information (see note 1 in the generic notes)

The investment objective of the Fund is to provide investors with a high level of interest income while focusing on preserving capital.

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

Credit risk (%)

The table below summarizes the Fund's credit risk exposure grouped by credit ratings as at:

Rating	June 30 2014	December 31 2013	January 1 2013
AAA	16.9	–	37.8
AA	72.9	69.2	36.4
A	10.2	30.8	25.8
Total	100.0	100.0	100.0

Interest rate risk (%)

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

Term to maturity	June 30 2014	December 31 2013	January 1 2013
Less than 1 year	29.1	35.7	94.2
1 – 5 years	70.9	61.6	5.8
5 – 10 years	–	2.7	–
> 10 years	–	–	–
Total	100.0	100.0	100.0

As at June 30, 2014, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 1.1% (December 31, 2013 – 0.8%, January 1, 2013 – 0.5%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of June 30, 2014, December 31, 2013 and January 1, 2013. The valuation of the Fund's financial instruments are classified as Held for Trading and carried at fair value.

June 30, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	–	–	–	–
Fixed-income and debt securities	–	25 127	–	25 127
Short-term investments	–	10 854	–	10 854
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	–	35 981	–	35 981
% of total portfolio	–	100.0	–	100.0

December 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	–	–	–	–
Fixed-income and debt securities	–	39 085	–	39 085
Short-term investments	–	11 597	–	11 597
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	–	50 682	–	50 682
% of total portfolio	–	100.0	–	100.0

January 1, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	–	–	–	–
Fixed-income and debt securities	–	62 450	–	62 450
Short-term investments	–	15 860	–	15 860
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	–	78 310	–	78 310
% of total portfolio	–	100.0	–	100.0

For the periods ended June 30, 2014, December 31, 2013 and January 1, 2013, there were no transfers of financial instruments between Level 1 or Level 2 and Level 3.

Management fees (see note 6 in the generic notes)

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

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

Series I	0.11%
Series J	0.08%



June 30, 2014

Operating expenses (see note 6 in the generic notes)

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

Series I	0.02%
Series J	0.02%
Series O	0.02%

**Investments by related parties
(\$000s except unit amounts)**

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

	June 30 2014	December 31 2013
Units held		
Series I	1 430	1 412
Series J	116	114
Series O	119	117
Value of all units	15	15

Taxes (\$000s) (see note 5 in the generic notes)

The non-capital and capital losses as at December 31, 2013 for the Fund were approximately:

Capital losses	3 774
Non-capital losses	–

Unitholders' equity (000s)

The unitholders' equity of the Fund includes amounts representing units, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of units available for issue. Units are purchased and redeemed at the transactional NAV per unit.

For the periods ended June 30 (see note 2 in the generic notes)	2014	2013
Series I		
Opening units	1 373	919
Issued number of units	–	480
Reinvested number of units	7	9
Redeemed number of units	(218)	–
Ending number of units	1 162	1 408

For the periods ended June 30 (see note 2 in the generic notes)	2014	2013
Series J		
Opening units	3 316	6 993
Issued number of units	–	–
Reinvested number of units	43	99
Redeemed number of units	(1 082)	(1 703)
Ending number of units	2 277	5 389
Series O		
Opening units	813	441
Issued number of units	54	108
Reinvested number of units	13	10
Redeemed number of units	(387)	–
Ending number of units	493	559

Transition to IFRS (\$000s) (see note 7 in the generic notes)

Reconciliation of net assets and comprehensive income as previously reported under Canadian GAAP to IFRS:

	June 30 2013	January 1 2013
Net assets		
Net assets as reported under Canadian GAAP	68 619	78 825
Revaluation of investments at FVTPL	26	26
Net assets attributable to holders of redeemable units	68 645	78 851
		June 30 2013
Comprehensive income		
Comprehensive income as reported under Canadian GAAP		414
Revaluation of investments at FVTPL (see note 3 in the generic notes)		–
Increase (decrease) in net assets attributable to holders of redeemable units		414



1. The Funds

The mutual funds (“Fund” or “Funds”) are open-ended mutual fund trusts governed by the laws of the Province of British Columbia and governed by a Master Declaration of Trust. RBC GAM is the manager, portfolio advisor, distributor and one of the registrars of the Funds and its head office is located at 155 Wellington Street West, 22nd Floor, Toronto, Ontario.

The Funds may issue an unlimited number of units in some or all of Series S, Series I, Series J and Series O.

Series S, Series I, Series J and Series O units are only available to large private and institutional investors as may be determined on a case-by-case basis.

2. Financial year/period

The information provided in these financial statements and notes thereto is for the six-month periods ended June 30, 2014 and 2013, or as at June 30, 2014, December 31, 2013 and January 1, 2013. In the year a Fund or series is established, “period” represents the period from inception to June 30 of that fiscal year.

3. Summary of significant accounting policies

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), which include estimates and assumptions made by management that may affect the reported amounts of assets (primarily valuation of investments), liabilities, income and expenses during the reported periods. Actual results may differ from estimates. The significant accounting policies of the Funds, which are investment entities, are as follows:

Fair Value Option A financial instrument can be designated as fair value through profit and loss (“FVTPL”) on its initial recognition (the fair value option). Financial instruments that are held for trading (“HFT”) are required to be classified as FVTPL by nature. Other financial instruments can be designated as FVTPL if they have a reliably measurable fair value and satisfy some criteria such as (i) it eliminates or significantly reduces an accounting mismatch and (ii) it is part of a portfolio that is managed and its performance is evaluated on a fair value basis. Management’s judgment is that all financial instruments not required to be classified as FVTPL are designated as FVTPL since all Funds satisfy the above criteria.

Determination of Fair Value The fair value of a financial instrument is the amount at which the financial instrument could be exchanged in an arm’s-length transaction between knowledgeable and willing parties under no compulsion to act. In determining fair value, a three-tier hierarchy based on inputs is used to value the Funds’ financial instruments. The hierarchy of inputs is summarized below:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Changes in valuation methods may result in transfers into or out of an investment’s assigned level.

The three-tier hierarchy of investments and derivatives is included in “Notes to Financial Statements – Fund Specific Information.”

Investments are classified as HFT, unless otherwise specified, and are recorded at fair value, which is determined as follows:

Fixed-Income and Debt Securities – Bonds, mortgage-backed securities and debentures are valued at the closing price quoted by major dealers in such securities.

Short-Term Investments – Short-term investments are valued at their cost including applicable foreign exchange translations. This value, together with accrued interest, approximates fair value using closing prices.

Fair Valuation of Investments (including unlisted securities) – If the valuation methods described above are not appropriate, RBC GAM will estimate the fair value of an investment using established fair valuation procedures, such as consideration of public information, broker quotes, valuation models, fundamental analysis, matrix pricing, discounts from market prices of similar securities or discounts applied due to restrictions on the disposition of securities, and external fair value service providers.



Foreign Exchange The value of investments and other assets and liabilities in foreign currencies is translated into Canadian dollars (U.S. dollars in the case of the RBC Institutional US\$ Cash Fund) at the rate of exchange on each valuation date. Purchases and sales of investments, income and expenses are translated at the rate of exchange prevailing on the respective dates of such transactions.

Functional Currency The Funds, with the exceptions below, have their subscriptions, redemptions and performance denominated in Canadian dollars and, consequently, the Canadian dollar is the functional currency for the Funds. RBC Institutional US\$ Cash Fund has its subscriptions, redemptions and performance denominated in U.S. dollars and, consequently, the U.S. dollar is the functional currency for this Fund.

Valuation of Series A different net asset value is calculated for each series of units of a Fund. The net asset value of a particular series of units is computed by calculating the value of the series' proportionate share of the assets and liabilities of the Fund common to all series less the liabilities of the Fund attributable only to that series. Expenses directly attributable to a series are charged to that series. Other expenses are allocated proportionately to each series based upon the relative net asset value of each series. Expenses are accrued daily.

Investment Transactions Investment transactions are accounted for as of the trade date. Transaction costs, such as brokerage commissions, incurred by the Funds are recorded in the Statements of Comprehensive Income for the period. The period change in the difference between fair value and average cost of securities represents unrealized gains and losses. The basis of determining the cost of portfolio assets, and realized and unrealized gains and losses on investments, is average cost which does not include amortization of premiums or discounts on fixed income and debt securities with the exception of zero coupon bonds.

Income Recognition Interest for distribution purposes is coupon interest recognized on an accrual basis and/or imputed interest on zero coupon bonds.

Increase (Decrease) in NAV per Redeemable Unit Increase (decrease) in NAV per redeemable unit in the Statements of Comprehensive Income represents the increase (decrease) in net assets attributable to holders of redeemable units by series, divided by the average units outstanding per series during the period.

Early Redemption Fees Early redemption fees (short-term trading fees) are paid directly to a Fund and are designed to deter excessive trading and its associated costs. With the exception of money market funds, a Fund may apply a fee of 2% of the current value of units if the unitholder redeems or switches out units within seven days of purchasing or previously switching into a Fund. These amounts are included in the Statements of Changes in NAV.

4. Financial instrument risk and capital management

RBC GAM is responsible for managing each Fund's capital, which is its net assets and consists primarily of its financial instruments.

A Fund's investment activities expose it to a variety of financial risks. RBC GAM seeks to minimize potential adverse effects of these risks on a Fund's performance by employing professional, experienced portfolio advisors, daily monitoring of the Fund's holdings and market events, diversifying its investment portfolio within the constraints of its investment objectives, and, in some cases, periodically hedging certain risk exposures through the use of derivatives. To assist in managing risks, RBC GAM also uses internal guidelines, maintains a governance structure that oversees each Fund's investment activities and monitors compliance with the Fund's investment strategies, internal guidelines, and securities regulations.

Liquidity risk

Liquidity risk is the possibility that investments in a Fund cannot be readily converted into cash when required. A Fund is exposed to daily cash redemptions of redeemable units. Liquidity risk is managed by investing the majority of a Fund's assets in investments that are traded in an active market and that can be readily disposed. In accordance with securities regulations, a Fund must maintain at least 90% of its assets in liquid investments. In addition, a Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its net assets for the purpose of funding redemptions.

Credit risk

Credit risk is the risk that a loss could arise from a security issuer or counterparty not being able to meet its financial obligations. The carrying amount of investments and other assets represents the maximum credit risk exposure as disclosed in a Fund's Statements of Financial Position. The fair value of fixed-income and debt securities includes a consideration of the credit worthiness of the debt



June 30, 2014

issuer. Credit risk exposure to over-the-counter derivative instruments is based on a Fund's unrealized gain on the contractual obligations with the counterparty. RBC GAM monitors each Fund's credit exposure and counterparty ratings daily.

Interest rate risk

Interest rate risk is the risk that the fair value of a Fund's interest-bearing investments will fluctuate due to changes in market interest rates. The value of fixed-income and debt securities, such as bonds, debentures, mortgages or other income-producing securities, is affected by interest rates. Generally, the value of these securities increases if interest rates fall and decreases if interest rates rise.

5. Taxes

The Funds qualify as open-ended unit trusts under the *Income Tax Act* (Canada). In general, the Funds are subject to income tax, however, no income tax is payable on net income and/or net realized capital gains which are distributed to unitholders. In addition, for mutual fund trusts, income taxes payable on net realized capital gains are refundable on a formula basis when units of the Funds are redeemed.

Capital losses are available to be carried forward indefinitely and applied against future capital gains. Non-capital losses may be carried forward to reduce future taxable income for up to 20 years.

6. Administrative and other related-party transactions

Manager, Portfolio Advisor, Distributor and Registrar

RBC GAM is an indirect wholly-owned subsidiary of Royal Bank of Canada ("Royal Bank"). RBC GAM is the manager, portfolio advisor, distributor and registrar of the Funds. RBC GAM is responsible for the day-to-day operations, provides investment advice and portfolio management services to the Funds. RBC GAM, as registrar, also keeps records of who owns units of the Funds. RBC GAM is paid a management fee by the Funds as compensation for its services. No management fees are paid by the Funds with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

The Funds pay a fixed administration fee to RBC GAM. RBC GAM in turn pays certain operating expenses of the Funds. These expenses include regulatory filing fees and other day-to-day operating expenses including, but not limited to, recordkeeping, accounting and fund valuation

costs, custody fees, audit and legal fees, and the costs of preparing and distributing annual and semi-annual reports, prospectuses, statements and investor communications.

Notwithstanding the fixed administration fee, the Funds also pay certain operating expenses directly, including the costs related to the Board of Governors ("BoG") of the Funds and the cost of any new government or regulatory requirements introduced and any borrowing costs (collectively, *other fund costs*), and taxes (including, but not limited to, GST/HST). Other Fund costs will be allocated among each series of units of a fund in accordance with the services used. RBC GAM may, in some years and in certain cases, absorb a portion of operating expenses. The decision to absorb the operating expenses is reviewed annually and determined at the discretion of RBC GAM, without notice to unitholders.

Certain Funds may invest in units of other Funds managed by RBC GAM or its affiliates.

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

Brokerage

The Funds have established standard brokerage agreements at market rates with related-party dealers.

Trustee and Custodian

RBC Investor Services Trust ("RBC IS") is the trustee and custodian of the Funds.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Funds relied on the standing instructions from the BoG in its capacity as the Independent Review Committee with respect to one or more of the following related-party transactions:

Related-Party Trading Activities

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



Inter-Fund Trading

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

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

7. Transition to IFRS

The effect of the Funds' transition to IFRS from Canadian generally accepted accounting principles (GAAP) is summarized as follows:

Statements of cash flows – All Funds are required under IFRS to provide cash flow statements. Under Canadian GAAP most Funds were exempt from this requirement.

Revaluation of investments as FVTPL – Under Canadian GAAP, the fair value of investments was generally required to use bid prices for long positions and ask prices for short positions. Under IFRS, the fair value of investments is generally measured using closing prices – that is, in the same manner in which the daily net asset value per unit is measured for unitholder transaction purposes. As a result, upon adoption of IFRS, adjustments were recognized at January 1, 2013, June 30, 2013 and December 31, 2013.

All financial assets and financial liabilities were classified as FVTPL upon transition to IFRS. Previously financial assets and financial liabilities were carried at fair value under Canadian GAAP.

Reconciliation of net assets and comprehensive income previously reported under Canadian GAAP to IFRS are disclosed in the Fund specific notes.

Classification of redeemable units of the Fund – Upon transition to IFRS the redeemable units have been reclassified as a financial liability. Under Canadian GAAP the units were accounted for as equity.

Investment entity – It has been determined that the Funds meet the definition of “investment entity” and as a result, investments in other mutual funds managed by RBC GAM are measured at FVTPL. An investment entity is an entity that: obtains funds from one or more investors for the purpose of providing them with investment management services; commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and measures and evaluates the performance of substantially all of its investments on a fair value basis. The most significant judgment that has been made in determining that the Funds meet this definition is that fair value is used as the primary measurement attribute to measure and evaluate the performance of substantially all of their investments.



June 30, 2014

On January 1, 2011, the Board of Governors became the independent review committee of the RBC Institutional Cash Funds. The Board of Governors was first established in 1994 to provide advice to RBC Global Asset Management Inc. regarding conflicts of interest in fund management. All of the members of the Board of Governors are independent of RBC Global Asset Management Inc. and RBC Financial Group.

In its capacity as the independent review committee, the Board of Governors provides input on conflict of interest matters in respect of RBC Global Asset Management Inc. and the RBC Institutional Cash Funds. At least once per year, the Board of Governors reviews and assesses the adequacy and effectiveness of the fund manager's policies and procedures relating to conflict of interest matters.

The Board of Governors is responsible for reviewing and assessing the independence of its members, the compensation of its members, and the effectiveness of the Board of Governors, its subcommittees and its members. In order to effectively manage its workload, the Board of Governors has three subcommittees: the Financial Advisory Committee, the Investment Conflicts Committee and the Governance Committee.

The Board of Governors has also been asked by RBC Global Asset Management Inc. to maintain its important role of providing advice on other issues relating to the management of the RBC Institutional Cash Funds. This includes the role of the Financial Advisory Committee of the Board of Governors to provide advice concerning financial reporting, the audit process and financial internal controls.

The annual report of the Board of Governors describing its activities as the independent review committee of the RBC Institutional Cash Funds is available under Mutual Fund Governance at www.rbcgam.com and on SEDAR at www.sedar.com.

If you have any questions or comments about the Board of Governors or its committees, please let us know by contacting Melanie Adams, Secretary to the Board of Governors, at the address below.

Lloyd R. McGinnis, OC, PEng
Chair of the Board of Governors

Board of Governors

Attention: Melanie Adams
RBC Global Asset Management Inc.
P.O. Box 7500, Station A
Toronto, Ontario M5W 1P9

Board of Governors

Lloyd R. McGinnis
Chair of the Board of Governors
Director
Airport Site Development
Winnipeg Airports Authority

Michael G. Thorley^{1,4}
Vice Chair of the Board of Governors
Retired Lawyer
Toronto, Ontario

Selwyn B. Kossuth^{1,3}
Financial Consultant
Mississauga, Ontario

Charles F. Macfarlane^{1,3}
Corporate Director
Toronto, Ontario

Linda S. Petch^{1,3}
Principal
Linda S. Petch
Governance Services
Victoria, British Columbia

Élaine Cousineau Phénix⁵
President
Phénix Capital Inc.
Montreal, Quebec

Mary C. Ritchie^{2,3}
President
Richford Holdings Ltd.
Edmonton, Alberta

Joseph P. Shannon⁶
President
Atlantic Corporation
Port Hawkesbury, Nova Scotia

James W. Yuel⁶
Chair
PIC Investment Group Inc.
Saskatoon, Saskatchewan

¹ Member of the Financial Advisory Committee
² Chair of the Financial Advisory Committee
³ Member of the Investment Conflicts Committee
⁴ Chair of the Investment Conflicts Committee
⁵ Chair of the Governance Committee
⁶ Member of the Governance Committee



If you have questions regarding RBC Institutional Cash Funds, please contact us using the following options:

By Phone

Toll-Free: **1-877-408-6019**

By Mail

Head office:

**RBC Global Asset Management Inc.
155 Wellington Street West
Suite 2200
Toronto, Ontario
M5V 3K7**

For general mutual fund enquiries, write to:

**RBC Global Asset Management Inc.
P.O. Box 7500, Station A
Toronto, Ontario
M5W 1P9**

On the Internet

Visit our website at:

www.ic.phn.com

Email us at:

institutionalcash@phn.com



**RBC Global
Asset Management**