

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

We have maintained appropriate procedures and controls to ensure that timely and reliable financial information is produced. The financial statements have been prepared in compliance 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.

PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, have performed an independent audit of the financial statements in accordance with IFRS. Their report is set out on the next page.



Damon G. Williams, FSA, FCIA, CFA
Chief Executive Officer
RBC Global Asset Management Inc.

March 11, 2019



Heidi Johnston, CPA, CA
Chief Financial Officer
RBC GAM Funds

To the Unitholders and Trustee of

RBC FUNDS & RBC PRIVATE POOLS

RBC Canadian T-Bill Fund
 RBC Canadian Money Market Fund
 RBC Premium Money Market Fund
 RBC \$U.S. Money Market Fund
 RBC Premium \$U.S. Money Market Fund
 RBC Canadian Short-Term Income Fund
 RBC \$U.S. Short-Term Corporate Bond Fund
 RBC Monthly Income Bond Fund
 RBC Canadian Bond Index Fund
 RBC Canadian Government Bond Index Fund
 RBC Bond Fund
 RBC Vision Bond Fund
 RBC Global Bond Fund
 RBC Global Bond & Currency Fund
 RBC \$U.S. Investment Grade Corporate Bond Fund
 RBC Global Corporate Bond Fund
 RBC High Yield Bond Fund
 RBC \$U.S. High Yield Bond Fund
 RBC Global High Yield Bond Fund
 RBC Strategic Income Bond Fund
 RBC \$U.S. Strategic Income Bond Fund
 RBC Emerging Markets Foreign Exchange Fund
 RBC Emerging Markets Bond Fund
 RBC Emerging Markets Bond Fund (CAD Hedged)
 BlueBay Global Monthly Income Bond Fund
 BlueBay Global Sovereign Bond Fund (Canada)
 BlueBay Global Investment Grade Corporate Bond Fund (Canada)
 BlueBay European High Yield Bond Fund (Canada)
 BlueBay Emerging Markets Bond Fund (Canada)
 BlueBay Emerging Markets Local Currency Bond Fund (Canada)
 BlueBay Emerging Markets Corporate Bond Fund
 BlueBay Global Convertible Bond Fund (Canada)
 BlueBay \$U.S. Global Convertible Bond Fund (Canada)
 RBC Conservative Bond Pool
 RBC Core Bond Pool
 RBC Core Plus Bond Pool
 RBC Managed Payout Solution
 RBC Managed Payout Solution – Enhanced
 RBC Managed Payout Solution – Enhanced Plus
 RBC Monthly Income Fund
 RBC U.S. Monthly Income Fund
 RBC Balanced Fund
 RBC Global Balanced Fund
 RBC Vision Balanced Fund
 RBC Conservative Growth & Income Fund
 RBC Balanced Growth & Income Fund
 RBC Global Growth & Income Fund
 RBC Retirement Income Solution
 RBC Retirement 2020 Portfolio
 RBC Retirement 2025 Portfolio
 RBC Retirement 2030 Portfolio
 RBC Retirement 2035 Portfolio
 RBC Retirement 2040 Portfolio
 RBC Retirement 2045 Portfolio
 RBC Retirement 2050 Portfolio
 RBC Select Very Conservative Portfolio
 RBC Select Conservative Portfolio
 RBC Select Balanced Portfolio
 RBC Select Growth Portfolio
 RBC Select Aggressive Growth Portfolio
 RBC Select Choices Conservative Portfolio
 RBC Select Choices Balanced Portfolio
 RBC Select Choices Growth Portfolio
 RBC Select Choices Aggressive Growth Portfolio
 RBC Target 2020 Education Fund

RBC Target 2025 Education Fund
 RBC Target 2030 Education Fund
 RBC Target 2035 Education Fund
 RBC Canadian Dividend Fund
 RBC Canadian Equity Fund
 RBC QUBE Canadian Equity Fund
 RBC QUBE Low Volatility Canadian Equity Fund
 RBC Trend Canadian Equity Fund
 RBC Vision Canadian Equity Fund
 RBC Canadian Index Fund
 RBC O'Shaughnessy Canadian Equity Fund
 RBC O'Shaughnessy All-Canadian Equity Fund
 RBC Canadian Equity Income Fund
 RBC Canadian Small & Mid-Cap Resources Fund
 RBC North American Value Fund
 RBC North American Growth Fund
 RBC U.S. Dividend Fund
 RBC U.S. Dividend Currency Neutral Fund
 RBC U.S. Equity Fund
 RBC U.S. Equity Currency Neutral Fund
 RBC QUBE U.S. Equity Fund
 RBC QUBE Low Volatility U.S. Equity Fund
 RBC QUBE Low Volatility U.S. Equity Currency Neutral Fund
 RBC U.S. Equity Value Fund
 RBC U.S. Index Fund
 RBC U.S. Index Currency Neutral Fund
 RBC O'Shaughnessy U.S. Value Fund (Unhedged)
 RBC O'Shaughnessy U.S. Value Fund
 RBC U.S. Mid-Cap Growth Equity Fund
 RBC U.S. Mid-Cap Growth Equity Currency Neutral Fund
 RBC U.S. Mid-Cap Value Equity Fund
 RBC U.S. Small-Cap Core Equity Fund
 RBC U.S. Small-Cap Value Equity Fund
 RBC O'Shaughnessy U.S. Growth Fund
 RBC O'Shaughnessy U.S. Growth Fund II
 RBC Life Science and Technology Fund
 RBC International Dividend Growth Fund
 RBC International Equity Fund
 RBC International Equity Currency Neutral Fund
 RBC International Index Currency Neutral Fund
 RBC O'Shaughnessy International Equity Fund
 RBC European Dividend Fund
 RBC European Equity Fund
 RBC European Mid-Cap Equity Fund
 RBC Asian Equity Fund
 RBC Asia Pacific ex-Japan Equity Fund
 RBC Japanese Equity Fund
 RBC Emerging Markets Multi-Strategy Equity Fund
 RBC Emerging Markets Dividend Fund
 RBC Emerging Markets Equity Fund
 RBC Emerging Markets Small-Cap Equity Fund
 RBC Global Dividend Growth Fund
 RBC Global Dividend Growth Currency Neutral Fund
 RBC Global Equity Fund
 RBC Global Equity Focus Fund
 RBC Global Equity Focus Currency Neutral Fund
 RBC QUBE Global Equity Fund
 RBC QUBE Low Volatility Global Equity Fund
 RBC QUBE Low Volatility Global Equity Currency Neutral Fund
 RBC Vision Global Equity Fund
 RBC Vision Fossil Fuel Free Global Equity Fund
 RBC O'Shaughnessy Global Equity Fund
 RBC QUBE All Country World Equity Fund
 RBC QUBE Low Volatility All Country World Equity Fund
 RBC Global Energy Fund
 RBC Global Precious Metals Fund
 RBC Global Resources Fund
 RBC Global Technology Fund

RBC Private Short-Term Income Pool
 RBC Private Canadian Corporate Bond Pool
 RBC Private Income Pool
 RBC Private Canadian Dividend Pool
 RBC Private Canadian Growth and Income Equity Pool (renamed RBC Private Fundamental Canadian Equity Pool)
 RBC Private Canadian Equity Pool
 RBC Private Canadian Growth Equity Pool
 RBC Private Canadian Mid-Cap Equity Pool
 RBC Private U.S. Large-Cap Value Equity Pool
 RBC Private U.S. Large-Cap Value Equity Currency Neutral Pool
 RBC Private U.S. Growth Equity Pool
 RBC Private U.S. Large-Cap Core Equity Pool
 RBC Private U.S. Large-Cap Core Equity Currency Neutral Pool
 RBC Private U.S. Small-Cap Equity Pool
 RBC Private EAFE Equity Pool
 RBC Private Overseas Equity Pool
 RBC Private World Equity Pool

PHILLIPS, HAGER & NORTH INVESTMENT FUNDS

Phillips, Hager & North Canadian Money Market Fund
 Phillips, Hager & North \$U.S. Money Market Fund
 Phillips, Hager & North Short Term Bond & Mortgage Fund
 Phillips, Hager & North Bond Fund
 Phillips, Hager & North Total Return Bond Fund
 Phillips, Hager & North Inflation-Linked Bond Fund
 Phillips, Hager & North High Yield Bond Fund
 Phillips, Hager & North Long Inflation-linked Bond Fund
 Phillips, Hager & North Monthly Income Fund
 Phillips, Hager & North Balanced Fund
 Phillips, Hager & North Dividend Income Fund
 Phillips, Hager & North Canadian Equity Fund
 Phillips, Hager & North Canadian Equity Value Fund
 Phillips, Hager & North Canadian Equity Underlying Fund
 Phillips, Hager & North Canadian Equity Underlying Fund II
 Phillips, Hager & North Canadian Growth Fund
 Phillips, Hager & North Canadian Income Fund
 Phillips, Hager & North Vintage Fund
 Phillips, Hager & North U.S. Dividend Income Fund
 Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund
 Phillips, Hager & North U.S. Equity Fund
 Phillips, Hager & North Currency-Hedged U.S. Equity Fund
 Phillips, Hager & North U.S. Growth Fund
 Phillips, Hager & North Overseas Equity Fund
 Phillips, Hager & North Currency-Hedged Overseas Equity Fund
 Phillips, Hager & North Global Equity Fund
 Phillips, Hager & North LifeTime 2015 Fund
 Phillips, Hager & North LifeTime 2020 Fund
 Phillips, Hager & North LifeTime 2025 Fund
 Phillips, Hager & North LifeTime 2030 Fund
 Phillips, Hager & North LifeTime 2035 Fund
 Phillips, Hager & North LifeTime 2040 Fund
 Phillips, Hager & North LifeTime 2045 Fund
 Phillips, Hager & North LifeTime 2050 Fund
 Phillips, Hager & North LifeTime 2055 Fund
 Phillips, Hager & North Balanced Pension Trust
 Phillips, Hager & North Conservative Equity Income Fund
 Phillips, Hager & North Canadian Equity Pension Trust
 Phillips, Hager & North Small Float Fund
 Phillips, Hager & North Canadian Equity Plus Pension Trust

(collectively, the "Funds", individually the "Fund")

Our opinion

In our opinion, the accompanying December 31, 2018 annual financial statements of each of the Funds present fairly, in all material respects, the financial position of each Fund, its financial performance and its cash flows as at and for the periods indicated in note 2 in accordance with International Financial Reporting Standards ("IFRS").

What we have audited

The financial statements of each of the Funds comprise:

- the statements of financial position as at the period-end dates indicated in note 2;
- the statements of comprehensive income for the periods indicated in note 2;
- the statements of cash flow for the periods indicated in note 2;
- the statements of changes in net assets attributable to holders of redeemable units ("NAV") for the periods indicated in note 2; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of each of the Funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information of each of the Funds. The other information comprises the 2018 Annual Management Report of Fund Performance of each of the Funds.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of each of the Funds, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of each of the Funds or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the ability of each of the Funds to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any of the Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of each of the Funds.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole for each Fund are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements of each of the Funds.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of each of the Funds, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of each of the Funds.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each of the Funds to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of each of the Funds or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause any of the Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of each of the Funds, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

March 11, 2019



SCHEDULE OF INVESTMENT PORTFOLIO (in \$000s)
RBC INTERNATIONAL EQUITY FUND

December 31, 2018

Holdings	Security	Cost	Fair Value	% of Net Assets
INTERNATIONAL EQUITIES				
Australia				
262 982	Aristocrat Leisure Ltd.	\$ 5 907	\$ 5 526	
784 806	Challenger Ltd.	9 171	7 163	
45 238	Cochlear Limited	5 375	7 566	
100 432	Commonwealth Bank of Australia	7 951	6 994	
181 845	CSL Ltd.	20 160	32 427	
484 225	James Hardie Industries Plc., Subscription Receipts	8 806	7 201	
1 339 497	Oil Search Ltd.	9 505	9 211	
		66 875	76 088	8.1
China				
430 088	China Literature Ltd.	4 762	2 722	
594 500	Ping An Insurance Group Company of China Ltd.	6 001	7 160	
358 400	Tencent Holdings Ltd.	11 369	19 611	
94	Tencent Music Entertainment Group ADR	2	2	
		22 134	29 495	3.2
Denmark				
20 286	Christian Hansen Holding A/S	1 662	2 452	
313 622	ISS A/S	14 362	11 962	
456 619	Novo Nordisk A/S	28 162	28 584	
90 001	Novozymes A/S	5 786	5 483	
		49 972	48 481	5.2
Finland				
175 770	Sampo OYJ	11 210	10 593	
		11 210	10 593	1.1
France				
41 098	EssilorLuxottica	6 893	7 112	
77 588	Groupe Danone	7 516	7 466	
35 950	LVMH Louis Vuitton Moet-Hennessy	12 938	14 369	
		27 347	28 947	3.1
Germany				
125 383	Bayer AG	18 313	11 926	
35 923	Continental AG	10 372	6 809	
115 824	Fresenius Medical Care AG & Co. KGaA	14 923	10 226	
31 787	KION Group AG	3 675	2 200	
109 179	SAP SE	14 015	14 844	
39 837	Symrise AG	3 458	4 035	
5 775	Wirecard AG	1 123	1 189	
		65 879	51 229	5.5
Hong Kong				
1 355 000	AIA Group Ltd.	10 683	15 366	
		10 683	15 366	1.6

Holdings	Security	Cost	Fair Value	% of Net Assets
Indonesia				
36 355 800	PT Hanjaya Mandala Sampoerna Tbk	\$ 13 791	\$ 12 836	
		13 791	12 836	1.4
Ireland				
101 740	CRH Plc.	4 802	3 677	
86 351	Paddy Power Betfair Plc.	13 202	9 629	
83 075	Ryanair Holdings Plc. ADR	10 297	8 091	
		28 301	21 397	2.3
Japan				
250 600	Asahi Group Holdings Ltd.	16 003	13 258	
380 300	Bridgestone Corp.	19 043	19 919	
356 900	Daiichi Sankyo Co. Ltd.	17 946	15 585	
3 151 400	Mitsubishi UFJ Financial Group Inc.	24 049	21 114	
77 200	Nitori Co. Ltd.	11 015	13 200	
347 200	Recruit Holdings Co. Ltd.	12 171	11 451	
97 500	SanBio Co. Ltd.	10 192	9 804	
33 700	SMC Corp.	13 094	13 852	
266 300	SoftBank Group Corp.	22 344	23 812	
204 600	Suzuki Motor Co. Ltd.	13 568	14 081	
139 200	Systemex Corp.	10 962	9 025	
3 221 400	Yahoo! Japan Corp.	19 435	10 941	
338 600	ZOZO Inc.	15 452	8 469	
		205 274	184 511	19.7
Netherlands				
239 074	Heineken N.V.	28 736	28 848	
761 515	ING Groep N.V.	16 366	11 183	
166 742	Intertrust N.V.	4 392	3 822	
180 819	NN Group N.V.	9 435	9 815	
		58 929	53 668	5.7
Sweden				
295 789	Assa Abloy AB	8 076	7 209	
215 988	Atlas Copco AB	8 460	7 017	
393 268	Coor Service Management Holding AB	4 030	4 207	
983 392	Nordea Bank Abp	14 062	11 310	
		34 628	29 743	3.2
Switzerland				
42 400	Lonza Group AG	17 486	15 047	
96 499	Roche Holdings AG Genussscheine	31 917	32 706	
137 370	Sika AG	20 264	23 822	
		69 667	71 575	7.6
Taiwan				
1 797 000	Taiwan Semiconductor Manufacturing Co. Ltd.	12 192	17 814	
		12 192	17 814	1.9

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



December 31, 2018

Holdings	Security	Cost	Fair Value	% of Net Assets
United Kingdom				
708 427	Antofagasta Plc.	\$ 9 126	\$ 9 673	
387 078	Ashtead Group Plc.	11 769	11 023	
1 293 334	Barratt Developments Plc.	13 728	10 415	
306 345	Burberry Group Plc.	7 539	9 184	
359 191	Daily Mail & General Trust Plc.	4 814	3 595	
57 273	DCC Plc.	6 925	5 964	
737 845	Diageo Plc.	30 845	35 995	
558 819	Hargreaves Lansdown Plc.	17 552	17 993	
266 798	Imperial Brands Plc.	12 780	11 055	
7 120 522	Lloyds TSB Group Plc.	8 438	6 408	
352 331	London Stock Exchange Group Plc.	21 706	24 955	
64 401	Rathbone Brothers Plc.	2 930	2 624	
1 231 352	RELX Plc.	30 811	34 588	
464 964	Royal Dutch Shell Plc., A Shares	17 081	18 710	
336 779	Schroders Plc.	18 254	14 319	
1 163 583	The Sage Group Plc.	13 055	12 183	
617 910	Unilever Plc.	39 923	44 290	
		<u>267 276</u>	<u>272 974</u>	<u>29.2</u>
TOTAL INTERNATIONAL EQUITIES		944 158	924 717	98.8
SHORT-TERM INVESTMENTS*		2 237	2 237	0.2
TOTAL INVESTMENTS		946 395	926 954	99.0
UNREALIZED GAIN ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE A)		–	13 416	1.4
UNREALIZED LOSS ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE A)		–	(12 389)	(1.3)
TOTAL PORTFOLIO		<u>\$ 946 395</u>	<u>927 981</u>	<u>99.1</u>
OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			8 186	0.9
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			<u>\$ 936 167</u>	<u>100.0</u>

SCHEDULE A

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Gain
Bought CAD 15 Sold USD 11 @ 1.3636	02-Jan-2019	\$ –
Bought JPY 1 758 891 Sold CAD 20 292 @ 86.6800	08-Jan-2019	1 618
Bought JPY 100 000 Sold CAD 1 181 @ 84.6900	08-Jan-2019	65
Bought JPY 150 000 Sold CAD 1 771 @ 84.6850	08-Jan-2019	97
Bought IDR 15 000 000 Sold CAD 1 350 @ 11114.0000	09-Jan-2019	72
Bought JPY 605 000 Sold CAD 7 020 @ 86.1799	10-Jan-2019	517
Bought JPY 70 000 Sold CAD 819 @ 85.4531	10-Jan-2019	53
Bought EUR 461 Sold CAD 693 @ 0.6653	11-Jan-2019	29
Bought SEK 4 400 Sold CAD 648 @ 6.7948	11-Jan-2019	31
Bought SEK 9 900 Sold CAD 1 479 @ 6.6920	11-Jan-2019	46
Bought SEK 14 915 Sold CAD 2 202 @ 6.7722	11-Jan-2019	96
Bought SEK 4 196 Sold CAD 631 @ 6.6503	11-Jan-2019	16
Bought ILS 979 Sold CAD 348 @ 2.8152	14-Jan-2019	10
Bought USD 1 031 Sold CAD 1 339 @ 0.7700	14-Jan-2019	68
Bought AUD 1 700 Sold CAD 1 630 @ 1.0427	15-Jan-2019	4
Bought SEK 1 790 Sold CAD 265 @ 6.7531	15-Jan-2019	11
Bought EUR 3 700 Sold CAD 5 516 @ 0.6708	16-Jan-2019	277
Bought JPY 398 304 Sold CAD 4 664 @ 85.4065	16-Jan-2019	301

SCHEDULE A (cont.)

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Gain
Bought JPY 250 000 Sold CAD 3 083 @ 81.0930	16-Jan-2019	\$ 33
Bought USD 897 Sold CAD 1 223 @ 0.7333	16-Jan-2019	1
Bought EUR 1 796 Sold CAD 2 711 @ 0.6625	17-Jan-2019	101
Bought EUR 1 100 Sold USD 1 249 @ 0.8808	17-Jan-2019	18
Bought ILS 2 100 Sold CAD 755 @ 2.7821	17-Jan-2019	13
Bought SGD 1 500 Sold CAD 1 410 @ 1.0636	17-Jan-2019	92
Bought USD 13 910 Sold EUR 11 940 @ 1.1650	17-Jan-2019	289
Bought AUD 3 000 Sold CAD 2 784 @ 1.0775	18-Jan-2019	100
Bought CAD 1 928 Sold AUD 2 000 @ 0.9641	18-Jan-2019	5
Bought CHF 1 652 Sold CAD 2 204 @ 0.7495	18-Jan-2019	93
Bought DKK 7 820 Sold CAD 1 635 @ 4.7819	18-Jan-2019	5
Bought EUR 498 Sold CAD 747 @ 0.6663	18-Jan-2019	32
Bought EUR 1 186 Sold CAD 1 834 @ 0.6466	18-Jan-2019	23
Bought GBP 300 Sold CAD 505 @ 0.5938	22-Jan-2019	17
Bought JPY 200 000 Sold CAD 2 324 @ 86.0697	22-Jan-2019	170
Bought SGD 3 350 Sold CAD 3 184 @ 1.0523	22-Jan-2019	172
Bought GBP 1 860 Sold CAD 3 211 @ 0.5792	23-Jan-2019	27
Bought SEK 13 460 Sold CAD 1 968 @ 6.8405	23-Jan-2019	108
Bought DKK 1 400 Sold CAD 283 @ 4.9435	24-Jan-2019	11
Bought DKK 10 000 Sold CAD 2 047 @ 4.8856	24-Jan-2019	51
Bought GBP 806 Sold CAD 1 359 @ 0.5931	24-Jan-2019	44
Bought CHF 216 Sold CAD 284 @ 0.7613	25-Jan-2019	17
Bought CHF 1 155 Sold CAD 1 601 @ 0.7214	25-Jan-2019	6
Bought EUR 3 208 Sold CAD 4 808 @ 0.6672	25-Jan-2019	217
Bought EUR 200 Sold CAD 298 @ 0.6701	25-Jan-2019	15
Bought EUR 2 000 Sold CAD 3 005 @ 0.6656	25-Jan-2019	128
Bought EUR 7 000 Sold CAD 10 565 @ 0.6626	25-Jan-2019	400
Bought EUR 4 000 Sold CAD 6 092 @ 0.6566	25-Jan-2019	174
Bought GBP 618 Sold CAD 1 041 @ 0.5937	25-Jan-2019	35
Bought GBP 300 Sold CAD 509 @ 0.5892	25-Jan-2019	13
Bought GBP 1 800 Sold CAD 3 118 @ 0.5772	25-Jan-2019	16
Bought NOK 6 285 Sold CAD 987 @ 6.3705	25-Jan-2019	6
Bought SEK 20 609 Sold CAD 3 032 @ 6.7970	29-Jan-2019	148
Bought EUR 1 600 Sold USD 1 820 @ 0.8793	30-Jan-2019	25
Bought EUR 10 270 Sold CAD 15 584 @ 0.6590	31-Jan-2019	510
Bought EUR 9 525 Sold CAD 14 496 @ 0.6571	31-Jan-2019	430
Bought EUR 4 355 Sold CAD 6 555 @ 0.6644	05-Feb-2019	272
Bought EUR 1 014 Sold CAD 1 524 @ 0.6652	05-Feb-2019	65
Bought EUR 1 155 Sold CAD 1 753 @ 0.6590	05-Feb-2019	58
Bought EUR 1 000 Sold CAD 1 523 @ 0.6568	05-Feb-2019	45
Bought EUR 2 617 Sold CAD 3 931 @ 0.6657	06-Feb-2019	171
Bought EUR 1 160 Sold CAD 1 813 @ 0.6397	06-Feb-2019	5
Bought ILS 2 600 Sold CAD 935 @ 2.7810	07-Feb-2019	16
Bought JPY 735 138 Sold CAD 8 577 @ 85.7140	08-Feb-2019	599
Bought SGD 2 166 Sold CAD 2 091 @ 1.0356	08-Feb-2019	78
Bought USD 325 Sold CAD 435 @ 0.7475	08-Feb-2019	8
Bought EUR 5 000 Sold CAD 7 539 @ 0.6633	11-Feb-2019	302
Bought JPY 330 769 Sold CAD 4 036 @ 81.9600	12-Feb-2019	93
Bought USD 543 Sold CAD 726 @ 0.7482	12-Feb-2019	15
Bought CHF 4 264 Sold CAD 5 755 @ 0.7409	13-Feb-2019	185
Bought EUR 5 500 Sold CAD 8 364 @ 0.6576	13-Feb-2019	262
Bought EUR 3 000 Sold CAD 4 505 @ 0.6659	14-Feb-2019	200
Bought SGD 2 586 Sold CAD 2 485 @ 1.0407	14-Feb-2019	105

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



December 31, 2018

SCHEDULE A (cont.)

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Gain
Bought DKK 4 942 Sold CAD 1 028 @ 4.8075	15-Feb-2019	\$ 10
Bought NOK 10 500 Sold CAD 1 626 @ 6.4565	15-Feb-2019	33
Bought TWD 35 000 Sold CAD 1 508 @ 23.2100	15-Feb-2019	59
Bought CAD 2 460 Sold AUD 2 553 @ 0.9634	20-Feb-2019	6
Bought CAD 3 108 Sold AUD 3 200 @ 0.9714	20-Feb-2019	32
Bought CHF 175 Sold CAD 234 @ 0.7470	20-Feb-2019	10
Bought EUR 10 523 Sold CAD 15 934 @ 0.6604	20-Feb-2019	575
Bought CHF 3 287 Sold CAD 4 419 @ 0.7439	21-Feb-2019	163
Bought EUR 1 200 Sold CAD 1 811 @ 0.6625	21-Feb-2019	71
Bought JPY 535 000 Sold CAD 6 319 @ 84.6651	21-Feb-2019	363
Bought GBP 6 040 Sold CAD 10 202 @ 0.5920	22-Feb-2019	321
Bought NOK 6 900 Sold CAD 1 079 @ 6.3932	22-Feb-2019	11
Bought JPY 237 000 Sold CAD 2 811 @ 84.3000	26-Feb-2019	149
Bought SGD 2 920 Sold CAD 2 842 @ 1.0276	26-Feb-2019	83
Bought EUR 3 498 Sold CAD 5 291 @ 0.6612	01-Mar-2019	200
Bought CAD 9 Sold USD 7 @ 1.3275	04-Mar-2019	-
Bought USD 1 860 Sold CAD 2 482 @ 0.7494	04-Mar-2019	53
Bought DKK 5 546 Sold CAD 1 152 @ 4.8157	05-Mar-2019	15
Bought SGD 3 115 Sold CAD 3 009 @ 1.0353	05-Mar-2019	111
Bought EUR 2 900 Sold CAD 4 373 @ 0.6631	06-Mar-2019	180
Bought GBP 720 Sold CAD 1 233 @ 0.5839	06-Mar-2019	22
Bought JPY 391 313 Sold CAD 4 687 @ 83.4840	06-Mar-2019	204
Bought EUR 2 551 Sold CAD 3 845 @ 0.6634	07-Mar-2019	160
Bought HKD 5 895 Sold CAD 1 019 @ 5.7870	07-Mar-2019	10
Bought EUR 4 156 Sold CAD 6 347 @ 0.6548	08-Mar-2019	179
Bought JPY 335 000 Sold CAD 3 956 @ 84.6740	11-Mar-2019	232
Bought JPY 576 015 Sold CAD 6 865 @ 83.9010	12-Mar-2019	337
Bought CHF 11 081 Sold CAD 15 143 @ 0.7318	13-Mar-2019	325
Bought AUD 2 162 Sold CAD 2 077 @ 1.0409	14-Mar-2019	1
Bought HKD 9 716 Sold CAD 1 693 @ 5.7395	14-Mar-2019	2
Bought DKK 12 355 Sold CAD 2 527 @ 4.8883	15-Mar-2019	73
Bought NOK 8 977 Sold CAD 1 391 @ 6.4550	18-Mar-2019	29
Bought USD 1 516 Sold CAD 2 025 @ 0.7487	19-Mar-2019	41
Bought USD 1 800 Sold CAD 2 431 @ 0.7405	19-Mar-2019	21
		\$ 13 416

Contracts	Maturity Date	Unrealized Loss
Bought CAD 1 633 Sold DKK 7 818 @ 0.2089	02-Jan-2019	\$ (5)
Bought CAD 594 Sold EUR 381 @ 1.5599	02-Jan-2019	(2)
Bought CAD 1 945 Sold GBP 1 123 @ 1.7314	02-Jan-2019	(10)
Bought CAD 2 078 Sold AUD 2 162 @ 0.9611	03-Jan-2019	(1)
Bought CAD 1 692 Sold HKD 9 716 @ 0.1741	03-Jan-2019	(2)
Bought CAD 909 Sold USD 704 @ 1.2906	04-Jan-2019	(52)
Bought CAD 21 670 Sold JPY 1 837 000 @ 0.0118	08-Jan-2019	(1 213)
Bought CAD 4 470 Sold DKK 22 367 @ 0.1999	09-Jan-2019	(218)
Bought CAD 353 Sold DKK 1 750 @ 0.2019	09-Jan-2019	(13)
Bought CAD 10 203 Sold IDR 120 000 000 @ 0.0001	09-Jan-2019	(1 173)
Bought CAD 1 445 Sold SEK 9 748 @ 0.1482	11-Jan-2019	(57)
Bought CAD 1 766 Sold IDR 21 000 000 @ 0.0001	11-Jan-2019	(224)
Bought CAD 3 215 Sold SEK 21 921 @ 0.1466	11-Jan-2019	(164)
Bought CAD 2 273 Sold EUR 1 500 @ 1.5150	11-Jan-2019	(75)
Bought CAD 89 Sold SEK 608 @ 0.1462	11-Jan-2019	(5)
Bought CAD 1 741 Sold HKD 10 000 @ 0.1741	14-Jan-2019	(2)

SCHEDULE A (cont.)

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Loss
Bought CAD 2 105 Sold SEK 14 662 @ 0.1436	15-Jan-2019	\$ (155)
Bought CAD 3 298 Sold HKD 20 000 @ 0.1649	15-Jan-2019	(189)
Bought CAD 3 017 Sold AUD 3 200 @ 0.9427	15-Jan-2019	(60)
Bought CAD 675 Sold USD 520 @ 1.2980	16-Jan-2019	(35)
Bought CAD 1 257 Sold DKK 6 169 @ 0.2037	16-Jan-2019	(37)
Bought CAD 2 985 Sold EUR 2 000 @ 1.4924	16-Jan-2019	(146)
Bought CAD 1 397 Sold EUR 928 @ 1.5054	16-Jan-2019	(56)
Bought CAD 3 760 Sold JPY 320 000 @ 0.0117	16-Jan-2019	(229)
Bought CAD 2 216 Sold EUR 1 435 @ 1.5444	16-Jan-2019	(30)
Bought CAD 1 017 Sold GBP 609 @ 1.6702	17-Jan-2019	(43)
Bought CAD 2 134 Sold DKK 10 598 @ 0.2013	17-Jan-2019	(89)
Bought CAD 1 238 Sold CHF 940 @ 1.3174	17-Jan-2019	(69)
Bought CAD 191 Sold EUR 125 @ 1.5249	17-Jan-2019	(5)
Bought CAD 1 461 Sold SGD 1 500 @ 0.9741	17-Jan-2019	(41)
Bought AUD 1 000 Sold CAD 965 @ 1.0361	18-Jan-2019	(4)
Bought CAD 1 815 Sold DKK 9 093 @ 0.1996	18-Jan-2019	(92)
Bought CAD 1 374 Sold AUD 1 485 @ 0.9250	18-Jan-2019	(54)
Bought CAD 1 352 Sold CHF 1 000 @ 1.3522	18-Jan-2019	(38)
Bought CAD 2 273 Sold EUR 1 495 @ 1.5207	18-Jan-2019	(67)
Bought CAD 1 364 Sold EUR 880 @ 1.5498	18-Jan-2019	(14)
Bought CAD 113 Sold JPY 10 000 @ 0.0113	22-Jan-2019	(12)
Bought CAD 173 Sold GBP 102 @ 1.7008	22-Jan-2019	(4)
Bought CAD 1 753 Sold JPY 150 000 @ 0.0117	22-Jan-2019	(118)
Bought CAD 1 089 Sold HKD 6 500 @ 0.1676	22-Jan-2019	(44)
Bought CAD 800 Sold GBP 470 @ 1.7021	22-Jan-2019	(18)
Bought CAD 1 032 Sold GBP 607 @ 1.6996	22-Jan-2019	(25)
Bought CAD 230 Sold GBP 135 @ 1.7045	22-Jan-2019	(5)
Bought CAD 6 848 Sold CHF 5 167 @ 1.3253	23-Jan-2019	(340)
Bought CAD 2 773 Sold SEK 19 010 @ 0.1459	23-Jan-2019	(158)
Bought CAD 2 073 Sold DKK 10 217 @ 0.2029	23-Jan-2019	(71)
Bought CAD 5 020 Sold GBP 2 983 @ 1.6830	23-Jan-2019	(173)
Bought NOK 5 000 Sold CAD 793 @ 6.3050	23-Jan-2019	(3)
Bought CAD 3 178 Sold DKK 15 600 @ 0.2037	24-Jan-2019	(95)
Bought CAD 1 410 Sold GBP 825 @ 1.7088	24-Jan-2019	(27)
Bought CAD 1 712 Sold GBP 1 000 @ 1.7121	24-Jan-2019	(29)
Bought CAD 2 238 Sold USD 1 714 @ 1.3054	24-Jan-2019	(101)
Bought CAD 469 Sold DKK 2 330 @ 0.2013	24-Jan-2019	(20)
Bought CAD 1 708 Sold GBP 1 000 @ 1.7076	24-Jan-2019	(34)
Bought CAD 1 823 Sold DKK 9 000 @ 0.2025	24-Jan-2019	(65)
Bought CAD 5 081 Sold EUR 3 400 @ 1.4943	25-Jan-2019	(245)
Bought CAD 1 828 Sold DKK 9 088 @ 0.2012	25-Jan-2019	(79)
Bought CAD 2 130 Sold EUR 1 400 @ 1.5215	25-Jan-2019	(63)
Bought CAD 3 651 Sold DKK 18 141 @ 0.2013	28-Jan-2019	(156)
Bought CAD 4 512 Sold GBP 2 632 @ 1.7143	28-Jan-2019	(71)
Bought CAD 2 035 Sold SEK 13 918 @ 0.1462	29-Jan-2019	(113)
Bought CAD 3 926 Sold CHF 2 978 @ 1.3184	29-Jan-2019	(218)
Bought CAD 854 Sold USD 658 @ 1.2983	29-Jan-2019	(43)
Bought CAD 5 829 Sold CHF 4 400 @ 1.3247	29-Jan-2019	(294)
Bought CAD 1 470 Sold SEK 10 000 @ 0.1470	29-Jan-2019	(73)
Bought NOK 10 977 Sold CAD 1 752 @ 6.2655	29-Jan-2019	(18)
Bought CAD 406 Sold DKK 2 000 @ 0.2029	30-Jan-2019	(14)
Bought NZD 1 456 Sold CAD 1 343 @ 1.0845	30-Jan-2019	(9)
Bought USD 12 390 Sold EUR 10 867 @ 1.1401	30-Jan-2019	(127)
Bought CAD 5 524 Sold GBP 3 226 @ 1.7124	31-Jan-2019	(93)
Bought CAD 2 252 Sold EUR 1 500 @ 1.5016	31-Jan-2019	(98)

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



December 31, 2018

SCHEDULE A (cont.)

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Loss
Bought CAD 1 423 Sold GBP 835 @ 1.7047	31-Jan-2019	\$ (31)
Bought CAD 2 556 Sold GBP 1 500 @ 1.7037	31-Jan-2019	(57)
Bought CAD 3 885 Sold GBP 2 250 @ 1.7265	31-Jan-2019	(33)
Bought CAD 142 Sold HKD 849 @ 0.1670	04-Feb-2019	(6)
Bought CAD 2 435 Sold AUD 2 585 @ 0.9421	04-Feb-2019	(50)
Bought CAD 1 511 Sold HKD 9 000 @ 0.1679	04-Feb-2019	(59)
Bought CAD 850 Sold HKD 5 000 @ 0.1701	04-Feb-2019	(22)
Bought CAD 698 Sold HKD 4 132 @ 0.1688	04-Feb-2019	(23)
Bought CAD 552 Sold HKD 3 235 @ 0.1707	04-Feb-2019	(12)
Bought CAD 2 553 Sold USD 1 949 @ 1.3098	05-Feb-2019	(105)
Bought CAD 1 712 Sold GBP 1 000 @ 1.7119	05-Feb-2019	(30)
Bought CAD 2 530 Sold GBP 1 500 @ 1.6868	05-Feb-2019	(82)
Bought CAD 339 Sold GBP 200 @ 1.6937	05-Feb-2019	(10)
Bought CAD 5 375 Sold EUR 3 500 @ 1.5357	05-Feb-2019	(111)
Bought CAD 1 238 Sold DKK 6 152 @ 0.2012	06-Feb-2019	(54)
Bought CAD 1 456 Sold GBP 843 @ 1.7269	06-Feb-2019	(12)
Bought CAD 1 837 Sold EUR 1 200 @ 1.5311	06-Feb-2019	(44)
Bought CAD 935 Sold USD 700 @ 1.3363	06-Feb-2019	(19)
Bought CAD 4 288 Sold GBP 2 547 @ 1.6834	07-Feb-2019	(148)
Bought CAD 8 591 Sold GBP 5 065 @ 1.6961	07-Feb-2019	(231)
Bought CAD 1 011 Sold HKD 6 000 @ 0.1684	08-Feb-2019	(36)
Bought CAD 3 000 Sold JPY 250 000 @ 0.0120	08-Feb-2019	(120)
Bought CAD 980 Sold SGD 1 000 @ 0.9804	08-Feb-2019	(21)
Bought CAD 2 311 Sold EUR 1 500 @ 1.5405	11-Feb-2019	(41)
Bought CAD 2 333 Sold EUR 1 500 @ 1.5553	11-Feb-2019	(19)
Bought CAD 938 Sold DKK 4 616 @ 0.2033	12-Feb-2019	(31)
Bought CAD 3 909 Sold DKK 19 400 @ 0.2015	13-Feb-2019	(167)
Bought CAD 107 Sold USD 82 @ 1.3086	14-Feb-2019	(5)
Bought CAD 11 196 Sold EUR 7 400 @ 1.5129	14-Feb-2019	(410)
Bought CAD 1 253 Sold HKD 7 436 @ 0.1685	14-Feb-2019	(43)
Bought CAD 1 093 Sold HKD 6 370 @ 0.1716	14-Feb-2019	(17)
Bought CAD 19 748 Sold TWD 460 000 @ 0.0429	15-Feb-2019	(851)
Bought CAD 416 Sold DKK 2 064 @ 0.2016	15-Feb-2019	(18)
Bought CAD 5 051 Sold GBP 2 926 @ 1.7263	21-Feb-2019	(47)
Bought CAD 575 Sold USD 438 @ 1.3127	21-Feb-2019	(22)
Bought CAD 4 435 Sold GBP 2 603 @ 1.7039	22-Feb-2019	(100)
Bought CAD 2 407 Sold DKK 11 913 @ 0.2020	22-Feb-2019	(97)
Bought CAD 1 107 Sold DKK 5 435 @ 0.2036	22-Feb-2019	(36)
Bought CAD 354 Sold AUD 370 @ 0.9567	26-Feb-2019	(2)
Bought CAD 1 578 Sold GBP 927 @ 1.7022	26-Feb-2019	(37)
Bought CAD 2 226 Sold GBP 1 320 @ 1.6865	26-Feb-2019	(74)
Bought CAD 3 512 Sold GBP 2 067 @ 1.6991	28-Feb-2019	(90)
Bought CAD 173 Sold GBP 100 @ 1.7310	28-Feb-2019	(1)
Bought CAD 10 255 Sold GBP 6 051 @ 1.6948	01-Mar-2019	(289)
Bought CAD 267 Sold DKK 1 304 @ 0.2046	05-Mar-2019	(8)
Bought CAD 7 838 Sold GBP 4 560 @ 1.7190	06-Mar-2019	(109)
Bought CAD 4 898 Sold EUR 3 200 @ 1.5308	06-Mar-2019	(126)
Bought CAD 693 Sold EUR 456 @ 1.5205	06-Mar-2019	(23)
Bought CAD 685 Sold USD 516 @ 1.3271	07-Mar-2019	(19)
Bought AUD 3 600 Sold CAD 3 495 @ 1.0299	11-Mar-2019	(35)
Bought CAD 965 Sold USD 727 @ 1.3276	11-Mar-2019	(26)
Bought CAD 1 194 Sold JPY 100 000 @ 0.0119	11-Mar-2019	(57)
Bought CAD 2 397 Sold AUD 2 500 @ 0.9588	11-Mar-2019	(6)
Bought CAD 6 799 Sold GBP 4 021 @ 1.6908	12-Mar-2019	(210)

SCHEDULE A (cont.)

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Loss
Bought CAD 5 365 Sold JPY 440 000 @ 0.0122	12-Mar-2019	\$ (137)
Bought CAD 133 Sold USD 100 @ 1.3348	14-Mar-2019	(3)
Bought CAD 5 964 Sold DKK 29 058 @ 0.2052	15-Mar-2019	(153)
Bought CAD 779 Sold GBP 460 @ 1.6941	18-Mar-2019	(23)
Bought CAD 140 Sold GBP 81 @ 1.7285	18-Mar-2019	(1)
Bought CAD 4 591 Sold AUD 4 791 @ 0.9583	21-Mar-2019	(12)
Bought CAD 194 Sold USD 144 @ 1.3441	25-Mar-2019	(3)
		\$ (12 389)
TOTAL FOREIGN EXCHANGE		\$ 1 027

All counterparties have a credit rating of at least A.

* Short-term investments, which may be made up of treasury bills, commercial paper, term deposits and discount notes, earn interest at a rate of 1.72% and mature on April 4, 2019.



Statements of Financial Position

(in \$000s except per unit amounts)

(see note 2 in the generic notes)	December 31 2018	December 31 2017
ASSETS		
Investments at fair value	\$ 926 954	\$ 1 119 598
Cash	1 252	607
Due from investment dealers	6 385	–
Subscriptions receivable	1 160	1 937
Unrealized gain on foreign exchange contracts	13 416	1 897
Dividends receivable, interest accrued and other assets	676	1 054
TOTAL ASSETS	949 843	1 125 093
LIABILITIES		
Due to investment dealers	62	106
Redemptions payable	886	635
Unrealized loss on foreign exchange contracts	12 389	3 627
Distributions payable	3	1
Accounts payable and accrued expenses	336	388
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	13 676	4 757
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")	\$ 936 167	\$ 1 120 336
Investments at cost	\$ 946 395	\$ 989 866
NAV		
SERIES A	\$ 112 180	\$ 139 463
ADVISOR SERIES	\$ 3 814	\$ 4 664
SERIES T5	\$ 392	\$ 113
SERIES D	\$ 61 232	\$ 71 534
SERIES F	\$ 51 645	\$ 41 074
SERIES FT5	\$ 297	\$ 114
SERIES O	\$ 706 607	\$ 863 374
NAV PER UNIT		
SERIES A	\$ 18.74	\$ 21.57
ADVISOR SERIES	\$ 18.61	\$ 21.41
SERIES T5	\$ 17.27	\$ 20.77
SERIES D	\$ 19.30	\$ 22.22
SERIES F	\$ 20.94	\$ 24.10
SERIES FT5	\$ 19.71	\$ 23.42
SERIES O	\$ 19.93	\$ 22.96

Statements of Comprehensive Income

(in \$000s except per unit amounts)

For the periods ended December 31 (see note 2 in the generic notes)	2018	2017
INCOME (see note 3 in the generic notes)		
Dividends	\$ 32 308	\$ 23 199
Interest for distribution purposes	194	143
Derivative income	7 138	(7 886)
Net realized gain (loss) on investments	(15 590)	14 176
Change in unrealized gain (loss) on investments	(146 416)	154 828
TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES	(122 366)	184 460
Other income (loss)	189	–
Securities lending revenue (see note 7 in the generic notes)	636	420
Net gain (loss) on foreign cash balances	161	109
TOTAL OTHER INCOME (LOSS)	986	529
TOTAL INCOME (LOSS)	(121 380)	184 989
EXPENSES (see notes – Fund Specific Information)		
Management fees	3 520	3 287
Administration fees	641	568
Independent Review Committee costs	2	3
GST/HST	407	379
Transaction costs	1 845	1 747
Withholding tax	3 556	2 882
TOTAL EXPENSES	9 971	8 866
INCREASE (DECREASE) IN NAV	\$ (131 351)	\$ 176 123
INCREASE (DECREASE) IN NAV		
SERIES A	\$ (16 241)	\$ 22 316
ADVISOR SERIES	\$ (561)	\$ 681
SERIES T5	\$ (53)	\$ 5
SERIES D	\$ (8 316)	\$ 11 256
SERIES F	\$ (6 981)	\$ 4 878
SERIES FT5	\$ (51)	\$ 7
SERIES O	\$ (99 148)	\$ 136 980
INCREASE (DECREASE) IN NAV PER UNIT		
SERIES A	\$ (2.60)	\$ 3.36
ADVISOR SERIES	\$ (2.54)	\$ 3.20
SERIES T5	\$ (2.88)	\$ 1.88
SERIES D	\$ (2.56)	\$ 3.62
SERIES F	\$ (3.01)	\$ 3.80
SERIES FT5	\$ (3.14)	\$ 3.97
SERIES O	\$ (2.48)	\$ 3.99



Statements of Cash Flow (in \$000s)

For the periods ended December 31
(see note 2 in the generic notes)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in NAV	\$ (131 351)	\$ 176 123
ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS		
Interest for distribution purposes	–	–
Non-cash distributions from underlying funds	–	–
Net realized loss (gain) on investments	17 736	(12 963)
Change in unrealized loss (gain) on investments	146 416	(154 828)
(Increase) decrease in accrued receivables	378	(91)
Increase (decrease) in accrued payables	(52)	66
(Increase) decrease in margin accounts	–	–
Cost of investments purchased	(1 030 842)	(878 497)
Proceeds from sale and maturity of investments	1 050 148	713 071
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	52 433	(157 119)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	286 334	313 832
Cash paid on redemption of redeemable units	(323 741)	(146 253)
Distributions paid to holders of redeemable units	(14 381)	(10 089)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	\$ (51 788)	\$ 157 490
Net increase (decrease) in cash for the period	645	371
Cash (bank overdraft), beginning of period	607	236
CASH (BANK OVERDRAFT), END OF PERIOD	\$ 1 252	\$ 607
Interest received (paid)	\$ 193	\$ 142
Dividends received, net of withholding taxes	\$ 29 321	\$ 20 228



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

For the periods ended December 31 (see note 2 in the generic notes)	Series A		Advisor Series		Series T5		Series D	
	2018	2017	2018	2017	2018	2017	2018	2017
NAV AT BEGINNING OF PERIOD	\$ 139 463	\$ 126 418	\$ 4 664	\$ 3 948	\$ 113	\$ –	\$ 71 534	\$ 56 801
INCREASE (DECREASE) IN NAV	(16 241)	22 316	(561)	681	(53)	5	(8 316)	11 256
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from redeemable units issued	18 169	18 435	935	1 479	349	109	9 363	11 015
Reinvestments of distributions to holders of redeemable units	911	–	27	–	7	2	938	377
Redemption of redeemable units	(29 189)	(27 706)	(1 219)	(1 444)	(3)	–	(11 236)	(7 499)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	(10 109)	(9 271)	(257)	35	353	111	(935)	3 893
Distributions from net income	(933)	–	(32)	–	(2)	–	(1 051)	(416)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	(19)	(3)	–	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	(933)	–	(32)	–	(21)	(3)	(1 051)	(416)
NET INCREASE (DECREASE) IN NAV	(27 283)	13 045	(850)	716	279	113	(10 302)	14 733
NAV AT END OF PERIOD	\$ 112 180	\$ 139 463	\$ 3 814	\$ 4 664	\$ 392	\$ 113	\$ 61 232	\$ 71 534

For the periods ended December 31 (see note 2 in the generic notes)	Series F		Series FT5		Series O		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
NAV AT BEGINNING OF PERIOD	\$ 41 074	\$ 20 944	\$ 114	\$ –	\$ 863 374	\$ 578 709	\$ 1 120 336	\$ 786 820
INCREASE (DECREASE) IN NAV	(6 981)	4 878	(51)	7	(99 148)	136 980	(131 351)	176 123
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from redeemable units issued	30 728	20 847	368	108	238 882	273 022	298 794	325 015
Reinvestments of distributions to holders of redeemable units	586	189	–	–	8 137	5 758	10 606	6 326
Redemption of redeemable units	(12 719)	(5 431)	(114)	–	(282 749)	(115 452)	(337 229)	(157 532)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	18 595	15 605	254	108	(35 730)	163 328	(27 829)	173 809
Distributions from net income	(1 043)	(353)	(6)	–	(21 889)	(15 643)	(24 956)	(16 412)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	(14)	(1)	–	–	(33)	(4)
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	(1 043)	(353)	(20)	(1)	(21 889)	(15 643)	(24 989)	(16 416)
NET INCREASE (DECREASE) IN NAV	10 571	20 130	183	114	(156 767)	284 665	(184 169)	333 516
NAV AT END OF PERIOD	\$ 51 645	\$ 41 074	\$ 297	\$ 114	\$ 706 607	\$ 863 374	\$ 936 167	\$ 1 120 336



December 31, 2018

General information (see note 1 in the generic notes)

The investment objective of the Fund is to provide long-term capital growth by investing in stocks of companies outside North America, providing exposure to economies that may be at different stages of the business cycle or offer growth opportunities unavailable in U.S. and Canadian markets. The Fund focuses on companies that are primarily in Europe, Australasia and the Far East.

Series T5 and Series FT5 units were started February 15, 2017.

Financial instrument risk and capital management (see note 5 in the generic notes)

Concentration risk (%)

The table below summarizes the Fund's investment exposure (after consideration of derivative products, if any) as at:

	December 31 2018	December 31 2017
Investment mix		
United Kingdom	29.2	24.7
Japan	19.7	17.2
Australia	8.1	6.4
Switzerland	7.6	4.8
Netherlands	5.7	6.9
Germany	5.5	9.1
Denmark	5.2	5.3
Sweden	3.2	3.8
France	3.1	2.8
Ireland	2.3	4.8
Taiwan	1.9	2.5
Finland	1.1	2.3
Other Countries	6.2	8.8
Cash/Other	1.2	0.6
Total	100.0	100.0

Currency risk (% of NAV)

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk as at:

Currency	December 31 2018	December 31 2017
Euro	27.8	29.0
Japanese yen	24.5	23.9
Pound sterling	17.1	17.7
Swiss franc	8.7	8.0
Australian dollar	7.0	7.0
United States dollar	4.2	3.8
Hong Kong dollar	3.6	3.4
Swedish krona	2.9	2.7
Danish krone	1.7	2.0

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

Currency	December 31 2018	December 31 2017
Singapore dollar	1.4	1.2
Norwegian krone	0.8	0.6
Other currencies	0.3	0.4
Total	100.0	99.7

As at December 31, 2018, if the Canadian dollar had strengthened or weakened by 5% in relation to the above currencies, with all other factors kept constant, the Fund's NAV may have decreased or increased, respectively, by approximately 5.0% (December 31, 2017 – 5.0%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Other price risk (% impact on NAV)

The table below shows the impact of a 1% change in the broad-based index (noted below) on the Fund's NAV, using a 36-month historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	December 31 2018	December 31 2017
MSCI EAFE Total Return Net Index (CAD)	+ or - 1.0	+ or - 1.0

Since historical correlation may not be representative of future correlation, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of December 31, 2018 and 2017.

December 31, 2018	Level 1	Level 2	Level 3	Total
Equities	8 093	916 624	–	924 717
Underlying funds	–	–	–	–
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	2 237	–	2 237
Derivatives – assets	–	13 416	–	13 416
Derivatives – liabilities	–	(12 389)	–	(12 389)
Total financial instruments	8 093	919 888	–	927 981
% of total portfolio	0.9	99.1	–	100.0

December 31, 2017	Level 1	Level 2	Level 3	Total
Equities	17 291	1 096 868	–	1 114 159
Underlying funds	–	–	–	–
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	5 439	–	5 439
Derivatives – assets	–	1 897	–	1 897
Derivatives – liabilities	–	(3 627)	–	(3 627)
Total financial instruments	17 291	1 100 577	–	1 117 868
% of total portfolio	1.5	98.5	–	100.0



December 31, 2018

For the periods ended December 31, 2018 and 2017, there were no transfers of financial instruments between Level 1, Level 2 and Level 3.

**Management fees and administration fees
(see note 8 in the generic notes)**

Management fees and 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 NAV of each series of the Fund.

	Management fees	Administration fees
Series A	1.75%	0.20%
Advisor Series	1.75%	0.15%
Series T5	1.75%	0.15%
Series D	1.00%	0.15%
Series F	0.75%	0.15%
Series FT5	0.75%	0.15%
Series O	n/a*	0.02%

* Series O unitholders pay a negotiated management fee directly to RBC GAM for investment-counselling services.

**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:

	December 31 2018	December 31 2017
Units held		
Series T5	59	56
Series FT5	52	50
Value of all units	2	2

Taxes (\$000s) (see note 6 in the generic notes)

The non-capital and capital losses as at December 31, 2018 for the Fund were approximately:

Capital losses	12 347
Non-capital losses	–

Redeemable units (000s)

There is no limitation on the number of units available for issue. Units are purchased and redeemed at the NAV per unit.

For the periods ended December 31
(see note 2 in the generic notes)

	2018	2017
Series A		
Opening units	6 465	6 942
Issued number of units	850	909
Reinvested number of units	49	–
Redeemed number of units	(1 377)	(1 386)
Ending number of units	5 987	6 465
Advisor Series		
Opening units	218	218
Issued number of units	44	74
Reinvested number of units	1	–
Redeemed number of units	(58)	(74)
Ending number of units	205	218
Series T5		
Opening units	5	–
Issued number of units	18	5
Reinvested number of units	–	–
Redeemed number of units	–	–
Ending number of units	23	5
Series D		
Opening units	3 220	3 037
Issued number of units	426	529
Reinvested number of units	49	17
Redeemed number of units	(522)	(363)
Ending number of units	3 173	3 220
Series F		
Opening units	1 704	1 032
Issued number of units	1 285	909
Reinvested number of units	28	8
Redeemed number of units	(551)	(245)
Ending number of units	2 466	1 704
Series FT5		
Opening units	5	–
Issued number of units	15	5
Reinvested number of units	–	–
Redeemed number of units	(5)	–
Ending number of units	15	5
Series O		
Opening units	37 608	29 950
Issued number of units	10 547	12 756
Reinvested number of units	415	249
Redeemed number of units	(13 111)	(5 347)
Ending number of units	35 459	37 608



December 31, 2018

Transaction costs (\$000s except %)

Transaction costs, including brokerage commissions, in consideration of portfolio transactions for the periods ended:

	December 31 2018		December 31 2017	
	\$	%	\$	%
Total transaction costs	1 845	100	1 747	100
Related-party brokerage commissions*	38	2	74	4
Commission arrangements†	493	27	617	35

* See note 8 in the generic notes.

† Commission arrangements are part of commission amounts paid to dealers. The Fund uses commission arrangements (formerly known as "soft dollars") for research and/or order execution goods and services.

Securities lending revenue (\$000s except %) (see note 7 in the generic notes)

Fair value of securities on loan and collateral received as at:

	December 31 2018		December 31 2017	
	\$	%	\$	%
Fair value of securities loaned	61 718		108 275	
Fair value of collateral received	62 953		110 440	

The table below provides a reconciliation of the gross revenue generated from the securities lending transactions of the Fund to the securities lending revenue disclosed in the Statements of Comprehensive Income.

	December 31 2018		December 31 2017	
	\$	%	\$	%
Gross revenue	850	100	575	100
RBC IS (paid)	(211)	(25)	(153)	(27)
Tax withheld	(3)	–	(2)	–
Fund revenue	636	75	420	73

Investments by other related investment funds (%) (see note 8 in the generic notes)

The table below summarizes, as a percentage, the NAV of the Fund owned by other related investment funds as at:

	December 31 2018	December 31 2017
RBC International Equity Class	0.6	0.5
RBC International Equity Currency		
Neutral Fund	4.7	5.5
RBC Total Return Growth Fund	–	–
Total	5.3	6.0

Offsetting financial assets and liabilities (\$000s) (see note 3 in the generic notes)

The following is a summary of the amounts for which the Fund has a legal right to offset in the event of default, insolvency or bankruptcy. "Net amount" represents the impact to the Fund if all set-off rights were to be exercised.

December 31, 2018	Assets	Liabilities
Gross amounts – assets (liabilities)	13 416	(12 389)
Amounts set-off in the Statements of Financial Position	–	–
Net amounts presented in the Statements of Financial Position	13 416	(12 389)
Related amounts not set-off	(9 083)	9 083
Collateral (received) pledged	(368)	2 059
Net amount	3 965	(1 247)

December 31, 2017	Assets	Liabilities
Gross amounts – assets (liabilities)	1 897	(3 627)
Amounts set-off in the Statements of Financial Position	–	–
Net amounts presented in the Statements of Financial Position	1 897	(3 627)
Related amounts not set-off	(1 564)	1 564
Collateral (received) pledged	–	–
Net amount	333	(2 063)

December 31, 2018

1. The Funds

The Funds (“Fund” or “Funds”) are open-ended mutual fund trusts governed by the laws of the Province of Ontario or British Columbia. RBC GAM is the manager and portfolio manager of the Funds and its head office is located at 155 Wellington Street West, 22nd Floor, Toronto, Ontario. RBC GAM is also the trustee of those Funds governed by the laws of the Province of Ontario. These financial statements were approved for issuance by the Board of Directors of RBC GAM on March 11, 2019.

The Funds may issue an unlimited number of units in some or all of Series A, Advisor Series, Advisor T5 Series, Series T5, Series T8, Series H, Series D, Series DZ, Series F, Series FT5, Series FT8, Series I, Series N and Series O.

Series A units have no sales charges and are available to all investors through authorized dealers.

Advisor Series units and Advisor T5 Series units are available to all investors through authorized dealers with an initial sales charge or low-load sales charge option. For certain of the Funds, Advisor Series units and Advisor T5 Series units are available with a deferred sales charge option. Under the initial sales charge option, investors pay a sales charge ranging from 0% to 5% of the amount invested. Under the deferred sales charge or low-load sales charge option, sales charges may be applicable, as described in the Simplified Prospectus.

Series T5 units and Series T8 units have no sales charges and are available to all investors through authorized dealers.

Series H units have no sales charges, have lower fees than Series A units and are only available to investors who invest and maintain the required minimum balance through authorized dealers.

Series D units and Series DZ units have no sales charges and have lower fees than Series A units. Series D units and Series DZ units may be available to investors who have accounts with RBC Direct Investing Inc., Phillips, Hager & North Investment Funds Ltd. (“PH&N IF”) or certain other authorized dealers (primarily discount brokers).

Series F units, Series FT5 units and Series FT8 units have no sales charges and have lower fees than Series A units. Series F units, Series FT5 units and Series FT8 units are only available to investors who have fee-based accounts with their dealer.

Series I units have no sales charges, have lower fees than Series F units, Series FT5 units and Series FT8 units and are only available to investors who invest and maintain the required minimum balance and who have accounts with dealers who have signed a fee-based agreement with RBC GAM.

Series N units are only available to related mutual funds.

Series O units are only available to large private or institutional investors or dealers. No management fees are payable by the Funds in respect to Series O units. Unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

2. Financial year

The information provided in these financial statements and notes thereto is as at December 31, 2018 and December 31, 2017, as applicable, and for the 12-month periods ended December 31, 2018 and December 31, 2017, as applicable, except for Funds or series established during either period, in which case the information for the Fund, or series, is provided for the period from the start date as described in the Notes to Financial Statements – Fund Specific Information of the Fund.

3. Summary of significant accounting policies

These financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”). The significant accounting policies of the Funds, which are investment entities, are as follows:

Adoption of New Accounting Standards Effective January 1, 2018, the Funds adopted IFRS 9 Financial Instruments. The new standard requires financial assets to be classified as amortized cost and fair value, with changes in fair value through profit and loss (“FVTPL”) or fair value through other comprehensive income (“FVOCI”) based on the entity’s business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Assessment and decision on the business model approach used is an accounting judgment. IFRS 9 also introduces a new expected credit loss impairment model.

The adoption of IFRS 9 has been applied retrospectively without the use of hindsight and did not result in a change to the measurement of financial instruments, in either the current or comparative period. The Funds’ financial assets previously designated at FVTPL under IAS 39 Financial Instruments are now mandatorily classified and measured at

December 31, 2018

FVTPL. The Funds' financial assets and liabilities previously classified as FVTPL under the held for trading category continue to be classified as held for trading and measured at FVTPL. Other financial assets and liabilities will continue to be measured at amortized cost. There was no material impact on the adoption of the new impairment model.

In addition, certain comparative figures in the Statements of Comprehensive Income have been revised to meet the disclosure requirements on initial application of IFRS 9. Amounts previously recorded as "Net gain (loss) on foreign currencies and other net assets," "Other derivatives" and "Net gain (loss) from futures contracts" are now recorded as "Derivative income." And certain amounts previously recorded as "Other income (loss)" are now recorded as "Income from investment trusts."

Classification and Measurement of Financial Assets, Liabilities and Derivatives Each of the Funds classify their investment portfolio based on the business model for managing the portfolio and the contractual cash flow characteristics. The investment portfolio of financial assets and liabilities is managed and performance is evaluated on a fair value basis. The contractual cash flows of the Funds' debt securities that are solely principal and interest are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Funds' business model objectives. Consequently, all investments are measured at FVTPL. Derivative assets and liabilities are also measured at FVTPL.

The Funds' obligation for net assets attributable to holders of redeemable units represents a financial liability and is measured at the redemption amount, which approximates fair value as of the reporting date. All other financial assets and liabilities are measured at amortized cost.

Offsetting Financial Assets and Liabilities In the normal course of business, the Funds may enter into various International Swaps and Derivatives Association master netting agreements or other similar arrangements with certain counterparties that allow for related amounts to be offset in certain circumstances, such as bankruptcy or termination of contracts. Offsetting information, where applicable, is presented in the Notes to Financial Statements – Fund Specific Information.

Classification of Redeemable Units The Funds have multiple features across the different series of the Funds. Consequently, the Funds' outstanding redeemable units are classified as financial liabilities in accordance with the requirements of IAS 32 Financial Instruments: Presentation.

Unconsolidated Structured Entities The Funds may invest in other Funds and exchange-traded funds ("ETFs") managed by the manager or an affiliate of the manager ("sponsored funds") and may invest in other funds and ETFs managed by unaffiliated entities ("unsponsored funds"); collectively, "underlying funds." The underlying funds are determined to be unconsolidated structured entities, as decision making in the underlying fund is not governed by the voting rights or other similar rights held by the Fund. The investments in underlying funds are subject to the terms and conditions of the offering documents of the respective underlying funds and are susceptible to market price risk arising from uncertainties about future values of those underlying funds. The underlying funds' objectives are generally to achieve long-term capital appreciation and/or current income by investing in a portfolio of securities and other funds in line with each of their documented investment strategies. The underlying funds apply various investment strategies to accomplish their respective investment objectives.

The underlying funds finance their operations by issuing redeemable units which are puttable at the unitholder's option, and entitle the unitholder to a proportional stake in the respective underlying funds' NAV.

The Funds do not consolidate their investment in underlying funds but account for these investments at fair value. The manager has determined that the Funds are investment entities in accordance with IFRS 10 Consolidated Financial Statements, since the Funds meet the following criteria:

- (i) The Funds obtain capital from one or more investors for the purpose of providing those investors with investment management services,
- (ii) The Funds commit to their investors that their business purpose is to invest funds solely for the returns from capital appreciation, investment income or both, and
- (iii) The Funds measure and evaluate the performance of substantially all of their investments on a fair value basis.

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Therefore, the fair value of investments in the underlying funds is included in the Schedule of Investment Portfolio and included in “Investments at fair value” in the Funds’ Statements of Financial Position. The change in fair value of the investment held in the underlying funds is included in “Change in unrealized gain (loss) on investments” in the Statements of Comprehensive Income.

Certain Funds may invest in mortgage-related or other asset-backed securities. These securities include commercial mortgage-backed securities, asset-backed securities, collateralized debt obligations and other securities that directly or indirectly represent a participation in, or are securitized by and payable from, mortgage loans on real property. Mortgage-related securities are created from pools of residential or commercial mortgage loans while asset-backed securities are created from many types of assets, including auto loans, credit card receivables, home equity loans and student loans. The Funds account for these investments at fair value. The fair value of such securities, as disclosed in the Schedule of Investment Portfolio, represents the maximum exposure to losses at that date.

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), including broker quotes, vendor prices and vendor fair value factors; 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 and derivatives are recorded at fair value, which is determined as follows:

Equities – Common shares and preferred shares are valued at the closing price recorded by the security exchange on which the security is principally traded. In circumstances where the closing price is not within the bid-ask spread, management will determine the points within the bid-ask spread that are most representative of the fair value.

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

NHA-approved mortgages are valued at an amount, which produces a yield equivalent to the prevailing rate of return on mortgages of similar type and term.

Short-Term Investments – Short-term investments are valued at fair value, which is approximated at cost plus accrued interest.

Options – Options give the purchaser the right, but not the obligation, to buy (call) or sell (put) an underlying security or financial instrument at an agreed exercise or strike price during the specified period or on a specified date.

Listed options are valued at the closing price on the recognized exchange on which the option is traded. In circumstances where the closing price is not within the bid-ask spread, management will determine the points within the bid-ask spread that are most representative of the fair value.

Options purchased and options written (sold) are recorded as investments in the Statements of Financial Position. These investments are reported at fair value in the Statements of Financial Position, and unrealized gain or loss at the close of business on each valuation date is recorded in “Change in unrealized gain (loss) on investments” in the Statements of Comprehensive Income.

When an option is exercised and the underlying securities are acquired or delivered, the acquisition cost or sale proceeds are adjusted by the amount of the premium. When an option is closed the Fund will realize a gain or loss equal to the difference between the premium and the cost to close the position. When an option expires, gains or losses are realized equivalent to the amount of premiums received or paid, respectively. The net realized gains (losses) on written and purchased options are included in the Statements of Comprehensive Income in “Net realized gain (loss) on investments.”

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Warrants – Warrants are valued using a recognized option pricing model, which includes factors such as the terms of the warrant, time value of money and volatility inputs that are significant to such valuation.

Forward Contracts – Forward contracts are valued at the gain or loss that would arise as a result of closing the position at the valuation date. The receivable/payable on forward contracts is recorded separately in the Statements of Financial Position. Any unrealized gain or loss at the close of business on each valuation date is recorded as “Change in unrealized gain (loss) on investments” and realized gain or loss on foreign exchange contracts is included in “Derivative income” in the Statements of Comprehensive Income.

Total Return Swaps – A total return swap is an agreement by which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains. Total return swap contracts are marked to market daily based upon quotations from the market makers and the change in value, if any, is recorded in “Change in unrealized gain (loss) on investments” in the Statements of Comprehensive Income. When the swap contract is terminated early, the Fund records a realized gain or loss equal to the difference between the current net present value and the executed net present value in “Derivative income” in the Statements of Comprehensive Income. Unrealized gains and losses are recorded as “Receivable on open swap contracts” or “Payable on open swap contracts” in the Statements of Financial Position, as applicable. The risks of total return swap contracts include changes in market conditions and the possible inability of the counterparty to fulfill its obligations under the agreement.

Futures Contracts – Futures contracts entered into by the Funds are financial agreements to purchase or sell a financial instrument at a contracted price on a specified future date. However, the Funds do not intend to purchase or sell the financial instrument on the settlement date; rather, they intend to close out each futures contract before settlement by entering into equal, but offsetting, futures contracts. Futures contracts are valued at the gain or loss that would arise as a result of closing the position at the valuation date. Any gain or loss at the close of business on each valuation date is recorded as “Derivative income” in the Statements of Comprehensive Income. The receivable/payable on futures contracts is recorded separately in the Statements of Financial Position.

Credit Default Swap Contracts – Credit default swaps are agreements between a protection buyer and protection seller. The protection buyer pays a periodic fee in exchange for a payment by the protection seller contingent on the occurrence of a credit event, such as a default, bankruptcy or restructuring, with respect to a referenced entity. Periodic fees paid or received are recorded as “Interest for distribution purposes” in the Statements of Comprehensive Income. When the contract is terminated or expires, the payments received or paid are recorded as “Derivative income” in the Statements of Comprehensive Income. Credit default swap contracts are valued based on quotations from independent sources.

Underlying Funds – Underlying funds that are mutual funds are valued at their respective NAV per unit from fund companies on the relevant valuation dates and underlying funds that are exchange-traded funds are valued at market close on the relevant valuation dates.

Fair Valuation of Investments – The Funds have procedures to determine the fair value of securities and other financial instruments for which market prices are not readily available or which may not be reliably priced. Procedures are in place to determine the fair value of foreign securities traded in countries outside of North America daily to avoid stale prices and to take into account, among other things, any significant events occurring after the close of a foreign market.

Management also has procedures where the Funds primarily employ a market-based approach, which may use related or comparable assets or liabilities, NAV per unit (for exchange-traded funds), recent transactions, market multiples, book values and other relevant information for the investment to determine its fair value. The Funds may also use an income-based valuation approach in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments, but only if they arise as a feature of the instrument itself. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

All security valuation techniques are periodically reviewed by the Valuation Committee (“VC”) of the manager and are approved by the manager. The VC provides oversight of the Funds’ valuation policies and procedures.

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Cash Cash is comprised of cash and deposits with banks and is recorded at amortized cost. The carrying amount of cash approximates its fair value because it is short term in nature.

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 Phillips, Hager & North \$U.S. Money Market Fund, RBC \$U.S. Money Market Fund, RBC Premium \$U.S. Money Market Fund, RBC \$U.S. Short-Term Corporate Bond Fund, RBC \$U.S. Investment Grade Corporate Bond Fund, RBC \$U.S. High Yield Bond Fund, RBC \$U.S. Strategic Income Bond Fund, BlueBay Emerging Markets Bond Fund (Canada), BlueBay Emerging Markets Local Currency Bond Fund (Canada), BlueBay Emerging Markets Corporate Bond Fund, BlueBay \$U.S. Global Convertible Bond Fund (Canada) and RBC U.S. Monthly Income Fund) at the rate of exchange on each valuation date. Gains/losses on foreign cash balances are included in “Net gain (loss) on foreign cash balances” in the Statements of Comprehensive Income. Purchases and sales of investments, income and expenses are translated at the rate of exchange prevailing on the respective dates of such transactions. Realized foreign exchange gains/losses on spot and forward currency contracts are included in “Derivative income” in the Statements of Comprehensive Income.

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. Phillips, Hager & North \$U.S. Money Market Fund, RBC \$U.S. Money Market Fund, RBC Premium \$U.S. Money Market Fund, RBC \$U.S. Short-Term Corporate Bond Fund, RBC \$U.S. Investment Grade Corporate Bond Fund, RBC \$U.S. High Yield Bond Fund, RBC \$U.S. Strategic Income Bond Fund, BlueBay Emerging Markets Bond Fund (Canada), BlueBay Emerging Markets Local Currency Bond Fund (Canada), BlueBay Emerging Markets Corporate Bond Fund, BlueBay \$U.S. Global Convertible Bond Fund (Canada) and RBC U.S. Monthly Income Fund have their subscriptions, redemptions and performance denominated in U.S. dollars and, consequently, the U.S. dollar is the functional currency for these Funds.

Valuation of Series A different NAV is calculated for each series of units of a Fund. The NAV 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 NAV 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 unrealized gain and loss on investments is the difference between fair value and average cost for the period. 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 Dividend income is recognized on the ex-dividend date and interest for distribution purposes is coupon interest recognized on an accrual basis and/or imputed interest on zero coupon bonds. “Income from investment trusts” includes income from underlying funds and other trusts. Any premiums paid or discounts received on the purchase of zero coupon bonds are amortized. Interest payments made by the Funds to counterparties on the payable leg of derivative contracts are recorded as “Interest expense” in the Statements of Comprehensive Income.

Increase (Decrease) in NAV per Unit Increase (decrease) in NAV per 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.

Foreign Currencies The following is a list of abbreviations used in the Schedule of Investment Portfolio:

ARS – Argentinian peso	KZT – Kazakhstan tenge
AUD – Australian dollar	MXN – Mexican peso
BRL – Brazilian real	MYR – Malaysian ringgit
CAD – Canadian dollar	NOK – Norwegian krone
CHF – Swiss franc	NZD – New Zealand dollar
CLP – Chilean peso	PEN – Peruvian nuevo sol
CNY – Chinese renminbi	PHP – Philippine peso
COP – Colombian peso	PLN – Polish zloty
CZK – Czech koruna	RON – Romanian leu
DKK – Danish krone	RUB – Russian ruble
EUR – Euro	SEK – Swedish krona
GBP – Pound sterling	SGD – Singapore dollar
HKD – Hong Kong dollar	THB – Thailand baht
HUF – Hungarian forint	TRY – Turkish new lira
IDR – Indonesian rupiah	TWD – New Taiwan dollar
ILS – Israeli new shekel	USD – United States dollar
INR – Indian rupee	UYU – Uruguay peso
JPY – Japanese yen	ZAR – South African rand
KRW – South Korean won	

4. Critical accounting judgments and estimates

The preparation of financial statements requires the use of judgment in applying the Funds' accounting policies and making estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that management has made in preparing the financial statements.

Fair value measurement of securities not quoted in an active market

The Funds have established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

The Funds may hold financial instruments that are not quoted in active markets. Note 3 discusses the policies used by management for the estimates used in determining fair value.

5. Financial instrument risk and capital management

RBC GAM is responsible for managing each Fund's capital, which is its NAV 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 managers, 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.

Financial instrument risk, as applicable to a Fund, is disclosed in its Notes to Financial Statements – Fund Specific Information. These risks include a Fund's direct risks and pro rata exposure to the risks of underlying funds, as applicable.

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 NAV for the purpose of funding redemptions. All non-derivative financial liabilities, other than redeemable units, are due within 90 days.

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 Funds measure credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. All other receivables, amounts due from brokers, cash and short-term deposits are held with counterparties with a credit rating of AA/Aa or higher. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Funds. The fair value of fixed-income and debt securities includes a consideration of the

creditworthiness of the debt issuer. Credit risk exposure to over-the-counter derivative instruments is based on a Fund's unrealized gain on the contractual obligations with the counterparty. Credit risk exposure is mitigated for those Funds participating in a securities lending program (see note 7). RBC GAM monitors each Fund's credit exposure and counterparty ratings daily.

Concentration risk

Concentration risk arises as a result of net financial instrument exposures to the same category, such as geographical region, asset type, industry sector or market segment. Financial instruments in the same category have similar characteristics and may be affected similarly by changes in economic or other conditions.

Interest rate risk

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

Currency risk

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of a Fund, will fluctuate due to changes in foreign exchange rates. The value of investments denominated in a currency other than the functional currency is affected by changes in the value of the functional currency in relation to the value of the currency in which the investment is denominated. When the value of the functional currency falls in relation to foreign currencies, then the value of the foreign investments rises. When the value of the functional currency rises, the value of the foreign investments falls.

Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment.

6. Taxes

The Funds qualify as open-ended mutual fund trusts or 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. Since the Funds do not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statements of Financial Position as a deferred income tax asset. 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.

7. Securities lending revenue

Certain of the Funds lend portfolio securities from time to time in order to earn additional income. Income from securities lending is included in the Statements of Comprehensive Income of a Fund. Each such Fund will have entered into a securities lending program with its custodian, RBC Investor Services Trust ("RBC IS"). The aggregate market value of all securities loaned by a Fund cannot exceed 50% of the assets of a Fund. The Fund receives collateral, with an approved credit rating of at least A, of at least 102% of the value of securities on loan. The Fund is indemnified by RBC IS for any collateral credit or market loss. As such, the credit risk associated with securities lending is considered minimal.

8. Administrative and other related-party transactions**Manager and Portfolio Manager**

RBC GAM is an indirect wholly owned subsidiary of Royal Bank of Canada ("Royal Bank"). RBC GAM is the manager and portfolio manager of the Funds. RBC GAM is responsible for the Funds' day-to-day operations, provides investment advice and portfolio management services to the Funds and appoints distributors for the Funds. RBC GAM is paid a management fee by the Funds as compensation for its services. The management fee is calculated and accrued daily as a percentage of the NAV of each series of units of the Funds. No management fees are paid by the Funds with respect to Series O units. Unitholders of Series O units pay a negotiated fee directly to RBC GAM for investment-counselling services.

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The Funds pay a fixed administration fee to RBC GAM. The fixed administration fee is calculated and accrued daily as a percentage of the NAV of each series of units of the Funds. 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 interim 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 Independent Review Committee 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 proportionately to each series based upon the relative NAV of each series. 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 ("underlying mutual funds"). A Fund will not invest in units of an underlying mutual fund if the Fund would be required to pay any management or incentive fees in respect of that investment that a reasonable person would believe duplicates a fee payable by the underlying mutual fund for the same service. To the extent a Fund invests in underlying funds managed by RBC GAM or its affiliates, the fees and expenses payable by the underlying funds are in addition to the fees and expenses payable by the Fund. However, a Fund may only invest in one or more underlying funds provided that no management fees or incentive fees are payable that would duplicate a fee payable by the underlying fund for the same service. The Fund's ownership interest in underlying mutual funds is disclosed in the Notes to Financial Statements – Fund Specific Information.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the Funds, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange

spread when unitholders switch between series of funds denominated in different currencies. The Funds also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the Funds in the course of their normal business, all of which are wholly owned subsidiaries of Royal Bank of Canada, are discussed below.

Sub-Advisors

RBC Global Asset Management (U.S.) Inc. is the sub-advisor for the RBC \$U.S. Investment Grade Corporate Bond Fund, RBC U.S. Mid-Cap Growth Equity Fund, RBC U.S. Mid-Cap Growth Equity Currency Neutral Fund, RBC U.S. Mid-Cap Value Equity Fund, RBC U.S. Small-Cap Core Equity Fund, RBC U.S. Small-Cap Value Equity Fund and Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund (for a portion of the Fund). RBC Global Asset Management (UK) Limited is the sub-advisor for the RBC Global Bond Fund (for a portion of the Fund), RBC Global Corporate Bond Fund (for a portion of the Fund), RBC U.S. Monthly Income Fund (for a portion of the Fund), RBC Balanced Fund (for the European equity portion of the Fund), RBC Global Balanced Fund (for the European equity portion of the Fund), RBC International Dividend Growth Fund, RBC International Equity Fund (for the European equity portion of the Fund), RBC European Dividend Fund, RBC European Equity Fund, RBC European Mid-Cap Equity Fund, RBC Emerging Markets Dividend Fund, RBC Emerging Markets Equity Fund, RBC Emerging Markets Small-Cap Equity Fund, RBC Global Dividend Growth Fund, RBC Global Dividend Growth Currency Neutral Fund, RBC Global Equity Fund, RBC Global Equity Focus Fund, RBC Vision Global Equity Fund, RBC Vision Fossil Fuel Free Global Equity Fund, Phillips, Hager & North Overseas Equity Fund and Phillips, Hager & North Global Equity Fund. RBC Investment Management (Asia) Limited is the sub-advisor for the RBC Balanced Fund (for the Asian equity portion of the Fund), RBC Global Balanced Fund (for the Asian equity portion of the Fund), RBC Vision Balanced Fund (for the Asian equity portion of the Fund), RBC International Dividend Growth Fund (for the Asian equity portion of the Fund), RBC International Equity Fund (for the Asian equity portion of the Fund), RBC Asian Equity Fund, RBC Asia Pacific Ex-Japan Equity Fund and RBC Japanese Equity Fund. BlueBay Asset Management LLP is the sub-advisor of the BlueBay Global Monthly Income Bond Fund, BlueBay Global

Sovereign Bond Fund (Canada), BlueBay Global Investment Grade Corporate Bond Fund (Canada), BlueBay European High Yield Bond Fund (Canada), BlueBay Emerging Markets Bond Fund (Canada), BlueBay Emerging Markets Local Currency Bond Fund (Canada), BlueBay Emerging Markets Corporate Bond Fund, BlueBay Global Convertible Bond Fund (Canada) and BlueBay \$U.S. Global Convertible Bond Fund (Canada).

The sub-advisors earn a fee which is calculated and accrued daily as a percentage of the NAV of each series of units of the Funds. The sub-advisors are paid by the manager from the management fee paid by the Funds.

Trustee

RBC GAM is the trustee for the Funds governed by the laws of the Province of Ontario. RBC IS is the trustee for the Funds governed by the laws of the Province of British Columbia. The trustee holds title to the Funds' property on behalf of the unitholders. The trustee earns a fee, which is paid by the manager from the fixed administration fee paid by the Funds.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and PH&N IF are principal distributors of, or may distribute certain series of units of, the Funds. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, Advisor T5 Series, Series T5, Series T8, Series H and Series D units.

Custodian

RBC IS is the custodian and holds the assets of the Funds. RBC IS earns a fee as the custodian, which is paid by the manager from the fixed administration fee paid by the Funds.

Registrars

RBC GAM, RBC IS or Royal Bank (or a combination thereof) are the registrars of the Funds and keep records of who owns the units of the Funds. The registrars also process orders and issue account statements. The registrars earn a fee, which is paid by the manager from the fixed administration fee paid by the Funds.

Brokers and Dealers

The Funds have established or may establish standard brokerage agreements and dealing agreements at market rates with related parties such as RBC Dominion Securities Inc., RBC Capital Markets, LLC, RBC Europe Limited, NBC Securities Inc. and Royal Bank of Canada.

Securities Lending Agent

To the extent a Fund may engage in securities lending transactions, RBC IS may act as the Fund's securities lending agent. Any revenue earned on such securities lending is split between the Fund and the securities lending agent.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Funds relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

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

Inter-Fund Trading

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

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