

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.



Damon G. Williams, FSA, FCIA, CFA
Chief Executive Officer
RBC Global Asset Management Inc.
August 9, 2018



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

Unaudited Interim Financial Statements

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



SCHEDULE OF INVESTMENT PORTFOLIO (unaudited) (in \$000s)
RBC CANADIAN DIVIDEND FUND

June 30, 2018

Holdings	Security	Cost	Fair Value	% of Net Assets
EQUITIES				
Consumer Discretionary				
40 000	Home Depot Inc.	\$ 9 249	\$ 10 262	
1 269 803	Magna International Inc., Class A	26 225	97 089	
187 500	Nike Inc.	14 523	19 648	
5 134 390	Quebecor Inc., Class B	69 361	138 218	
1 138 950	Recipe Unlimited Corp.	31 343	32 426	
1 991 800	Restaurant Brands International Inc.	129 017	157 950	
(5 000)	Restaurant Brands International Inc., Written Call @ 78.00 July 20, 2018	(888)	(1 025)	
7 041 561	Shaw Communications Inc., Class B	144 708	188 573	
		<u>423 538</u>	<u>643 141</u>	3.4
Consumer Staples				
3 586 231	Alimentation Couche-Tard Inc.	176 014	204 810	
5 166 099	Loblaw Companies Ltd.	271 827	349 228	
4 223 011	Maple Leaf Foods Inc.	62 591	140 373	
2 207 200	Saputo Group Inc.	93 045	96 344	
		<u>603 477</u>	<u>790 755</u>	4.2
Energy				
1 839 400	AltaGas Ltd., Subscription Receipts	56 481	49 941	
5 158 634	ARC Resources Ltd.	106 768	70 055	
11 560 182	Bonavista Energy Corp.	144 292	17 226	
11 477 270	Canadian Natural Resources Ltd.	412 688	544 596	
2 668 375	Cenovus Energy Inc.	72 631	36 423	
17 470 882	Enbridge Inc.	734 787	821 131	
2 001 225	Enbridge Income Fund Holdings Inc.	58 105	64 519	
8 948 070	Husky Energy Inc.	245 739	183 346	
6 250 476	Imperial Oil Ltd.	191 850	273 146	
3 183 093	Keyera Corp.	119 209	116 438	
1 754 657	Kinder Morgan Canada Ltd.	29 829	27 899	
5 134 464	Pembina Pipeline Corp.	191 915	233 772	
8 859 908	PrairieSky Royalty Ltd.	279 625	229 915	
2 478 140	ShawCor Ltd.	96 851	63 242	
10 056 780	Suncor Energy Inc.	339 675	538 038	
9 808 870	TransCanada Corp.	410 014	557 929	
		<u>3 490 459</u>	<u>3 827 616</u>	20.3
Financials				
6 649 652	Bank of Montreal	345 880	675 738	
15 495 084	Bank of Nova Scotia	802 174	1 153 454	
14 283 213	Brookfield Asset Management Inc., Class A	297 792	761 724	
298 759	Brookfield Asset Management Inc., Preferred Series 9, 5.630%	7 501	5 667	
4 148 770	Canadian Imperial Bank of Commerce	327 195	474 453	
353 670	Fairfax Financial Holdings Ltd.	197 805	260 535	

Holdings	Security	Cost	Fair Value	% of Net Assets
Financials (cont.)				
567 863	Industrial Alliance Insurance & Financial Services Inc.	\$ 30 721	\$ 28 819	
1 368 977	Intact Financial Corp.	73 395	127 657	
198 600	JPMorgan Chase & Co.	28 524	27 238	
22 050 271	Manulife Financial Corporation	412 507	520 827	
2 748 444	National Bank of Canada	117 851	173 482	
2 117 536	Onex Corporation	86 683	204 321	
8 552 644	Power Corporation of Canada	208 573	251 790	
14 512 748	Royal Bank of Canada*	786 503	1 436 617	
5 534 623	Sun Life Financial Inc.	192 760	292 394	
(5 000)	Sun Life Financial Inc., Written Call @ 56.00 July 20, 2018	(215)	(20)	
4 743 783	Thomson Corp.	162 883	251 658	
18 463 099	Toronto-Dominion Bank	651 292	1 404 857	
(5 000)	Toronto-Dominion Bank, Written Call @ 77.00 July 20, 2018	(180)	(110)	
		<u>4 729 644</u>	<u>8 051 101</u>	42.7
Health Care				
196 000	Abbott Laboratories	14 239	15 719	
33 000	Anthem Inc.	9 613	10 328	
200 000	Bristol-Myers Squibb Co.	14 921	14 556	
2 810 119	Chartwell Retirement Residences Real Estate Investment Trust	22 335	43 079	
78 000	Johnson & Johnson	13 880	12 444	
396 600	Medtronic Plc.	44 103	44 636	
		<u>119 091</u>	<u>140 762</u>	0.7
Industrials				
2 448 643	Brookfield Business Partners LP	72 176	123 387	
39 000	Boeing Co.	14 908	17 205	
8 705 920	Canadian National Railway Co.	258 409	936 148	
1 628 097	Canadian Pacific Railway Ltd.	132 018	392 241	
22 000	Northrop Grumman Corp.	8 969	8 901	
3 308 300	SNC-Lavalin Group Inc.	175 903	192 080	
58 000	United Technologies Corp.	9 465	9 535	
		<u>671 848</u>	<u>1 679 497</u>	8.9
Materials				
1 196 900	Agnico Eagle Mines Ltd.	68 152	72 137	
1 560 696	Barrick Gold Corp.	41 294	26 953	
745 100	CCL Industries, Class B	47 584	48 022	
3 392 411	Goldcorp Inc.	74 624	61 233	
3 987 235	Nutrien Ltd.	260 087	285 167	
3 012 400	Teck Resources Ltd., Class B	80 068	100 885	
		<u>571 809</u>	<u>594 397</u>	3.2
Real Estate				
2 227 620	Allied Properties Real Estate Investment Trust	73 746	93 226	
1 816 538	Brookfield Property Partners LP	32 380	45 359	
9 826 125	Choice Properties Real Estate Investment Trust	117 108	118 994	
5 044 538	First Capital Realty Inc.	84 315	104 220	
2 827 200	RioCan Real Estate Investment Trust	69 182	68 277	
		<u>376 731</u>	<u>430 076</u>	2.3

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



June 30, 2018

Holdings	Security	Cost	Fair Value	% of Net Assets
Telecommunication Services				
4 147 908	BCE Inc.	\$ 103 199	\$ 220 835	
4 491 984	Rogers Communications Inc., Class B	198 026	280 479	
7 094 464	TELUS Corp.	173 196	331 311	
		474 421	832 625	4.4
Utilities				
4 088 586	Atco Ltd., Class I, Non-Voting	93 685	165 915	
2 853 335	Brookfield Infrastructure Partners LP	120 807	143 922	
2 713 108	Brookfield Renewable Partners LP	76 682	107 059	
503 108	Brookfield Renewable Power Inc., Preferred Series 2, 1.729 %	12 398	11 229	
2 866 550	Canadian Utilities Ltd., Class A	92 324	95 169	
1 391 844	Emera Inc.	65 020	59 571	
5 138 409	Fortis Inc.	186 001	215 916	
2 100 000	Superior Plus Corp.	26 250	26 817	
13 046 670	TransAlta Corp.	108 568	86 108	
		781 735	911 706	4.8
TOTAL EQUITIES		12 242 753	17 901 676	94.9

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
BONDS						
CORPORATE						
39 000	Canaccord Genuity Group Inc., Convertible	6.500	31-Dec-2021	\$ 39 000	\$ 39 000	
49 155	Element Fleet Management Corp., Convertible	4.250	30-Jun-2020	48 665	46 574	
				87 665	85 574	0.4
TOTAL BONDS					829 033	4.4
SHORT-TERM INVESTMENTS[†]						
				13 159 451	18 816 283	99.7
TOTAL INVESTMENTS						
					707	–
UNREALIZED GAIN ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE A)						
					(2 500)	–
UNREALIZED LOSS ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE A)						
						–
TOTAL PORTFOLIO						
				\$13 159 451	18 814 490	99.7
OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS						
					52 296	0.3
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS						
					\$18 866 786	100.0



June 30, 2018

SCHEDULE A

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Gain
Bought USD 8 000 Sold CAD 10 363 @ 0.7719	27-Jul-2018	\$ 149
Bought USD 10 000 Sold CAD 12 784 @ 0.7823	16-Aug-2018	352
Bought CAD 14 267 Sold USD 10 725 @ 1.3302	26-Sep-2018	188
Bought CAD 1 974 Sold USD 1 490 @ 1.3248	27-Sep-2018	18
		\$ 707

Contracts	Maturity Date	Unrealized Loss
Bought CAD 1 285 Sold USD 1 000 @ 1.2848	12-Jul-2018	\$ (30)
Bought CAD 1 442 Sold USD 1 140 @ 1.2650	18-Jul-2018	(56)
Bought CAD 20 005 Sold USD 15 942 @ 1.2549	27-Jul-2018	(942)
Bought CAD 736 Sold USD 575 @ 1.2798	30-Jul-2018	(20)
Bought CAD 453 Sold USD 353 @ 1.2831	07-Aug-2018	(11)
Bought CAD 527 Sold USD 413 @ 1.2754	14-Aug-2018	(16)
Bought CAD 214 Sold USD 165 @ 1.2990	16-Aug-2018	(2)
Bought CAD 1 616 Sold USD 1 250 @ 1.2929	20-Aug-2018	(26)
Bought CAD 1 532 Sold USD 1 200 @ 1.2771	22-Aug-2018	(44)
Bought CAD 5 103 Sold USD 4 000 @ 1.2758	23-Aug-2018	(150)
Bought CAD 1 758 Sold USD 1 370 @ 1.2833	24-Aug-2018	(41)
Bought CAD 3 530 Sold USD 2 726 @ 1.2950	30-Aug-2018	(50)
Bought CAD 11 961 Sold USD 9 300 @ 1.2862	31-Aug-2018	(252)
Bought CAD 24 430 Sold USD 18 868 @ 1.2948	04-Sep-2018	(346)
Bought CAD 22 209 Sold USD 17 207 @ 1.2907	10-Sep-2018	(384)
Bought USD 1 000 Sold CAD 1 328 @ 0.7532	14-Sep-2018	(15)
Bought CAD 4 789 Sold USD 3 734 @ 1.2826	17-Sep-2018	(113)
Bought CAD 188 Sold USD 145 @ 1.2980	26-Sep-2018	(2)
		\$ (2 500)
TOTAL FOREIGN EXCHANGE		\$ (1 793)

All counterparties have a credit rating of at least A.

* Investment in related party (see note 8 in the generic notes).

† Short-term investments, which may be made up of treasury bills, commercial paper, term deposits and discount notes, earn interest at rates ranging from 1.18% to 1.56% and mature between July 3, 2018 and October 18, 2018.



Statements of Financial Position (unaudited)

(in \$000s except per unit amounts)

(see note 2 in the generic notes)	June 30 2018	December 31 2017
ASSETS		
Investments at fair value	\$ 18 816 283	\$ 18 761 917
Cash	19 121	16 137
Due from investment dealers	6 748	22 921
Subscriptions receivable	4 699	16 904
Unrealized gain on foreign exchange contracts	707	2 039
Dividends receivable, interest accrued and other assets	53 787	47 277
TOTAL ASSETS	18 901 345	18 867 195
LIABILITIES		
Due to investment dealers	–	9 444
Redemptions payable	11 565	8 629
Unrealized loss on foreign exchange contracts	2 500	2 330
Distributions payable	4 553	543
Accounts payable and accrued expenses	15 941	18 041
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	34 559	38 987
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")	\$ 18 866 786	\$ 18 828 208
Investments at cost	\$ 13 159 451	\$ 12 630 667
NAV		
SERIES A	\$ 9 916 937	\$ 10 700 074
ADVISOR SERIES	\$ 189 084	\$ 195 933
ADVISOR T5 SERIES	\$ 2 497	\$ 2 646
SERIES T5	\$ 15 246	\$ 14 650
SERIES T8	\$ 108 366	\$ 114 561
SERIES D	\$ 699 614	\$ 707 172
SERIES F	\$ 1 580 949	\$ 1 235 540
SERIES FT5	\$ 12 527	\$ 9 749
SERIES FT8	\$ 11 185	\$ 10 143
SERIES I	\$ 32 155	\$ 32 709
SERIES O	\$ 6 298 226	\$ 5 805 031
NAV PER UNIT		
SERIES A	\$ 72.36	\$ 72.96
ADVISOR SERIES	\$ 72.80	\$ 73.41
ADVISOR T5 SERIES	\$ 63.11	\$ 65.01
SERIES T5	\$ 58.85	\$ 60.61
SERIES T8	\$ 10.17	\$ 10.65
SERIES D	\$ 72.46	\$ 73.06
SERIES F	\$ 74.55	\$ 75.17
SERIES FT5	\$ 66.86	\$ 68.50
SERIES FT8	\$ 10.35	\$ 10.78
SERIES I	\$ 73.21	\$ 73.82
SERIES O	\$ 73.80	\$ 74.41

Statements of Comprehensive Income (unaudited)

(in \$000s except per unit amounts)

For the periods ended June 30 (see note 2 in the generic notes)	2018	2017
INCOME (see note 3 in the generic notes)		
Dividends	\$ 285 446	\$ 263 308
Interest for distribution purposes	9 098	5 166
Income from investment trusts	9 695	5 379
Derivative income	(3 026)	(2 728)
Net realized gain (loss) on investments	287 000	279 924
Change in unrealized gain (loss) on investments	(475 920)	(229 235)
TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES	112 293	321 814
Securities lending revenue (see note 7 in the generic notes)	628	659
Net gain (loss) on foreign cash balances	507	1 079
TOTAL OTHER INCOME (LOSS)	1 135	1 738
TOTAL INCOME (LOSS)	113 428	323 552
EXPENSES (see notes – Fund Specific Information)		
Management fees	83 397	87 570
Administration fees	6 712	6 743
Independent Review Committee costs	1	1
GST/HST	8 922	9 326
Transaction costs	2 598	2 228
Withholding tax	284	381
TOTAL EXPENSES	101 914	106 249
INCREASE (DECREASE) IN NAV	\$ 11 514	\$ 217 303
INCREASE (DECREASE) IN NAV		
SERIES A	\$ (54 360)	\$ 102 681
ADVISOR SERIES	\$ (755)	\$ 1 762
ADVISOR T5 SERIES	\$ (20)	\$ 18
SERIES T5	\$ (38)	\$ 98
SERIES T8	\$ (644)	\$ 961
SERIES D	\$ 422	\$ 8 168
SERIES F	\$ 13 461	\$ 7 636
SERIES FT5	\$ 122	\$ (4)
SERIES FT8	\$ 47	\$ 97
SERIES I	\$ 83	\$ 557
SERIES O	\$ 53 196	\$ 95 329
INCREASE (DECREASE) IN NAV PER UNIT		
SERIES A	\$ (0.38)	\$ 0.66
ADVISOR SERIES	\$ (0.29)	\$ 0.65
ADVISOR T5 SERIES	\$ (0.47)	\$ 0.55
SERIES T5	\$ (0.16)	\$ 0.48
SERIES T8	\$ (0.06)	\$ 0.10
SERIES D	\$ 0.04	\$ 0.86
SERIES F	\$ 0.70	\$ 0.71
SERIES FT5	\$ 0.73	\$ (0.07)
SERIES FT8	\$ 0.05	\$ 0.15
SERIES I	\$ 0.19	\$ 1.09
SERIES O	\$ 0.64	\$ 1.25



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

For the periods ended June 30 (see note 2 in the generic notes)	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in NAV	\$ 11 514	\$ 217 303
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	(284 375)	(277 923)
Change in unrealized loss (gain) on investments	475 920	229 235
(Increase) decrease in accrued receivables	(6 510)	(4 320)
Increase (decrease) in accrued payables	(2 100)	(500)
(Increase) decrease in margin accounts	–	–
Cost of investments purchased	(8 288 697)	(7 555 531)
Proceeds from sale and maturity of investments	8 051 017	7 141 445
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(43 231)	(250 291)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	1 138 050	1 159 117
Cash paid on redemption of redeemable units	(1 084 765)	(906 386)
Distributions paid to holders of redeemable units	(7 070)	(5 684)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	\$ 46 215	\$ 247 047
Net increase (decrease) in cash for the period	2 984	(3 244)
Cash (bank overdraft), beginning of period	16 137	17 607
CASH (BANK OVERDRAFT), END OF PERIOD	\$ 19 121	\$ 14 363
Interest received (paid)	\$ 8 908	\$ 5 249
Dividends received, net of withholding taxes	\$ 288 537	\$ 263 903



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

For the periods ended June 30 (see note 2 in the generic notes)	Series A		Advisor Series		Advisor T5 Series		Series T5	
	2018	2017	2018	2017	2018	2017	2018	2017
NAV AT BEGINNING OF PERIOD	\$ 10 700 074	\$ 10 743 946	\$ 195 933	\$ 185 720	\$ 2 646	\$ 2 252	\$ 14 650	\$ 10 695
INCREASE (DECREASE) IN NAV	(54 360)	102 681	(755)	1 762	(20)	18	(38)	98
Early redemption fees	3	6	–	–	–	–	–	–
Proceeds from redeemable units issued	353 171	595 260	15 213	20 408	171	1 115	2 169	3 735
Reinvestments of distributions to holders of redeemable units	48 356	53 470	873	901	21	4	87	58
Redemption of redeemable units	(1 080 275)	(911 488)	(21 236)	(22 444)	(255)	(912)	(1 248)	(1 496)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	(678 745)	(262 752)	(5 150)	(1 135)	(63)	207	1 008	2 297
Distributions from net income	(50 032)	(55 392)	(944)	(974)	(66)	(55)	(374)	(308)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	(50 032)	(55 392)	(944)	(974)	(66)	(55)	(374)	(308)
NET INCREASE (DECREASE) IN NAV	(783 137)	(215 463)	(6 849)	(347)	(149)	170	596	2 087
NAV AT END OF PERIOD	\$ 9 916 937	\$ 10 528 483	\$ 189 084	\$ 185 373	\$ 2 497	\$ 2 422	\$ 15 246	\$ 12 782

For the periods ended June 30 (see note 2 in the generic notes)	Series T8		Series D		Series F		Series FT5	
	2018	2017	2018	2017	2018	2017	2018	2017
NAV AT BEGINNING OF PERIOD	\$ 114 561	\$ 104 268	\$ 707 172	\$ 633 384	\$ 1 235 540	\$ 591 601	\$ 9 749	\$ 1 970
INCREASE (DECREASE) IN NAV	(644)	961	422	8 168	13 461	7 636	122	(4)
Early redemption fees	–	–	1	1	–	–	–	–
Proceeds from redeemable units issued	7 008	14 031	55 879	68 993	435 110	330 950	4 449	5 383
Reinvestments of distributions to holders of redeemable units	2 097	2 004	5 637	5 558	10 246	5 496	7	7
Redemption of redeemable units	(10 105)	(11 756)	(63 605)	(48 118)	(98 524)	(47 057)	(1 506)	(58)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	(1 000)	4 279	(2 088)	26 434	346 832	289 389	2 950	5 332
Distributions from net income	(4 551)	(4 294)	(5 892)	(5 799)	(14 884)	(8 436)	(294)	(116)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	(4 551)	(4 294)	(5 892)	(5 799)	(14 884)	(8 436)	(294)	(116)
NET INCREASE (DECREASE) IN NAV	(6 195)	946	(7 558)	28 803	345 409	288 589	2 778	5 212
NAV AT END OF PERIOD	\$ 108 366	\$ 105 214	\$ 699 614	\$ 662 187	\$ 1 580 949	\$ 880 190	\$ 12 527	\$ 7 182



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

For the periods ended June 30 (see note 2 in the generic notes)	Series FT8		Series I		Series O		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
NAV AT BEGINNING OF PERIOD	\$ 10 143	\$ 6 268	\$ 32 709	\$ 36 235	\$ 5 805 031	\$ 5 210 089	\$ 18 828 208	\$ 17 526 428
INCREASE (DECREASE) IN NAV	47	97	83	557	53 196	95 329	11 514	217 303
Early redemption fees	–	–	–	–	–	–	4	7
Proceeds from redeemable units issued	1 808	2 800	181	931	628 383	417 842	1 503 542	1 461 448
Reinvestments of distributions to holders of redeemable units	202	139	111	169	83 149	75 864	150 786	143 670
Redemption of redeemable units	(570)	(1 186)	(572)	(2 837)	(187 506)	(165 469)	(1 465 402)	(1 212 821)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	1 440	1 753	(280)	(1 737)	524 026	328 237	188 930	392 304
Distributions from net income	(445)	(294)	(357)	(403)	(84 027)	(76 529)	(161 866)	(152 600)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	(445)	(294)	(357)	(403)	(84 027)	(76 529)	(161 866)	(152 600)
NET INCREASE (DECREASE) IN NAV	1 042	1 556	(554)	(1 583)	493 195	347 037	38 578	457 007
NAV AT END OF PERIOD	\$ 11 185	\$ 7 824	\$ 32 155	\$ 34 652	\$ 6 298 226	\$ 5 557 126	\$ 18 866 786	\$ 17 983 435



June 30, 2018

General information (see note 1 in the generic notes)

The investment objective of the Fund is to provide long-term returns consisting of regular dividend income and modest long-term capital growth.

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:

	June 30 2018	December 31 2017
Investment mix		
Financials	42.7	43.7
Energy	20.3	20.1
Industrials	8.9	8.3
Utilities	4.8	4.7
Telecommunication Services	4.4	4.3
Consumer Staples	4.2	4.0
Consumer Discretionary	3.4	3.3
Materials	3.2	3.3
Real Estate	2.3	2.8
Health Care	0.7	0.7
Bonds	0.4	0.4
Information Technology	–	0.2
Cash/Other	4.7	4.2
Total	100.0	100.0

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:

	June 30 2018	December 31 2017
S&P/TSX Capped Composite		
Total Return Index	+ or - 0.9	+ or - 0.9

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

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

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

The following is a summary of the inputs used as of June 30, 2018 and December 31, 2017.

June 30, 2018	Level 1	Level 2	Level 3	Total
Equities	17 901 676	–	–	17 901 676
Underlying funds	–	–	–	–
Fixed-income and debt securities	–	85 574	–	85 574
Short-term investments	–	829 033	–	829 033
Derivatives – assets	–	707	–	707
Derivatives – liabilities	–	(2 500)	–	(2 500)
Total financial instruments	17 901 676	912 814	–	18 814 490
% of total portfolio	95.1	4.9	–	100.0

December 31, 2017	Level 1	Level 2	Level 3	Total
Equities	17 696 240	265 023	–	17 961 263
Underlying funds	–	–	–	–
Fixed-income and debt securities	–	81 509	–	81 509
Short-term investments	–	719 145	–	719 145
Derivatives – assets	–	2 039	–	2 039
Derivatives – liabilities	–	(2 330)	–	(2 330)
Total financial instruments	17 696 240	1 065 386	–	18 761 626
% of total portfolio	94.3	5.7	–	100.0

For the periods ended June 30, 2018 and December 31, 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	1.50%	0.10%
Advisor Series	1.50%	0.10%
Advisor T5 Series	1.50%	0.10%
Series T5	1.50%	0.10%
Series T8	1.50%	0.10%
Series D	0.85%	0.10%
Series F	0.60%	0.10%
Series FT5	0.60%	0.10%
Series FT8	0.60%	0.10%
Series I	0.44%	0.02%
Series O	n/a*	0.02%

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



June 30, 2018

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

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

	June 30 2018	December 31 2017
Units held		
Advisor T5 Series	19	18
Series FT5	18	18
Series FT8	117	112
Value of all units	4	4

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

The Fund had no capital or non-capital losses as at December 31, 2017.

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 June 30
(see note 2 in the generic notes)

	2018	2017
Series A		
Opening units	146 666	156 870
Issued number of units	4 999	8 566
Reinvested number of units	685	774
Redeemed number of units	(15 297)	(13 121)
Ending number of units	137 053	153 089
Advisor Series		
Opening units	2 669	2 695
Issued number of units	214	292
Reinvested number of units	12	13
Redeemed number of units	(298)	(321)
Ending number of units	2 597	2 679
Advisor T5 Series		
Opening units	41	35
Issued number of units	3	18
Reinvested number of units	–	–
Redeemed number of units	(4)	(14)
Ending number of units	40	39
Series T5		
Opening units	242	181
Issued number of units	37	62
Reinvested number of units	2	1
Redeemed number of units	(22)	(25)
Ending number of units	259	219
Series T8		
Opening units	10 760	9 714
Issued number of units	687	1 304
Reinvested number of units	208	189
Redeemed number of units	(1 004)	(1 095)
Ending number of units	10 651	10 112

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

	2018	2017
Series D		
Opening units	9 680	9 240
Issued number of units	791	991
Reinvested number of units	80	80
Redeemed number of units	(895)	(691)
Ending number of units	9 656	9 620
Series F		
Opening units	16 438	8 387
Issued number of units	5 978	4 620
Reinvested number of units	141	77
Redeemed number of units	(1 350)	(657)
Ending number of units	21 207	12 427
Series FT5		
Opening units	142	30
Issued number of units	68	81
Reinvested number of units	–	–
Redeemed number of units	(23)	(1)
Ending number of units	187	110
Series FT8		
Opening units	941	583
Issued number of units	176	260
Reinvested number of units	20	13
Redeemed number of units	(56)	(109)
Ending number of units	1 081	747
Series I		
Opening units	443	523
Issued number of units	2	14
Reinvested number of units	2	2
Redeemed number of units	(8)	(41)
Ending number of units	439	498
Series O		
Opening units	78 018	74 600
Issued number of units	8 759	5 898
Reinvested number of units	1 154	1 077
Redeemed number of units	(2 585)	(2 328)
Ending number of units	85 346	79 247

Transaction costs (\$000s except %)

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

	June 30 2018		June 30 2017	
	\$	%	\$	%
Total transaction costs	2 598	100	2 228	100
Related-party brokerage commissions*	656	25	307	14
Commission arrangements [†]	144	6	216	10

* 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.

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



June 30, 2018

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

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

	June 30 2018	June 30 2017
Fair value of securities loaned	1 341 816	1 331 013
Fair value of collateral received	1 368 653	1 357 633

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.

	June 30 2018		June 30 2017	
	\$	%	\$	%
Gross revenue	848	100	1 018	100
RBC IS (paid)	(212)	(25)	(307)	(30)
Tax withheld	(8)	(1)	(52)	(5)
Fund revenue	628	74	659	65

**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:

	June 30 2018	December 31 2017
RBC Managed Payout Solution	1.4	1.5
RBC Managed Payout Solution – Enhanced	2.2	2.2
RBC Managed Payout Solution – Enhanced Plus	2.3	2.4
RBC Select Aggressive Growth Portfolio	0.6	0.5
RBC Select Balanced Portfolio	9.2	8.0
RBC Select Choices Balanced Portfolio	0.1	0.1
RBC Select Choices Conservative Portfolio	–	–
RBC Select Conservative Portfolio	7.8	6.9
RBC Select Growth Portfolio	2.2	1.9
RBC Select Very Conservative Portfolio	2.5	2.3
RBC Target 2020 Education Fund	–	0.1
RBC Target 2025 Education Fund	0.2	0.2
RBC Target 2030 Education Fund	0.2	0.2
RBC Target 2035 Education Fund	–	–
Total	28.7	26.3

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 August 9, 2018.

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 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 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 period

The information provided in these financial statements and notes thereto is for the six-month periods ended June 30, 2018 and 2017, or as at June 30, 2018 and December 31, 2017, as applicable. In the year a Fund or series is established, “period” represents the period from inception to June 30 of that fiscal year.

3. Summary of significant accounting policies

These financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) and in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”). 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.

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 and financial liabilities previously designated as FVTPL under IAS 39 Financial Instruments continue to be measured as FVTPL. Other financial assets and liabilities will continue to be measured at amortized cost.

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Classification and Measurement of Financial Assets, Liabilities and Derivatives Each of the Funds classify their investment and derivative portfolio based on the business model for managing the portfolio and the contractual cash flow characteristics. The investment portfolio of financial assets, liabilities and derivatives is managed and performance is evaluated on a fair value basis. The contractual cash flows of the Funds' debt securities are solely principal and interest; however, these securities 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 and derivative contracts are 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.

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.

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.

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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."

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. Any unrealized gain or loss at the close of business on each valuation date is recorded as "Change in unrealized gain (loss) on investments" in the Statements of Comprehensive Income. The receivable/payable on forward contracts is recorded separately in the Statements of Financial Position. Realized gain (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.

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Unrealized gains and losses are recorded as “Receivable on open swap contracts” or “Payable on open swap contracts” in the Statements of Financial Position. 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.

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. Under these fair valuation procedures, 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. Management also has procedures 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.

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.

Cash Cash is comprised of cash and deposits with banks and is recorded at fair value. 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 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 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 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.

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 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;

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- (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.

9. Revision of comparative information

Where applicable, certain comparative figures on the Statements of Cash Flow have been revised.

Amounts reclassified to “Non-cash distributions from underlying funds” have been presented separately from amounts related to “Cost of investments purchased” to appropriately reflect the non-cash components of investments purchased. The impact on the “Net cash provided by (used in) operating activities” is nil.

Comparative figures on the Statements of Cash Flow have been revised for the following funds:

RBC Monthly Income Bond Fund, RBC Bond Fund, RBC Global Bond Fund, RBC Global Corporate Bond Fund, RBC Global High Yield Bond Fund, RBC Strategic Income Bond Fund, RBC Emerging Markets Bond Fund (CAD Hedged), 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 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 Aggressive Growth Portfolio, RBC Target 2020 Education Fund, RBC Target 2025 Education Fund, RBC Target 2030 Education Fund, RBC Emerging Markets Multi-Strategy Equity Fund, RBC Private U.S. Large-Cap Value Equity Currency Neutral Pool, RBC Private U.S. Large-Cap Core Equity Currency Neutral Pool, Phillips, Hager & North Total Return Bond Fund, Phillips, Hager & North Monthly Income Fund, Phillips, Hager & North Balanced 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 and Phillips, Hager & North LifeTime 2050 Fund.

Amounts reclassified to “(Increase) decrease in margin accounts” have been presented separately from amounts related to “Cash (bank overdraft), beginning of period,” to appropriately separate changes in margin accounts.

Comparative figures on the Statements of Cash Flow have been revised for the following funds:

RBC Bond Fund, RBC Global Bond Fund, RBC Global Corporate Bond Fund, RBC Global High Yield Bond Fund, 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 Corporate Bond Fund, BlueBay Global Convertible Bond Fund (Canada), BlueBay \$U.S. Global Convertible Bond Fund (Canada), RBC Monthly Income Fund, RBC Balanced Fund, RBC Global Balanced Fund, RBC Select Very Conservative Portfolio, RBC Select Conservative Portfolio, RBC Select Balanced Portfolio, RBC Select Growth Portfolio, RBC Select Aggressive Growth Portfolio, RBC North American Growth Fund, RBC U.S. Index Currency Neutral Fund, RBC International Index Currency Neutral Fund and Phillips, Hager & North Total Return Bond Fund.

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Where applicable, certain comparative figures on the Statements of Comprehensive Income have been revised due to the implementation of IFRS 9. Certain 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.”

Comparative figures on the Statements of Comprehensive Income have been revised for the following funds:

RBC Canadian Short-Term Income Fund, RBC Monthly Income Bond Fund, RBC Bond Fund, RBC Vision Bond Fund, RBC Global 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 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 Corporate Bond Fund, BlueBay Global Convertible Bond Fund (Canada), BlueBay \$U.S. Global Convertible Bond Fund (Canada), 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 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 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. Index Fund, RBC U.S. Index Currency Neutral Fund, 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 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 QUBE Global Equity Fund, RBC QUBE Low Volatility Global Equity 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 Canadian Corporate Bond Pool, RBC Private Income Pool, RBC Private Canadian Dividend Pool, RBC Private Canadian Growth and Income Equity Pool, RBC Private Canadian Equity Pool, RBC Private Canadian Mid-Cap Equity Pool, RBC Private U.S. Large-Cap Value Equity Currency Neutral Pool, RBC Private U.S. Large-Cap Core Equity Pool, RBC Private U.S. Large-Cap Core Equity Currency Neutral Pool, RBC Private EAFE Equity Pool, Phillips, Hager & North Bond Fund, Phillips, Hager & North Total Return Bond Fund, Phillips, Hager & North High Yield Bond Fund, Phillips, Hager & North Monthly Income Fund, Phillips, Hager & North Balanced Fund, Phillips, Hager & North Dividend Income 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

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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 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 and Phillips, Hager & North LifeTime 2050 Fund.

Where applicable, certain comparative figures in the Fair Value Hierarchy table have been revised to reflect the investment in exchange-traded funds as part of “Underlying funds” rather than as “Equities.” Comparative figures in the Fair Value Hierarchy table have been revised for the following funds:

RBC U.S. Monthly Income Fund, RBC Balanced Fund, RBC Global Balanced Fund, RBC Balanced Growth & Income 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 U.S. Index Currency Neutral Fund, RBC U.S. Small-Cap Core Equity Fund, RBC Life Science and Technology Fund, RBC International Index Currency Neutral Fund, Phillips, Hager & North U.S. Dividend Income Fund, Phillips, Hager & North U.S. Multi-Style All-Cap 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 and Phillips, Hager & North LifeTime 2050 Fund.