

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 INTERNATIONAL EQUITY FUND

June 30, 2018

Holdings	Security	Cost	Fair Value	% of Net Assets
INTERNATIONAL EQUITIES				
Australia				
278 007	Aristocrat Leisure Ltd.	\$ 6 245	\$ 8 347	
879 269	Challenger Ltd.	10 275	10 116	
49 008	Cochlear Limited	5 727	9 539	
112 666	Commonwealth Bank of Australia	8 919	7 988	
187 172	CSL Ltd.	19 210	35 026	
535 219	James Hardie Industries Plc., Subscription Receipts	9 948	11 797	
1 325 699	Oil Search Ltd.	9 310	11 450	
		69 634	94 263	7.7
China				
491 088	China Literature Ltd.	5 437	6 041	
677 500	Ping An Insurance Group Company of China Ltd.	6 839	8 156	
392 200	Tencent Holdings Ltd.	12 036	25 890	
		24 312	40 087	3.3
Denmark				
37 777	Christian Hansen Holding A/S	3 095	4 572	
20 160	Coloplast A/S	2 150	2 649	
536 752	Novo Nordisk A/S	33 070	32 649	
57 099	Novozymes A/S	3 447	3 807	
133 637	Pandora A/S	18 402	12 239	
		60 164	55 916	4.6
Finland				
323 008	Sampo OYJ	20 601	20 740	
		20 601	20 740	1.7
France				
63 275	Cie Generale D'Optique Essilor International S.A.	10 613	11 729	
50 058	LVMH Louis Vuitton Moet-Hennessy	17 471	21 850	
		28 084	33 579	2.8
Germany				
137 156	Bayer AG	20 771	19 855	
45 190	Continental AG	13 460	13 520	
138 364	Fresenius Medical Care AG & Co. KGaA	17 586	18 341	
95 905	Henkel KGaA, Preferred Non-Voting	15 488	16 088	
46 058	KION Group AG	5 325	4 351	
146 282	SAP SE	17 997	22 196	
123 037	Scout24 AG	7 005	8 561	
59 869	Symrise AG	5 196	6 894	
8 367	Wirecard AG	1 627	1 763	
		104 455	111 569	9.1
Hong Kong				
1 523 000	AIA Group Ltd.	12 008	17 442	
		12 008	17 442	1.4

Holdings	Security	Cost	Fair Value	% of Net Assets
Indonesia				
36 750 300	PT Hanjaya Mandala Sampoerna Tbk	\$ 13 940	\$ 12 082	
		13 940	12 082	1.0
Ireland				
377 112	CRH Plc.	17 801	17 390	
165 359	Paddy Power Betfair Plc.	25 281	23 757	
192 254	Ryanair Holdings Plc. ADR	23 829	28 871	
		66 911	70 018	5.7
Italy				
117 250	Luxottica Group S.p.A.	8 894	9 925	
		8 894	9 925	0.8
Japan				
259 900	Asahi Group Holdings Ltd.	16 733	17 524	
394 300	Bridgestone Corp.	19 673	20 249	
370 000	Daiichi Sankyo Co. Ltd.	18 631	18 583	
118 900	Daikin Industries Ltd.	15 538	18 681	
3 267 200	Mitsubishi UFJ Financial Group Inc.	25 042	24 332	
83 400	Nitori Co. Ltd.	11 767	17 058	
36 500	SMC Corp.	14 133	17 567	
304 900	SoftBank Group Corp.	25 250	28 623	
255 300	Suzuki Motor Co. Ltd.	16 952	18 496	
145 700	Sysmex Corp.	11 836	17 847	
3 499 900	Yahoo! Japan Corp.	21 507	15 243	
		197 062	214 203	17.6
Netherlands				
3 016	ASML Holding N.V.	675	785	
242 943	Heineken N.V.	29 363	31 999	
507 765	ING Groep N.V.	12 086	9 582	
268 755	Intertrust N.V.	7 274	6 266	
174 839	NN Group N.V.	8 606	9 322	
1 607 587	Relx N.V.	40 188	44 929	
		98 192	102 883	8.4
Spain				
61 117	Amadeus IT Group S.A.	4 788	6 318	
		4 788	6 318	0.5
Sweden				
444 532	Assa Abloy AB	12 137	12 401	
324 603	Atlas Copco AB	12 714	12 370	
752 360	Coor Service Management Holding AB	7 710	6 964	
134 358	Intrum AB	6 539	4 076	
1 119 401	Nordbanken Holding AB	16 039	14 112	
		55 139	49 923	4.1
Switzerland				
12 840	Geberit AG	6 436	7 227	
65 392	Roche Holdings AG Genussschein	22 187	19 073	
78 152	Sika AG	8 114	14 196	
		36 737	40 496	3.3

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



June 30, 2018

Holdings	Security	Cost	Fair Value	% of Net Assets
Taiwan				
1 931 000	Taiwan Semiconductor Manufacturing Co. Ltd.	\$ 13 101	\$ 18 056	
		13 101	18 056	1.5
United Kingdom				
861 451	Antofagasta Plc.	11 097	14 713	
360 436	Ashtead Group Plc.	9 642	14 111	
1 017 649	Auto Trader Group Plc.	6 745	7 498	
1 734 000	Barratt Developments Plc.	18 978	15 453	
460 397	Burberry Group Plc.	11 329	17 202	
444 071	Daily Mail & General Trust Plc.	6 015	5 701	
78 252	DCC Plc.	9 496	9 329	
682 457	Diageo Plc.	27 877	32 232	
235 979	Hargreaves Lansdown Plc.	6 613	8 042	
16 532 291	Lloyds TSB Group Plc.	19 750	18 033	
422 698	London Stock Exchange Group Plc.	25 331	32 714	
801 386	Royal Dutch Shell Plc., A Shares	29 156	36 563	
374 274	Schroders Plc.	20 797	20 418	
1 565 325	The Sage Group Plc.	18 236	16 996	
698 296	Unilever Plc.	44 923	50 712	
		265 985	299 717	24.6
TOTAL INTERNATIONAL EQUITIES		1 080 007	1 197 217	98.1
SHORT-TERM INVESTMENTS*		827	827	0.1
TOTAL INVESTMENTS		1 080 834	1 198 044	98.2
UNREALIZED GAIN ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE A)		–	4 453	0.4
UNREALIZED LOSS ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE A)		–	(3 489)	(0.3)
TOTAL PORTFOLIO		\$1 080 834	1 199 008	98.3
OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			21 061	1.7
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			\$1 220 069	100.0

SCHEDULE A

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Gain
Bought CAD 2 588 Sold DKK 12 215 @ 0.2119	03-Jul-2018	\$ 71
Bought CAD 3 253 Sold CHF 2 447 @ 1.3294	03-Jul-2018	5
Bought CAD 9 Sold USD 7 @ 1.3252	03-Jul-2018	–
Bought CAD 389 Sold GBP 224 @ 1.7353	03-Jul-2018	–
Bought CAD 20 Sold SEK 136 @ 0.1469	03-Jul-2018	–
Bought DKK 12 215 Sold CAD 2 513 @ 4.8600	03-Jul-2018	4
Bought EUR 572 Sold CAD 878 @ 0.6510	03-Jul-2018	–
Bought CAD 1 338 Sold CHF 1 000 @ 1.3381	05-Jul-2018	10
Bought CHF 665 Sold CAD 860 @ 0.7731	05-Jul-2018	23
Bought CAD 1 094 Sold GBP 609 @ 1.7972	09-Jul-2018	38
Bought JPY 200 000 Sold CAD 2 345 @ 85.2711	09-Jul-2018	30
Bought CAD 1 106 Sold IDR 11 980 000 @ 0.0001	10-Jul-2018	4
Bought CAD 4 701 Sold DKK 22 367 @ 0.2102	10-Jul-2018	90
Bought CAD 1 817 Sold JPY 150 000 @ 0.0121	11-Jul-2018	35
Bought CAD 915 Sold AUD 938 @ 0.9754	12-Jul-2018	2

SCHEDULE A (cont.)

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Gain
Bought CAD 4 276 Sold DKK 20 431 @ 0.2093	12-Jul-2018	\$ 64
Bought CAD 112 Sold AUD 115 @ 0.9718	12-Jul-2018	–
Bought CHF 1 000 Sold CAD 1 321 @ 0.7567	12-Jul-2018	7
Bought CHF 945 Sold CAD 1 250 @ 0.7561	12-Jul-2018	5
Bought SGD 2 166 Sold CAD 2 084 @ 1.0395	12-Jul-2018	6
Bought CAD 2 200 Sold SEK 14 662 @ 0.1500	13-Jul-2018	47
Bought AUD 986 Sold CAD 949 @ 1.0387	16-Jul-2018	10
Bought CAD 1 444 Sold EUR 923 @ 1.5649	16-Jul-2018	26
Bought CAD 879 Sold EUR 572 @ 1.5371	16-Jul-2018	–
Bought CAD 11 464 Sold GBP 6 479 @ 1.7694	17-Jul-2018	218
Bought CAD 1 888 Sold GBP 1 075 @ 1.7561	17-Jul-2018	22
Bought CAD 679 Sold GBP 389 @ 1.7443	17-Jul-2018	3
Bought GBP 1 020 Sold CAD 1 766 @ 0.5774	17-Jul-2018	4
Bought GBP 2 027 Sold CAD 3 517 @ 0.5764	17-Jul-2018	2
Bought CAD 4 112 Sold AUD 4 164 @ 0.9875	18-Jul-2018	62
Bought JPY 475 298 Sold CAD 5 619 @ 84.5910	18-Jul-2018	30
Bought JPY 228 609 Sold CAD 2 704 @ 84.5580	18-Jul-2018	13
Bought JPY 487 000 Sold CAD 5 756 @ 84.6110	18-Jul-2018	32
Bought CAD 4 783 Sold SEK 31 536 @ 0.1517	19-Jul-2018	150
Bought CAD 1 728 Sold EUR 1 117 @ 1.5470	19-Jul-2018	11
Bought USD 15 384 Sold EUR 12 438 @ 1.2369	20-Jul-2018	1 102
Bought CAD 2 244 Sold DKK 10 598 @ 0.2117	23-Jul-2018	57
Bought CAD 2 338 Sold DKK 11 043 @ 0.2117	23-Jul-2018	60
Bought CAD 7 836 Sold DKK 37 623 @ 0.2083	23-Jul-2018	74
Bought CHF 3 963 Sold CAD 5 236 @ 0.7569	23-Jul-2018	33
Bought DKK 9 000 Sold CAD 1 831 @ 4.9144	23-Jul-2018	26
Bought DKK 21 919 Sold CAD 4 520 @ 4.8488	23-Jul-2018	2
Bought CAD 2 646 Sold DKK 12 501 @ 0.2116	25-Jul-2018	66
Bought CAD 1 777 Sold EUR 1 151 @ 1.5441	25-Jul-2018	8
Bought CHF 4 860 Sold CAD 6 373 @ 0.7625	26-Jul-2018	90
Bought CAD 5 587 Sold JPY 462 000 @ 0.0121	27-Jul-2018	94
Bought CAD 977 Sold AUD 1 000 @ 0.9771	31-Jul-2018	5
Bought CAD 1 988 Sold DKK 9 500 @ 0.2093	01-Aug-2018	26
Bought CAD 4 724 Sold DKK 22 573 @ 0.2093	02-Aug-2018	63
Bought IDR 21 000 000 Sold CAD 1 904 @ 11030.4800	03-Aug-2018	17
Bought JPY 5 145 Sold CAD 61 @ 84.7690	03-Aug-2018	1
Bought NOK 6 285 Sold CAD 989 @ 6.3548	03-Aug-2018	26
Bought CHF 1 543 Sold CAD 2 011 @ 0.7674	07-Aug-2018	43
Bought SGD 3 350 Sold CAD 3 226 @ 1.0384	07-Aug-2018	7
Bought CAD 2 091 Sold JPY 175 000 @ 0.0119	08-Aug-2018	9
Bought CAD 2 560 Sold GBP 1 457 @ 1.7571	08-Aug-2018	29
Bought CAD 2 242 Sold JPY 185 000 @ 0.0121	09-Aug-2018	41
Bought USD 14 414 Sold EUR 12 067 @ 1.1945	09-Aug-2018	367
Bought CAD 530 Sold GBP 300 @ 1.7657	10-Aug-2018	9
Bought EUR 1 500 Sold CAD 2 293 @ 0.6542	10-Aug-2018	15
Bought NOK 10 977 Sold CAD 1 754 @ 6.2598	10-Aug-2018	20
Bought CAD 1 953 Sold SEK 13 200 @ 0.1480	13-Aug-2018	11
Bought CAD 5 063 Sold GBP 2 900 @ 1.7458	13-Aug-2018	25
Bought CAD 872 Sold SEK 5 810 @ 0.1501	13-Aug-2018	17
Bought GBP 1 425 Sold CAD 2 476 @ 0.5755	13-Aug-2018	–
Bought GBP 1 480 Sold CAD 2 561 @ 0.5779	13-Aug-2018	10
Bought GBP 404 Sold CAD 702 @ 0.5753	13-Aug-2018	–
Bought GBP 224 Sold CAD 389 @ 0.5756	13-Aug-2018	–

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



June 30, 2018

SCHEDULE A (cont.)

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Gain
Bought JPY 500 561 Sold CAD 5 919 @ 84.5659	13-Aug-2018	\$ 38
Bought CHF 1 652 Sold CAD 2 125 @ 0.7773	14-Aug-2018	75
Bought NOK 15 977 Sold CAD 2 537 @ 6.2968	14-Aug-2018	44
Bought CAD 5 418 Sold DKK 26 152 @ 0.2072	15-Aug-2018	14
Bought EUR 9 242 Sold CAD 14 195 @ 0.6511	15-Aug-2018	32
Bought CHF 333 Sold CAD 428 @ 0.7777	16-Aug-2018	15
Bought CAD 3 431 Sold HKD 20 370 @ 0.1684	17-Aug-2018	18
Bought CAD 3 429 Sold AUD 3 500 @ 0.9796	21-Aug-2018	26
Bought CAD 924 Sold USD 700 @ 1.3204	21-Aug-2018	5
Bought CAD 762 Sold GBP 435 @ 1.7517	21-Aug-2018	6
Bought EUR 5 338 Sold CAD 8 214 @ 0.6499	21-Aug-2018	6
Bought CAD 3 299 Sold SEK 21 921 @ 0.1505	23-Aug-2018	71
Bought EUR 1 200 Sold CAD 1 822 @ 0.6587	28-Aug-2018	27
Bought CAD 5 581 Sold GBP 3 203 @ 1.7424	29-Aug-2018	14
Bought CAD 2 092 Sold GBP 1 200 @ 1.7434	29-Aug-2018	6
Bought CAD 957 Sold USD 720 @ 1.3296	31-Aug-2018	12
Bought EUR 1 470 Sold CAD 2 245 @ 0.6549	31-Aug-2018	21
Bought CAD 4 310 Sold GBP 2 460 @ 1.7519	05-Sep-2018	33
Bought CAD 1 274 Sold GBP 730 @ 1.7447	07-Sep-2018	5
Bought EUR 1 435 Sold CAD 2 195 @ 0.6536	07-Sep-2018	17
Bought NOK 4 000 Sold CAD 640 @ 6.2453	07-Sep-2018	6
Bought CAD 109 Sold USD 82 @ 1.3291	10-Sep-2018	1
Bought JPY 391 313 Sold CAD 4 654 @ 84.0900	11-Sep-2018	11
Bought CAD 3 950 Sold AUD 3 992 @ 0.9895	12-Sep-2018	70
Bought EUR 2 900 Sold CAD 4 415 @ 0.6568	12-Sep-2018	56
Bought CAD 91 Sold SEK 608 @ 0.1505	13-Sep-2018	2
Bought CAD 1 768 Sold DKK 8 504 @ 0.2079	13-Sep-2018	7
Bought AUD 10 Sold CAD 9 @ 1.0205	14-Sep-2018	-
Bought CAD 3 041 Sold SEK 20 150 @ 0.1509	17-Sep-2018	69
Bought CAD 1 058 Sold DKK 5 089 @ 0.2079	18-Sep-2018	4
Bought CAD 6 946 Sold GBP 3 954 @ 1.7568	19-Sep-2018	70
Bought CAD 5 004 Sold SEK 33 860 @ 0.1478	19-Sep-2018	10
Bought JPY 726 015 Sold CAD 8 634 @ 84.0870	20-Sep-2018	25
Bought CAD 140 Sold USD 105 @ 1.3302	26-Sep-2018	2
Bought CAD 549 Sold HKD 3 235 @ 0.1697	26-Sep-2018	7
Bought CAD 686 Sold USD 516 @ 1.3286	27-Sep-2018	8
Bought CAD 1 279 Sold AUD 1 300 @ 0.9837	27-Sep-2018	16
Bought JPY 1 958 891 Sold CAD 23 215 @ 84.3810	27-Sep-2018	157
Bought CAD 2 916 Sold SEK 19 334 @ 0.1508	28-Sep-2018	63
Bought SEK 136 Sold CAD 20 @ 6.7700	28-Sep-2018	-
Bought CAD 689 Sold USD 520 @ 1.3258	12-Oct-2018	7
		\$ 4 453

Contracts	Maturity Date	Unrealized Loss
Bought CAD 4 515 Sold DKK 21 919 @ 0.2060	03-Jul-2018	\$ (2)
Bought CAD 8 192 Sold EUR 5 338 @ 1.5345	03-Jul-2018	(4)
Bought CAD 3 516 Sold GBP 2 027 @ 1.7344	03-Jul-2018	(1)
Bought CAD 3 294 Sold EUR 2 175 @ 1.5145	05-Jul-2018	(45)
Bought EUR 1 700 Sold CAD 2 718 @ 0.6255	05-Jul-2018	(108)
Bought CAD 2 702 Sold JPY 230 000 @ 0.0117	09-Jul-2018	(29)
Bought CAD 631 Sold EUR 415 @ 1.5213	10-Jul-2018	(6)
Bought CAD 3 034 Sold EUR 2 000 @ 1.5170	10-Jul-2018	(38)
Bought CAD 3 705 Sold EUR 2 446 @ 1.5147	10-Jul-2018	(52)

SCHEDULE A (cont.)

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Loss
Bought CAD 1 229 Sold EUR 805 @ 1.5270	10-Jul-2018	\$ (7)
Bought CAD 1 616 Sold EUR 1 063 @ 1.5207	10-Jul-2018	(16)
Bought EUR 3 116 Sold CAD 4 858 @ 0.6414	10-Jul-2018	(73)
Bought EUR 8 984 Sold CAD 13 982 @ 0.6425	10-Jul-2018	(184)
Bought JPY 755 000 Sold CAD 9 092 @ 83.0400	11-Jul-2018	(123)
Bought CAD 3 206 Sold USD 2 514 @ 1.2754	16-Jul-2018	(98)
Bought EUR 1 185 Sold CAD 1 871 @ 0.6333	16-Jul-2018	(51)
Bought CAD 2 926 Sold GBP 1 700 @ 1.7213	17-Jul-2018	(25)
Bought CAD 412 Sold GBP 240 @ 1.7161	17-Jul-2018	(5)
Bought GBP 1 195 Sold CAD 2 080 @ 0.5745	17-Jul-2018	(6)
Bought GBP 1 100 Sold CAD 1 913 @ 0.5749	17-Jul-2018	(4)
Bought CAD 832 Sold USD 658 @ 1.2650	18-Jul-2018	(32)
Bought CAD 1 513 Sold EUR 1 000 @ 1.5128	18-Jul-2018	(24)
Bought CAD 181 Sold USD 144 @ 1.2567	19-Jul-2018	(8)
Bought EUR 4 954 Sold CAD 7 790 @ 0.6359	19-Jul-2018	(177)
Bought EUR 422 Sold CAD 655 @ 0.6447	19-Jul-2018	(6)
Bought SEK 18 000 Sold CAD 2 664 @ 6.7576	19-Jul-2018	(19)
Bought SEK 1 000 Sold CAD 149 @ 6.7255	19-Jul-2018	(2)
Bought DKK 14 434 Sold CAD 3 018 @ 4.7832	23-Jul-2018	(39)
Bought SGD 4 320 Sold CAD 4 186 @ 1.0320	23-Jul-2018	(17)
Bought CAD 1 270 Sold DKK 6 169 @ 0.2059	24-Jul-2018	(3)
Bought EUR 1 796 Sold CAD 2 831 @ 0.6343	24-Jul-2018	(70)
Bought NOK 5 000 Sold CAD 816 @ 6.1255	24-Jul-2018	(9)
Bought GBP 948 Sold CAD 1 701 @ 0.5574	25-Jul-2018	(55)
Bought ILS 2 100 Sold CAD 773 @ 2.7176	26-Jul-2018	(17)
Bought CAD 940 Sold USD 749 @ 1.2549	27-Jul-2018	(44)
Bought JPY 308 100 Sold CAD 3 677 @ 83.7800	27-Jul-2018	(14)
Bought CAD 586 Sold USD 458 @ 1.2798	30-Jul-2018	(16)
Bought CAD 3 321 Sold HKD 20 000 @ 0.1661	30-Jul-2018	(30)
Bought CAD 2 365 Sold JPY 200 000 @ 0.0118	30-Jul-2018	(14)
Bought ILS 2 600 Sold CAD 945 @ 2.7527	30-Jul-2018	(9)
Bought JPY 776 582 Sold CAD 9 264 @ 83.8300	30-Jul-2018	(29)
Bought AUD 3 000 Sold CAD 2 943 @ 1.0194	31-Jul-2018	(25)
Bought CAD 1 503 Sold USD 1 200 @ 1.2525	03-Aug-2018	(74)
Bought CAD 12 513 Sold IDR 139 725 000 @ 0.0001	03-Aug-2018	(263)
Bought CAD 1 064 Sold HKD 6 500 @ 0.1637	07-Aug-2018	(25)
Bought CAD 4 101 Sold GBP 2 378 @ 1.7245	07-Aug-2018	(30)
Bought CAD 2 411 Sold AUD 2 500 @ 0.9645	08-Aug-2018	(20)
Bought CAD 672 Sold AUD 700 @ 0.9605	08-Aug-2018	(8)
Bought EUR 6 441 Sold CAD 9 957 @ 0.6469	08-Aug-2018	(46)
Bought NZD 1 456 Sold CAD 1 303 @ 1.1172	08-Aug-2018	(8)
Bought CAD 19 883 Sold TWD 460 000 @ 0.0432	09-Aug-2018	(3)
Bought CAD 562 Sold AUD 585 @ 0.9608	09-Aug-2018	(7)
Bought CAD 1 811 Sold EUR 1 180 @ 1.5349	09-Aug-2018	(5)
Bought EUR 10 680 Sold CAD 16 538 @ 0.6458	09-Aug-2018	(103)
Bought CAD 2 765 Sold GBP 1 599 @ 1.7290	10-Aug-2018	(13)
Bought CAD 173 Sold GBP 100 @ 1.7284	10-Aug-2018	(1)
Bought CAD 990 Sold HKD 6 000 @ 0.1649	13-Aug-2018	(16)
Bought JPY 384 577 Sold CAD 4 667 @ 82.4110	13-Aug-2018	(90)
Bought CAD 1 131 Sold HKD 6 849 @ 0.1652	14-Aug-2018	(16)
Bought CAD 4 657 Sold GBP 2 687 @ 1.7330	16-Aug-2018	(12)
Bought CAD 9 897 Sold GBP 5 712 @ 1.7327	17-Aug-2018	(27)
Bought CAD 931 Sold GBP 540 @ 1.7240	17-Aug-2018	(7)
Bought JPY 700 000 Sold CAD 8 408 @ 83.2505	20-Aug-2018	(74)
Bought CAD 875 Sold GBP 504 @ 1.7361	21-Aug-2018	(1)

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



June 30, 2018

SCHEDULE A (cont.)

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Loss
Bought CAD 1 793 Sold EUR 1 182 @ 1.5172	21-Aug-2018	\$ (27)
Bought CAD 944 Sold DKK 4 616 @ 0.2046	21-Aug-2018	(10)
Bought CAD 12 086 Sold GBP 6 980 @ 1.7316	22-Aug-2018	(42)
Bought CAD 928 Sold USD 727 @ 1.2758	23-Aug-2018	(27)
Bought CAD 392 Sold DKK 1 918 @ 0.2042	27-Aug-2018	(5)
Bought CAD 5 585 Sold GBP 3 226 @ 1.7312	28-Aug-2018	(22)
Bought CAD 2 553 Sold HKD 15 436 @ 0.1654	29-Aug-2018	(33)
Bought CAD 720 Sold USD 560 @ 1.2862	31-Aug-2018	(15)
Bought CAD 2 508 Sold USD 1 937 @ 1.2948	04-Sep-2018	(36)
Bought CAD 1 524 Sold GBP 880 @ 1.7319	06-Sep-2018	(6)
Bought CAD 11 711 Sold GBP 6 786 @ 1.7258	07-Sep-2018	(85)
Bought EUR 1 182 Sold CAD 1 840 @ 0.6424	07-Sep-2018	(18)
Bought ILS 979 Sold CAD 356 @ 2.7516	07-Sep-2018	(3)
Bought NOK 6 500 Sold CAD 1 056 @ 6.1539	07-Sep-2018	(5)
Bought AUD 6 000 Sold CAD 5 883 @ 1.0199	12-Sep-2018	(52)
Bought CAD 130 Sold USD 100 @ 1.2963	13-Sep-2018	(2)
Bought CAD 4 970 Sold DKK 24 098 @ 0.2063	14-Sep-2018	(19)
Bought SEK 14 915 Sold CAD 2 247 @ 6.6380	14-Sep-2018	(48)
Bought SGD 3 115 Sold CAD 3 030 @ 1.0280	14-Sep-2018	(23)
Bought CHF 1 026 Sold CAD 1 379 @ 0.7441	17-Sep-2018	(9)
Bought NOK 6 900 Sold CAD 1 127 @ 6.1226	18-Sep-2018	(11)
Bought CHF 8 628 Sold CAD 11 648 @ 0.7408	19-Sep-2018	(128)
Bought CAD 3 156 Sold HKD 19 132 @ 0.1650	20-Sep-2018	(49)
Bought EUR 1 100 Sold CAD 1 709 @ 0.6435	20-Sep-2018	(12)
Bought CHF 13 956 Sold CAD 18 916 @ 0.7378	21-Sep-2018	(281)
Bought CHF 2 447 Sold CAD 3 271 @ 0.7481	21-Sep-2018	(4)
Bought SGD 2 586 Sold CAD 2 538 @ 1.0188	24-Sep-2018	(42)
Bought SGD 1 500 Sold CAD 1 473 @ 1.0185	24-Sep-2018	(25)
Bought CAD 3 373 Sold USD 2 599 @ 1.2980	26-Sep-2018	(38)
Bought CHF 1 000 Sold CAD 1 358 @ 0.7364	26-Sep-2018	(22)
Bought CAD 2 528 Sold DKK 12 215 @ 0.2070	05-Oct-2018	(5)
		\$ (3 489)
TOTAL FOREIGN EXCHANGE		\$ 964

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 rates ranging from 1.19% to 1.32% and mature between July 12, 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	\$ 1 198 044	\$ 1 119 598
Cash	4 586	607
Due from investment dealers	32 941	–
Subscriptions receivable	2 608	1 937
Unrealized gain on foreign exchange contracts	4 453	1 897
Dividends receivable, interest accrued and other assets	1 733	1 054
TOTAL ASSETS	1 244 365	1 125 093
LIABILITIES		
Due to investment dealers	18 902	106
Redemptions payable	1 517	635
Unrealized loss on foreign exchange contracts	3 489	3 627
Distributions payable	3	1
Accounts payable and accrued expenses	385	388
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	24 296	4 757
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")	\$ 1 220 069	\$ 1 120 336
Investments at cost	\$ 1 080 834	\$ 989 866
NAV		
SERIES A	\$ 135 211	\$ 139 463
ADVISOR SERIES	\$ 4 813	\$ 4 664
SERIES T5	\$ 404	\$ 113
SERIES D	\$ 72 830	\$ 71 534
SERIES F	\$ 58 711	\$ 41 074
SERIES FT5	\$ 457	\$ 114
SERIES O	\$ 947 643	\$ 863 374
NAV PER UNIT		
SERIES A	\$ 21.59	\$ 21.57
ADVISOR SERIES	\$ 21.44	\$ 21.41
SERIES T5	\$ 20.28	\$ 20.77
SERIES D	\$ 22.34	\$ 22.22
SERIES F	\$ 24.27	\$ 24.10
SERIES FT5	\$ 23.00	\$ 23.42
SERIES O	\$ 23.23	\$ 22.96

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	\$ 22 557	\$ 14 574
Interest for distribution purposes	151	63
Income from investment trusts	29	–
Derivative income	4 903	(5 020)
Net realized gain (loss) on investments	(1 585)	7 417
Change in unrealized gain (loss) on investments	(9 828)	92 805
TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES	16 227	109 839
Securities lending revenue (see note 7 in the generic notes)	384	235
Net gain (loss) on foreign cash balances	(67)	196
TOTAL OTHER INCOME (LOSS)	317	431
TOTAL INCOME (LOSS)	16 544	110 270
EXPENSES (see notes – Fund Specific Information)		
Management fees	1 810	1 580
Administration fees	331	268
Independent Review Committee costs	1	1
GST/HST	210	182
Transaction costs	1 033	991
Withholding tax	2 702	1 982
TOTAL EXPENSES	6 087	5 004
INCREASE (DECREASE) IN NAV	\$ 10 457	\$ 105 266
INCREASE (DECREASE) IN NAV		
SERIES A	\$ 173	\$ 14 456
ADVISOR SERIES	\$ 5	\$ 435
SERIES T5	\$ 2	\$ (1)
SERIES D	\$ 385	\$ 7 019
SERIES F	\$ 176	\$ 2 618
SERIES FT5	\$ –	\$ –
SERIES O	\$ 9 716	\$ 80 739
INCREASE (DECREASE) IN NAV PER UNIT		
SERIES A	\$ 0.03	\$ 2.16
ADVISOR SERIES	\$ 0.02	\$ 2.07
SERIES T5	\$ 0.13	\$ (0.74)
SERIES D	\$ 0.12	\$ 2.29
SERIES F	\$ 0.08	\$ 2.37
SERIES FT5	\$ 0.03	\$ 1.94
SERIES O	\$ 0.24	\$ 2.47



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	\$ 10 457	\$ 105 266
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	2 407	(6 695)
Change in unrealized loss (gain) on investments	9 828	(92 805)
(Increase) decrease in accrued receivables	(679)	(187)
Increase (decrease) in accrued payables	(3)	42
(Increase) decrease in margin accounts	–	–
Cost of investments purchased	(522 393)	(509 254)
Proceeds from sale and maturity of investments	414 873	410 406
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(85 510)	(93 227)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	174 447	172 325
Cash paid on redemption of redeemable units	(84 946)	(76 917)
Distributions paid to holders of redeemable units	(12)	–
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	\$ 89 489	\$ 95 408
Net increase (decrease) in cash for the period	3 979	2 181
Cash (bank overdraft), beginning of period	607	236
CASH (BANK OVERDRAFT), END OF PERIOD	\$ 4 586	\$ 2 417
Interest received (paid)	\$ 152	\$ 58
Dividends received, net of withholding taxes	\$ 19 204	\$ 12 412



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		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	173	14 456	5	435	2	(1)	385	7 019
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from redeemable units issued	13 175	9 785	663	575	294	47	5 958	5 464
Reinvestments of distributions to holders of redeemable units	–	–	–	–	4	–	–	–
Redemption of redeemable units	(17 600)	(15 403)	(519)	(587)	–	–	(5 047)	(4 468)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	(4 425)	(5 618)	144	(12)	298	47	911	996
Distributions from net income	–	–	–	–	(9)	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	–	–	–	–	(9)	–	–	–
NET INCREASE (DECREASE) IN NAV	(4 252)	8 838	149	423	291	46	1 296	8 015
NAV AT END OF PERIOD	\$ 135 211	\$ 135 256	\$ 4 813	\$ 4 371	\$ 404	\$ 46	\$ 72 830	\$ 64 816

For the periods ended June 30 (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	176	2 618	–	–	9 716	80 739	10 457	105 266
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from redeemable units issued	20 944	8 602	368	1	141 389	154 469	182 791	178 943
Reinvestments of distributions to holders of redeemable units	–	–	–	–	–	–	4	–
Redemption of redeemable units	(3 483)	(3 049)	(16)	–	(66 836)	(59 124)	(93 501)	(82 631)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	17 461	5 553	352	1	74 553	95 345	89 294	96 312
Distributions from net income	–	–	(9)	–	–	–	(18)	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	–	–	(9)	–	–	–	(18)	–
NET INCREASE (DECREASE) IN NAV	17 637	8 171	343	1	84 269	176 084	99 733	201 578
NAV AT END OF PERIOD	\$ 58 711	\$ 29 115	\$ 457	\$ 1	\$ 947 643	\$ 754 793	\$ 1 220 069	\$ 988 398



June 30, 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:

	June 30 2018	December 31 2017
Investment mix		
United Kingdom	24.6	24.7
Japan	17.6	17.2
Germany	9.1	9.1
Netherlands	8.4	6.9
Australia	7.7	6.4
Ireland	5.7	4.8
Denmark	4.6	5.3
Sweden	4.1	3.8
Switzerland	3.3	4.8
France	2.8	2.8
Finland	1.7	2.3
Taiwan	1.5	2.5
Other Countries	7.0	8.8
Cash/Other	1.9	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	June 30 2018	December 31 2017
Euro	29.5	29.0
Japanese yen	24.0	23.9
Pound sterling	18.0	17.7
Swiss franc	7.8	8.0
Australian dollar	7.0	7.0
United States dollar	4.1	3.8
Hong Kong dollar	3.4	3.4
Swedish krona	2.6	2.7
Singapore dollar	1.4	1.2

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

Currency	June 30 2018	December 31 2017
Danish krone	1.4	2.0
Norwegian krone	0.7	0.6
Other currencies	0.1	0.4
Total	100.0	99.7

As at June 30, 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:

	June 30 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 June 30, 2018 and December 31, 2017.

June 30, 2018	Level 1	Level 2	Level 3	Total
Equities	28 871	1 168 346	–	1 197 217
Underlying funds	–	–	–	–
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	827	–	827
Derivatives – assets	–	4 453	–	4 453
Derivatives – liabilities	–	(3 489)	–	(3 489)
Total financial instruments	28 871	1 170 137	–	1 199 008
% of total portfolio	2.4	97.6	–	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



June 30, 2018

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	1.75%	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:

	June 30 2018	December 31 2017
Units held		
Series T5	57	56
Series FT5	51	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, 2017 for the Fund were approximately:

Capital losses	6 633
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 June 30
(see note 2 in the generic notes)

	2018	2017
Series A		
Opening units	6 465	6 942
Issued number of units	604	493
Reinvested number of units	–	–
Redeemed number of units	(807)	(795)
Ending number of units	6 262	6 640
Advisor Series		
Opening units	218	218
Issued number of units	31	29
Reinvested number of units	–	–
Redeemed number of units	(24)	(31)
Ending number of units	225	216
Series T5		
Opening units	5	–
Issued number of units	15	2
Reinvested number of units	–	–
Redeemed number of units	–	–
Ending number of units	20	2
Series D		
Opening units	3 220	3 037
Issued number of units	264	270
Reinvested number of units	–	–
Redeemed number of units	(224)	(222)
Ending number of units	3 260	3 085
Series F		
Opening units	1 704	1 032
Issued number of units	857	387
Reinvested number of units	–	–
Redeemed number of units	(142)	(143)
Ending number of units	2 419	1 276
Series FT5		
Opening units	5	–
Issued number of units	16	–
Reinvested number of units	–	–
Redeemed number of units	(1)	–
Ending number of units	20	–
Series O		
Opening units	37 608	29 950
Issued number of units	6 059	7 428
Reinvested number of units	–	–
Redeemed number of units	(2 868)	(2 820)
Ending number of units	40 799	34 558



June 30, 2018

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	1 033	100	991	100
Related-party brokerage commissions*	21	2	51	5
Commission arrangements†	241	23	444	45

* 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:

	June 30 2018	June 30 2017
Fair value of securities loaned	131 904	100 821
Fair value of collateral received	134 542	102 837

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	514	100	327	100
RBC IS (paid)	(127)	(25)	(91)	(28)
Tax withheld	(3)	(1)	(1)	–
Fund revenue	384	74	235	72

**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 International Equity Class	0.6	0.5
RBC International Equity Currency Neutral Fund	4.5	5.5
RBC Total Return Growth Fund	–	–
Total	5.1	6.0

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.

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.