

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)
BLUEBAY GLOBAL CONVERTIBLE BOND FUND (CANADA)

June 30, 2018

Holdings	Security	Cost	Fair Value	% of Net Assets		
EQUITIES						
Australia						
29 027 764	Paladin Resources Ltd.	\$ 10 192	\$ 4 952			
		10 192	4 952	0.5		
France						
1 460	Carrefour S.A., Call @ 18.00 December 20, 2019	314	83			
380	Cie Generale des Etablissements Michelin, Call @ 120.00 December 21, 2018	701	91			
5 464	Unibail-Rodamco-Westfield	1 745	1 582			
700	Valeo S.A., Call @ 60.00 December 21, 2018	719	35			
420	Vinci S.A., Call @ 84.00 December 21, 2018	263	208			
		3 742	1 999	0.2		
Germany						
21 230	BASF AG	2 881	2 671			
93 227	Evonik Industries AG	4 256	4 202			
17 829	MTU Aero Engines AG	4 243	4 514			
1 457	Siemens AG, Call @ 130.00 December 21, 2018	1 827	259			
		13 207	11 646	1.1		
Italy						
308	ENI S.p.A., Call @ 16.00 December 21, 2018	142	155			
88 054	Prysmian S.p.A.	3 532	2 872			
		3 674	3 027	0.3		
Spain						
12 890	Iberdrola S.A., Call @ 7.00 December 21, 2018	1 049	218			
		1 049	218	—		
United Kingdom						
307	Glencore Plc., Call @ 3.50 March 15, 2019	187	241			
1 622 913	Premier Oil Plc.	1 511	3 608			
128 156	TechnipFMC Plc.	5 868	5 359			
		7 566	9 208	0.9		
United States						
3 211	Crown Castle International Corp., Preferred Series A, 6.875%	4 202	4 495			
14 590	Illumina Inc.	3 503	5 357			
		7 705	9 852	0.9		
TOTAL EQUITIES						
		47 135	40 902	3.9		
Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
BONDS						
Australia						
2 522	Paladin Energy Ltd. USD	9.000	25-Jan-2023	\$ 3 119	\$ 3 034	
4 000	Seven Group Holdings Ltd., Convertible AUD	2.200	05-Mar-2025	3 988	3 858	
				7 107	6 892	0.6
Belgium						
1 700	Bekaert S.A., Convertible EUR	0.000	09-Jun-2021	2 510	2 498	
				2 510	2 498	0.2
Bermuda						
3 205	Golar LNG Ltd., Convertible USD	2.750	15-Feb-2022	4 287	4 618	
				4 287	4 618	0.4

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



June 30, 2018

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
China						
2 290	Baosteel Hong Kong Investment Co. Ltd., Convertible USD	0.000	01-Dec-2018	\$ 2 975	\$ 3 174	
106 000	China Evergrande Group, Convertible HKD	4.250	14-Feb-2023	16 662	15 919	
6 474	China Lodging Group Ltd., Convertible USD	0.375	01-Nov-2022	8 821	9 629	
73 000	China Railway Construction Corp. Ltd., Convertible CNY	1.500	21-Dec-2021	13 901	13 668	
3 500	China Yangtze Power International BVI 1 Ltd., Convertible USD	0.000	09-Nov-2021	4 634	5 004	
10 000	CRRC Corp Ltd., Convertible USD	0.000	05-Feb-2021	13 773	13 048	
6 910	Ctrip.com International Ltd., Convertible USD	1.250	15-Sep-2022	9 088	9 346	
11 742	Ctrip.com International Ltd., Convertible USD	1.990	01-Jul-2025	16 668	17 687	
77 000	Harvest International Co., Convertible HKD	0.000	21-Nov-2022	12 598	13 596	
22 000	Kunlun Energy Co. Ltd., Convertible CNY	1.625	25-Jul-2019	4 319	4 682	
4 083	Momo Inc., Convertible USD	1.250	01-Jul-2025	5 458	5 272	
13 691	Shanghai Port Group BVI Holding Co. Ltd., Convertible USD	0.000	09-Aug-2021	17 374	18 989	
3 860	Vipshop Holdings Ltd., Convertible USD	1.500	15-Mar-2019	5 504	5 012	
5 348	Weibo Corp., Convertible USD	1.250	15-Nov-2022	7 317	7 084	
3 000	Zhejiang Expressway Co. Ltd., Convertible EUR	0.000	21-Apr-2022	4 403	4 381	
36 000	Zhongsheng Group Holdings Ltd., Convertible HKD	0.000	23-May-2023	5 896	6 032	
				149 391	152 523	14.2
France						
2 200	Archer Obligations S.A., Convertible EUR	0.000	31-Mar-2023	3 362	4 300	
73	Elis S.A., Convertible EUR	0.000	06-Oct-2023	4 456	3 584	
77	Genfit, Convertible EUR	3.500	16-Oct-2022	3 381	3 622	
6 800	TOTAL S.A., Convertible USD	0.500	02-Dec-2022	9 092	9 813	
				20 291	21 319	2.0
Germany						
3 100	Bayer AG, Convertible EUR	0.050	15-Jun-2020	4 985	5 414	
10 100	Deutsche Wohnen SE, Convertible EUR	0.325	26-Jul-2024	14 164	16 979	
4 900	Deutsche Wohnen SE, Convertible EUR	0.600	05-Jan-2026	7 138	7 936	
1 800	Fresenius SE & Co. KGaA, Convertible EUR	0.000	24-Sep-2019	3 654	3 901	
2 200	LEG Immobilien AG, Convertible EUR	0.875	01-Sep-2025	3 313	3 593	
4 250	Siemens Financieringsmaatschappij N.V., Convertible USD	1.650	16-Aug-2019	6 272	6 448	
2 500	Symrise AG, Convertible EUR	0.238	20-Jun-2024	3 711	4 311	
				43 237	48 582	4.5
Hong Kong						
3 250	Asia View Ltd., Convertible USD	1.500	08-Aug-2019	3 725	4 685	
12 000	ASM Pacific Technology Ltd., Convertible HKD	2.000	28-Mar-2019	1 748	2 255	
8 957	Bagan Capital Ltd., Convertible USD	0.000	23-Sep-2021	11 740	11 187	
4 351	PB Issuer No. 4 Ltd., Convertible USD	3.250	03-Jul-2021	5 502	5 819	
				22 715	23 946	2.2
India						
1 845	Jaiprakash Power Ventures Ltd., Convertible USD	5.000	31-Mar-2016	1 895	243	
				1 895	243	-
Italy						
2 800	Prysmian S.p.A., Convertible EUR	0.000	17-Jan-2022	4 323	4 268	
2 200	Snam S.p.A., Convertible EUR	0.000	20-Mar-2022	3 209	3 317	
				7 532	7 585	0.7
Japan						
226 000	AEON Financial Service Co. Ltd., Convertible JPY	0.000	13-Sep-2019	2 716	2 845	
880 000	ANA Holdings Inc., Convertible JPY	0.000	19-Sep-2024	10 210	10 671	
260 000	CyberAgent Inc., Convertible JPY	0.000	19-Feb-2025	3 529	3 871	
240 000	Ezaki Glico Co. Ltd., Convertible JPY	0.000	30-Jan-2024	2 889	2 900	
1 160 000	Kansai Paint Co. Ltd., Convertible JPY	0.000	17-Jun-2022	14 066	14 173	
950 000	Kawasaki Kisen Kaisha Ltd., Convertible JPY	0.000	26-Sep-2018	10 054	11 224	
480 000	Kyushu Electric Power Co. Inc., Convertible JPY	0.000	31-Mar-2020	5 717	5 842	
730 000	Kyushu Electric Power Co. Inc., Convertible JPY	0.000	31-Mar-2022	8 679	8 939	

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



June 30, 2018

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
Japan (cont.)						
470 000	Mitsubishi Chemical Holdings Corp., Convertible JPY	0.000	30-Mar-2022	\$ 5 648	\$ 5 720	
1 080 000	Mitsubishi Chemical Holdings Corp., Convertible JPY	0.000	29-Mar-2024	13 267	13 353	
4 800	Mitsui OSK Lines Ltd., Convertible USD	0.000	24-Apr-2020	5 590	5 974	
2 650	NHK Spring Co. Ltd., Convertible USD	0.000	20-Sep-2019	3 125	3 536	
280 000	Relo Group Inc., Convertible JPY	0.000	22-Mar-2021	3 673	3 599	
713 000	Sony Corp., Convertible JPY	0.000	30-Sep-2022	8 749	10 900	
230 000	Suzuki Motor Corp., Convertible JPY	0.000	31-Mar-2023	3 007	4 100	
350 000	Takashimaya Co. Ltd., Convertible JPY	0.000	11-Dec-2020	3 888	4 198	
180 000	Terumo Corp., Convertible JPY	0.000	06-Dec-2021	2 144	3 529	
3 000	The Gunma Bank Ltd., Convertible USD	0.000	11-Oct-2019	3 487	3 925	
4 600	The Joyo Bank Ltd., Convertible USD	0.000	24-Apr-2019	5 680	5 896	
5 000	The Shizuoka Bank Ltd., Convertible USD	1.234	25-Jan-2023	6 518	6 606	
740 000	Toray Industries Inc., Convertible JPY	0.000	31-Aug-2021	10 200	10 161	
270 000	Unicharm Corp., Convertible JPY	0.000	25-Sep-2020	3 345	4 444	
680 000	Yamada Denki Co. Ltd., Convertible JPY	0.000	28-Jun-2019	7 671	8 660	
6 700	Yamaguchi Financial Group Inc., Convertible USD	0.000	26-Mar-2020	8 820	8 982	
				152 672	164 048	15.3
Luxembourg						
400 000	Deutsche Bank Luxembourg S.A. JPY	0.000	07-Jun-2020	2 975	131	
2 500	Oryx S.A. USD	1.933	11-Sep-2018	3 100	2 416	
				6 075	2 547	0.2
Malaysia						
10 049	Cahaya Capital Ltd., Convertible USD	0.000	18-Sep-2021	11 950	13 095	
8 563	Indah Capital Ltd., Convertible SGD	0.000	24-Oct-2018	7 477	8 882	
				19 427	21 977	2.1
Netherlands						
5 800	Civitas Properties Finance BV EUR	4.000	24-Nov-2022	8 840	8 682	
6 155	NXP Semiconductors N.V., Convertible USD	1.000	01-Dec-2019	8 049	9 755	
1 200	Vastned Retail N.V., Convertible EUR	1.875	10-Apr-2019	1 816	1 918	
				18 705	20 355	1.9
Norway						
5 300	Marine Harvest ASA, Convertible EUR	0.125	05-Nov-2020	8 682	10 527	
4 228	Ship Finance International Ltd., Convertible USD	5.750	15-Oct-2021	5 539	5 732	
5 400	Telenor East Holding II A.S., Convertible USD	0.250	20-Sep-2019	7 322	6 862	
				21 543	23 121	2.2
Philippines						
7 800	AYC Finance Ltd., Convertible USD	0.500	02-May-2019	11 952	10 190	
				11 952	10 190	1.0
Singapore						
8 750	CapitaLand Ltd., Convertible SGD	2.800	08-Jun-2025	8 071	8 168	
6 250	Suntec Real Estate Investment Trust, Convertible SGD	1.750	30-Nov-2024	5 840	5 823	
				13 911	13 991	1.3
South Africa						
4 700	Ichor Coal NV, Convertible EUR	8.000	07-Jun-2017	7 027	3 824	
2 800	Sibanye Gold Ltd., Convertible USD	1.875	26-Sep-2023	3 346	2 718	
				10 373	6 542	0.6
South Korea						
2 400	LG Chem Ltd., Convertible EUR	0.000	16-Apr-2021	3 738	3 698	
2 400	LG Chem Ltd., Convertible USD	0.000	16-Apr-2021	3 025	3 143	
				6 763	6 841	0.6
Switzerland						
9 480	Sika AG, Convertible CHF	0.150	05-Jun-2025	12 738	13 073	
				12 738	13 073	1.2

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June 30, 2018

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
Taiwan						
5 800	United Microelectronics Corp., Convertible USD	0.000	18-May-2020	\$ 7 001	\$ 8 778	
3 400	Zhen Ding Technology Holding Ltd., Convertible USD	0.000	26-Jun-2019	4 551	4 466	
				11 552	13 244	1.2
United Arab Emirates						
7 700	Aabar Investments PJSC, Convertible EUR	0.500	27-Mar-2020	11 050	11 043	
4 000	DP World Ltd., Convertible USD	1.750	19-Jun-2024	5 140	5 466	
				16 190	16 509	1.6
United Kingdom						
2 800	African Minerals Ltd., Convertible USD	8.500	10-Feb-2017	2 922	21	
2 300	BP Capital Markets Plc., Convertible GBP	1.000	28-Apr-2023	4 488	5 322	
2 000	Helical Bar Jersey Ltd., Convertible GBP	4.000	17-Jun-2019	3 697	3 500	
3 000	Intu Jersey 2 Ltd., Convertible GBP	2.875	01-Nov-2022	4 880	4 809	
2 400	J Sainsbury Plc., Convertible GBP	2.875	31-Dec-2099	4 514	4 830	
3 100	PHP Finance Jersey Ltd., Convertible GBP	4.250	20-May-2019	5 920	6 347	
				26 421	24 829	2.3
United States						
9 300	Akamai Technologies Inc., Convertible	0.125	01-May-2025	12 031	12 273	
8 192	Atlassian Inc., Convertible	0.625	01-May-2023	11 137	11 169	
7 055	BioMarin Pharmaceutical Inc., Convertible	1.500	15-Oct-2020	10 021	11 034	
4 105	Blackhawk Network Holdings Inc., Convertible	1.500	15-Jan-2022	5 621	6 033	
10 206	DISH Network Corp., Convertible	3.375	15-Aug-2026	14 404	13 030	
7 305	Dycom Industries Inc., Convertible	0.750	15-Sep-2021	10 962	11 169	
2 251	Euronet Worldwide Inc., Convertible	1.500	01-Oct-2044	3 277	3 634	
7 855	Exact Sciences Corp., Convertible	1.000	15-Jan-2025	9 460	10 887	
3 300	Extra Space Storage LP, Convertible	3.125	01-Oct-2035	4 329	5 048	
4 844	FireEye Inc., Convertible	0.875	01-Jun-2024	6 210	6 032	
2 117	GCI Liberty Inc., Convertible	1.750	30-Sep-2046	2 772	2 878	
6 795	Herbalife Nutrition Ltd., Convertible	2.000	15-Aug-2019	8 801	11 576	
2 999	IAC FinanceCo Inc., Convertible	0.875	01-Oct-2022	4 097	4 598	
4 000	II-VI Inc., Convertible	0.250	01-Sep-2022	5 986	5 885	
3 540	JPMorgan Chase Financial Co LLC, Convertible	0.250	01-May-2023	4 555	4 468	
5 810	Liberty Media Corp., Convertible	1.375	15-Oct-2023	9 088	9 521	
2 670	Liberty Media Corp. - Liberty Formula One, Convertible	1.000	30-Jan-2023	4 085	4 114	
5 975	Lumentum Holdings Inc., Convertible	0.250	15-Mar-2024	8 861	9 335	
3 123	Microchip Technology Inc., Convertible	1.625	15-Feb-2025	6 211	7 174	
14 101	Microchip Technology Inc., Convertible	1.625	15-Feb-2027	19 277	21 636	
9 200	Morgan Stanley Finance LLC, Convertible EUR	0.000	17-Dec-2021	14 996	14 089	
2 179	Neurocrine Biosciences Inc., Convertible	2.250	15-May-2024	3 655	4 141	
6 266	New Relic Inc., Convertible	0.500	01-May-2023	9 314	9 108	
3 302	NRG Energy Inc., Convertible	2.750	01-Jun-2048	4 338	4 204	
3 916	Nuance Communications Inc., Convertible	1.000	15-Dec-2035	5 248	4 633	
3 350	Nutanix Inc., Convertible	0.000	15-Jan-2023	4 193	5 454	
4 216	NuVasive Inc., Convertible	2.250	15-Mar-2021	6 292	6 020	
1 995	ON Semiconductor Corp., Convertible	1.625	15-Oct-2023	2 717	3 327	
4 007	Pattern Energy Group Inc., Convertible	4.000	15-Jul-2020	5 281	5 268	
1 650	Proofpoint Inc., Convertible	0.750	15-Jun-2020	2 871	3 192	
5 348	Pure Storage Inc., Convertible	0.125	15-Apr-2023	7 650	7 874	
2 600	QIAGEN N.V., Convertible	0.375	19-Mar-2019	3 710	4 347	
2 642	RingCentral Inc., Convertible	0.000	15-Mar-2023	3 877	3 696	
1 126	Sarepta Therapeutics Inc., Convertible	1.500	15-Nov-2024	1 647	2 853	
9 558	Square Inc., Convertible	0.500	15-May-2023	13 443	13 469	
4 810	Starwood Property Trust Inc., Convertible	4.375	01-Apr-2023	6 435	6 361	
3 040	Synaptics Inc., Convertible	0.500	15-Jun-2022	4 027	3 944	
13 590	Tesla Inc., Convertible	1.250	03-Jan-2021	15 926	20 177	
2 770	The Priceline Group Inc., Convertible	0.350	15-Jun-2020	5 170	5 647	

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



June 30, 2018

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
United States (cont.)						
2 782	Transocean Inc., Convertible	0.500	30-Jan-2023	\$ 4 419	\$ 5 218	
3 327	Transocean Inc., Convertible	1.000	01-Mar-2024	4 419	4 425	
2 500	Western Digital Corp., Convertible	1.500	01-Feb-2024	3 160	3 331	
6 570	Workday Inc., Convertible	0.250	01-Oct-2022	9 227	9 089	
1 695	Wright Medical Group N.V., Convertible	2.250	15-Nov-2021	2 543	2 977	
				<u>305 743</u>	<u>324 338</u>	<u>30.2</u>
Vietnam						
2 521	No Va Land Investment Group Corp., Convertible USD	5.500	27-Apr-2023	3 192	3 233	
				<u>3 192</u>	<u>3 233</u>	<u>0.3</u>
TOTAL BONDS				<u>896 222</u>	<u>933 044</u>	<u>86.8</u>
SHORT-TERM INVESTMENTS*				<u>1 979</u>	<u>1 979</u>	<u>0.2</u>
TOTAL INVESTMENTS				<u>945 336</u>	<u>975 925</u>	<u>90.9</u>
UNREALIZED GAIN ON FUTURES CONTRACTS (SCHEDULE A)					211	
UNREALIZED GAIN ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE B)					13 759	1.3
UNREALIZED LOSS ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE B)					(187)	
TOTAL PORTFOLIO				<u>\$ 945 336</u>	<u>989 708</u>	<u>92.2</u>
CASH					86 998	8.1
OTHER NET ASSETS (LIABILITIES) ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS					(3 411)	(0.3)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS					<u>\$ 1 073 295</u>	<u>100.0</u>

SCHEDULE A

Futures Contracts

Number of Contracts	Contracted Value	Unrealized Gain
(41) The S&P 500 Mini Index Future, September 2018 Contracts at USD 2 736.49 per contract	\$ (39 367)	\$ 211
TOTAL FUTURES	<u>\$ (39 367)</u>	<u>\$ 211</u>

SCHEDULE B

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Gain
Bought CAD 18 718 Sold CNY 91 840 @ 0.2038	29-Aug-2018	\$ 594
Bought CAD 164 669 Sold EUR 106 201 @ 1.5505	29-Aug-2018	1 042
Bought CAD 53 876 Sold GBP 30 475 @ 1.7679	29-Aug-2018	912
Bought CAD 24 115 Sold SGD 24 599 @ 0.9803	29-Aug-2018	374
Bought CAD 616 687 Sold USD 463 827 @ 1.3296	29-Aug-2018	7 566
Bought CAD 1 591 Sold SEK 10 603 @ 0.1501	29-Aug-2018	30
Bought CAD 38 725 Sold HKD 228 398 @ 0.1695	29-Aug-2018	456
Bought CAD 138 675 Sold JPY 11 425 099 @ 0.0121	29-Aug-2018	2 580
Bought CAD 13 133 Sold CHF 9 743 @ 1.3480	29-Aug-2018	144
Bought CAD 7 095 Sold AUD 7 235 @ 0.9806	29-Aug-2018	61
		<u>\$ 13 759</u>

SCHEDULE B (cont.)

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Loss
Bought EUR 1 555 Sold CAD 2 407 @ 0.6461	29-Aug-2018	\$ (11)
Bought NOK 570 Sold CAD 93 @ 6.1102	29-Aug-2018	(1)
Bought USD 5 410 Sold CAD 7 194 @ 0.7520	29-Aug-2018	(89)
Bought USD 4 545 Sold CAD 6 036 @ 0.7530	29-Aug-2018	(67)
Bought USD 2 704 Sold CAD 3 569 @ 0.7576	29-Aug-2018	(19)
		<u>\$ (187)</u>
TOTAL FOREIGN EXCHANGE		<u>\$ 13 572</u>

All counterparties have a credit rating of at least A.

* Short-term investments, which may be made up of treasury bills, commercial paper, term deposits and discount notes, earn interest at a rate of 1.51% and mature on March 7, 2019.



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	\$ 975 925	\$ 991 978
Cash	86 998	92 354
Due from investment dealers	5 622	–
Subscriptions receivable	873	980
Unrealized gain on futures contracts	211	–
Unrealized gain on foreign exchange contracts	13 759	20 582
Dividends receivable, interest accrued and other assets	2 590	2 550
TOTAL ASSETS	1 085 978	1 108 444
LIABILITIES		
Due to investment dealers	5 368	–
Redemptions payable	1 520	844
Futures contracts margin payable	4 635	19 365
Unrealized loss on foreign exchange contracts	187	1 082
Distributions payable	443	27
Accounts payable and accrued expenses	530	622
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	12 683	21 940
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")	\$ 1 073 295	\$ 1 086 504
Investments at cost	\$ 945 336	\$ 964 085
NAV		
SERIES A	\$ 36 377	\$ 42 758
ADVISOR SERIES	\$ 66 170	\$ 81 492
ADVISOR T5 SERIES	\$ 1 949	\$ 2 215
SERIES T5	\$ 326	\$ 276
SERIES H	\$ 2 067	\$ 2 977
SERIES D	\$ 4 812	\$ 5 659
SERIES F	\$ 193 333	\$ 203 368
SERIES FT5	\$ 5 484	\$ 5 543
SERIES I	\$ 30 645	\$ 36 027
SERIES O	\$ 732 132	\$ 706 189
NAV PER UNIT		
SERIES A	\$ 11.93	\$ 11.81
ADVISOR SERIES	\$ 11.92	\$ 11.80
ADVISOR T5 SERIES	\$ 10.17	\$ 10.32
SERIES T5	\$ 10.16	\$ 10.32
SERIES H	\$ 12.07	\$ 11.93
SERIES D	\$ 12.26	\$ 12.10
SERIES F	\$ 12.35	\$ 12.18
SERIES FT5	\$ 10.60	\$ 10.72
SERIES I	\$ 12.47	\$ 12.28
SERIES O	\$ 12.75	\$ 12.53

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	\$ 687	\$ 511
Interest for distribution purposes	3 827	5 197
Derivative income	(37 474)	(34 521)
Net realized gain (loss) on investments	59 473	24 548
Change in unrealized gain (loss) on investments	(3 232)	45 178
TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES	23 281	40 913
Net gain (loss) on foreign cash balances	(989)	8 375
TOTAL OTHER INCOME (LOSS)	(989)	8 375
TOTAL INCOME (LOSS)	22 292	49 288
EXPENSES (see notes – Fund Specific Information)		
Management fees	2 005	2 738
Administration fees	1 086	1 104
Independent Review Committee costs	1	1
GST/HST	319	398
Transaction costs	31	32
Withholding tax	222	167
TOTAL EXPENSES	3 664	4 440
INCREASE (DECREASE) IN NAV	\$ 18 628	\$ 44 848
INCREASE (DECREASE) IN NAV		
SERIES A	\$ 450	\$ 1 867
ADVISOR SERIES	\$ 797	\$ 3 816
ADVISOR T5 SERIES	\$ 22	\$ 86
SERIES T5	\$ 3	\$ 17
SERIES H	\$ 31	\$ 381
SERIES D	\$ 84	\$ 184
SERIES F	\$ 2 852	\$ 9 835
SERIES FT5	\$ 78	\$ 252
SERIES I	\$ 505	\$ 2 239
SERIES O	\$ 13 806	\$ 26 171
INCREASE (DECREASE) IN NAV PER UNIT		
SERIES A	\$ 0.14	\$ 0.43
ADVISOR SERIES	\$ 0.13	\$ 0.44
ADVISOR T5 SERIES	\$ 0.11	\$ 0.38
SERIES T5	\$ 0.09	\$ 0.39
SERIES H	\$ 0.16	\$ 0.47
SERIES D	\$ 0.21	\$ 0.47
SERIES F	\$ 0.18	\$ 0.49
SERIES FT5	\$ 0.15	\$ 0.44
SERIES I	\$ 0.19	\$ 0.51
SERIES O	\$ 0.24	\$ 0.53



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	\$ 18 628	\$ 44 848
ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS		
Interest for distribution purposes	1 236	844
Non-cash distributions from underlying funds	–	–
Net realized loss (gain) on investments	(59 437)	(24 531)
Change in unrealized loss (gain) on investments	3 232	(45 178)
(Increase) decrease in accrued receivables	(251)	4
Increase (decrease) in accrued payables	(92)	(61)
(Increase) decrease in margin accounts	(14 730)	29 796
Cost of investments purchased	(455 223)	(490 359)
Proceeds from sale and maturity of investments	531 919	535 820
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	25 282	51 183
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	108 194	173 252
Cash paid on redemption of redeemable units	(138 671)	(171 688)
Distributions paid to holders of redeemable units	(161)	(822)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	\$ (30 638)	\$ 742
Net increase (decrease) in cash for the period	(5 356)	51 925
Cash (bank overdraft), beginning of period	92 354	13 460
CASH (BANK OVERDRAFT), END OF PERIOD	\$ 86 998	\$ 65 385
Interest received (paid)	\$ 5 023	\$ 6 045
Dividends received, net of withholding taxes	\$ 465	\$ 344



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	\$ 42 758	\$ 54 395	\$ 81 492	\$ 112 654	\$ 2 215	\$ 2 421	\$ 276	\$ 491
INCREASE (DECREASE) IN NAV	450	1 867	797	3 816	22	86	3	17
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from redeemable units issued	1 122	3 148	1 314	2 408	41	120	59	5
Reinvestments of distributions to holders of redeemable units	–	–	–	–	9	14	–	4
Redemption of redeemable units	(7 953)	(9 935)	(17 433)	(21 480)	(286)	(199)	(5)	(94)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	(6 831)	(6 787)	(16 119)	(19 072)	(236)	(65)	54	(85)
Distributions from net income	–	–	–	–	(52)	(60)	(7)	(11)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	–	–	–	–	(52)	(60)	(7)	(11)
NET INCREASE (DECREASE) IN NAV	(6 381)	(4 920)	(15 322)	(15 256)	(266)	(39)	50	(79)
NAV AT END OF PERIOD	\$ 36 377	\$ 49 475	\$ 66 170	\$ 97 398	\$ 1 949	\$ 2 382	\$ 326	\$ 412

For the periods ended June 30 (see note 2 in the generic notes)	Series H		Series D		Series F		Series FT5	
	2018	2017	2018	2017	2018	2017	2018	2017
NAV AT BEGINNING OF PERIOD	\$ 2 977	\$ 10 849	\$ 5 659	\$ 4 802	\$ 203 368	\$ 258 593	\$ 5 543	\$ 6 263
INCREASE (DECREASE) IN NAV	31	381	84	184	2 852	9 835	78	252
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from redeemable units issued	9	295	338	320	21 062	29 494	567	1 372
Reinvestments of distributions to holders of redeemable units	–	–	–	–	–	35	27	25
Redemption of redeemable units	(950)	(2 874)	(1 269)	(564)	(33 949)	(55 290)	(594)	(1 651)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	(941)	(2 579)	(931)	(244)	(12 887)	(25 761)	–	(254)
Distributions from net income	–	–	–	–	–	(51)	(137)	(154)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	–	–	–	–	–	(51)	(137)	(154)
NET INCREASE (DECREASE) IN NAV	(910)	(2 198)	(847)	(60)	(10 035)	(15 977)	(59)	(156)
NAV AT END OF PERIOD	\$ 2 067	\$ 8 651	\$ 4 812	\$ 4 742	\$ 193 333	\$ 242 616	\$ 5 484	\$ 6 107



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

For the periods ended June 30 (see note 2 in the generic notes)	Series I		Series O		Total	
	2018	2017	2018	2017	2018	2017
NAV AT BEGINNING OF PERIOD	\$ 36 027	\$ 57 679	\$ 706 189	\$ 580 047	\$ 1 086 504	\$ 1 088 194
INCREASE (DECREASE) IN NAV	505	2 239	13 806	26 171	18 628	44 848
Early redemption fees	—	—	—	—	—	—
Proceeds from redeemable units issued	1 035	4 181	84 596	138 396	110 143	179 739
Reinvestments of distributions to holders of redeemable units	2	30	698	854	736	962
Redemption of redeemable units	(6 921)	(10 258)	(72 043)	(72 406)	(141 403)	(174 751)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	(5 884)	(6 047)	13 251	66 844	(30 524)	5 950
Distributions from net income	(3)	(37)	(1 114)	(1 532)	(1 313)	(1 845)
Distributions from net gains	—	—	—	—	—	—
Distributions from capital	—	—	—	—	—	—
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	(3)	(37)	(1 114)	(1 532)	(1 313)	(1 845)
NET INCREASE (DECREASE) IN NAV	(5 382)	(3 845)	25 943	91 483	(13 209)	48 953
NAV AT END OF PERIOD	\$ 30 645	\$ 53 834	\$ 732 132	\$ 671 530	\$ 1 073 295	\$ 1 137 147



June 30, 2018

Series H and Series I units have been capped and are no longer available for purchase by new investors effective June 30, 2016. Existing investors who hold Series H and Series I units of the Fund can continue to make additional investments into these series. In addition, RBC GAM may maintain capacity for certain investors, including other related funds, that may invest in these series.

General information (see note 1 in the generic notes)

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

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

Credit risk (%)

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

Rating	June 30 2018	December 31 2017
A	8.9	7.3
BBB	3.1	8.3
BB	4.5	6.6
B	6.9	9.7
CCC	1.4	–
Unrated	75.2	68.1
Total	100.0	100.0

Concentration risk (%)

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

Investment mix	June 30 2018	December 31 2017
United States	31.1	29.5
Japan	15.3	16.8
China	14.2	10.8
Germany	5.6	5.6
United Kingdom	3.2	5.0
France	2.2	1.9
Hong Kong	2.2	2.3
Norway	2.2	2.7
Malaysia	2.1	1.9
Netherlands	1.9	2.1
Singapore	1.3	1.8
Taiwan	1.2	3.2

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

Investment mix	June 30 2018	December 31 2017
South Africa	0.6	0.7
Other Countries	7.6	6.2
Cash/Other	9.3	9.5
Total	100.0	100.0

Interest rate risk (%)

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

Term to maturity	June 30 2018	December 31 2017
Less than 1 year	9.1	8.6
1 – 5 years	61.7	59.5
5 – 10 years	26.1	28.3
> 10 years	3.1	3.6
Total	100.0	100.0

As at June 30, 2018, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's NAV may have decreased or increased, respectively, by approximately 3.0% (December 31, 2017 – 3.2%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Currency risk (% of NAV)

Since the currency risk of the Fund has been hedged using foreign exchange contracts, the Fund has minimal sensitivity to changes in foreign exchange rates.

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

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

June 30, 2018	Level 1	Level 2	Level 3	Total
Equities	9 852	31 050	–	40 902
Underlying funds	–	–	–	–
Fixed-income and debt securities	–	933 044	–	933 044
Short-term investments	–	1 979	–	1 979
Derivatives – assets	211	13 759	–	13 970
Derivatives – liabilities	–	(187)	–	(187)
Total financial instruments	10 063	979 645	–	989 708
% of total portfolio	1.0	99.0	–	100.0



June 30, 2018

December 31, 2017	Level 1	Level 2	Level 3	Total
Equities	7 201	17 778	–	24 979
Underlying funds	–	–	–	–
Fixed-income and debt securities	–	962 020	–	962 020
Short-term investments	–	4 979	–	4 979
Derivatives – assets	–	20 582	–	20 582
Derivatives – liabilities	–	(1 082)	–	(1 082)
Total financial instruments	7 201	1 004 277	–	1 011 478
% of total portfolio	0.7	99.3	–	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	1.65%	0.20%
Advisor Series	1.65%	0.20%
Advisor T5 Series	1.65%	0.20%
Series T5	1.65%	0.20%
Series H	1.45%	0.20%
Series D	1.05%	0.20%
Series F	0.90%	0.20%
Series FT5	0.90%	0.20%
Series I	0.70%	0.20%
Series O	n/a*	0.20%

* 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		
Advisor T5 Series	108	105
Series T5	108	105
Series H	106	106
Series FT5	107	104
Value of all units	5	5

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

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	3 621	4 637
Issued number of units	94	262
Reinvested number of units	–	–
Redeemed number of units	(665)	(825)
Ending number of units	3 050	4 074

	2018	2017
Advisor Series		
Opening units	6 907	9 610
Issued number of units	111	198
Reinvested number of units	–	–
Redeemed number of units	(1 465)	(1 783)
Ending number of units	5 553	8 025

	2018	2017
Advisor T5 Series		
Opening units	215	231
Issued number of units	4	11
Reinvested number of units	1	1
Redeemed number of units	(28)	(19)
Ending number of units	192	224

	2018	2017
Series T5		
Opening units	27	47
Issued number of units	5	1
Reinvested number of units	–	–
Redeemed number of units	–	(9)
Ending number of units	32	39

	2018	2017
Series H		
Opening units	249	917
Issued number of units	1	25
Reinvested number of units	–	–
Redeemed number of units	(79)	(236)
Ending number of units	171	706

	2018	2017
Series D		
Opening units	468	402
Issued number of units	27	26
Reinvested number of units	–	–
Redeemed number of units	(103)	(46)
Ending number of units	392	382

	2018	2017
Series F		
Opening units	16 701	21 553
Issued number of units	1 704	2 380
Reinvested number of units	–	3
Redeemed number of units	(2 750)	(4 479)
Ending number of units	15 655	19 457



June 30, 2018

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

	2018	2017
Series FT5		
Opening units	517	579
Issued number of units	52	125
Reinvested number of units	3	2
Redeemed number of units	(55)	(149)
Ending number of units	517	557
Series I		
Opening units	2 934	4 777
Issued number of units	83	336
Reinvested number of units	–	2
Redeemed number of units	(559)	(828)
Ending number of units	2 458	4 287
Series O		
Opening units	56 374	47 293
Issued number of units	6 647	10 911
Reinvested number of units	55	67
Redeemed number of units	(5 646)	(5 730)
Ending number of units	57 430	52 541

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	31	100	32	100
Related-party brokerage commissions*	–	–	–	–
Commission arrangements†	–	–	–	–

* 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.

**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
BlueBay Global Convertible Bond Class (Canada)	8.8	9.4
RBC Strategic Income Bond Fund	8.5	8.6
Total	17.3	18.0

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.

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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.

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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

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(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.