


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 GLOBAL BALANCED FUND

June 30, 2018

Holdings	Security	Cost	Fair Value	% of Net Assets
EQUITIES				
CANADIAN EQUITIES				
Consumer Discretionary				
1 833	Canadian Tire Corp. Ltd., Class A	\$ 237	\$ 315	
17 700	Cineplex Inc.	641	516	
23 790	Dollarama Inc.	581	1 212	
28 280	Gildan Activewear Inc., Class A	841	1 047	
2 854	Linamar Corp.	100	165	
17 337	Magna International Inc., Class A	366	1 326	
21 150	Quebecor Inc., Class B	260	569	
39 421	Shaw Communications Inc., Class B	905	1 056	
		3 931	6 206	0.8
Consumer Staples				
34 500	Alimentation Couche-Tard Inc.	553	1 970	
22 082	Loblaw Companies Ltd.	912	1 493	
11 941	Maple Leaf Foods Inc.	239	397	
16 100	Metro Inc., Class A	630	720	
22 700	Saputo Group Inc.	969	991	
		3 303	5 571	0.8
Energy				
26 804	Cameco Corp.	597	396	
93 862	Canadian Natural Resources Ltd.	2 298	4 454	
109 490	Enbridge Inc.	4 508	5 146	
34 130	Husky Energy Inc.	1 039	699	
21 284	Imperial Oil Ltd.	883	930	
30 959	Pembina Pipeline Corp.	1 139	1 410	
28 803	PrairieSky Royalty Ltd.	930	747	
125 184	Suncor Energy Inc.	4 619	6 697	
54 346	TransCanada Corp.	2 421	3 091	
		18 434	23 570	3.2
Financials				
38 903	Bank of Montreal	1 881	3 953	
78 633	Bank of Nova Scotia	3 048	5 853	
68 069	Brookfield Asset Management Inc., Class A	1 331	3 630	
(380)	Brookfield Asset Management Inc., Class A, Written Call @ 56.00 January 18, 2019	(27)	(41)	
380	Brookfield Asset Management Inc., Class A, Put @ 48.00 January 18, 2019	55	33	
24 811	Canadian Imperial Bank of Commerce	1 738	2 837	
1 387	Fairfax Financial Holdings Ltd.	653	1 022	
7 939	Intact Financial Corp.	572	740	
129 214	Manulife Financial Corporation	2 228	3 052	
20 812	National Bank of Canada	1 012	1 314	
11 138	Onex Corporation	378	1 075	

Holdings	Security	Cost	Fair Value	% of Net Assets
Financials (cont.)				
66 318	Power Corporation of Canada	\$ 1 843	\$ 1 952	
94 548	Royal Bank of Canada*	3 898	9 359	
30 603	Sun Life Financial Inc.	977	1 617	
23 077	Thomson Corp.	738	1 224	
118 711	Toronto-Dominion Bank	3 669	9 033	
		23 994	46 653	6.5
Health Care				
37 400	Chartwell Retirement Residences Real Estate Investment Trust	504	573	
		504	573	0.1
Industrials				
16 500	Air Canada	218	351	
196 900	Bombardier Inc., Class B	655	1 024	
22 300	CAE Inc.	342	609	
46 736	Canadian National Railway Co.	1 398	5 026	
11 376	Canadian Pacific Railway Ltd.	2 383	2 741	
21 122	SNC-Lavalin Group Inc.	1 014	1 226	
19 051	Waste Connections Inc.	979	1 887	
		6 989	12 864	1.8
Information Technology				
29 999	BlackBerry Ltd.	363	380	
20 900	Celestica Inc.	270	327	
18 763	CGI Group Inc., Class A	533	1 563	
4 700	Kinaxis Inc.	320	416	
24 356	Open Text Corp.	532	1 127	
4 900	Shopify Inc., Class A	508	939	
		2 526	4 752	0.7
Materials				
25 700	Agnico Eagle Mines Ltd.	784	1 549	
94 948	Barrick Gold Corp.	2 609	1 640	
56 700	Detour Gold Corp.	950	670	
25 400	Endeavour Mining Corp.	584	599	
42 054	First Quantum Minerals Ltd.	763	815	
76 928	Goldcorp Inc.	2 433	1 389	
51 392	Nutrien Ltd.	3 352	3 676	
173 100	OceanaGold Corp.	756	632	
38 800	Teck Resources Ltd., Class B	1 141	1 299	
36 065	Wheaton Precious Metals Corp.	1 103	1 047	
		14 475	13 316	1.8
Real Estate				
23 848	Allied Properties Real Estate Investment Trust	760	998	
32 939	Brookfield Property Partners LP	589	822	
37 207	Choice Properties Real Estate Investment Trust	444	451	
38 400	First Capital Realty Inc.	834	793	
40 200	Killam Apartment Real Estate Investment Trust	543	602	
25 200	RioCan Real Estate Investment Trust	643	609	
		3 813	4 275	0.6

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



June 30, 2018

Holdings	Security	Cost	Fair Value	% of Net Assets
Telecommunication Services				
46 168	BCE Inc.	\$ 2 320	\$ 2 458	
31 494	Rogers Communications Inc., Class B	1 198	1 966	
35 971	TELUS Corp.	1 013	1 680	
		4 531	6 104	0.8
Utilities				
45 600	Algonquin Power & Utilities Corp.	462	579	
18 300	Brookfield Infrastructure Partners LP	849	923	
17 240	Canadian Utilities Ltd., Class A	650	572	
7 900	Emera Inc.	361	338	
32 119	Fortis Inc.	1 278	1 350	
79 600	TransAlta Corp.	589	525	
		4 189	4 287	0.6
		86 689	128 171	17.7
TOTAL CANADIAN EQUITIES				
FOREIGN EQUITIES				
UNITED STATES EQUITIES				
Consumer Discretionary				
2 400	Amazon.com, Inc.	3 194	5 361	
25 500	Comcast Corp., Class A	1 101	1 100	
8 300	Dollar General Corp.	812	1 076	
6 400	General Motors Co.	325	332	
8 099	Home Depot Inc.	1 346	2 078	
7 800	Kohl's Corp.	651	748	
3 400	McDonald's Corp.	581	701	
2 000	Netflix Inc.	540	1 029	
5 800	Nike Inc.	503	608	
6 800	Ross Stores Inc.	715	758	
9 600	Target Corporation	896	961	
8 000	TJX Companies Inc.	865	1 001	
8 500	Twenty-First Century Fox Inc.	435	556	
		11 964	16 309	2.3
Consumer Staples				
24 800	Altria Group Inc.	2 043	1 852	
19 700	CVS Health Corp.	1 784	1 667	
14 400	Mondelez International Inc.	733	777	
8 500	PepsiCo Inc.	1 042	1 217	
9 300	Philip Morris International Inc.	1 121	987	
18 600	The Coca-Cola Co.	1 056	1 072	
9 800	The Kraft Heinz Co.	740	809	
7 700	The Procter & Gamble Co.	747	790	
7 200	Walmart Inc.	754	811	
		10 020	9 982	1.4
Energy				
19 000	Chevron Corp.	2 701	3 158	
15 000	ConocoPhillips	1 139	1 373	
3 100	EOG Resources Inc.	394	507	
6 900	Exxon Mobil Corp.	710	751	
11 600	Marathon Petroleum Corp.	1 013	1 070	
12 100	Occidental Petroleum Corp.	1 308	1 331	
4 100	Phillips 66 Company	604	605	
7 600	Valero Energy Corp.	658	1 107	
		8 527	9 902	1.4

Holdings	Security	Cost	Fair Value	% of Net Assets
Financials				
85 500	Bank of America Corp.	\$ 1 672	\$ 3 170	
9 400	Berkshire Hathaway Inc., Class B	1 919	2 307	
600	BlackRock Inc.	417	394	
15 100	Citigroup Inc.	1 277	1 329	
16 000	Citizens Financial Group Inc.	866	818	
3 500	CME Group Inc., Class A	733	754	
18 800	Fifth Third Bancorp	801	709	
19 700	JPMorgan Chase & Co.	1 595	2 702	
21 300	Morgan Stanley	1 082	1 327	
7 900	PNC Bank Corp.	1 364	1 403	
12 300	Suntrust Banks Inc.	946	1 068	
		12 672	15 981	2.2
Health Care				
15 100	Abbott Laboratories	1 160	1 211	
12 400	AbbVie Inc.	1 306	1 511	
5 600	Amgen Inc.	1 191	1 359	
4 800	Anthem Inc.	1 504	1 502	
2 200	Biogen Inc.	786	840	
8 000	Bristol-Myers Squibb Co.	596	582	
15 200	Johnson & Johnson	2 190	2 425	
10 900	Medtronic Plc.	1 086	1 227	
17 300	Merck & Co. Inc.	1 314	1 381	
26 800	Mylan N.V.	1 370	1 273	
31 700	Pfizer Inc.	1 376	1 513	
5 800	Quest Diagnostics Inc.	792	838	
3 500	Stryker Corp.	705	777	
2 800	Thermo Fisher Scientific Inc.	663	763	
9 300	UnitedHealth Group Incorporated	1 361	3 001	
6 800	Zoetis Inc.	602	762	
		18 002	20 965	2.9
Industrials				
3 800	Boeing Co.	720	1 676	
4 500	Delta Air Lines Inc.	314	293	
10 500	Eaton Corp Plc.	1 117	1 032	
12 000	Emerson Electric Co.	1 094	1 091	
45 300	General Electric Company	843	811	
5 600	Honeywell International Inc.	950	1 061	
2 400	Northrop Grumman Corp.	802	971	
3 800	Raytheon Company	656	965	
7 900	Union Pacific Corp.	1 218	1 472	
3 800	United Technologies Corp.	645	625	
		8 359	9 997	1.4
Information Technology				
5 000	Adobe Systems Inc.	986	1 601	
2 800	Alphabet Inc., Class A	3 063	4 157	
29 000	Apple Inc.	4 948	6 974	
3 400	Broadcom Inc.	1 031	1 085	
38 600	Cisco Systems Inc.	1 494	2 184	
11 200	Facebook Inc., Class A	2 188	2 861	
22 000	Hewlett Packard Enterprise Co.	472	423	
34 500	Intel Corp.	1 847	2 255	
2 900	Intuit Inc.	626	779	
6 600	Mastercard Inc.	1 018	1 706	
5 100	Micron Technology Inc.	325	352	

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June 30, 2018

Holdings	Security	Cost	Fair Value	% of Net Assets
Information Technology (cont.)				
43 900	Microsoft Corp.	\$ 2 800	\$ 5 691	
2 900	Nvidia Corp.	738	903	
5 300	PayPal Holdings Inc.	428	580	
3 500	Salesforce.com Inc.	355	628	
8 300	Texas Instruments Inc.	870	1 203	
11 700	Visa Inc., Class A	1 474	2 041	
		24 663	35 423	4.9
Materials				
22 200	DowDuPont Inc.	1 795	1 925	
13 100	LyondellBasell Industries N.V.	1 823	1 892	
3 900	Praxair Inc.	762	811	
		4 380	4 628	0.6
Real Estate				
5 900	Crown Castle International Corp. Real Estate Investment Trust	804	837	
		804	837	0.1
Telecommunication Services				
9 600	AT&T Inc.	441	405	
19 400	Verizon Communications Inc.	1 271	1 284	
		1 712	1 689	0.2
Utilities				
10 700	Alliant Energy Corp.	576	595	
6 700	American Electric Power	618	610	
5 900	Duke Energy Corp.	581	613	
11 300	Exelon Corp.	563	633	
12 700	FirstEnergy Corporation	534	600	
8 500	NextEra Energy Inc.	1 376	1 867	
		4 248	4 918	0.7
TOTAL UNITED STATES EQUITIES		105 351	130 631	18.1
INTERNATIONAL EQUITIES				
Australia				
13 570	Commonwealth Bank of Australia	1 099	962	
17 822	CSL Ltd.	1 731	3 335	
55 438	James Hardie Industries Plc., Subscription Receipts	1 047	1 222	
		3 877	5 519	0.8
China				
48 100	Tencent Holdings Ltd.	1 035	3 175	
		1 035	3 175	0.4
Denmark				
8 565	Christian Hansen Holding A/S	730	1 037	
36 221	Novo Nordisk A/S	1 544	2 203	
21 101	Novozymes A/S	1 221	1 407	
		3 495	4 647	0.6
Finland				
28 783	Sampo OYJ	1 405	1 848	
		1 405	1 848	0.3
France				
4 632	Cie Generale D'Optique Essilor International S.A.	791	859	
4 237	LVMH Louis Vuitton Moet-Hennessy	1 423	1 849	
		2 214	2 708	0.4

Holdings	Security	Cost	Fair Value	% of Net Assets
Germany				
10 353	Bayer AG	\$ 1 520	\$ 1 499	
4 273	Continental AG	979	1 278	
7 283	Fresenius Medical Care AG & Co. KGaA	935	965	
8 316	Henkel KGaA, Preferred Non-Voting	819	1 395	
8 439	Symrise AG	596	972	
		4 849	6 109	0.8
Hong Kong				
187 200	AIA Group Ltd.	1 119	2 144	
		1 119	2 144	0.3
Ireland				
22 135	CRH Plc.	1 028	1 021	
8 030	DCC Plc.	1 027	957	
11 144	Paddy Power Betfair Plc.	1 091	1 601	
11 732	Ryanair Holdings Plc. ADR	483	1 762	
		3 629	5 341	0.7
Italy				
13 185	Luxottica Group S.p.A.	952	1 116	
		952	1 116	0.2
Japan				
23 400	Asahi Group Holdings Ltd.	1 499	1 578	
36 900	Bridgestone Corp.	1 429	1 895	
35 100	Daiichi Sankyo Co. Ltd.	1 767	1 763	
10 900	Daikin Industries Ltd.	1 415	1 713	
298 400	Mitsubishi UFJ Financial Group Inc.	2 174	2 222	
7 700	Nitori Co. Ltd.	1 033	1 575	
3 200	SMC Corp.	1 238	1 540	
29 400	SoftBank Group Corp.	2 444	2 760	
22 800	Suzuki Motor Co. Ltd.	1 509	1 652	
12 700	Symex Corp.	919	1 556	
318 200	Yahoo! Japan Corp.	1 937	1 386	
		17 364	19 640	2.7
Netherlands				
4 143	ASML Holding N.V.	940	1 078	
11 997	Heineken N.V.	1 330	1 580	
68 879	ING Groep N.V.	1 662	1 300	
65 140	Relx N.V.	1 257	1 821	
		5 189	5 779	0.8
Spain				
193 230	CaixaBank S.A.	1 201	1 093	
		1 201	1 093	0.1
Sweden				
33 487	Assa Abloy AB	878	934	
19 489	Atlas Copco AB	794	743	
42 252	Swedbank AB	1 052	1 184	
		2 724	2 861	0.4
Switzerland				
4 742	Roche Holdings AG Genussscheine	1 350	1 383	
2 716	Schindler Holding AG	295	767	
6 910	Sika AG	691	1 255	
		2 336	3 405	0.5
Taiwan				
222 000	Taiwan Semiconductor Manufacturing Co. Ltd.	551	2 076	
		551	2 076	0.3

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June 30, 2018

Holdings	Security	Cost	Fair Value	% of Net Assets
United Kingdom				
48 924	Antofagasta Plc.	\$ 616	\$ 836	
35 401	Ashtead Group Plc.	932	1 386	
191 725	BT Group Plc.	1 034	723	
38 181	Hargreaves Lansdown Plc.	759	1 301	
28 404	London Stock Exchange Group Plc.	1 042	2 198	
34 282	Micro Focus International Plc.	1 012	782	
62 986	Playtech Plc.	836	821	
51 331	Royal Dutch Shell Plc., A Shares	1 800	2 342	
25 959	Schroders Plc.	1 423	1 416	
75 397	The Sage Group Plc.	780	819	
35 292	Unilever Plc.	1 825	2 563	
		<u>12 059</u>	<u>15 187</u>	<u>2.1</u>
TOTAL INTERNATIONAL EQUITIES		<u>63 999</u>	<u>82 648</u>	<u>11.4</u>
TOTAL FOREIGN EQUITIES		<u>169 350</u>	<u>213 279</u>	<u>29.5</u>
TOTAL EQUITIES		<u>256 039</u>	<u>341 450</u>	<u>47.2</u>

Holdings	Security	Cost	Fair Value	% of Net Assets
UNDERLYING FUNDS				
33 600	iShares Dow Jones US Real Estate Index Fund	\$ 3 364	\$ 3 557	
935 346	RBC Canadian Small & Mid-Cap Resources Fund*	7 927	6 425	
185 527	RBC Emerging Markets Dividend Fund*	1 908	2 533	
1 356 501	RBC Emerging Markets Equity Fund*	14 284	24 031	
177 232	RBC Emerging Markets Small-Cap Equity Fund*	1 834	2 568	
335 305	RBC High Yield Bond Fund*	3 522	3 543	
165 914	RBC U.S. Mid-Cap Growth Equity Fund*	3 548	7 121	
379 582	RBC U.S. Mid-Cap Value Equity Fund*	4 343	5 220	
75 839	RBC U.S. Small-Cap Core Equity Fund*	814	1 776	
TOTAL UNDERLYING FUNDS		<u>41 544</u>	<u>56 774</u>	<u>7.9</u>

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
BONDS						
CANADIAN BONDS						
CORPORATE						
600	407 International Inc.	5.750	14-Feb-2036	\$ 620	\$ 773	
250	407 International Inc.	3.830	11-May-2046	276	262	
200	Alectra Inc.	2.488	17-May-2027	200	192	
201	Alliance Pipeline LP	6.765	31-Dec-2025	230	228	
450	AltaGas Ltd.	4.550	17-Jan-2019	473	455	
400	AltaLink LP	3.668	06-Nov-2023	432	418	
300	Bank of Montreal	2.840	04-Jun-2020	311	302	
200	Bank of Montreal	1.880	31-Mar-2021	196	196	
50	Bank of Montreal GBP	1.625	21-Jun-2022	90	87	
250	Bank of Montreal	2.890	20-Jun-2023	250	250	
1 000	Bank of Nova Scotia	2.270	13-Jan-2020	1 000	997	
250	Bank of Nova Scotia	2.130	15-Jun-2020	250	248	
500	Bank of Nova Scotia	1.830	27-Apr-2022	500	482	
650	Bank of Nova Scotia	2.360	08-Nov-2022	646	636	
350	Bank of Nova Scotia	2.980	17-Apr-2023	350	351	
500	Bank of Nova Scotia	2.290	28-Jun-2024	500	480	
150	BC Tel	10.650	19-Jun-2021	233	182	
255	BC Tel	9.650	08-Apr-2022	374	313	
300	bcIMC Realty Corp.	2.790	02-Aug-2018	309	300	
100	bcIMC Realty Corp.	2.100	03-Jun-2021	100	98	
300	Bell Canada	3.350	18-Jun-2019	315	303	
300	Bell Canada	3.250	17-Jun-2020	314	303	
350	Bell Canada	2.000	01-Oct-2021	349	340	
290	Bell Canada	3.350	22-Mar-2023	305	293	
800	Bell Canada	6.100	16-Mar-2035	779	990	
350	Brookfield Renewable Energy Partners ULC	5.140	13-Oct-2020	350	368	
100	Brookfield Renewable Energy Partners ULC	5.840	05-Nov-2036	101	118	
400	Caisse Centrale Desjardins	1.748	02-Mar-2020	400	395	
300	Caisse Centrale Desjardins	2.091	17-Jan-2022	300	293	
250	Cameco Corp.	5.670	02-Sep-2019	254	257	
950	Canadian Credit Card Trust II	1.829	24-Mar-2020	950	939	
50	Canadian Imperial Bank of Commerce	2.350	24-Jun-2019	51	50	

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June 30, 2018

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
CORPORATE (cont.)						
2 000	Canadian Imperial Bank of Commerce	1.660	20-Jan-2020	\$ 2 000	\$ 1 977	
350	Canadian Imperial Bank of Commerce	2.040	21-Mar-2022	350	341	
200	Canadian Imperial Bank of Commerce	2.300	11-Jul-2022	200	196	
300	Canadian Pacific Railway Ltd.	6.450	17-Nov-2039	300	412	
400	Canadian Real Estate Investment Trust	4.323	15-Jan-2021	400	413	
500	Choice Properties LP	3.600	20-Sep-2021	508	508	
100	Choice Properties Real Estate Investment Trust	3.196	07-Mar-2023	101	100	
500	Crombie Real Estate Investment Trust	3.986	31-Oct-2018	515	503	
1 000	CT Real Estate Investment Trust	3.469	16-Jun-2027	967	972	
1 000	Daimler Canada Finance Inc.	2.230	16-Dec-2021	1 000	977	
300	Emera Inc.	4.830	02-Dec-2019	329	309	
600	Enbridge Gas Distribution Inc.	5.210	25-Feb-2036	587	731	
200	Enbridge Inc.	5.375	27-Sep-2077	200	190	
250	Enbridge Pipelines Inc.	4.490	12-Nov-2019	250	258	
300	Federation des Caisses Desjardins du Quebec	2.394	25-Aug-2022	300	294	
200	Ford Credit Canada Co.	2.580	10-May-2021	197	197	
600	Ford Credit Canada Co.	2.766	22-Jun-2022	590	585	
200	Ford Credit Canada Co.	3.742	08-May-2023	200	201	
250	FortisAlberta Inc.	6.220	31-Oct-2034	275	334	
500	FortisBC Energy Inc.	5.900	26-Feb-2035	529	652	
250	Greater Toronto Airports Authority	6.470	02-Feb-2034	282	352	
400	H&R Real Estate Investment Trust	2.923	06-May-2022	395	393	
500	HSBC Bank Canada	1.816	07-Jul-2020	498	491	
450	HSBC Bank Canada	2.170	29-Jun-2022	450	436	
350	Hydro One Inc.	6.930	01-Jun-2032	426	481	
500	Hydro One Inc.	5.360	20-May-2036	606	618	
500	Inter Pipeline Ltd.	3.173	24-Mar-2025	505	489	
1 000	Loblaw Companies Ltd.	5.900	18-Jan-2036	957	1 216	
200	Manulife Bank of Canada	1.915	01-Sep-2021	200	195	
575	Manulife Financial Corporation	5.059	15-Dec-2041	575	648	
1 450	National Bank of Canada	2.404	28-Oct-2019	1 467	1 451	
550	National Bank of Canada	1.957	30-Jun-2022	534	532	
500	NAV Canada	4.397	18-Feb-2021	500	524	
750	North West Redwater Partnership	2.800	01-Jun-2027	748	720	
400	OMERS Realty Corp.	3.331	05-Jun-2025	400	406	
400	Pembina Pipeline Corp.	3.540	03-Feb-2025	400	401	
250	Penske Truck Leasing Canada Inc.	2.850	07-Dec-2022	250	247	
500	Rogers Communications Inc.	5.380	04-Nov-2019	507	519	
350	Rogers Communications Inc.	4.700	29-Sep-2020	370	365	
210	Rogers Communications Inc.	5.340	22-Mar-2021	241	224	
300	Rogers Communications Inc.	6.110	25-Aug-2040	301	375	
300	Royal Bank of Canada*	2.350	09-Dec-2019	308	300	
600	Royal Bank of Canada*	2.030	15-Mar-2021	602	590	
1 000	Royal Bank of Canada*	1.583	13-Sep-2021	984	965	
1 700	Royal Bank of Canada*	2.949	01-May-2023	1 700	1 703	
580	Shaw Communications Inc.	5.650	01-Oct-2019	649	602	
500	Shaw Communications Inc.	6.750	09-Nov-2039	509	630	
635	Sun Life Financial Inc.	5.400	29-May-2042	634	763	
1 300	TELUS Corp.	5.050	04-Dec-2019	1 406	1 350	
250	Teranet Holdings LP	4.807	16-Dec-2020	270	259	
350	The Manufacturers Life Insurance Co.	2.811	21-Feb-2024	350	351	
340	Thomson Reuters Corp.	3.309	12-Nov-2021	340	345	
500	Toronto Hydro Corp.	4.490	12-Nov-2019	500	515	
1 700	Toronto-Dominion Bank	3.005	30-May-2023	1 700	1 710	
1 000	Toyota Credit Canada Inc.	2.350	18-Jul-2022	1 000	981	
250	TransCanada Pipelines Ltd.	3.690	19-Jul-2023	250	258	
500	Union Gas Ltd.	4.850	25-Apr-2022	557	539	

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
CORPORATE (cont.)						
500	Union Gas Ltd.	3.190	17-Sep-2025	\$ 511	\$ 507	
500	Union Gas Ltd.	5.200	23-Jul-2040	498	625	
250	Union Gas Ltd.	4.200	02-Jun-2044	285	277	
300	Wells Fargo Canada Corp.	2.780	15-Nov-2018	300	301	
500	Wells Fargo Canada Corp.	2.944	25-Jul-2019	500	503	
250	Westcoast Energy Inc.	6.750	15-Dec-2027	283	307	
				46 354	47 513	6.6
FEDERAL						
900	Government of Canada	0.750	01-Aug-2019	890	889	
3 200	Government of Canada	0.750	01-Sep-2021	3 150	3 077	
5 300	Government of Canada	0.500	01-Mar-2022	5 040	5 017	
2 940	Government of Canada	1.500	01-Jun-2023	2 891	2 860	
900	Government of Canada	2.500	01-Jun-2024	904	918	
4 575	Government of Canada	1.000	01-Jun-2027	4 100	4 147	
1 000	Government of Canada	2.000	01-Jun-2028	994	984	
615	Government of Canada	5.750	01-Jun-2033	757	890	
450	Government of Canada	3.500	01-Dec-2045	615	567	
				19 341	19 349	2.7
PROVINCIAL						
2 000	Province of New Brunswick	4.400	03-Jun-2019	2 219	2 045	
500	Province of New Brunswick	3.800	14-Aug-2045	524	554	
2 500	Province of Nova Scotia	4.900	01-Jun-2035	2 509	3 118	
500	Province of Ontario USD	2.000	30-Jan-2019	665	656	
1 120	Province of Ontario	4.400	02-Jun-2019	1 134	1 146	
2 000	Province of Ontario USD	1.875	21-May-2020	2 642	2 584	
2 080	Province of Ontario	4.200	02-Jun-2020	2 230	2 160	
1 250	Province of Ontario	4.000	02-Jun-2021	1 376	1 310	
6 800	Province of Ontario USD	2.500	10-Sep-2021	9 678	8 796	
1 070	Province of Ontario USD	2.250	18-May-2022	1 343	1 363	
3 900	Province of Ontario	3.150	02-Jun-2022	3 936	4 006	
2 000	Province of Ontario USD	2.200	03-Oct-2022	2 491	2 533	
1 300	Province of Ontario	2.850	02-Jun-2023	1 327	1 319	
400	Province of Ontario	3.500	02-Jun-2024	422	419	
1 300	Province of Ontario	2.600	02-Jun-2025	1 347	1 293	
1 520	Province of Ontario	2.400	02-Jun-2026	1 512	1 482	
1 000	Province of Ontario	2.900	02-Jun-2028	988	1 004	
4 500	Province of Ontario	4.700	02-Jun-2037	4 487	5 602	
500	Province of Ontario	4.600	02-Jun-2039	508	623	
2 400	Province of Ontario	3.450	02-Jun-2045	2 270	2 590	
1 000	Province of Ontario	2.900	02-Dec-2046	931	978	
1 100	Province of Ontario	2.800	02-Jun-2048	996	1 057	
180	Province of Quebec GBP	0.875	24-May-2022	292	307	
2 200	Province of Quebec	3.000	01-Sep-2023	2 283	2 251	
600	Province of Quebec	3.750	01-Sep-2024	647	639	
155	Province of Quebec	5.000	01-Dec-2038	187	203	
1 350	Province of Quebec	5.000	01-Dec-2041	1 471	1 807	
500	Province of Quebec	4.250	01-Dec-2043	522	613	
3 100	Province of Quebec	3.500	01-Dec-2045	3 393	3 404	
				54 330	55 862	7.7
TOTAL CANADIAN BONDS				120 025	122 724	17.0



June 30, 2018

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
FOREIGN BONDS						
Australia						
4 022	Australia Government AUD	2.250	21-May-2028	\$ 3 816	\$ 3 790	
				3 816	3 790	0.5
Austria						
1 230	Austria Government EUR	0.500	20-Apr-2027	1 833	1 897	
				1 833	1 897	0.3
Belgium						
2 653	Belgium Government EUR	2.600	22-Jun-2024	4 436	4 695	
604	Belgium Government EUR	3.750	22-Jun-2045	1 337	1 384	
				5 773	6 079	0.8
Denmark						
13 500	Denmark Government DKK	1.500	15-Nov-2023	3 022	3 033	
				3 022	3 033	0.4
France						
2 000	France O.A.T. EUR	0.500	25-May-2026	2 942	3 115	
2 265	France O.A.T. EUR	1.250	25-May-2036	3 273	3 527	
167	France O.A.T. EUR	4.000	25-Apr-2055	419	425	
435	France O.A.T. EUR	1.750	25-May-2066	603	675	
				7 237	7 742	1.1
Finland						
195	Finland Government EUR	1.375	15-Apr-2047	298	313	
				298	313	-
Germany						
910	Bundesrepublik Deutschland EUR	1.500	04-Sep-2022	1 505	1 511	
358	Bundesrepublik Deutschland EUR	0.500	15-Feb-2026	553	568	
2 157	Bundesrepublik Deutschland EUR	4.000	04-Jan-2037	5 060	5 182	
176	Bundesrepublik Deutschland EUR	2.500	15-Aug-2046	355	372	
				7 473	7 633	1.1
Ireland						
400	Ireland Government EUR	3.400	18-Mar-2024	689	730	
250	Ireland Government EUR	1.700	15-May-2037	339	402	
				1 028	1 132	0.2
Italy						
1 594	Buoni Poliennali Del Tesoro EUR	0.650	01-Nov-2020	2 380	2 436	
5 870	Buoni Poliennali Del Tesoro EUR	0.450	01-Jun-2021	9 510	8 867	
5 205	Buoni Poliennali Del Tesoro EUR	1.450	15-Sep-2022	8 007	7 952	
865	Buoni Poliennali Del Tesoro EUR	1.600	01-Jun-2026	1 328	1 255	
873	Buoni Poliennali Del Tesoro EUR	2.000	01-Feb-2028	1 239	1 266	
1 068	Buoni Poliennali Del Tesoro EUR	2.250	01-Sep-2036	1 494	1 468	
78	Buoni Poliennali Del Tesoro EUR	3.250	01-Sep-2046	122	118	
585	Buoni Poliennali Del Tesoro EUR	3.450	01-Mar-2048	885	904	
200	Telecom Italia S.p.A. EUR	2.875	28-Jan-2026	309	306	
				25 274	24 572	3.4
Japan						
113 000	Development Bank of Japan Inc. JPY	1.700	20-Sep-2022	1 542	1 437	
60 000	Development Bank of Japan Inc. JPY	1.050	20-Jun-2023	794	748	
760	Japan Finance Organization for Municipalities EUR	0.875	22-Sep-2021	1 111	1 198	
183 250	Japan Government Ten Year JPY	0.100	20-Sep-2027	2 087	2 195	
74 450	Japan Government Twenty Year JPY	0.200	20-Jun-2036	867	851	
1 112 200	Japan Government Twenty Year JPY	0.500	20-Sep-2036	13 647	13 386	
123 000	Japan Government Thirty Year JPY	1.500	20-Dec-2044	1 535	1 759	
142 500	Japan Government Thirty Year JPY	0.300	20-Jun-2046	1 613	1 527	
33 600	Japan Government Forty Year JPY	0.400	20-Mar-2056	334	344	
				23 530	23 445	3.2

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
Mexico						
16 000	Mexican Bonos MXN	5.750	05-Mar-2026	\$ 942	\$ 946	
				942	946	0.1
Netherlands						
510	Netherlands Government EUR	0.750	15-Jul-2027	798	811	
400	Netherlands Government EUR	2.750	15-Jan-2047	857	881	
				1 655	1 692	0.2
Poland						
3 640	Government of Poland PLN	2.250	25-Apr-2022	1 315	1 280	
				1 315	1 280	0.2
Portugal						
600	Portugal Obrigacoes do Tesouro EUR	4.750	14-Jun-2019	958	965	
700	Portugal Obrigacoes do Tesouro EUR	2.200	17-Oct-2022	1 086	1 159	
				2 044	2 124	0.3
Romania						
330	Romanian Government EUR	4.625	18-Sep-2020	538	558	
120	Romanian Government EUR	2.875	28-Oct-2024	180	202	
120	Romanian Government EUR	2.500	08-Feb-2030	183	177	
				901	937	0.1
South Africa						
13 000	Republic of South Africa ZAR	10.500	21-Dec-2026	1 466	1 368	
				1 466	1 368	0.2
South Korea						
250	The Korea Development Bank AUD	4.500	22-Nov-2019	252	248	
				252	248	-
Spain						
3 660	Spain Government EUR	2.750	30-Apr-2019	5 692	5 766	
2 497	Spain Government EUR	1.150	30-Jul-2020	3 716	3 945	
270	Spain Government EUR	5.500	30-Apr-2021	493	480	
3 165	Spain Government EUR	0.450	31-Oct-2022	4 906	4 912	
1 690	Spain Government EUR	1.450	31-Oct-2027	2 416	2 641	
510	Spain Government EUR	4.700	30-Jul-2041	1 042	1 130	
				18 265	18 874	2.6
Supranational						
777	Asian Development Bank GBP	0.750	24-Mar-2022	1 283	1 332	
				1 283	1 332	0.2
Sweden						
10 000	Government of Sweden SEK	1.500	13-Nov-2023	1 652	1 594	
				1 652	1 594	0.2
United Kingdom						
1 220	United Kingdom Gilt GBP	1.250	22-Jul-2027	2 097	2 103	
685	United Kingdom Gilt GBP	4.500	07-Sep-2034	1 620	1 672	
2 089	United Kingdom Gilt GBP	3.250	22-Jan-2044	4 494	4 732	
				8 211	8 507	1.2



June 30, 2018

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
United States						
590	United States Treasury	1.500	30-Nov-2019	\$ 767	\$ 765	
3 575	United States Treasury	1.625	31-Jul-2020	4 742	4 612	
6 650	United States Treasury	1.500	31-Jan-2022	8 614	8 392	
9 981	United States Treasury	1.750	15-May-2023	12 796	12 534	
4 460	United States Treasury	2.375	15-May-2027	5 492	5 645	
582	United States Treasury	3.500	15-Feb-2039	934	833	
400	United States Treasury	4.375	15-Nov-2039	660	645	
6 274	United States Treasury	2.500	15-Feb-2045	7 471	7 511	
539	United States Treasury Inflation Indexed	2.125	15-Feb-2040	839	892	
				42 315	41 829	5.8
TOTAL FOREIGN BONDS				159 585	160 367	22.1
TOTAL BONDS				279 610	283 091	39.1
SHORT-TERM INVESTMENTS[†]						
3 160	Bank of Montreal			3 156	3 156	
22 850	Bank of Nova Scotia			22 824	22 824	
6 320	Government of Canada Treasury Bills			6 287	6 287	
1 805	National Bank of Canada			1 804	1 804	
3 970	Toronto-Dominion Bank			3 965	3 965	
TOTAL SHORT-TERM INVESTMENTS				38 036	38 036	5.3
TOTAL INVESTMENTS				615 229	719 351	99.5
UNREALIZED GAIN ON FUTURES CONTRACTS (SCHEDULE A)				–	71	–
UNREALIZED LOSS ON FUTURES CONTRACTS (SCHEDULE A)				–	(142)	–
UNREALIZED GAIN ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE B)				–	1 870	0.3
UNREALIZED LOSS ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE B)				–	(2 394)	(0.3)
TOTAL PORTFOLIO				\$ 615 229	718 756	99.5
OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS					3 456	0.5
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS					\$ 722 212	100.0

SCHEDULE A

Futures Contracts

Number of Contracts	Contracted Value	Unrealized Gain
59	The S&P/TSX 60 Index Future, September 2018	
	Contracts at CAD 957.26 per contract	\$ 11 296 \$ 71
		\$ 11 296 \$ 71
Number of Contracts	Contracted Value	Unrealized Loss
8	Japanese Nikkei 225 Index Future, September 2018	
	Contracts at JPY 22 719.50 per contract	\$ 1 070 \$ (24)
22	Mini MSCI Emerging Markets Index Future, September 2018 Contracts at USD 1 119.75 per contract	1 604 (82)
28	The Dow Jones Euro STOXX 50 Future, September 2018 Contracts at EUR 3 458.00 per contract	1 483 (28)
11	The S&P 500 Mini Index Future, September 2018 Contracts at USD 2 732.75 per contract	2 000 (8)
		\$ 6 157 \$ (142)
TOTAL FUTURES		\$ 17 453 \$ (71)

\$2 500 Government of Canada Treasury Bills are held as collateral by counterparties with respect to the above futures contracts.

SCHEDULE B

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Gain
Bought AUD 727 Sold CAD 699 @ 1.0396	03-Jul-2018	\$ 8
Bought CAD 471 Sold DKK 2 223 @ 0.2119	03-Jul-2018	13
Bought CAD 714 Sold AUD 727 @ 0.9826	03-Jul-2018	7
Bought CAD 19 Sold GBP 11 @ 1.7344	03-Jul-2018	–
Bought CAD 734 Sold USD 557 @ 1.3168	03-Jul-2018	1
Bought CAD 45 Sold GBP 26 @ 1.7353	03-Jul-2018	–
Bought DKK 2 223 Sold CAD 457 @ 4.8600	03-Jul-2018	1
Bought CAD 1 087 Sold EUR 680 @ 1.5987	05-Jul-2018	43
Bought CAD 1 657 Sold GBP 922 @ 1.7972	09-Jul-2018	57
Bought CAD 102 Sold DKK 485 @ 0.2102	10-Jul-2018	2
Bought CAD 2 183 Sold EUR 1 400 @ 1.5592	10-Jul-2018	33
Bought EUR 93 Sold CAD 140 @ 0.6643	10-Jul-2018	3
Bought CAD 4 509 Sold JPY 374 409 @ 0.0120	11-Jul-2018	61
Bought CAD 141 Sold USD 106 @ 1.3327	11-Jul-2018	2
Bought CAD 3 930 Sold USD 2 949 @ 1.3327	11-Jul-2018	54
Bought JPY 248 000 Sold CAD 2 939 @ 84.3870	11-Jul-2018	7
Bought USD 1 676 Sold CAD 2 102 @ 0.7973	11-Jul-2018	101
Bought CAD 407 Sold SEK 2 710 @ 0.1500	13-Jul-2018	9
Bought CAD 369 Sold INR 19 196 @ 0.0192	16-Jul-2018	1
Bought INR 19 196 Sold CAD 359 @ 53.4400	16-Jul-2018	8
Bought CAD 277 Sold GBP 159 @ 1.7444	17-Jul-2018	1
Bought CAD 26 Sold USD 20 @ 1.2988	18-Jul-2018	–
Bought CAD 133 Sold USD 100 @ 1.3306	18-Jul-2018	2

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



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SCHEDULE B (cont.)

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Gain
Bought USD 2 218 Sold CAD 2 850 @ 0.7783	18-Jul-2018	\$ 65
Bought USD 503 Sold CAD 653 @ 0.7708	18-Jul-2018	8
Bought CAD 1 333 Sold EUR 848 @ 1.5725	19-Jul-2018	30
Bought CAD 135 Sold SEK 890 @ 0.1517	19-Jul-2018	4
Bought EUR 410 Sold CAD 621 @ 0.6602	19-Jul-2018	9
Bought CAD 9 Sold EUR 6 @ 1.5601	20-Jul-2018	–
Bought USD 1 157 Sold EUR 936 @ 1.2369	20-Jul-2018	83
Bought USD 361 Sold CAD 468 @ 0.7715	20-Jul-2018	7
Bought CAD 224 Sold DKK 1 060 @ 0.2117	23-Jul-2018	6
Bought CAD 730 Sold PLN 2 048 @ 0.3566	23-Jul-2018	12
Bought CAD 390 Sold MXN 5 914 @ 0.0660	23-Jul-2018	–
Bought MXN 5 698 Sold CAD 359 @ 15.8769	23-Jul-2018	17
Bought PLN 1 026 Sold CAD 360 @ 2.8506	23-Jul-2018	–
Bought PLN 1 022 Sold CAD 358 @ 2.8511	23-Jul-2018	–
Bought CAD 470 Sold EUR 298 @ 1.5764	24-Jul-2018	12
Bought CAD 1 430 Sold EUR 908 @ 1.5749	24-Jul-2018	34
Bought CAD 845 Sold EUR 541 @ 1.5627	24-Jul-2018	14
Bought USD 1 350 Sold CAD 1 693 @ 0.7974	24-Jul-2018	81
Bought CAD 327 Sold DKK 1 544 @ 0.2116	25-Jul-2018	8
Bought CAD 2 670 Sold EUR 1 694 @ 1.5761	25-Jul-2018	66
Bought CAD 1 400 Sold GBP 779 @ 1.7971	25-Jul-2018	47
Bought CAD 788 Sold SEK 5 263 @ 0.1498	26-Jul-2018	15
Bought CAD 675 Sold PLN 1 922 @ 0.3513	27-Jul-2018	1
Bought CAD 571 Sold PLN 1 628 @ 0.3510	27-Jul-2018	–
Bought CAD 1 346 Sold JPY 112 794 @ 0.0119	27-Jul-2018	5
Bought CAD 26 Sold USD 20 @ 1.2961	27-Jul-2018	–
Bought CAD 2 835 Sold USD 2 132 @ 1.3298	27-Jul-2018	34
Bought CAD 13 Sold USD 10 @ 1.3247	27-Jul-2018	–
Bought EUR 910 Sold CAD 1 371 @ 0.6639	27-Jul-2018	29
Bought EUR 725 Sold CAD 1 091 @ 0.6644	27-Jul-2018	24
Bought USD 28 Sold CAD 35 @ 0.7971	27-Jul-2018	2
Bought CAD 614 Sold JPY 51 120 @ 0.0120	30-Jul-2018	6
Bought CAD 47 Sold AUD 48 @ 0.9771	31-Jul-2018	–
Bought USD 57 Sold CAD 73 @ 0.7769	31-Jul-2018	2
Bought USD 402 Sold CAD 517 @ 0.7782	31-Jul-2018	12
Bought CAD 33 Sold USD 25 @ 1.3065	01-Aug-2018	–
Bought USD 425 Sold CAD 546 @ 0.7786	01-Aug-2018	13
Bought USD 24 Sold CAD 31 @ 0.7844	01-Aug-2018	1
Bought CAD 612 Sold DKK 2 925 @ 0.2093	02-Aug-2018	8
Bought CAD 80 Sold AUD 82 @ 0.9817	02-Aug-2018	1
Bought CAD 618 Sold EUR 400 @ 1.5460	02-Aug-2018	3
Bought CAD 310 Sold MXN 4 700 @ 0.0659	03-Aug-2018	1
Bought CAD 316 Sold MXN 4 778 @ 0.0662	03-Aug-2018	2
Bought CAD 377 Sold IDR 4 074 000 @ 0.0001	07-Aug-2018	5
Bought CAD 890 Sold ZAR 8 770 @ 0.1015	08-Aug-2018	55
Bought CAD 889 Sold GBP 506 @ 1.7571	08-Aug-2018	10
Bought CAD 4 446 Sold EUR 2 876 @ 1.5459	08-Aug-2018	21
Bought CAD 142 Sold ZAR 1 400 @ 0.1016	08-Aug-2018	9
Bought CAD 57 Sold USD 43 @ 1.3185	08-Aug-2018	–
Bought CAD 149 Sold USD 112 @ 1.3270	08-Aug-2018	1
Bought CAD 34 Sold USD 26 @ 1.3202	08-Aug-2018	–

SCHEDULE B (cont.)

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Gain
Bought CAD 910 Sold USD 689 @ 1.3202	08-Aug-2018	\$ 4
Bought CAD 16 388 Sold EUR 10 583 @ 1.5485	09-Aug-2018	102
Bought CAD 159 Sold AUD 161 @ 0.9882	09-Aug-2018	3
Bought CAD 684 Sold USD 516 @ 1.3263	09-Aug-2018	7
Bought USD 994 Sold EUR 833 @ 1.1945	09-Aug-2018	25
Bought CAD 1 712 Sold EUR 1 110 @ 1.5425	13-Aug-2018	4
Bought CAD 1 817 Sold GBP 1 046 @ 1.7375	13-Aug-2018	–
Bought CAD 583 Sold SEK 3 937 @ 0.1480	13-Aug-2018	3
Bought EUR 3 750 Sold CAD 5 724 @ 0.6551	15-Aug-2018	49
Bought MXN 5 900 Sold CAD 367 @ 16.0715	15-Aug-2018	20
Bought USD 1 577 Sold CAD 2 021 @ 0.7803	15-Aug-2018	50
Bought CAD 445 Sold ZAR 4 420 @ 0.1006	16-Aug-2018	24
Bought USD 1 740 Sold CAD 2 238 @ 0.7774	20-Aug-2018	47
Bought USD 535 Sold CAD 692 @ 0.7734	20-Aug-2018	11
Bought EUR 835 Sold CAD 1 270 @ 0.6574	21-Aug-2018	16
Bought EUR 741 Sold CAD 1 140 @ 0.6499	21-Aug-2018	1
Bought CAD 172 Sold GBP 98 @ 1.7547	22-Aug-2018	2
Bought CAD 2 070 Sold AUD 2 106 @ 0.9827	27-Aug-2018	22
Bought CAD 326 Sold MXN 4 907 @ 0.0665	28-Aug-2018	5
Bought CAD 1 427 Sold GBP 819 @ 1.7424	29-Aug-2018	4
Bought NOK 4 541 Sold CAD 716 @ 6.3404	31-Aug-2018	18
Bought GBP 423 Sold CAD 727 @ 0.5819	04-Sep-2018	8
Bought CAD 16 Sold USD 12 @ 1.2934	05-Sep-2018	–
Bought CAD 76 Sold SEK 510 @ 0.1489	05-Sep-2018	1
Bought CAD 188 Sold EUR 120 @ 1.5635	07-Sep-2018	3
Bought CAD 429 Sold AUD 434 @ 0.9895	12-Sep-2018	8
Bought CAD 543 Sold SEK 3 610 @ 0.1505	13-Sep-2018	11
Bought CAD 93 Sold SEK 613 @ 0.1514	14-Sep-2018	2
Bought CAD 68 Sold AUD 69 @ 0.9799	14-Sep-2018	1
Bought CAD 703 Sold SEK 4 660 @ 0.1509	17-Sep-2018	16
Bought CAD 267 Sold SEK 1 770 @ 0.1507	19-Sep-2018	6
Bought CAD 220 Sold GBP 125 @ 1.7568	19-Sep-2018	2
Bought CAD 429 Sold JPY 35 670 @ 0.0120	20-Sep-2018	4
Bought CAD 138 Sold USD 104 @ 1.3260	20-Sep-2018	1
Bought CAD 311 Sold EUR 200 @ 1.5541	20-Sep-2018	2
Bought USD 25 Sold CAD 33 @ 0.7545	20-Sep-2018	–
Bought CAD 1 134 Sold EUR 735 @ 1.5435	21-Sep-2018	1
Bought CAD 260 Sold USD 195 @ 1.3311	24-Sep-2018	4
Bought CAD 6 301 Sold USD 4 756 @ 1.3248	27-Sep-2018	55
Bought CAD 1 291 Sold EUR 830 @ 1.5553	28-Sep-2018	10
Bought CAD 664 Sold USD 500 @ 1.3287	28-Sep-2018	8
Bought CAD 196 Sold SEK 1 302 @ 0.1508	28-Sep-2018	4
Bought CAD 1 223 Sold USD 921 @ 1.3282	02-Oct-2018	11
Bought CAD 32 Sold USD 24 @ 1.3168	03-Oct-2018	–
Bought USD 327 Sold CAD 427 @ 0.7651	03-Oct-2018	2
Bought CAD 112 Sold USD 85 @ 1.3193	04-Oct-2018	1
Bought CAD 2 996 Sold USD 2 271 @ 1.3193	04-Oct-2018	15
Bought USD 2 158 Sold CAD 2 803 @ 0.7700	04-Oct-2018	30
Bought USD 22 Sold CAD 29 @ 0.7541	04-Oct-2018	–
Bought CAD 1 974 Sold USD 1 500 @ 1.3157	05-Oct-2018	5
Bought CAD 5 672 Sold EUR 3 638 @ 1.5592	10-Oct-2018	53
Bought CAD 1 147 Sold USD 865 @ 1.3258	12-Oct-2018	12

\$ 1 870



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SCHEDULE B (cont.)

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Loss
Bought CAD 1 137 Sold EUR 741 @ 1.5345	03-Jul-2018	\$ (1)
Bought CAD 1 757 Sold USD 1 364 @ 1.2880	06-Jul-2018	(36)
Bought CAD 4 648 Sold JPY 395 588 @ 0.0117	09-Jul-2018	(51)
Bought CAD 1 555 Sold EUR 1 018 @ 1.5278	10-Jul-2018	(8)
Bought CAD 1 856 Sold EUR 1 214 @ 1.5286	10-Jul-2018	(9)
Bought JPY 250 000 Sold CAD 3 039 @ 82.2764	11-Jul-2018	(69)
Bought BRL 1 851 Sold CAD 679 @ 2.7271	13-Jul-2018	(52)
Bought BRL 2 011 Sold CAD 684 @ 2.9379	13-Jul-2018	(3)
Bought CAD 5 663 Sold USD 4 500 @ 1.2586	13-Jul-2018	(251)
Bought USD 1 900 Sold CAD 2 528 @ 0.7514	13-Jul-2018	(31)
Bought CAD 838 Sold USD 657 @ 1.2754	16-Jul-2018	(26)
Bought CAD 251 Sold USD 200 @ 1.2552	17-Jul-2018	(12)
Bought CAD 1 202 Sold USD 950 @ 1.2650	18-Jul-2018	(47)
Bought CAD 126 Sold USD 100 @ 1.2567	19-Jul-2018	(6)
Bought CAD 891 Sold USD 700 @ 1.2728	20-Jul-2018	(29)
Bought CAD 4 038 Sold USD 3 175 @ 1.2717	23-Jul-2018	(135)
Bought CAD 1 014 Sold USD 795 @ 1.2751	23-Jul-2018	(31)
Bought CAD 3 448 Sold USD 2 744 @ 1.2565	24-Jul-2018	(158)
Bought CAD 1 363 Sold DKK 6 618 @ 0.2059	24-Jul-2018	(3)
Bought CAD 614 Sold JPY 52 200 @ 0.0118	25-Jul-2018	(7)
Bought GBP 564 Sold CAD 1 012 @ 0.5574	25-Jul-2018	(33)
Bought SEK 5 263 Sold CAD 784 @ 6.7098	26-Jul-2018	(11)
Bought CAD 389 Sold USD 310 @ 1.2549	27-Jul-2018	(18)
Bought CAD 59 Sold USD 46 @ 1.2798	30-Jul-2018	(2)
Bought CAD 521 Sold USD 402 @ 1.2951	31-Jul-2018	(8)
Bought CAD 548 Sold USD 434 @ 1.2620	01-Aug-2018	(23)
Bought CAD 795 Sold USD 619 @ 1.2843	01-Aug-2018	(18)
Bought CAD 1 850 Sold USD 1 450 @ 1.2756	01-Aug-2018	(56)
Bought CAD 8 282 Sold USD 6 449 @ 1.2842	02-Aug-2018	(191)
Bought CAD 1 042 Sold USD 800 @ 1.3025	02-Aug-2018	(9)
Bought USD 787 Sold CAD 1 038 @ 0.7584	02-Aug-2018	(4)
Bought CAD 5 857 Sold USD 4 676 @ 1.2525	03-Aug-2018	(287)
Bought CAD 1 526 Sold JPY 129 333 @ 0.0118	03-Aug-2018	(13)
Bought CAD 326 Sold GBP 189 @ 1.7245	07-Aug-2018	(2)
Bought IDR 4 074 000 Sold CAD 377 @ 10811.8330	07-Aug-2018	(5)
Bought CAD 1 148 Sold AUD 1 190 @ 0.9645	08-Aug-2018	(9)
Bought CAD 616 Sold JPY 51 900 @ 0.0119	09-Aug-2018	(2)
Bought CAD 1 923 Sold EUR 1 259 @ 1.5275	09-Aug-2018	(14)
Bought CAD 1 494 Sold GBP 864 @ 1.7290	10-Aug-2018	(7)
Bought GBP 516 Sold CAD 901 @ 0.5729	10-Aug-2018	(4)
Bought CAD 904 Sold USD 699 @ 1.2935	13-Aug-2018	(14)
Bought SEK 9 246 Sold CAD 1 388 @ 6.6636	13-Aug-2018	(27)
Bought CAD 1 283 Sold USD 1 006 @ 1.2754	14-Aug-2018	(38)
Bought CAD 3 523 Sold EUR 2 296 @ 1.5344	14-Aug-2018	(11)
Bought CAD 8 120 Sold EUR 5 287 @ 1.5359	15-Aug-2018	(18)
Bought CAD 195 Sold USD 150 @ 1.2972	15-Aug-2018	(2)
Bought CAD 546 Sold EUR 360 @ 1.5179	15-Aug-2018	(8)
Bought CAD 2 185 Sold EUR 1 430 @ 1.5283	16-Aug-2018	(16)
Bought CAD 1 505 Sold EUR 980 @ 1.5354	21-Aug-2018	(4)
Bought CAD 1 981 Sold GBP 1 141 @ 1.7361	21-Aug-2018	(2)
Bought USD 457 Sold CAD 603 @ 0.7573	21-Aug-2018	(3)
Bought CAD 635 Sold USD 497 @ 1.2771	22-Aug-2018	(18)
Bought CAD 4 472 Sold GBP 2 596 @ 1.7226	23-Aug-2018	(39)
Bought SEK 28 540 Sold CAD 4 230 @ 6.7465	23-Aug-2018	(28)

SCHEDULE B (cont.)

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Loss
Bought CAD 899 Sold USD 700 @ 1.2849	24-Aug-2018	\$ (20)
Bought CAD 2 953 Sold EUR 1 945 @ 1.5182	28-Aug-2018	(44)
Bought CAD 599 Sold USD 466 @ 1.2862	31-Aug-2018	(13)
Bought CAD 1 237 Sold EUR 810 @ 1.5269	31-Aug-2018	(11)
Bought CAD 733 Sold NOK 4 541 @ 0.1614	31-Aug-2018	(1)
Bought CAD 3 769 Sold USD 2 911 @ 1.2948	04-Sep-2018	(53)
Bought CAD 733 Sold GBP 423 @ 1.7327	04-Sep-2018	(2)
Bought CAD 260 Sold GBP 150 @ 1.7319	06-Sep-2018	(1)
Bought USD 111 Sold CAD 147 @ 0.7538	06-Sep-2018	(1)
Bought CAD 1 393 Sold GBP 807 @ 1.7258	07-Sep-2018	(10)
Bought CAD 5 451 Sold EUR 3 563 @ 1.5300	07-Sep-2018	(41)
Bought EUR 565 Sold CAD 879 @ 0.6424	07-Sep-2018	(9)
Bought EUR 175 Sold CAD 271 @ 0.6459	07-Sep-2018	(1)
Bought GBP 800 Sold CAD 1 396 @ 0.5732	07-Sep-2018	(5)
Bought CAD 284 Sold JPY 23 871 @ 0.0119	11-Sep-2018	(1)
Bought CAD 340 Sold EUR 224 @ 1.5198	11-Sep-2018	(5)
Bought CAD 1 775 Sold EUR 1 166 @ 1.5226	12-Sep-2018	(23)
Bought CAD 5 528 Sold EUR 3 631 @ 1.5224	13-Sep-2018	(71)
Bought CAD 1 015 Sold USD 783 @ 1.2963	13-Sep-2018	(13)
Bought CAD 1 832 Sold USD 1 415 @ 1.2944	18-Sep-2018	(26)
Bought CAD 6 570 Sold JPY 552 431 @ 0.0119	20-Sep-2018	(19)
Bought CAD 2 728 Sold EUR 1 779 @ 1.5333	20-Sep-2018	(17)
Bought CAD 2 713 Sold EUR 1 784 @ 1.5209	21-Sep-2018	(39)
Bought CAD 6 304 Sold JPY 531 934 @ 0.0119	27-Sep-2018	(44)
Bought CAD 1 565 Sold USD 1 198 @ 1.3067	03-Oct-2018	(7)
Bought CAD 460 Sold DKK 2 223 @ 0.2070	05-Oct-2018	(1)
Bought USD 700 Sold CAD 926 @ 0.7559	05-Oct-2018	(7)
		\$ (2 394)
TOTAL FOREIGN EXCHANGE		\$ (524)

All counterparties have a credit rating of at least A.

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

† Short-term investments, which may be made up of treasury bills, commercial paper, term deposits and discount notes, and are grouped by issuer, earn interest at rates ranging from 1.20% to 1.56% and mature between July 3, 2018 and October 18, 2018.



Statements of Financial Position (unaudited)

(in \$000s except per unit amounts)

(see note 2 in the generic notes)	June 30 2018	December 31 2017
ASSETS		
Investments at fair value	\$ 719 351	\$ 726 257
Cash	828	395
Due from investment dealers	2 163	–
Subscriptions receivable	1 003	346
Unrealized gain on futures contracts	71	34
Futures contracts margin receivable	–	61
Unrealized gain on foreign exchange contracts	1 870	1 927
Dividends receivable, interest accrued and other assets	2 064	2 071
TOTAL ASSETS	727 350	731 091
LIABILITIES		
Due to investment dealers	775	1 051
Redemptions payable	589	353
Unrealized loss on futures contracts	142	93
Futures contracts margin payable	42	–
Unrealized loss on foreign exchange contracts	2 394	1 290
Distributions payable	44	33
Accounts payable and accrued expenses	1 152	1 265
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	5 138	4 085
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")	\$ 722 212	\$ 727 006
Investments at cost	\$ 615 229	\$ 615 152
NAV		
SERIES A	\$ 603 856	\$ 630 441
ADVISOR SERIES	\$ 10 483	\$ 9 145
SERIES T5	\$ 621	\$ 495
SERIES T8	\$ 6 746	\$ 5 340
SERIES D	\$ 26 245	\$ 24 797
SERIES F	\$ 40 898	\$ 28 371
SERIES O	\$ 33 363	\$ 28 417
NAV PER UNIT		
SERIES A	\$ 17.23	\$ 17.02
ADVISOR SERIES	\$ 17.40	\$ 17.18
SERIES T5	\$ 13.61	\$ 13.78
SERIES T8	\$ 8.16	\$ 8.39
SERIES D	\$ 18.90	\$ 18.59
SERIES F	\$ 20.44	\$ 20.07
SERIES O	\$ 21.50	\$ 21.00

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	\$ 5 119	\$ 4 893
Interest for distribution purposes	3 299	3 233
Income from investment trusts	197	216
Derivative income	(2 387)	(2 661)
Net realized gain (loss) on investments	19 214	23 786
Change in unrealized gain (loss) on investments	(8 144)	2 669
TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES	17 298	32 136
Securities lending revenue		
(see note 7 in the generic notes)	63	60
Net gain (loss) on foreign cash balances	(125)	57
TOTAL OTHER INCOME (LOSS)	(62)	117
TOTAL INCOME (LOSS)	17 236	32 253
EXPENSES (see notes – Fund Specific Information)		
Management fees	6 031	6 260
Administration fees	495	511
Independent Review Committee costs	1	1
GST/HST	643	668
Transaction costs	128	241
Withholding tax	396	418
TOTAL EXPENSES	7 694	8 099
INCREASE (DECREASE) IN NAV	\$ 9 542	\$ 24 154
INCREASE (DECREASE) IN NAV		
SERIES A	\$ 7 435	\$ 21 488
ADVISOR SERIES	\$ 132	\$ 270
SERIES T5	\$ 8	\$ 16
SERIES T8	\$ 88	\$ 237
SERIES D	\$ 435	\$ 699
SERIES F	\$ 700	\$ 564
SERIES O	\$ 744	\$ 880
INCREASE (DECREASE) IN NAV PER UNIT		
SERIES A	\$ 0.21	\$ 0.56
ADVISOR SERIES	\$ 0.23	\$ 0.56
SERIES T5	\$ 0.20	\$ 0.45
SERIES T8	\$ 0.12	\$ 0.31
SERIES D	\$ 0.31	\$ 0.63
SERIES F	\$ 0.40	\$ 0.70
SERIES O	\$ 0.52	\$ 0.86



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	\$ 9 542	\$ 24 154
ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS		
Interest for distribution purposes	(8)	(6)
Non-cash distributions from underlying funds	(128)	(154)
Net realized loss (gain) on investments	(19 027)	(23 386)
Change in unrealized loss (gain) on investments	8 144	(2 669)
(Increase) decrease in accrued receivables	(30)	(184)
Increase (decrease) in accrued payables	(64)	(145)
(Increase) decrease in margin accounts	103	117
Cost of investments purchased	(391 562)	(370 985)
Proceeds from sale and maturity of investments	408 209	400 597
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	15 179	27 339
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	33 854	24 077
Cash paid on redemption of redeemable units	(48 372)	(50 916)
Distributions paid to holders of redeemable units	(228)	(260)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	\$ (14 746)	\$ (27 099)
Net increase (decrease) in cash for the period	433	240
Cash (bank overdraft), beginning of period	395	303
CASH (BANK OVERDRAFT), END OF PERIOD	\$ 828	\$ 548
Interest received (paid)	\$ 3 406	\$ 3 181
Dividends received, net of withholding taxes	\$ 4 685	\$ 4 530



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 T8	
	2018	2017	2018	2017	2018	2017	2018	2017
NAV AT BEGINNING OF PERIOD	\$ 630 441	\$ 647 952	\$ 9 145	\$ 8 296	\$ 495	\$ 438	\$ 5 340	\$ 6 906
INCREASE (DECREASE) IN NAV	7 435	21 488	132	270	8	16	88	237
Early redemption fees	—	—	—	—	—	—	—	—
Proceeds from redeemable units issued	17 085	13 795	2 369	592	427	52	2 442	642
Reinvestments of distributions to holders of redeemable units	—	—	—	—	3	3	27	10
Redemption of redeemable units	(51 105)	(48 974)	(1 163)	(899)	(299)	(59)	(895)	(1 729)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	(34 020)	(35 179)	1 206	(307)	131	(4)	1 574	(1 077)
Distributions from net income	—	—	—	—	(13)	(11)	(256)	(253)
Distributions from net gains	—	—	—	—	—	—	—	—
Distributions from capital	—	—	—	—	—	—	—	—
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	—	—	—	—	(13)	(11)	(256)	(253)
NET INCREASE (DECREASE) IN NAV	(26 585)	(13 691)	1 338	(37)	126	1	1 406	(1 093)
NAV AT END OF PERIOD	\$ 603 856	\$ 634 261	\$ 10 483	\$ 8 259	\$ 621	\$ 439	\$ 6 746	\$ 5 813

For the periods ended June 30 (see note 2 in the generic notes)	Series D		Series F		Series O		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
NAV AT BEGINNING OF PERIOD	\$ 24 797	\$ 18 365	\$ 28 371	\$ 12 612	\$ 28 417	\$ 19 714	\$ 727 006	\$ 714 283
INCREASE (DECREASE) IN NAV	435	699	700	564	744	880	9 542	24 154
Early redemption fees	—	—	—	—	—	—	—	—
Proceeds from redeemable units issued	3 927	5 565	13 457	6 844	6 055	4 107	45 762	31 597
Reinvestments of distributions to holders of redeemable units	—	—	—	—	—	—	30	13
Redemption of redeemable units	(2 914)	(2 285)	(1 630)	(1 914)	(1 853)	(2 382)	(59 859)	(58 242)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	1 013	3 280	11 827	4 930	4 202	1 725	(14 067)	(26 632)
Distributions from net income	—	—	—	—	—	—	(269)	(264)
Distributions from net gains	—	—	—	—	—	—	—	—
Distributions from capital	—	—	—	—	—	—	—	—
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	—	—	—	—	—	—	(269)	(264)
NET INCREASE (DECREASE) IN NAV	1 448	3 979	12 527	5 494	4 946	2 605	(4 794)	(2 742)
NAV AT END OF PERIOD	\$ 26 245	\$ 22 344	\$ 40 898	\$ 18 106	\$ 33 363	\$ 22 319	\$ 722 212	\$ 711 541



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 with a secondary focus on modest income. The Fund invests primarily in Canadian, U.S. and international equities and fixed-income securities. It may also invest in income trusts and may use derivatives.

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

Credit risk (%)

Credit-exposed securities, excluding short-term investments, comprise 39.7% (December 31, 2017 – 38.9%) of the NAV of the Fund. The table below summarizes the Fund's credit risk exposure grouped by credit ratings as at:

Rating	June 30 2018	December 31 2017
AAA	33.5	33.1
AA	18.1	23.3
A	29.9	25.9
BBB	16.3	16.3
BB	1.1	0.7
B	0.5	0.7
Unrated	0.6	–
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
Foreign Bonds	22.1	20.7
United States Equities	18.1	18.3
Canadian Equities	17.7	19.1
Canadian Bonds	17.0	17.5
International Equities	11.4	13.9
Underlying Funds	7.9	8.2
Cash/Other	5.8	2.3
Total	100.0	100.0

Interest rate risk (%)

Fixed-income and debt securities, excluding short-term investments, comprise 39.1% (December 31, 2017 – 38.2%) of the NAV of the Fund. 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	4.6	2.5
1 – 5 years	45.8	45.8
5 – 10 years	20.2	25.1
> 10 years	29.4	26.6
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 – 2.8%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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
United States dollar	21.8	23.2
Japanese yen	2.8	3.1
Euro	2.7	2.4
Pound sterling	1.7	2.6
Swedish krona	1.0	0.9
Australian dollar	0.8	0.9
Hong Kong dollar	0.7	0.8
Danish krone	0.6	0.8
Swiss franc	0.5	0.8
Other currencies	0.6	0.8
Total	33.2	36.3

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 1.7% (December 31, 2017 – 1.8%). 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
S&P/TSX Capped Composite		
Total Return Index	+ or - 0.4	+ or - 0.4

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



June 30, 2018

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	260 564	80 886	–	341 450
Underlying funds	56 774	–	–	56 774
Fixed-income and debt securities	–	283 091	–	283 091
Short-term investments	–	38 036	–	38 036
Derivatives – assets	71	1 870	–	1 941
Derivatives – liabilities	(142)	(2 394)	–	(2 536)
Total financial instruments	317 267	401 489	–	718 756
% of total portfolio	44.1	55.9	–	100.0

December 31, 2017	Level 1	Level 2	Level 3	Total
Equities	270 275	99 837	–	370 112
Underlying funds	64 178	–	–	64 178
Fixed-income and debt securities	–	277 790	–	277 790
Short-term investments	–	14 177	–	14 177
Derivatives – assets	34	1 927	–	1 961
Derivatives – liabilities	(93)	(1 290)	–	(1 383)
Total financial instruments	334 394	392 441	–	726 835
% of total portfolio	46.0	54.0	–	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	1.85%	0.15%
Advisor Series	1.85%	0.10%
Series T5	1.85%	0.10%
Series T8	1.85%	0.10%
Series D	1.10%	0.10%
Series F	0.85%	0.10%
Series O	n/a*	0.02%

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

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

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	54	53
Series O	91	91
Value of all units	3	3

Unconsolidated structured entities (%)
(see note 3 in the generic notes)

The table below summarizes the Fund's interest in the sponsored funds as a percentage of NAV, and the Fund's ownership interest as a percentage of NAV of the sponsored funds ("Ownership"). All sponsored funds are established and conduct business in Canada.

	June 30 2018		December 31 2017	
	NAV	Ownership	NAV	Ownership
RBC Canadian Small & Mid-Cap Resources Fund	0.9	2.1	1.0	2.5
RBC Emerging Markets Dividend Fund	0.4	0.3	0.4	0.4
RBC Emerging Markets Equity Fund	3.3	0.6	4.0	0.7
RBC Emerging Markets Small-Cap Equity Fund	0.4	0.5	0.4	0.6
RBC High Yield Bond Fund	0.5	0.2	0.6	0.2
RBC U.S. Mid-Cap Growth Equity Fund	1.0	0.8	0.8	0.8
RBC U.S. Mid-Cap Value Equity Fund	0.7	0.7	0.8	0.9
RBC U.S. Small-Cap Core Equity Fund	0.2	0.8	0.2	0.7

The table below summarizes the Fund's interest in the unsponsored funds as a percentage of NAV, and the Fund's ownership interest as a percentage of NAV of the unsponsored funds ("Ownership").

	June 30 2018		December 31 2017	
	NAV	Ownership	NAV	Ownership
Financial Select Sector SPDR Fund	–	–	0.2	–
iShares Dow Jones US Real Estate Index Fund	0.5	0.1	0.4	0.1



June 30, 2018

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	37 050	39 385
Issued number of units	1 003	817
Reinvested number of units	–	–
Redeemed number of units	(3 002)	(2 901)
Ending number of units	35 051	37 301

Advisor Series

Opening units	532	500
Issued number of units	139	34
Reinvested number of units	–	–
Redeemed number of units	(68)	(53)
Ending number of units	603	481

Series T5

Opening units	36	33
Issued number of units	32	3
Reinvested number of units	–	–
Redeemed number of units	(22)	(4)
Ending number of units	46	32

Series T8

Opening units	636	820
Issued number of units	296	76
Reinvested number of units	3	1
Redeemed number of units	(108)	(202)
Ending number of units	827	695

Series D

Opening units	1 334	1 031
Issued number of units	211	303
Reinvested number of units	–	–
Redeemed number of units	(156)	(125)
Ending number of units	1 389	1 209

Series F

Opening units	1 414	658
Issued number of units	668	347
Reinvested number of units	–	–
Redeemed number of units	(81)	(96)
Ending number of units	2 001	909

Series O

Opening units	1 353	993
Issued number of units	287	199
Reinvested number of units	–	–
Redeemed number of units	(88)	(116)
Ending number of units	1 552	1 076

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	128	100	241	100
Related-party brokerage commissions*	9	7	15	6
Commission arrangements†	20	16	66	27

* 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	93 230		67 975	
Fair value of collateral received	95 134		69 335	

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	84	100	86	100
RBC IS (paid)	(21)	(25)	(26)	(30)
Tax withheld	–	–	–	–
Fund revenue	63	75	60	70

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.

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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

(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.