

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 10, 2017



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

Unaudited Interim Financial Statements

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



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

June 30, 2017

Holdings	Security	Cost	Fair Value	% of Net Assets
CANADIAN EQUITIES				
Consumer Discretionary				
46 500	Amaya Inc.	\$ 1 462	\$ 1 078	
11 400	BRP Inc.	340	433	
23 400	Canadian Tire Corp. Ltd., Class A	1 091	3 453	
22 100	Cineplex Inc.	390	1 168	
8 110	Cogeco Communications Inc.	313	642	
40 200	Corus Entertainment Inc., Class B	675	548	
47 600	DHX Media Ltd.	446	273	
36 500	Dollarama Inc.	618	4 523	
9 500	Dorel Industries, Class B	290	327	
37 500	EnerCare Inc.	551	740	
79 512	Gildan Activewear Inc., Class A	703	3 169	
21 400	Great Canadian Gaming Corp.	452	511	
37 000	Hudson's Bay Co.	675	428	
16 500	Linamar Corp.	303	1 055	
127 284	Magna International Inc., Class A	2 578	7 646	
30 799	Martinrea International Inc.	266	326	
28 800	Quebecor Inc., Class B	558	1 236	
83 456	Restaurant Brands International Inc.	3 584	6 772	
145 101	Shaw Communications Inc., Class B	2 696	4 105	
12 100	Sleep Country Canada Holdings Inc.	378	498	
14 600	Uni-Select Inc.	407	457	
		18 776	39 388	5.4
Consumer Staples				
148 200	Alimentation Couche-Tard Inc.	1 350	9 212	
48 677	Cott Corporation	535	912	
56 200	Empire Co. Ltd., Class A	1 037	1 243	
16 600	George Weston Ltd.	1 038	1 949	
26 400	Jean Coutu Group, Class A	300	525	
73 041	Loblaws Companies Ltd.	3 313	5 269	
30 300	Maple Leaf Foods Inc.	423	992	
80 182	Metro Inc., Class A	745	3 422	
8 900	Premium Brands Holdings Corp.	472	828	
74 700	Saputo Group Inc.	856	3 081	
17 000	The North West Co. Inc.	296	531	
		10 365	27 964	3.8
Energy				
65 116	Advantage Oil & Gas Ltd.	871	571	
60 100	AltaGas Ltd.	1 759	1 785	
123 835	ARC Resources Ltd.	2 853	2 101	
78 000	Baytex Energy Corp.	2 144	246	
77 500	Birchcliff Energy Ltd.	808	474	
84 700	Bonavista Energy Corp.	1 819	230	
138 796	Cameco Corp.	1 987	1 639	
380 638	Canadian Natural Resources Ltd.	7 541	14 243	
361 943	Cenovus Energy Inc.	6 584	3 460	
88 100	CES Energy Solutions Corp.	537	509	
190 261	Crescent Point Energy Corp.	5 937	1 887	
53 700	Crew Energy Inc.	655	215	
578 387	Enbridge Inc.	20 835	29 879	

Holdings	Security	Cost	Fair Value	% of Net Assets
Energy (cont.)				
41 562	Enbridge Income Fund Holdings Inc.	\$ 1 166	\$ 1 338	
344 562	Encana Corp.	6 206	3 931	
32 325	Enerflex Ltd.	297	608	
86 755	Enerplus Corp.	3 190	913	
42 900	Ensign Energy Services Inc.	425	297	
33 800	Freehold Royalties Ltd.	601	441	
51 000	Gibson Energy Inc.	1 065	855	
142 300	Gran Tierra Energy Inc.	793	410	
105 602	Husky Energy Inc.	1 783	1 554	
90 100	Imperial Oil Ltd.	2 474	3 406	
130 600	Inter Pipeline Ltd.	1 873	3 317	
49 300	Kelt Exploration Ltd.	527	310	
65 906	Keyera Corp.	974	2 690	
80 000	MEG Energy Corp.	2 775	305	
36 100	Mullen Group Ltd.	844	578	
99 800	NexGen Energy Ltd.	353	286	
64 000	Nuvista Energy Ltd.	455	419	
19 400	Paramount Resources Ltd., Class A	373	370	
55 500	Parex Resources Inc.	674	819	
42 900	Parkland Fuel Corp.	829	1 275	
26 600	Pason Systems Inc.	317	514	
140 867	Pembina Pipeline Corp.	3 478	6 050	
57 600	Peyto Exploration & Development Corp.	1 295	1 355	
74 758	PrairieSky Royalty Ltd.	2 232	2 208	
102 100	Precision Drilling Corp.	1 456	452	
76 900	Raging River Exploration Inc.	597	622	
58 500	Secure Energy Services Inc.	618	518	
90 400	Seven Generations Energy Ltd.	1 892	2 008	
25 391	ShawCor Ltd.	466	672	
56 500	Spartan Energy Corp.	504	347	
589 162	Suncor Energy Inc.	14 074	22 323	
47 100	TORC Oil & Gas Ltd.	536	239	
86 900	Tourmaline Oil Corp.	2 891	2 423	
306 273	TransCanada Corp.	10 673	18 934	
112 300	Veresen Inc.	1 493	2 060	
42 481	Vermilion Energy Inc.	1 639	1 748	
130 250	Whitecap Resources Inc.	1 449	1 206	
		127 617	145 040	19.8
Financials				
12 700	Alaris Royalty Corp.	415	292	
229 841	Bank of Montreal	10 527	21 885	
424 286	Bank of Nova Scotia	15 708	33 099	
306 206	Brookfield Asset Management Inc., Class A	4 540	15 583	
153 441	Canadian Imperial Bank of Commerce	9 628	16 171	
31 900	Canadian Western Bank	401	873	
94 200	CI Financial Corp.	2 246	2 604	
140 300	ECN Capital Corp.	401	561	
135 500	Element Fleet Management Corp.	1 503	1 206	

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



June 30, 2017

Holdings	Security	Cost	Fair Value	% of Net Assets
Financials (cont.)				
8 168	Fairfax Financial Holdings Ltd.	\$ 2 884	\$ 4 590	
13 523	Genworth MI Canada Inc.	350	483	
97 524	Great-West Lifeco Inc.	2 119	3 428	
21 900	Home Capital Group Inc.	363	372	
28 920	IGM Financial Inc.	664	1 163	
37 600	Industrial Alliance Insurance & Financial Services Inc.	965	2 115	
46 361	Intact Financial Corp.	1 997	4 542	
12 200	Laurentian Bank of Canada	355	661	
695 894	Manulife Financial Corporation	14 403	16 917	
120 666	National Bank of Canada	2 259	6 580	
28 876	Onex Corporation	759	2 998	
129 200	Power Corporation of Canada	2 657	3 822	
85 200	Power Financial Corp.	1 664	2 835	
514 514	Royal Bank of Canada*	20 752	48 447	
216 196	Sun Life Financial Inc.	6 888	10 023	
99 000	Thomson Corp.	4 053	5 944	
10 100	TMX Group Ltd.	410	713	
652 188	Toronto-Dominion Bank	18 914	42 620	
		<u>127 825</u>	<u>250 527</u>	34.3
Health Care				
50 200	Canopy Growth Corp.	545	400	
66 600	Chartwell Retirement Residences Real Estate Investment Trust	558	1 032	
32 100	Extencicare Inc.	243	332	
40 600	Knight Therapeutics Inc.	409	418	
228 700	Prometic Life Sciences Inc.	607	384	
114 865	Valeant Pharmaceuticals International Inc.	6 177	2 589	
		<u>8 539</u>	<u>5 155</u>	0.7
Industrials				
19 800	Aecon Group Inc.	352	320	
96 200	Air Canada	317	1 672	
27 300	ATS Automation Tooling Systems	374	363	
12 700	Badger Daylighting Ltd.	364	338	
690 815	Bombardier Inc., Class B	6 415	1 630	
6 400	Boyd Group Income Fund	399	615	
9 166	Brookfield Business Partners LP	311	321	
95 300	CAE Inc.	684	2 131	
267 300	Canadian National Railway Co.	6 224	28 125	
51 950	Canadian Pacific Railway Ltd.	3 116	10 839	
10 500	Exchange Income Corp.	435	347	
58 800	Finning International Inc.	653	1 495	
13 208	MacDonald Dettwiler & Associates Ltd.	458	891	
18 300	Morneau Shepell Inc.	340	381	
17 500	New Flyer Industries Inc.	529	949	
37 900	Ritchie Bros. Auctioneers Inc.	846	1 412	
22 200	Russel Metals Inc.	337	576	
52 800	SNC-Lavalin Group Inc.	971	2 960	
39 800	Stantec Inc.	650	1 299	
31 084	TFI International Inc.	392	869	
28 225	Toromont Industries Ltd.	413	1 347	

Holdings	Security	Cost	Fair Value	% of Net Assets
Industrials (cont.)				
21 500	Transcontinental Inc., Class A	\$ 231	\$ 553	
93 139	Waste Connections Inc.	4 662	7 780	
41 275	WestJet Airlines Ltd.	565	956	
19 400	Westshore Terminals Investment Corp.	275	408	
23 100	WSP Global Inc.	663	1 243	
		<u>30 976</u>	<u>69 820</u>	9.6
Information Technology				
169 663	BlackBerry Ltd.	6 242	2 199	
44 582	Celestica Inc.	763	786	
92 832	CGI Group Inc., Class A	1 709	6 151	
28 000	Computer Modelling Group Ltd.	354	285	
7 000	Constellation Software Inc.	1 187	4 749	
27 300	Descartes Systems Group Inc.	391	861	
6 500	Enghouse Systems Ltd.	357	342	
8 100	Kinaxis Inc.	386	654	
29 800	Mitel Networks Corp.	338	284	
93 200	Open Text Corp.	1 160	3 815	
29 900	Shopify Inc., Class A	3 432	3 367	
11 700	Sierra Wireless Inc.	576	426	
		<u>16 895</u>	<u>23 919</u>	3.3
Materials				
81 489	Agnico Eagle Mines Ltd.	3 028	4 765	
48 904	Agrium Inc.	2 002	5 748	
106 307	Alacer Gold Corp.	770	221	
105 831	Alamos Gold Inc., Class A	881	974	
346 200	B2Gold Corp.	1 078	1 264	
412 829	Barrick Gold Corp.	12 809	8 517	
23 900	Cascades Inc.	396	423	
25 972	Canfor Corp.	294	509	
48 500	CCL Industries, Class B	419	3 182	
78 306	Centerra Gold Inc.	805	554	
33 400	Chemtrade Logistics Income Fund	689	608	
62 952	Detour Gold Corp.	1 069	956	
27 700	Dominion Diamond Corp.	383	452	
259 339	Eldorado Gold Corp.	2 298	892	
25 100	Endeavour Mining Corp.	524	562	
59 700	First Majestic Silver Corp.	690	642	
242 510	First Quantum Minerals Ltd.	3 229	2 660	
54 000	Fortuna Silver Mines Inc.	390	343	
63 100	Franco-Nevada Corp.	2 641	5 904	
301 983	Goldcorp Inc.	7 304	5 049	
63 000	Guyana Goldfields Inc.	570	383	
81 975	Hudbay Minerals Inc.	950	615	
165 404	IAMGOLD Corporation	1 496	1 107	
23 300	Interfor Corp.	377	433	
20 400	Intertape Polymer Group Inc.	320	504	
189 800	Ivanhoe Mines Ltd., Class A	381	791	
436 747	Kinross Gold Corp.	5 909	2 302	
65 800	Kirkland Lake Gold Ltd.	627	807	
59 500	Klondex Mines Ltd.	407	260	
21 900	Labrador Iron Ore Royalty Corp.	361	344	
108 600	Lucara Diamond Corp.	404	300	

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



June 30, 2017

Holdings	Security	Cost	Fair Value	% of Net Assets
Materials (cont.)				
225 639	Lundin Mining Corp.	\$ 1 670	\$ 1 663	
24 500	MAG Silver Corp.	410	415	
31 500	Methanex Corp.	339	1 803	
104 067	Nevsun Resources Ltd.	495	326	
206 000	New Gold Inc.	1 076	849	
13 800	Norbord Inc.	433	557	
79 800	Novagold Resources Inc.	601	469	
219 516	OceanaGold Corp.	666	858	
37 778	Osisko Gold Royalties Ltd.	603	599	
53 206	Pan American Silver Corp.	1 026	1 160	
296 084	Potash Corporation of Saskatchewan Inc.	6 362	6 262	
54 100	Pretium Resources Inc.	683	674	
52 200	Sandstorm Gold Ltd.	373	262	
119 103	Semafo Inc.	587	356	
42 750	Silver Standard Resources Inc.	869	538	
15 400	Stella-Jones Inc.	698	682	
111 900	Tahoe Resources Inc.	1 758	1 251	
164 578	Teck Resources Ltd., Class B	3 010	3 700	
27 920	Torex Gold Resources Inc.	499	690	
344 894	Turquoise Hill Resources Ltd.	1 821	1 190	
23 984	West Fraser Timber Co. Ltd.	569	1 472	
145 500	Western Forest Products Inc.	351	340	
156 000	Wheaton Precious Metals Corp.	2 724	4 019	
11 000	Winpak Ltd.	525	640	
330 622	Yamana Gold Inc.	2 832	1 035	
		84 481	83 881	11.5
Real Estate				
30 594	Allied Properties Real Estate Investment Trust	687	1 191	
11 800	Altus Group Ltd.	332	331	
54 327	Artis Real Estate Investment Trust	570	712	
13 500	Boardwalk Real Estate Investment Trust	313	642	
73 700	Brookfield Property Partners LP	1 542	2 261	
48 535	Canadian Apartment Properties Real Estate Investment Trust	642	1 629	
26 100	Canadian Real Estate Investment Trust	602	1 197	
11 200	Colliers International Group Inc.	244	821	
62 142	Cominar Real Estate Investment Trust	1 009	790	
32 200	Crombie Real Estate Investment Trust	409	452	
49 900	Dream Global Real Estate Investment Trust	455	545	
37 074	Dream Office Real Estate Investment Trust	902	725	
48 900	First Capital Realty Inc.	824	966	
10 900	FirstService Corp.	137	907	
17 200	Granite Real Estate Investment Trust	590	882	
100 718	H&R Real Estate Investment Trust	1 850	2 218	
16 131	Northview Apartment Real Estate Investment Trust	422	339	

Holdings	Security	Cost	Fair Value	% of Net Assets
Real Estate (cont.)				
97 000	Pure Industrial Real Estate Investment Trust	\$ 490	\$ 667	
114 276	RioCan Real Estate Investment Trust	2 068	2 751	
40 400	Smart Real Estate Investment Trust	817	1 298	
45 900	Tricon Capital Group Inc.	499	533	
		15 404	21 857	3.0
Telecommunication Services				
316 578	BCE Inc.	12 415	18 488	
126 726	Rogers Communications Inc., Class B	3 552	7 762	
209 118	TELUS Corp.	4 519	9 362	
		20 486	35 612	4.9
Utilities				
132 700	Algonquin Power & Utilities Corp.	1 235	1 811	
26 144	Atco Ltd., Class I, Non-Voting	453	1 326	
19 000	Boralex Inc., Class A	395	417	
40 200	Brookfield Renewable Partners LP	1 280	1 662	
42 000	Canadian Utilities Ltd., Class A	707	1 750	
31 500	Capital Power Corp.	768	766	
74 400	Emera Inc.	2 096	3 587	
146 600	Fortis Inc.	4 581	6 682	
105 300	Hydro One Ltd.	2 506	2 446	
34 400	Innergex Renewable Energy Inc.	364	491	
31 114	Just Energy Group Inc.	520	212	
41 100	Northland Power Inc.	629	949	
50 000	Superior Plus Corp.	630	571	
101 300	TransAlta Corp.	1 971	840	
30 700	TransAlta Renewables Inc.	369	481	
		18 504	23 991	3.3
		\$ 479 868	727 154	99.6
TOTAL CANADIAN EQUITIES				
OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS				
			3 196	0.4
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS				
		\$ 730 350		100.0

* Investment in related party (see note 7 in the generic notes).



Statements of Financial Position (unaudited)

(in \$000s except per unit amounts)

(see note 2 in the generic notes)	June 30 2017	December 31 2016
ASSETS		
Investments at fair value	\$ 727 154	\$ 712 991
Cash	1 761	2 238
Due from investment dealers	38	–
Subscriptions receivable	422	607
Dividends receivable, interest accrued and other assets	1 950	1 775
TOTAL ASSETS	731 325	717 611
LIABILITIES		
Redemptions payable	542	585
Accounts payable and accrued expenses	433	434
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS		
	975	1 019
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")		
	\$ 730 350	\$ 716 592
Investments at cost	\$ 479 868	\$ 452 547
NAV		
SERIES A	\$ 724 298	\$ 712 717
SERIES F	\$ 6 052	\$ 3 875
NAV PER UNIT		
SERIES A	\$ 28.70	\$ 28.59
SERIES F	\$ 10.66	\$ 10.61

Statements of Comprehensive Income (unaudited)

(in \$000s except per unit amounts)

For the periods ended June 30 (see note 2 in the generic notes)	2017	2016
INCOME (see note 3 in the generic notes)		
Dividends	\$ 10 047	\$ 9 671
Other income (loss)	502	487
Securities lending revenue (see note 6 in the generic notes)	85	46
Net realized gain (loss) on investments	7 742	(8 628)
Net gain (loss) on foreign currencies and other net assets	(2)	9
Change in unrealized gain (loss) on investments	(13 158)	56 582
TOTAL INCOME (LOSS)	5 216	58 167
EXPENSES (see notes – Fund Specific Information)		
Management fees	1 831	1 533
Administration fees	547	459
Independent Review Committee costs	1	2
GST/HST	249	208
Transaction costs	16	18
Withholding tax	2	–
TOTAL EXPENSES	2 646	2 220
INCREASE (DECREASE) IN NAV	\$ 2 570	\$ 55 947
INCREASE (DECREASE) IN NAV		
SERIES A	\$ 2 578	\$ 55 947
SERIES F	\$ (8)	\$ –
INCREASE (DECREASE) IN NAV PER UNIT		
SERIES A	\$ 0.10	\$ 2.27
SERIES F	\$ (0.02)	\$ –



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

For the periods ended June 30 (see note 2 in the generic notes)	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in NAV	\$ 2 570	\$ 55 947
ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS		
Interest for distribution purposes	–	–
Net realized loss (gain) on investments	(7 723)	8 646
Change in unrealized loss (gain) on investments	13 158	(56 582)
(Increase) decrease in accrued receivables	(175)	(75)
Increase (decrease) in accrued payables	(1)	16
Cost of investments purchased	(44 500)	(31 107)
Proceeds on sales of investments	24 863	26 035
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(11 808)	2 880
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units	73 363	57 205
Cash paid on redemption of redeemable units	(62 033)	(57 290)
Distributions paid to holders of redeemable units	–	–
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	\$ 11 330	\$ (85)
Net increase (decrease) in cash for the period	(478)	2 795
Cash (bank overdraft), beginning of period	2 238	1 688
CASH (BANK OVERDRAFT), END OF PERIOD	\$ 1 761	\$ 4 483
Interest received (paid)	\$ –	\$ –
Dividends received, net of withholding taxes	\$ 10 372	\$ 10 083

Cash consists of cash and futures contracts margin receivable/payable, as applicable.



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

For the periods ended June 30 (see note 2 in the generic notes)	Series A		Series F		Total	
	2017	2016	2017	2016	2017	2016
NAV AT BEGINNING OF PERIOD	\$ 712 717	\$ 599 779	\$ 3 875	\$ –	\$ 716 592	\$ 599 779
INCREASE (DECREASE) IN NAV	2 578	55 947	(8)	–	2 570	55 947
Early redemption fees	4	1	–	–	4	1
Proceeds from redeemable units issued	70 022	58 294	3 156	–	73 178	58 294
Reinvestments of distributions to holders of redeemable units	–	–	–	–	–	–
Redemption of redeemable units	(61 023)	(56 772)	(971)	–	(61 994)	(56 772)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	9 003	1 523	2 185	–	11 188	1 523
Distributions from net income	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	–	–	–	–	–	–
NET INCREASE (DECREASE) IN NAV	11 581	57 470	2 177	–	13 758	57 470
NAV AT END OF PERIOD	\$ 724 298	\$ 657 249	\$ 6 052	\$ –	\$ 730 350	\$ 657 249



June 30, 2017

General information (see note 1 in the generic notes)

The investment objective of the Fund is to provide long-term capital growth by tracking the performance of the benchmark S&P/TSX Capped Composite Total Return Index before fees and expenses are deducted.

Series F units were started July 4, 2016.

Financial instrument risk and capital management (see note 4 in the generic notes)

Concentration risk (%)

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

	June 30 2017	December 31 2016
Investment mix		
Financials	34.3	34.8
Energy	19.8	21.3
Materials	11.5	11.9
Industrials	9.6	8.8
Consumer Discretionary	5.4	5.0
Telecommunication Services	4.9	4.8
Consumer Staples	3.8	3.8
Information Technology	3.3	2.7
Utilities	3.3	2.8
Real Estate	3.0	3.0
Health Care	0.7	0.6
Cash/Other	0.4	0.5
Total	100.0	100.0

Other price risk (% impact on net assets)

The table below shows the impact of a 1% change in the broad-based index (noted below) on the Fund's net assets, 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 2017	December 31 2016
S&P/TSX Capped Composite		
Total Return Index	+ or - 1.0	+ or - 1.0

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

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

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

The following is a summary of the inputs used as of June 30, 2017 and December 31, 2016.

June 30, 2017	Level 1	Level 2	Level 3	Total
Equities	727 154	–	–	727 154
Mutual fund units	–	–	–	–
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	727 154	–	–	727 154
% of total portfolio	100.0	–	–	100.0

December 31, 2016	Level 1	Level 2	Level 3	Total
Equities	712 991	–	–	712 991
Mutual fund units	–	–	–	–
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	712 991	–	–	712 991
% of total portfolio	100.0	–	–	100.0

For the periods ended June 30, 2017 and December 31, 2016, there were no transfers of financial instruments between Level 1, Level 2 and Level 3.

Management fees and operating expenses (see note 7 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 net asset value of each series of the Fund.

	Management fees*	Operating expenses†
Series A	0.50%	0.10%
Series F	0.05%	0.10%

* Effective June 30, 2017, the management fees for Series F units were reduced to 0.05% from 0.40%.

† Effective June 30, 2017, the administration fees for Series A units were reduced to 0.10% from 0.15%.



June 30, 2017

**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 2017	December 31 2016
Units held		
Series F	102	102
Value of all units	1	1

Taxes (\$000s) (see note 5 in the generic notes)

The non-capital and capital losses as at December 31, 2016 for the Fund were approximately:

Capital losses	91 933
Non-capital losses	–

Redeemable units (000s)

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

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

	2017	2016
Series A		
Opening units	24 931	24 708
Issued number of units	2 403	2 342
Reinvested number of units	–	–
Redeemed number of units	(2 095)	(2 295)
Ending number of units	25 239	24 755
Series F		
Opening units	365	–
Issued number of units	292	–
Reinvested number of units	–	–
Redeemed number of units	(89)	–
Ending number of units	568	–

Transaction costs (\$000s except %)

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

	June 30 2017		June 30 2016	
	\$	%	\$	%
Total transaction costs	16	100	18	100
Related-party brokerage commissions*	–	–	–	–
Commission arrangements [†]	–	–	–	–

* See note 7 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 6 in the generic notes)**

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

	June 30 2017	June 30 2016
Fair value of securities loaned	68 984	45 085
Fair value of collateral received	70 364	45 987

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 2017		June 30 2016	
	\$	%	\$	%
Gross revenue	131	100	84	100
RBC IS (paid)	(39)	(30)	(30)	(35)
Tax withheld	(7)	(5)	(8)	(10)
Fund revenue	85	65	46	55

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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 10, 2017.

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 year/period

The information provided in these financial statements and notes thereto is for the six-month periods ended June 30, 2017 and 2016, or as at June 30, 2017 and December 31, 2016. 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”), which include estimates and assumptions made by management that may affect the reported amounts of assets (primarily valuation of investments), liabilities, income and expenses during the reported periods. Actual results may differ from estimates. The significant accounting policies of the Funds, which are investment entities, are as follows:

Classification of Financial Assets and Liabilities The Funds’ financial assets and financial liabilities, other than derivatives, are designated at fair value through profit or loss at inception, as those financial assets and liabilities are managed together and their performance evaluated on a fair value basis in accordance with the Funds’ documented investment strategy. Derivatives are classified as held for trading and measured at fair value through profit or loss. Redemption units are measured at their respective redemption values. All other assets and liabilities are measured at amortized cost. Unrealized gains (losses) arising on derivatives are shown on the respective Fund’s Statements of Financial Position and such amounts are included in the Statements of Comprehensive Income in “Change in unrealized gain (loss) on investments,” where applicable. Realized gains arising on derivatives during a period are included in the Statements of Comprehensive Income in “Other derivatives,” where applicable. Refer to note 3 for net gains (losses) on financial instruments by category.

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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 managed by the manager or an affiliate of the manager ("Investee Funds"). The Investee Funds are determined to be unconsolidated structured entities, as decision making in the Investee Fund is not governed by the voting rights or other similar rights held by the Fund. The investments in Investee Funds are subject to the terms and conditions of the offering documentation of the respective Investee Funds and are susceptible to market price risk arising from uncertainties about future values of those Investee Funds. The Investee 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 Investee Funds apply various investment strategies to accomplish their respective investment objectives.

The Investee 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 Fund's net assets.

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 the investment in the Investee Fund is included in the Schedule of Investment Portfolio and included in "Investments at fair value" in the Fund's Statements of Financial Position. The change in fair value of the investment held in the Investee Fund is included in "Change in unrealized gain (loss) on investments" in the Statements of Comprehensive Income.

Determination of Fair Value The fair value of a financial instrument is the amount at which the financial instrument could be exchanged in an arm's-length transaction between knowledgeable and willing parties under no compulsion to act. In determining fair value, a three-tier hierarchy based on inputs is used to value the Funds' financial instruments. The hierarchy of inputs is summarized below:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), including broker quotes, vendor prices and vendor fair value factors; and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Changes in valuation methods may result in transfers into or out of an investment's assigned level.

The three-tier hierarchy of investments and derivatives is included in "Notes to Financial Statements – Fund Specific Information."

Investments are recorded at fair value, which is determined as follows:

Equities – Common shares, preferred shares and exchange-traded funds 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 – 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.

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The premium received for written options is recorded as a liability in the Schedule of Investment Portfolio and adjusted daily to the fair value of the written option.

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 “Net gain (loss) on foreign currencies and other net assets” in the Statements of Comprehensive Income.

Total Return Swaps – The Funds may enter into total return swaps to gain or mitigate exposure of the underlying reference securities. Total return swaps on commodities involve commitments where cash flows are exchanged based on the price of a commodity and based on a fixed or variable rate. One party would receive payments based on the market value of the commodity involved and pay a fixed amount. Total return swaps on indices or individual securities involve commitments to pay interest in exchange for a market-linked return. One counterparty pays out the total return of a specific reference asset, which may be an equity, index, or bond, and in return receives a regular stream of payments. To the extent the total return of the security or index underlying the transaction exceeds or falls short of the offsetting interest rate obligation, the Fund will receive a payment from or make a payment to the counterparty.

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 “Net gain (loss) from futures contracts” in the Statements of Comprehensive Income. The receivable/payable on futures contracts is recorded separately in the Statements of Financial Position.

Mutual Fund Unit Valuation – Units of Funds are valued at their respective net asset value per unit from fund companies 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, recent transactions, market multiples, book values and other relevant information for the investment to determine its fair value. The Funds may also use an income-based valuation approach in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments, but only if they arise as a feature of the instrument itself. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

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

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. Investment Grade Corporate Bond Fund, RBC \$U.S. High Yield 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. 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 are included in “Net gain (loss) on foreign currencies and other net assets” 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. Investment Grade Corporate Bond Fund, RBC \$U.S. High Yield Bond Fund, BlueBay Emerging Markets Corporate Bond Fund, BlueBay \$U.S. Global Convertible Bond Fund (Canada) and RBC U.S. Monthly Income Fund have their subscriptions, redemptions and performance denominated in U.S. dollars and, consequently, the U.S. dollar is the functional currency for these Funds.

Valuation of Series A different net asset value is calculated for each series of units of a Fund. The net asset value 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 net asset value 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. "Other income (loss)" includes income from income trusts. Distributions received from income trusts are recognized based on the nature of the underlying components, such as income, capital gains and return of capital. "Other income received from underlying funds" includes income earned by a Fund from investments in underlying funds. Any premiums paid or discounts received on the purchase of zero coupon bonds are amortized on a straight line basis.

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	KRW – South Korean won
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
CNH/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

4. Financial instrument risk and capital management

RBC GAM is responsible for managing each Fund's capital, which is its net assets 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."

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 net assets 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 6). 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.

5. 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. 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 10 years, with the exception of non-capital losses realized in 2006 and later years, which may be carried forward up to 20 years.

6. 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%

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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.

7. 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 net asset value 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 net asset value 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 among each series of units of a Fund in accordance with the services used. 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”). 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 Bond Fund (for a portion of the Fund), RBC Global Bond Fund (for a portion of the Fund), RBC Global Corporate Bond Fund (for a portion of the Fund), RBC Global High Yield Bond Fund (for a portion of the Fund), RBC Emerging Markets Bond 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 Vision Balanced Fund (formerly, RBC Jantzi 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 (formerly, RBC Jantzi Global Equity Fund),

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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 (formerly, RBC Jantzi 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 net asset value 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 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

Royal Bank, RBC IS and RBC GAM 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.

Other Related-Party Transactions

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

Related-Party Trading Activities

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

Inter-Fund Trading

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

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

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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.

8. Future accounting changes

The following IFRS standard has been issued, but is not yet in effect:

In July 2014, the International Accounting Standards Board finalized the reform of financial instruments accounting and issued IFRS 9 (as revised in 2014), which contains the requirements for a) the classification and measurement of financial assets and financial liabilities, b) impairment methodology and c) general hedge accounting. IFRS 9 (as revised in 2014) will supersede IAS 39 Financial Instruments: Recognition and Measurement in its entirety upon its effective date.

The new standard, which becomes effective for annual periods beginning on or after January 1, 2018, is not expected to have a significant impact on the Funds.