



RBC Global
Asset Management

RBC CORPORATE CLASS FUNDS
RBC UNDERLYING FUNDS
RBC REFERENCE FUNDS

2014 Annual Report



RBC CORPORATE CLASS FUNDS

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FIXED-INCOME FUND

RBC SHORT TERM INCOME CLASS

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

The Board of Directors of RBC Corporate Class Inc. approved this annual management report of fund performance on May 9, 2014.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/funds or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



March 31, 2014

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide current income and liquidity consistent with short-term money market rates, and to preserve the value of an investment.

To achieve its investment objective, the Fund invests most of its assets in the RBC Canadian Money Market Fund (the “underlying fund”), which holds primarily high-quality short-term government and corporate-debt securities with a maximum term of 365 days. The underlying fund’s corporate-debt holdings are deemed by major debt-rating agencies to be suitable for conservative investors. The underlying fund also includes short-term debt issued by Canadian chartered banks and promissory notes issued or guaranteed by Canadian governments or their agencies.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund’s overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund’s net asset value declined to \$35 million as of March 31, 2014, from \$49 million as of March 31, 2013. Most of the change was due to net redemptions.

Over the past year, the Fund’s Series A shares rose 0.6%, which underperformed the 1.0% rise in the benchmark. The Fund’s return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

Fixed-income markets traded within a narrow band in North America during the fiscal year. The most important market force continued to be the tendency of the U.S. Federal Reserve Board (the “Fed”) to favour loose monetary policy. However, Treasury yields did rise during the period after the Fed became the first major central bank to begin scaling back on aggressive monetary easing, doing so three times over the 12-month period. Shorter-term bonds performed relatively well as investors expected that rates set by the central bank would hold steady for a significant period. Investors and central banks were uncertain as to whether one of the most severe North American winters in decades was responsible for a downturn in economic activity in early 2014, or whether the slowdown represented another false start to the economic revival.

The portfolio manager concentrated on maximizing performance by maintaining a preference for corporate-bond exposure and for bonds that held their value better in an environment of rising interest rates. This stance was in response to the Fed’s shift on monetary policy, which, in the view of the portfolio manager, is likely to eventually lead to an increase in rates. The Fund benefited from significant exposure to corporate bonds, which outperformed due to strong corporate balance sheets and other measures.

Recent Developments

The portfolio manager expects global economic growth to be slow and uneven among industrialized nations over the medium term. The U.S. is likely to muster growth of 2% to 3% in 2014, and this pace should be enough for the Fed to phase out its bond-purchase program sometime this year. As this occurs, the portfolio manager anticipates that bond yields will climb, particularly on longer-dated securities. In Canada, weak economic growth should keep the Bank of Canada on hold in the view of the portfolio manager, supporting prices of short-term bonds relative to longer-term securities. Accordingly, the portfolio manager intends to continue pursuing attractive corporate securities as a buffer against higher government yields.

Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund’s day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are the principal distributors of, or distribute certain series of the mutual fund shares of, the Fund. Dealers receive an ongoing commission based on the total value of their clients’ Series A, Advisor Series, Series H and Series D mutual fund shares.

Custodian

RBC Investor Services Trust (“RBC IS”) is the custodian and holds the assets of the Fund.



March 31, 2014

Registrars

Royal Bank, RBC IS and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



March 31, 2014

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Series A												
Mar. 31, 2014	10.07	0.12	(0.06)	–	–	0.06	–	–	–	–	–	10.13
Mar. 31, 2013	10.01	0.12	(0.06)	–	–	0.06	–	–	–	–	–	10.07
Mar. 31, 2012 ³	10.00 [†]	0.02	(0.02)	–	–	–	–	–	–	–	–	10.01
Advisor Series												
Mar. 31, 2014	10.06	0.12	(0.07)	–	–	0.05	–	–	–	–	–	10.12
Mar. 31, 2013	10.00	0.14	(0.07)	–	–	0.07	–	–	–	–	–	10.06
Mar. 31, 2012 ³	10.00 [†]	0.03	(0.03)	–	–	–	–	–	–	–	–	10.00
Series H												
Mar. 31, 2014	10.08	0.12	(0.05)	–	–	0.07	–	–	–	–	–	10.15
Mar. 31, 2013 ⁴	10.02 [†]	0.07	(0.04)	–	–	0.03	–	–	–	–	–	10.08
Series D												
Mar. 31, 2014	10.07	0.13	(0.06)	–	–	0.07	–	–	–	–	–	10.13
Mar. 31, 2013	10.00	0.13	(0.06)	–	–	0.07	–	–	–	–	–	10.07
Mar. 31, 2012 ³	10.00 [†]	0.02	(0.02)	–	–	–	–	–	–	–	–	10.00
Series F												
Mar. 31, 2014	10.07	0.12	(0.06)	–	–	0.06	–	–	–	–	–	10.14
Mar. 31, 2013	10.01	0.15	(0.06)	–	–	0.09	–	–	–	–	–	10.07
Mar. 31, 2012 ³	10.00 [†]	0.04	(0.03)	–	–	0.01	–	–	–	–	–	10.01
Series I												
Mar. 31, 2014	10.06	0.12	(0.03)	–	–	0.09	–	–	–	–	–	10.15
Mar. 31, 2013 ⁴	10.03 [†]	0.06	(0.03)	–	–	0.03	–	–	–	–	–	10.06
Series O												
Mar. 31, 2014	10.14	0.12	–	–	–	0.12	–	–	–	–	–	10.26
Mar. 31, 2013	10.02	0.17	(0.01)	–	–	0.16	–	–	–	–	–	10.14
Mar. 31, 2012 ³	10.00 [†]	0.04	(0.02)	–	–	0.02	–	–	–	–	–	10.02

¹ Net assets and distributions are based on the actual number of mutual fund shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of mutual fund shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per mutual fund share.

² Distributions are reinvested in additional mutual fund shares of the Fund or paid in cash.

³ From January 1, 2012.

⁴ From July 9, 2012.

[†] Initial offering net asset value per mutual fund share.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2014	10.13	19 155	1 891	0.62	0.63	44.34	—
Mar. 31, 2013	10.07	28 770	2 857	0.62	0.63	42.86	—
Mar. 31, 2012 ⁴	10.01	4 488	449	0.63	0.63	18.51	—
Advisor Series							
Mar. 31, 2014	10.12	1 012	100	0.67	0.68	44.34	—
Mar. 31, 2013	10.06	1 570	156	0.67	0.68	42.86	—
Mar. 31, 2012 ⁴	10.00	1 200	120	0.69	0.69	18.51	—
Series H							
Mar. 31, 2014	10.15	9 688	955	0.51	0.52	44.34	—
Mar. 31, 2013 ⁵	10.08	14 809	1 470	0.53	0.54	42.86	—
Series D							
Mar. 31, 2014	10.13	638	63	0.62	0.63	44.34	—
Mar. 31, 2013	10.07	401	40	0.61	0.62	42.86	—
Mar. 31, 2012 ⁴	10.00	81	8	0.63	0.63	18.51	—
Series F							
Mar. 31, 2014	10.14	887	87	0.57	0.58	44.34	—
Mar. 31, 2013	10.07	769	76	0.56	0.57	42.86	—
Mar. 31, 2012 ⁴	10.01	677	68	0.58	0.58	18.51	—
Series I							
Mar. 31, 2014	10.15	1	—	0.38	0.39	44.34	—
Mar. 31, 2013 ⁵	10.06	1	—	0.46	0.47	42.86	—
Series O							
Mar. 31, 2014	10.26	3 333	325	0.05	0.06	44.34	—
Mar. 31, 2013	10.14	2 791	275	0.06	0.07	42.86	—
Mar. 31, 2012 ⁴	10.02	2 653	265	0.11	0.11	18.51	—

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From January 1, 2012.

⁵ From July 9, 2012.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated up to the annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	0.75%	33%	67%
Advisor Series	0.75%	33%	67%
Series H	0.60%	17%	83%
Series D	0.60%	20%	80%
Series F	0.50%	–	100%
Series I	0.40%	–	100%

Series O – no management fees are paid by the Fund in respect of Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, investment advisory services, general administration and profit.

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.





March 31, 2014

PAST PERFORMANCE (cont.)

Annual Compound Returns (%)

The table shows the annual compound returns for each series of the Fund and for each of the periods indicated ended on March 31, 2014, compared with the following benchmark:

FTSE TMX Canada 91 Day T-Bill Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A ¹	0.6	–	–	–	0.6
Benchmark	1.0	–	–	–	1.0
Advisor Series ¹	0.6	–	–	–	0.5
Benchmark	1.0	–	–	–	1.0
Series H ²	0.7	–	–	–	0.7
Benchmark	1.0	–	–	–	1.0
Series D ¹	0.6	–	–	–	0.6
Benchmark	1.0	–	–	–	1.0
Series F ¹	0.7	–	–	–	0.6
Benchmark	1.0	–	–	–	1.0
Series I ²	0.8	–	–	–	0.7
Benchmark	1.0	–	–	–	1.0
Series O ¹	1.2	–	–	–	1.1
Benchmark	1.0	–	–	–	1.0

The returns of each series may vary because of differences in management fees and expenses. The Benchmark returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark.

¹ Inception date January 1, 2012.

² Inception date July 9, 2012.

INDEX DESCRIPTION

FTSE TMX Canada 91 Day T-Bill Index This index is a measure of the performance of Canadian short-term cash investments. FTSE TMX Canada 91 Day T-Bill Index formerly known as DEX 91-Day T-Bill Index.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2014

Investment Mix

	% of Net Asset Value
Commercial Paper	61.0
Bankers Acceptances and Bank Obligations	31.9
Provincial Obligations	7.0
Cash/Other	0.1

Top 25 Holdings*

	% of Net Asset Value
National Bank of Canada 1.181% Aug 18 14	3.5
JPMorgan Chase & Co. 1.226% Sep 3 14	3.0
Canadian Imperial Bank of Commerce 1.112% Apr 1 14	2.7
Bank of Nova Scotia 1.190% Sep 22 14	2.4
National Bank of Canada 1.120% Apr 17 14	2.2
Toronto-Dominion Bank 1.106% Apr 1 14	2.2
Province of Nova Scotia 1.295% Jun 3 14	2.0
Zeus Receivables Trust - Senior Notes 1.200% Jun 26 14	1.9
HSBC Bank Canada 1.170% May 6 14	1.7
Province of Quebec 0.991% May 16 14	1.6
Prime Trust - Senior Notes 1.199% Apr 14 14	1.6
Reliant Trust 1.200% Apr 30 14	1.5
Bank of Nova Scotia 1.124% Apr 16 14	1.4
SAFE Trust - Series 1996-1 1.202% Apr 30 14	1.4
Merit Trust - Senior Notes 1.199% Apr 14 14	1.3
Canadian Imperial Bank of Commerce 1.350% Nov 27 14	1.3
Banner Trust 1.291% May 21 14	1.3
Bay Street Funding Trust - Class A 1.174% Apr 3 14	1.3
SAFE Trust - Series 1996-1 1.164% Apr 1 14	1.2
SOUND Trust 1.269% Jun 3 14	1.2
Ridge Trust 1.280% Jul 8 14	1.2
Fusion Trust 1.208% Jun 25 14	1.2
HSBC Bank Canada 1.181% May 1 14	1.2
King Street Funding Trust 1.179% May 20 14	1.2
Zeus Receivables Trust - Senior Notes 1.200% May 15 14	1.2
Top 25 Holdings	42.7

* The Fund invests substantially all of its assets directly in the RBC Canadian Money Market Fund. The above are the Top 25 holdings of the RBC Canadian Money Market Fund.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.

The Simplified Prospectus and other information about the underlying fund are available on SEDAR website at www.sedar.com.



FIXED-INCOME FUND

RBC BOND CAPITAL CLASS

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

The Board of Directors of RBC Corporate Class Inc. approved this annual management report of fund performance on May 9, 2014.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/funds or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



March 31, 2014

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term total returns consisting of income and moderate capital growth through exposure primarily to high-quality fixed-income securities issued by Canadian governments and corporations. The Fund may also provide exposure to similar securities outside of Canada.

To achieve its investment objective, the Fund invests most of its assets in the RBC Bond Fund LP (the "underlying fund"). The underlying fund may enter into one or more forward contracts linked to the performance of the RBC Bond Trust (the "reference fund"). The Fund may also invest in fixed-income securities or units of the reference fund. The return of the underlying fund will depend on the return of the reference fund. The portfolio manager of the reference fund uses a disciplined approach to assess opportunities linked to the overall direction of interest rates in Canada, the U.S. and other major economies; expected changes in interest-rate spreads between different segments of the bond market; and anticipated changes in interest-rate spreads associated with a change in individual credit ratings or quality perceptions.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund's overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund's net asset value declined to \$17 million as of March 31, 2014, from \$23 million as of March 31, 2013. Most of the change was due to net redemptions.

Over the past year, the Fund's Series A shares were unchanged, which underperformed the 0.8% rise in the benchmark. The Fund's return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

Bond yields remained at extremely depressed levels in April 2013, as the U.S. Federal Reserve (the "Fed") continued with extraordinarily loose monetary policies aimed at keeping longer-term borrowing costs down to support the economy. However, negative sentiment toward fixed-income investments took hold in May, causing Canadian bond indexes to decline and leading in 2013 to the first calendar-year loss for the Canadian benchmark bond index since 1999. The Fed's signal that economic conditions may have improved enough to warrant scaling

back US\$85 billion in monthly bond purchases led to the surge in yields and decline in bond prices. Bank of Canada Governor Stephen Poloz indicated that borrowing costs will remain relatively low as concern about extremely low inflation offset worries about consumer-debt levels. The allure of Government of Canada bonds diminished as concern dissipated over the stability of the Eurozone and U.S. political dysfunction, increasing demand for higher-income corporate bonds.

The Fund's returns were aided by above-benchmark allocations to provincial and corporate bonds, as well as greater overall exposure to better-performing short-term securities. Provincial bonds and corporate bonds boosted returns because of the extra yield they offer relative to federal bonds, while short-term bonds fared better than longer-term securities amid expectations that the Fed would begin to rein in ultra-loose U.S. monetary policy. Another decision that added to returns was to have exposure to the U.S. dollar, which climbed during the period.

A small allocation to emerging-market debt had a negative effect on the Fund's returns. Emerging-market bonds are especially sensitive to rising Treasury yields, which can threaten countries that rely too heavily on inexpensive dollar loans to fuel domestic economic expansions.

Recent Developments

The Fed has been lightening up on bond purchases in 2014, and global bond yields should rise slowly led by Treasuries. The expectation of higher yields rests on the assumption of better global economic growth, which would allow central banks to reduce efforts to hold down yields. The portfolio manager will be adjusting the portfolio's holdings in an attempt to minimize losses tied to interest-rate sensitivity while taking advantage of opportunities caused by fixed-income price swings to accumulate attractively priced assets.

The portfolio manager will maintain an overweight position in non-government bonds, and may use currency trades to bolster returns. From the perspective of long-term investors, rising interest rates allow savings to grow and periodic interest payments to be reinvested at higher yields. The portfolio manager believes that this strategy should enable investors to build wealth and meet retirement needs, while offering a degree of protection to balanced portfolios during volatile markets.

As set out above, the Fund currently invests its assets in units of the underlying fund. The underlying fund enters into forward agreements to gain exposure to the investment returns of the reference fund, which returns are treated as capital gains instead of income for tax purposes (the "tax treatment").



March 31, 2014

The Canadian government's 2013 federal budget included provisions to eliminate the capital-gains tax treatment associated with such forward agreements as of December 31, 2014. In response to this change in tax treatment, RBC GAM capped further investments in the Fund and has announced that, subject to the receipt of necessary shareholder and regulatory approvals, effective September 12, 2014, the Fund will be reorganized and terminated and units of the RBC Bond Fund, a corresponding RBC mutual fund trust, will be distributed to shareholders on termination. The termination of the Fund will be considered a taxable disposition.

Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are the principal distributors of, or distribute certain series of the mutual fund shares of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, Series H and Series D mutual fund shares.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC IS and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



March 31, 2014

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period		
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital			
Series A													
Mar. 31, 2014	10.09	–	(0.12)	(0.01)	0.07	(0.06)	–	–	(0.06)	–	(0.06)	10.03	
Mar. 31, 2013 ³	10.00 [†]	–	(0.05)	–	0.15	0.10	–	–	–	–	–	10.09	
Advisor Series													
Mar. 31, 2014	10.09	–	(0.12)	(0.01)	0.07	(0.06)	–	–	(0.06)	–	(0.06)	10.03	
Mar. 31, 2013 ³	10.00 [†]	–	(0.05)	–	0.15	0.10	–	–	–	–	–	10.09	
Series H													
Mar. 31, 2014	10.10	–	(0.10)	(0.01)	0.07	(0.04)	–	–	(0.06)	–	(0.06)	10.06	
Mar. 31, 2013 ³	10.00 [†]	–	(0.05)	–	0.14	0.09	–	–	–	–	–	10.10	
Series D													
Mar. 31, 2014	10.11	–	(0.08)	(0.01)	0.07	(0.02)	–	–	(0.06)	–	(0.06)	10.09	
Mar. 31, 2013 ³	10.00 [†]	–	(0.03)	–	0.15	0.12	–	–	–	–	–	10.11	
Series F													
Mar. 31, 2014	10.12	–	(0.06)	(0.01)	0.07	–	–	–	(0.06)	–	(0.06)	10.13	
Mar. 31, 2013 ³	10.00 [†]	–	(0.03)	–	0.14	0.11	–	–	–	–	–	10.12	
Series I													
Mar. 31, 2014	10.12	–	(0.04)	(0.01)	0.07	0.02	–	–	(0.06)	–	(0.06)	10.15	
Mar. 31, 2013 ³	10.00 [†]	–	(0.02)	–	0.17	0.15	–	–	–	–	–	10.12	
Series O													
Mar. 31, 2014	10.14	–	–	(0.01)	0.07	0.06	–	–	(0.06)	–	(0.06)	10.20	
Mar. 31, 2013 ³	10.00 [†]	–	–	–	0.17	0.17	–	–	–	–	–	10.14	

¹ Net assets and distributions are based on the actual number of mutual fund shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of mutual fund shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per mutual fund share.

² Distributions are reinvested in additional mutual fund shares of the Fund or paid in cash.

³ From October 31, 2012.

[†] Initial offering net asset value per mutual fund share.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2014	10.03	3 539	353	1.22	1.23	4.09	—
Mar. 31, 2013 ⁴	10.09	7 609	754	1.25	1.25	4.70	—
Advisor Series							
Mar. 31, 2014	10.03	647	64	1.25	1.26	4.09	—
Mar. 31, 2013 ⁴	10.09	810	80	1.25	1.25	4.70	—
Series H							
Mar. 31, 2014	10.06	2 679	266	1.05	1.06	4.09	—
Mar. 31, 2013 ⁴	10.10	4 096	406	1.07	1.07	4.70	—
Series D							
Mar. 31, 2014	10.09	46	5	0.82	0.83	4.09	—
Mar. 31, 2013 ⁴	10.11	107	11	0.79	0.79	4.70	—
Series F							
Mar. 31, 2014	10.13	627	62	0.61	0.62	4.09	—
Mar. 31, 2013 ⁴	10.12	877	87	0.62	0.62	4.70	—
Series I							
Mar. 31, 2014	10.15	1	—	0.49	0.50	4.09	—
Mar. 31, 2013 ⁴	10.12	1	—	0.52	0.52	4.70	—
Series O							
Mar. 31, 2014	10.20	9 746	955	0.06	0.07	4.09	—
Mar. 31, 2013 ⁴	10.14	9 631	950	0.05	0.05	4.70	—

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From October 31, 2012.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.00%	50%	50%
Advisor Series	1.00%	50%	50%
Series H	0.90%	56%	44%
Series D	0.65%	23%	77%
Series F	0.50%	–	100%
Series I	0.40%	–	100%

Series O – no management fees are paid by the Fund in respect of Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, investment advisory services, general administration and profit.

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.





March 31, 2014

PAST PERFORMANCE (cont.)

Annual Compound Returns (%)

The table shows the annual compound returns for each series of the Fund and for each of the periods indicated ended on March 31, 2014, compared with the following benchmark:

FTSE TMX Canada Universe Bond Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A ¹	0.0	–	–	–	0.6
Benchmark	0.8	–	–	–	1.0
Advisor Series ¹	0.0	–	–	–	0.6
Benchmark	0.8	–	–	–	1.0
Series H ¹	0.2	–	–	–	0.8
Benchmark	0.8	–	–	–	1.0
Series D ¹	0.4	–	–	–	1.1
Benchmark	0.8	–	–	–	1.0
Series F ¹	0.6	–	–	–	1.3
Benchmark	0.8	–	–	–	1.0
Series I ¹	0.8	–	–	–	1.5
Benchmark	0.8	–	–	–	1.0
Series O ¹	1.2	–	–	–	1.8
Benchmark	0.8	–	–	–	1.0

The returns of each series may vary because of differences in management fees and expenses. The Benchmark returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark.

¹ Inception date October 31, 2012.

INDEX DESCRIPTION

FTSE TMX Canada Universe Bond Index This index is designed as a broad measure of the Canadian investment-grade fixed-income market and includes bonds with maturities of at least one year. FTSE TMX Canada Universe Bond Index formerly known as DEX Universe Bond Index.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2014

Investment Mix

	% of Net Asset Value
Corporate Bonds	43.0
Provincial/Municipal Bonds	37.9
Federal Bonds	9.7
United States	3.6
Cash/Other	5.8

Top 25 Holdings*

	% of Net Asset Value
Long Positions	
Province of Ontario 2.100% Sep 8 18	6.7
Province of Ontario 2.850% Jun 2 23	5.7
Province of Ontario 3.150% Jun 2 22	2.8
Province of Ontario 5.600% Jun 2 35	2.7
Cash & Cash Equivalents	2.7
RBC High Yield Bond Fund	2.5
Province of Quebec 3.500% Dec 1 22	2.4
Province of Ontario 4.200% Jun 2 20	2.3
Province of Ontario 4.600% Jun 2 39	2.2
Province of Ontario 1.900% Sep 8 17	1.7
Province of Ontario 4.650% Jun 2 41	1.6
Province of Ontario 3.500% Jun 2 43	1.6
Province of Ontario 6.500% Mar 8 29	1.6
Government of Canada 4.000% Jun 1 41	1.5
Province of Quebec 5.000% Dec 1 41	1.4
Province of Ontario 4.400% Jun 2 19	1.4
Canada Housing Trust No. 1 2.350% Sep 15 23	1.3
Canada Housing Trust No. 1 2.650% Mar 15 22	1.3
Province of Quebec 5.000% Dec 1 38	1.2
Royal Bank of Canada 2.770% Dec 11 18	1.1
Province of Quebec 3.000% Sep 1 23	1.1
BlueBay Emerging Markets Corporate Bond Fund	1.1
Government of Canada 3.500% Dec 1 45	1.0
Canadian Imperial Bank of Commerce 2.350% Oct 18 17	1.0
Total	49.9

Short Positions

United States 10-Year Note Future, June 2014	3.0
Total	3.0

* The Fund invests substantially all of its assets directly in the RBC Bond LP which obtains exposure to the RBC Bond Trust by entering into one or more forward contracts. The above are the Top 25 holdings of the RBC Bond Trust.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.

The Simplified Prospectus and other information about the underlying fund and the reference fund are available on SEDAR website at www.sedar.com.



FIXED-INCOME FUND

**PHILLIPS, HAGER & NORTH
TOTAL RETURN BOND CAPITAL CLASS**

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

The Board of Directors of RBC Corporate Class Inc. approved this annual management report of fund performance on May 9, 2014.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/funds or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



March 31, 2014

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide stability of capital through exposure primarily to a well-diversified portfolio of fixed-income securities issued by Canadian governments and corporations.

To achieve its investment objective, the Fund invests most of its assets in the Phillips, Hager & North Total Return Bond LP (the "underlying fund"). The underlying fund may enter into one or more forward contracts to gain exposure to the performance of the Phillips, Hager & North Total Return Bond Trust (the "reference fund"). The Fund may also invest in fixed-income securities or units of the reference fund. The return of the underlying fund will depend on the return of the reference fund. The portfolio manager of the reference fund invests primarily in medium- to high-quality corporate bonds and government bonds of Canadian issuers and may also invest in securities of U.S. and other foreign issuers. The reference fund may also invest in Canadian asset-backed commercial paper to enhance its return. The average term to maturity of the portfolio is managed within strict guidelines, and typically falls between seven and 12 years.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund's overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund's net asset value declined to \$218 million as of March 31, 2014, from \$399 million as of March 31, 2013. Most of the change was due to net redemptions.

Over the past year, the Fund's Series A shares were unchanged, which underperformed the 0.8% rise in the benchmark. The Fund's return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

The portfolio manager was active in adjusting the Fund's holdings to reflect changes in interest rates over the period, lowering exposure to an increase in rates when yields were at their lowest and increasing exposure as yields climbed. The Fund was generally positioned to reflect the portfolio manager's expectation of an overall rise in rates.

Interest-rate strategies added value over the year. The Fund's overweight position in investment-grade corporate bonds and security selection in corporate bonds added value, as corporate yields rose less than those on benchmark securities over the fiscal year. The Fund's position in high-yield bonds, which increased to 4% of the Fund over the year, also added value, as these bonds performed well.

The Fund held a significant overweight position in provincial bonds, whose yields relative to other fixed-income securities had become especially attractive over the past two years. Yields on provincial bonds fell on a relative basis during the period, adding to performance.

Recent Developments

The dramatic rise in interest rates in the summer of 2013 brought them to levels that the portfolio manager believes more closely reflect the economic environment.

The portfolio manager now believes that interest rates and the economy are more closely aligned, and has therefore positioned the Fund to be slightly less sensitive than the benchmark to the negative effect of rising interest rates. The Fund's overweight positions in corporate bonds and provincial bonds are still in place, as the portfolio manager expects them to perform relatively well given that the economy continues to expand at a modest pace.

As set out above, the Fund currently invests its assets in units of the underlying fund. The underlying fund enters into forward agreements to gain exposure to the investment returns of the reference fund, which returns are treated as capital gains instead of income for tax purposes (the "tax treatment").

The Canadian government's 2013 federal budget included provisions to eliminate the capital gains tax treatment associated with such forward agreements as of December 31, 2014. In response to the foregoing change in tax treatment, RBC GAM capped further investments in the Fund and has announced that, subject to the receipt of necessary shareholder and regulatory approvals, effective September 12, 2014, the Fund will be reorganized and terminated and units of the Phillips, Hager & North Total Return Bond Fund, a corresponding RBC mutual fund trust, will be distributed to shareholders on termination. The termination of the Fund will be considered a taxable disposition.



Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are the principal distributors of, or distribute certain series of the mutual fund shares of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, Series H and Series D mutual fund shares.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC IS and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

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Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



March 31, 2014

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Series A												
Mar. 31, 2014	10.30	–	(0.12)	0.11	(0.09)	(0.10)	–	–	(0.12)	–	(0.12)	10.18
Mar. 31, 2013	10.00	–	(0.12)	0.01	0.38	0.27	–	–	–	–	–	10.30
Mar. 31, 2012 ³	10.00 [†]	–	(0.03)	–	0.03	–	–	–	–	–	–	10.00
Advisor Series												
Mar. 31, 2014	10.30	–	(0.12)	0.11	(0.09)	(0.10)	–	–	(0.12)	–	(0.12)	10.18
Mar. 31, 2013	10.00	–	(0.12)	0.01	0.37	0.26	–	–	–	–	–	10.30
Mar. 31, 2012 ³	10.00 [†]	–	(0.03)	–	0.03	–	–	–	–	–	–	10.00
Series H												
Mar. 31, 2014	10.31	–	(0.10)	0.11	(0.09)	(0.08)	–	–	(0.12)	–	(0.12)	10.20
Mar. 31, 2013 ⁴	10.20 [†]	–	(0.08)	0.01	0.22	0.15	–	–	–	–	–	10.31
Series D												
Mar. 31, 2014	10.38	–	(0.06)	0.11	(0.09)	(0.04)	–	–	(0.12)	–	(0.12)	10.31
Mar. 31, 2013	10.02	–	(0.06)	0.01	0.35	0.30	–	–	–	–	–	10.38
Mar. 31, 2012 ³	10.00 [†]	–	(0.02)	–	0.02	–	–	–	–	–	–	10.02
Series F												
Mar. 31, 2014	10.37	–	(0.06)	0.11	(0.09)	(0.04)	–	–	(0.12)	–	(0.12)	10.31
Mar. 31, 2013	10.02	–	(0.06)	0.01	0.38	0.33	–	–	–	–	–	10.37
Mar. 31, 2012 ³	10.00 [†]	–	(0.02)	–	0.02	–	–	–	–	–	–	10.02
Series I												
Mar. 31, 2014	10.38	–	(0.05)	0.11	(0.09)	(0.03)	–	–	(0.12)	–	(0.12)	10.32
Mar. 31, 2013 ⁴	10.23 [†]	–	(0.04)	0.01	0.22	0.19	–	–	–	–	–	10.38
Series O												
Mar. 31, 2014	10.44	–	–	0.11	(0.09)	0.02	–	–	(0.12)	–	(0.12)	10.44
Mar. 31, 2013	10.03	–	–	0.01	0.39	0.40	–	–	–	–	–	10.44
Mar. 31, 2012 ³	10.00 [†]	–	(0.01)	–	0.04	0.03	–	–	–	–	–	10.03

¹ Net assets and distributions are based on the actual number of mutual fund shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of mutual fund shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per mutual fund share.

² Distributions are reinvested in additional mutual fund shares of the Fund or paid in cash.

³ From January 1, 2012.

⁴ From July 9, 2012.

[†] Initial offering net asset value per mutual fund share.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2014	10.18	34 229	3 362	1.17	1.17	0.19	—
Mar. 31, 2013	10.30	77 239	7 497	1.17	1.17	4.46	—
Mar. 31, 2012 ⁴	10.00	28 329	2 832	1.23	1.23	—	—
Advisor Series							
Mar. 31, 2014	10.18	25 334	2 489	1.18	1.18	0.19	—
Mar. 31, 2013	10.30	49 935	4 847	1.17	1.17	4.46	—
Mar. 31, 2012 ⁴	10.00	15 773	1 577	1.23	1.23	—	—
Series H							
Mar. 31, 2014	10.20	19 906	1 952	1.06	1.06	0.19	—
Mar. 31, 2013 ⁵	10.31	48 722	4 726	1.09	1.09	4.46	—
Series D							
Mar. 31, 2014	10.31	5 962	578	0.60	0.60	0.19	—
Mar. 31, 2013	10.38	9 116	879	0.61	0.61	4.46	—
Mar. 31, 2012 ⁴	10.02	806	80	0.65	0.65	—	—
Series F							
Mar. 31, 2014	10.31	24 063	2 335	0.63	0.63	0.19	—
Mar. 31, 2013	10.37	62 369	6 014	0.62	0.62	4.46	—
Mar. 31, 2012 ⁴	10.02	27 867	2 783	0.66	0.66	—	—
Series I							
Mar. 31, 2014	10.32	9 960	965	0.52	0.52	0.19	—
Mar. 31, 2013 ⁵	10.38	19 748	1 903	0.52	0.52	4.46	—
Series O							
Mar. 31, 2014	10.44	98 998	9 485	0.06	0.06	0.19	—
Mar. 31, 2013	10.44	131 793	12 620	0.06	0.06	4.46	—
Mar. 31, 2012 ⁴	10.03	66 433	6 624	0.08	0.08	—	—

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From January 1, 2012.

⁵ From July 9, 2012.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.00%	50%	50%
Advisor Series	1.00%	40%	60%
Series H	0.90%	56%	44%
Series D	0.50%	40%	60%
Series F	0.50%	—	100%
Series I	0.40%	—	100%

Series O – no management fees are paid by the Fund in respect of Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, investment advisory services, general administration and profit.

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.





March 31, 2014

PAST PERFORMANCE (cont.)

Annual Compound Returns (%)

The table shows the annual compound returns for each series of the Fund and for each of the periods indicated ended on March 31, 2014, compared with the following benchmark:

FTSE TMX Canada Universe Bond Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A ¹	0.0	–	–	–	1.3
Benchmark	0.8	–	–	–	1.0
Advisor Series ¹	0.0	–	–	–	1.3
Benchmark	0.8	–	–	–	1.0
Series H ²	0.1	–	–	–	0.7
Benchmark	0.8	–	–	–	1.0
Series D ¹	0.6	–	–	–	1.9
Benchmark	0.8	–	–	–	1.0
Series F ¹	0.5	–	–	–	1.9
Benchmark	0.8	–	–	–	1.0
Series I ²	0.6	–	–	–	1.2
Benchmark	0.8	–	–	–	1.0
Series O ¹	1.1	–	–	–	2.5
Benchmark	0.8	–	–	–	1.0

The returns of each series may vary because of differences in management fees and expenses. The Benchmark returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark.

¹ Inception date January 1, 2012.

² Inception date July 9, 2012.

INDEX DESCRIPTION

FTSE TMX Canada Universe Bond Index This index is designed as a broad measure of the Canadian investment-grade fixed-income market and includes bonds with maturities of at least one year. FTSE TMX Canada Universe Bond Index formerly known as DEX Universe Bond Index.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2014

Investment Mix

	% of Net Asset Value
Corporate Bonds	43.9
Provincial/Municipal Bonds	33.7
Federal Bonds	5.5
United States	2.3
Cash/Other	14.6

Top 25 Holdings*

	% of Net Asset Value
Cash & Cash Equivalents	8.1
Province of Ontario 4.000% Jun 2 21	4.7
Phillips, Hager & North High Yield Bond Fund	4.1
Province of Ontario 7.600% Jun 2 27	3.7
Province of Ontario 8.100% Sep 8 23	2.8
Province of Ontario 6.500% Mar 8 29	2.3
Canada Housing Trust No. 1 3.800% Jun 15 21	2.1
Canada Housing Trust No. 1 4.100% Dec 15 18	2.1
Province of Ontario 4.650% Jun 2 41	2.0
Province of Ontario 4.600% Jun 2 39	1.9
Royal Bank of Canada 2.580% Apr 13 17	1.9
Canadian Imperial Bank of Commerce 1.750% Jun 1 16	1.9
Bank of Nova Scotia 2.100% Nov 8 16	1.7
Province of Ontario 5.850% Mar 8 33	1.7
Province of Ontario 3.500% Jun 2 24	1.4
Province of Ontario 3.150% Jun 2 22	1.4
Ontario Electricity Financial Corp. 8.250% Jun 22 26	1.3
Province of Quebec 8.500% Apr 1 26	1.3
Bank of Montreal 3.490% Jun 10 16	1.2
Province of Ontario 5.600% Jun 2 35	1.2
HSBC Bank Canada 2.572% Nov 23 15	1.2
Province of Ontario 8.500% Dec 2 25	1.1
Cards II Trust 1.984% Jan 15 16	1.1
Province of Ontario 6.200% Jun 2 31	1.0
Province of Ontario 3.500% Jun 2 43	1.0
Top 25 Holdings	54.2

* The Fund invests substantially all of its assets directly in the Phillips, Hager & North Total Return Bond LP which obtains exposure to the Phillips, Hager & North Total Return Bond Trust by entering into one or more forward contracts. The above are the Top 25 holdings of the Phillips, Hager & North Total Return Bond Trust.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.

The Simplified Prospectus and other information about the underlying fund and the reference fund are available on SEDAR website at www.sedar.com.



FIXED-INCOME FUND

RBC HIGH YIELD BOND CAPITAL CLASS

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

The Board of Directors of RBC Corporate Class Inc. approved this annual management report of fund performance on May 9, 2014.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/funds or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



March 31, 2014

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide a high level of income with the potential for modest capital growth through exposure primarily to higher yielding corporate debt securities issued by Canadian and U.S. corporations.

To achieve its investment objective, the Fund invests most of its assets in the RBC High Yield Bond LP (the “underlying fund”). The underlying fund may enter into one or more forward contracts linked to the performance of the RBC High Yield Bond Trust (the “reference fund”). The Fund may also invest in fixed-income securities or units of the reference fund. The return of the underlying fund will depend on the return of the reference fund. The portfolio manager of the reference fund invests primarily in debt securities rated from BBB to B by Standard & Poor’s or an equivalent credit-rating company. The portfolio manager employs a value-focused philosophy, striving to invest in quality companies having stable to improving credit profiles, which are considered undervalued.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund’s overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund’s net asset value declined to \$290 million as of March 31, 2014, from \$387 million as of March 31, 2013. The change was due to net redemptions.

Over the past year, the Fund’s Series A shares rose 4.3%, which outperformed the 0.8% rise in the benchmark. The Fund’s return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

In general, assets such as higher-risk, higher-yielding bonds continued to outperform government fixed income and higher-rated corporate bonds, which were held back primarily by concerns that the U.S. Federal Reserve’s (the “Fed”) retreat from an extremely loose monetary policy known as quantitative easing (“QE”) would lead to rising government yields. The high-yield bond market continued to benefit on a relative basis from low default risk, rising mutual-fund investments, fairly strong corporate earnings and balance sheets, and demand for extra income provided by higher-yielding corporate bonds in a low-yield environment.

In May, with government yields near all-time lows, the prospect of an earlier-than-expected end to QE caused bond yields to rise sharply and the price of both government and corporate bonds to fall. Later, volatility in the Treasury market dropped, and high-yield bonds resumed their outperformance. By December investors had fully factored in expectations of a reduction in QE, and when the Fed actually began to scale back its asset purchases later that month there was little change in government yields. In late 2013, fears that economic growth would slow in emerging markets, notably China, caused higher-risk assets to decline as investors sought the perceived safety of U.S. government bonds. Other geopolitical events, including Russia’s seizure of Crimea from Ukraine, also prompted investors to place more of a premium on safe-haven assets.

The Fund’s cash levels were higher than usual in April 2013, and as bond prices started to fall in May and June, the portfolio manager sold some higher-quality Canadian investment-grade bonds and used the proceeds to buy lower-rated U.S. corporate bonds that had fallen in price. The Fund benefited from this move after prices of high-yield bonds recovered. The rise in prices relative to government bonds prompted the portfolio manager to again allow cash levels to rise above usual levels. Toward the end of the fiscal year, geopolitical concerns and rising valuations prompted the portfolio manager to take a slightly more conservative approach by favouring higher-quality U.S. high-yield bonds. These investments lowered cash levels to more usual levels.

Recent Developments

In early April 2014, the premium that investors were receiving on bonds perceived to carry higher risks (the credit spread) stood at a five-year low. The portfolio manager’s outlook, while generally positive, is tempered by the fact that credit spreads likely offer less room for gains than they did 12 months ago, and that there may be headwinds in the form of rising Treasury rates as U.S. economic growth picks up. For now, the portfolio manager expects to continue adding safer higher-quality, shorter-term high-yield bonds, and to keep cash balances at levels sufficient to allow the Fund to take advantage of any market declines.

As set out above, the Fund currently invests its assets in units of the underlying fund. The underlying fund enters into forward agreements to gain exposure to the investment returns of the reference fund, which returns are treated as capital gains instead of income for tax purposes (the “tax treatment”).



The Canadian government's 2013 federal budget included provisions to eliminate the capital-gains tax treatment associated with such forward agreements as of December 31, 2014. In response to the foregoing change in tax treatment, RBC GAM capped further investments in the Fund and has announced that, subject to the receipt of necessary shareholder and regulatory approvals, effective September 12, 2014, the Fund will be reorganized and terminated and units of the RBC High Yield Bond Fund, a corresponding RBC mutual fund trust, will be distributed to shareholders on termination. The termination of the Fund will be considered a taxable disposition.

Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are the principal distributors of, or distribute certain series of the mutual fund shares of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, Series H and Series D mutual fund shares.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC IS and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



March 31, 2014

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Series A												
Mar. 31, 2014	10.89	–	(0.15)	0.25	0.31	0.41	–	–	(0.33)	–	(0.33)	11.01
Mar. 31, 2013	10.12	–	(0.15)	0.02	0.86	0.73	–	–	–	–	–	10.89
Mar. 31, 2012 ³	10.00 [†]	–	(0.04)	–	0.17	0.13	–	–	–	–	–	10.12
Advisor Series												
Mar. 31, 2014	10.89	–	(0.16)	0.25	0.31	0.40	–	–	(0.33)	–	(0.33)	11.00
Mar. 31, 2013	10.12	–	(0.15)	0.02	0.85	0.72	–	–	–	–	–	10.89
Mar. 31, 2012 ³	10.00 [†]	–	(0.04)	–	0.17	0.13	–	–	–	–	–	10.12
Series H												
Mar. 31, 2014	10.90	–	(0.13)	0.25	0.31	0.43	–	–	(0.34)	–	(0.34)	11.04
Mar. 31, 2013 ⁴	10.33 [†]	–	(0.10)	0.01	0.52	0.43	–	–	–	–	–	10.90
Series D												
Mar. 31, 2014	10.94	–	(0.11)	0.26	0.32	0.47	–	–	(0.34)	–	(0.34)	11.11
Mar. 31, 2013	10.13	–	(0.11)	0.02	0.81	0.72	–	–	–	–	–	10.94
Mar. 31, 2012 ³	10.00 [†]	–	(0.03)	–	0.17	0.14	–	–	–	–	–	10.13
Series F												
Mar. 31, 2014	10.96	–	(0.10)	0.25	0.32	0.47	–	–	(0.34)	–	(0.34)	11.14
Mar. 31, 2013	10.14	–	(0.09)	0.02	0.90	0.83	–	–	–	–	–	10.96
Mar. 31, 2012 ³	10.00 [†]	–	(0.03)	–	0.17	0.14	–	–	–	–	–	10.14
Series I												
Mar. 31, 2014	10.97	–	(0.08)	0.26	0.32	0.50	–	–	(0.34)	–	(0.34)	11.17
Mar. 31, 2013 ⁴	10.36 [†]	–	(0.06)	0.01	0.56	0.51	–	–	–	–	–	10.97
Series O												
Mar. 31, 2014	11.07	–	–	0.26	0.32	0.58	–	–	(0.34)	–	(0.34)	11.36
Mar. 31, 2013	10.16	–	–	0.02	0.89	0.91	–	–	–	–	–	11.07
Mar. 31, 2012 ³	10.00 [†]	–	(0.01)	–	0.17	0.16	–	–	–	–	–	10.16

¹ Net assets and distributions are based on the actual number of mutual fund shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of mutual fund shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per mutual fund share.

² Distributions are reinvested in additional mutual fund shares of the Fund or paid in cash.

³ From January 1, 2012.

⁴ From July 9, 2012.

[†] Initial offering net asset value per mutual fund share.

FINANCIAL HIGHLIGHTS (cont.)



March 31, 2014

Ratios and Supplemental Data

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2014	11.01	23 551	2 139	1.46	1.46	0.26	—
Mar. 31, 2013	10.89	37 919	3 483	1.45	1.45	3.06	—
Mar. 31, 2012 ⁴	10.12	9 600	948	1.52	1.52	—	—
Advisor Series							
Mar. 31, 2014	11.00	34 105	3 100	1.48	1.48	0.26	—
Mar. 31, 2013	10.89	49 483	4 546	1.45	1.45	3.06	—
Mar. 31, 2012 ⁴	10.12	13 844	1 368	1.52	1.52	—	—
Series H							
Mar. 31, 2014	11.04	12 390	1 122	1.28	1.28	0.26	—
Mar. 31, 2013 ⁵	10.90	19 458	1 785	1.31	1.31	3.06	—
Series D							
Mar. 31, 2014	11.11	5 136	462	1.03	1.03	0.26	—
Mar. 31, 2013	10.94	5 892	539	1.08	1.08	3.06	—
Mar. 31, 2012 ⁴	10.13	490	48	1.12	1.12	—	—
Series F							
Mar. 31, 2014	11.14	18 472	1 658	0.91	0.91	0.26	—
Mar. 31, 2013	10.96	29 373	2 680	0.89	0.89	3.06	—
Mar. 31, 2012 ⁴	10.14	11 822	1 166	0.95	0.95	—	—
Series I							
Mar. 31, 2014	11.17	10 651	953	0.74	0.74	0.26	—
Mar. 31, 2013 ⁵	10.97	15 732	1 434	0.75	0.75	3.06	—
Series O							
Mar. 31, 2014	11.36	185 472	16 334	0.06	0.06	0.26	—
Mar. 31, 2013	11.07	228 649	20 649	0.06	0.06	3.06	—
Mar. 31, 2012 ⁴	10.16	92 253	9 084	0.09	0.09	—	—

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From January 1, 2012.

⁵ From July 9, 2012.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.25%	40%	60%
Advisor Series	1.25%	40%	60%
Series H	1.10%	45%	55%
Series D	0.90%	17%	83%
Series F	0.75%	–	100%
Series I	0.60%	–	100%

Series O – no management fees are paid by the Fund in respect of Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, investment advisory services, general administration and profit.

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.





March 31, 2014

PAST PERFORMANCE (cont.)

Annual Compound Returns (%)

The table shows the annual compound returns for each series of the Fund and for each of the periods indicated ended on March 31, 2014, compared with the following benchmark:

FTSE TMX Canada Universe Bond Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A ¹	4.3	–	–	–	5.8
Benchmark	0.8	–	–	–	1.0
Advisor Series ¹	4.3	–	–	–	5.8
Benchmark	0.8	–	–	–	1.0
Series H ²	4.5	–	–	–	5.8
Benchmark	0.8	–	–	–	1.0
Series D ¹	4.8	–	–	–	6.2
Benchmark	0.8	–	–	–	1.0
Series F ¹	4.9	–	–	–	6.4
Benchmark	0.8	–	–	–	1.0
Series I ²	5.1	–	–	–	6.4
Benchmark	0.8	–	–	–	1.0
Series O ¹	5.8	–	–	–	7.3
Benchmark	0.8	–	–	–	1.0

The returns of each series may vary because of differences in management fees and expenses. The Benchmark returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark.

¹ Inception date January 1, 2012.

² Inception date July 9, 2012.

INDEX DESCRIPTION

FTSE TMX Canada Universe Bond Index This index is designed as a broad measure of the Canadian investment-grade fixed-income market and includes bonds with maturities of at least one year. FTSE TMX Canada Universe Bond Index formerly known as DEX Universe Bond Index.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2014

Investment Mix

	% of Net Asset Value
United States	69.4
Canada	16.1
Luxembourg	2.8
Japan	1.1
Spain	1.1
United Kingdom	1.1
Cash/Other	8.4

Top 25 Holdings*

	% of Net Asset Value
Cash & Cash Equivalents	3.8
Ford Credit Canada Ltd. 7.500% Aug 18 15	2.8
Sprint Nextel Corp. 9.000% Nov 15 18	2.1
DISH DBS Corp. 7.875% Sep 1 19	2.0
Ball Corp. 5.750% May 15 21	1.9
Videotron Ltd. 6.875% Jul 15 21	1.7
NRG Energy Inc. 7.875% May 15 21	1.7
Rite Aid Corp. 8.000% Aug 15 20	1.6
Concho Resources Inc. 7.000% Jan 15 21	1.6
Smithfield Foods Inc. 6.625% Aug 15 22	1.5
T-Mobile USA Inc. 6.625% Apr 1 23	1.5
Continental Resources Inc. 7.125% Apr 1 21	1.5
ArcelorMittal USD 9.850% Jun 1 19	1.4
Reynolds Group Issuer Inc. 6.875% Feb 15 21	1.4
Lamar Media Corp. 5.375% Jan 15 24	1.4
Standard Pacific Corp. 8.375% Jan 15 21	1.3
HDTFS Inc. 6.250% Oct 15 22	1.3
Quebecor Media Inc. 7.375% Jan 15 21	1.3
Beazer Homes USA Inc. 6.625% Apr 15 18	1.3
Sonic Automotive Inc. 7.000% Jul 15 22	1.2
Toll Brothers Finance Corp. 5.875% Feb 15 22	1.2
Denbury Resources Inc. 8.250% Feb 15 20	1.2
Ingles Markets Inc. 5.750% Jun 15 23	1.2
Intelsat Jackson Holdings S.A. USD 7.250% Apr 1 19	1.2
Tenet Healthcare Corp. 6.000% Oct 1 20	1.2
Top 25 Holdings	40.3

* The Fund invests substantially all of its assets directly in the RBC High Yield Bond LP which obtains exposure to the RBC High Yield Bond Trust by entering into one or more forward contracts. The above are the Top 25 holdings of the RBC High Yield Bond Trust.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.

The Simplified Prospectus and other information about the underlying fund and reference fund are available on SEDAR website at www.sedar.com.



FIXED-INCOME FUND

**BLUEBAY GLOBAL CONVERTIBLE
BOND CLASS (CANADA)**

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

Sub-Advisor: BlueBay Asset Management LLP, London, England

The Board of Directors of RBC Corporate Class Inc. approved this annual management report of fund performance on May 9, 2014.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/funds or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



March 31, 2014

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide total returns consisting of interest income and modest capital appreciation through exposure to global convertible bonds.

To achieve the Fund's objectives, the Fund invests most of its assets in the BlueBay Global Convertible Bond Fund (Canada) (the "underlying fund"), which holds mainly global convertible bonds issued by entities domiciled or carrying out business activities anywhere in the world. The sub-advisor of the underlying fund conducts detailed credit and equity analysis to identify investment opportunities offering high probabilities of superior rates of return while minimizing the prospect of default.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund's overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund was launched on January 20, 2014, and its net asset value was \$39 million as of March 31, 2014. Investment performance is not provided for a fund that has been in existence for less than one year.

Recent Developments

The positive macroeconomic environment suggests that corporate profitability should improve and translate into higher dividends and increased share buybacks. This kind of equity backdrop can be positive for convertible bonds because it makes it easier for companies to issue low-coupon securities and use the proceeds to repurchase stock. Yahoo did this in November 2013. With default rates forecast to remain low, the relatively high yields available on non-government bonds should continue to attract investors. The Fund retains significant exposure to corporate bonds and has an average rating of BBB-. The sub-advisor continues to believe that yield premiums are too high given low risks of default, and expects convertible bonds to outperform longer-dated government bonds in 2014 as rising equity prices offset a possible jump in bond yields.

The Chinese economy is still growing at rates that are higher than they are in much of the world, and the Fund is exposed to the countries and companies that the sub-advisor believes are best placed to benefit from this expansion. The renegotiation of the U.S. debt ceiling near the end of 2013 caused a temporary rise in yields, but its ultimate resolution cleared the way for a rally in riskier assets into year-end. Weaker European economies, in particular Italy and

Spain, benefited from this, and yields on longer-dated bonds in both countries are near multiyear lows. The European Central Bank continues to monitor deflationary pressures, but recent data points to a more sustainable economic recovery in the Eurozone.

Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Sub-Advisor

BlueBay Asset Management LLP is the sub-advisor and provides investment advice for the Fund.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are the principal distributors of, or distribute certain series of the mutual fund shares of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, Series H and Series D mutual fund shares.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC IS and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



March 31, 2014

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Series A												
Mar. 31, 2014³	10.00[†]	0.05	(0.04)	–	0.05	0.06	–	–	–	–	–	10.16
Advisor Series												
Mar. 31, 2014³	10.00[†]	0.06	(0.04)	–	0.05	0.07	–	–	–	–	–	10.16
Series H												
Mar. 31, 2014³	10.00[†]	0.05	(0.03)	–	0.04	0.06	–	–	–	–	–	10.17
Series D												
Mar. 31, 2014³	10.00[†]	0.07	(0.03)	–	0.06	0.10	–	–	–	–	–	10.17
Series F												
Mar. 31, 2014³	10.00[†]	0.05	(0.02)	–	0.05	0.08	–	–	–	–	–	10.18
Series I												
Mar. 31, 2014³	10.00[†]	0.06	(0.02)	–	0.05	0.09	–	–	–	–	–	10.19
Series O												
Mar. 31, 2014³	10.00[†]	0.51	–	–	0.45	0.96	–	–	–	–	–	10.20

¹ Net assets and distributions are based on the actual number of mutual fund shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of mutual fund shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per mutual fund share.

² Distributions are reinvested in additional mutual fund shares of the Fund or paid in cash.

³ From January 20, 2014.

[†] Initial offering net asset value per mutual fund share.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2014⁴	10.16	2 878	283	2.17	2.17	–	–
Advisor Series							
Mar. 31, 2014⁴	10.16	12 360	1 216	2.17	2.17	–	–
Series H							
Mar. 31, 2014⁴	10.17	5 474	538	1.90	1.90	–	–
Series D							
Mar. 31, 2014⁴	10.17	567	56	1.50	1.50	–	–
Series F							
Mar. 31, 2014⁴	10.18	11 255	1 106	1.32	1.32	–	–
Series I							
Mar. 31, 2014⁴	10.19	5 837	573	1.03	1.03	–	–
Series O							
Mar. 31, 2014⁴	10.20	147	14	0.24	0.24	–	–

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From January 20, 2014.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.70%	44%	56%
Advisor Series	1.70%	44%	56%
Series H	1.45%	52%	48%
Series D	1.10%	14%	86%
Series F	0.95%	—	100%
Series I	0.70%	—	100%

Series O – no management fees are paid by the Fund in respect of Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, investment advisory services, general administration and profit.

PAST PERFORMANCE

Investment performance in respect of a fund that has been available for less than one year is not provided.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2014

Investment Mix

	% of Net Asset Value
United States	30.1
China	6.0
Japan	4.4
Singapore	4.1
Norway	4.0
Australia	3.9
France	3.9
Hong Kong	3.5
Taiwan	3.5
United Kingdom	3.5
Spain	2.8
South Africa	2.5
Germany	2.4
Cash/Other	25.4

Top 25 Holdings*

	% of Net Asset Value
Cash & Cash Equivalents	9.3
Intel Corp., Convertible 3.250% Aug 1 39	2.6
Glencore Finance Europe S.A., Convertible USD 5.000% Dec 31 14	1.9
Priceline.com Inc., Convertible 1.000% Mar 15 18	1.7
Marine Harvest ASA, Convertible EUR 2.375% May 8 18	1.6
WellPoint Inc., Convertible 2.750% Oct 15 42	1.5
CapitaLand Ltd., Convertible SGD 1.850% Jun 19 20	1.2
Olam International Ltd., Convertible USD 6.000% Oct 15 16	1.1
International Consolidated Airlines Group S.A., Convertible EUR 1.750% May 31 18	1.1
SanDisk Corp., Convertible 0.500% Oct 15 20	1.1
Aabar Investments PJSC, Convertible EUR 4.000% May 27 16	1.1
Salesforce.com Inc., Convertible 0.250% Apr 1 18	1.0
Indah Capital Ltd., Convertible SGD 0.000% Oct 24 18	1.0
NVIDIA Corp., Convertible 1.000% Dec 1 18	1.0
Faurecia, Convertible EUR 3.250% Jan 1 18	1.0
Liberty Interactive LLC, Convertible 0.750% Mar 30 43	1.0
Magyar Nemzeti Vagyonkezelő ZRt., Convertible EUR 3.375% Apr 2 19	1.0
Lukoil International Finance BV, Convertible USD 2.625% Jun 16 15	1.0
TUI Travel Plc., Convertible GBP 4.900% Apr 27 17	1.0
Yahoo 0.000% Dec 1 18	1.0
PB Issuer No 3 Ltd., Convertible USD 1.875% Oct 22 18	0.9
Logo Star Ltd., Convertible HKD 1.500% Nov 22 18	0.9
Cemex S.A.B. de C.V., Convertible USD 3.750% Mar 15 18	0.9
Parpublica - Participações Públicas SGPS S.A., Convertible EUR 5.250% Sep 28 17	0.9
Steinhoff Finance Holding GmbH, Convertible EUR 6.375% May 26 17	0.9
Top 25 Holdings	37.7

* The Fund invests substantially all of its assets directly in the BlueBay Global Convertible Bond Fund (Canada). The above are the Top 25 holdings of the BlueBay Global Convertible Bond Fund (Canada).

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.

The Simplified Prospectus and other information about the underlying fund and reference fund are available on SEDAR website at www.sedar.com.



BALANCED FUND

**PHILLIPS, HAGER & NORTH
MONTHLY INCOME CLASS**

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

The Board of Directors of RBC Corporate Class Inc. approved this annual management report of fund performance on May 9, 2014.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/funds or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



March 31, 2014

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide monthly income that may consist of dividend income, interest income, realized capital gains and return of capital. The Fund will also have the potential to provide modest capital growth. The Fund primarily invests in a well diversified balanced portfolio of income-producing equity securities, including, but not limited to, common shares of dividend-paying Canadian companies and income trusts. The Fund may also invest in fixed-income securities such as preferred shares, government and corporate bonds, debentures and notes, asset-backed commercial paper, mortgage-backed securities and other income-generating securities.

The Fund's target weightings for each asset class are 50% for fixed income and 50% for equities. The target weightings for each asset class may be adjusted based on changes in the market outlook for each asset class.

To achieve its investment objective, the Fund invests most of its assets in the Phillips, Hager & North Monthly Income Fund and/or a combination of other mutual funds managed by RBC GAM (underlying funds). The underlying funds invest in income-producing equity securities, fixed-income securities, and may also hold income-generating securities such as convertible bonds and convertible preferred shares.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund's overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund's net asset value increased to \$104 million as of March 31, 2014, from \$56 million as of March 31, 2013. Most of the change was due to net inflows.

Over the past year, the Fund's Series A shares rose 8.0%, which underperformed the 8.8% rise in the benchmark. The broad-based index rose 0.8%. The Fund's return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

For the year, the Fund made total distributions of 12 cents per Series A

unit, all of it from dividends.

The fixed-income portion of the Fund recorded a gain for the year, capping a generally tough year for bond-market returns. Returns this year were hurt by rising interest-rate levels. Some of this downside was mitigated by keeping the Fund's duration, or overall interest-rate exposure, below its benchmark for much of the reporting period, including the crucial late spring/early summer period when interest rates increased substantially. Since that significant move, interest-rate levels are now more aligned with the current slow-growth economic environment.

The Financials sector was the most significant contributor to the Fund's performance during the year. Also adding to performance was an underweight position in the Materials sector, which underperformed as gold prices fell for much of the period. Overweight positions in Royal Bank of Canada and Canadian Imperial Bank of Commerce added to performance as the stocks rose significantly. An overweight position in Brookfield Office Properties also added to relative performance.

Sectors that detracted the most from performance during the period included Health Care and Telecommunication Services. In Health Care, the absence of Valeant Pharmaceuticals from the portfolio had a negative effect on returns as the stock rose significantly.

Recent Developments

The dramatic stock-market gains of the past year in the U.S. and Canada suggest that the economic recovery is on the most solid footing since the 2008 financial crisis. Shares of companies whose businesses are exposed to the faster North American growth were generally priced at attractive valuations two years ago, but are now more fully valued. The Fund has benefited significantly from this recovery, but it is likely that further gains in these stocks will be more limited, and will have to come from increased earnings and revenue rather than rising valuations.

Related-Party Transactions



March 31, 2014

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are the principal distributors of, or distribute certain series of the mutual fund shares of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, Advisor T5 Series, Series T5, Series H and Series D mutual fund shares.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC IS and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



March 31, 2014

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/Period
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	
Series A												
Mar. 31, 2014	10.43	0.53	(0.07)	0.18	0.42	1.06	–	(0.12)	–	–	(0.12)	11.15
Mar. 31, 2013 ³	10.00 [†]	0.26	(0.04)	0.02	0.35	0.59	–	(0.01)	–	–	(0.01)	10.43
Advisor Series												
Mar. 31, 2014	10.43	0.53	(0.07)	0.18	0.42	1.06	–	(0.13)	–	–	(0.13)	11.13
Mar. 31, 2013 ³	10.00 [†]	0.21	(0.01)	0.01	0.28	0.49	–	(0.01)	–	–	(0.01)	10.43
Advisor T5 Series												
Mar. 31, 2014	10.26	0.53	(0.02)	0.18	0.42	1.11	–	(0.18)	–	(0.33)	(0.51)	10.51
Mar. 31, 2013 ³	10.00 [†]	0.20	(0.01)	0.01	0.27	0.47	–	(0.07)	–	(0.14)	(0.21)	10.26
Series T5												
Mar. 31, 2014	10.26	0.52	(0.03)	0.17	0.41	1.07	–	(0.18)	–	(0.33)	(0.51)	10.51
Mar. 31, 2013 ³	10.00 [†]	0.24	(0.01)	0.01	0.33	0.57	–	(0.07)	–	(0.14)	(0.21)	10.26
Series H												
Mar. 31, 2014	10.44	0.51	(0.04)	0.17	0.41	1.05	–	(0.12)	–	–	(0.12)	11.17
Mar. 31, 2013 ³	10.00 [†]	0.21	(0.01)	0.01	0.29	0.50	–	(0.01)	–	–	(0.01)	10.44
Series D												
Mar. 31, 2014	10.47	0.53	(0.03)	0.18	0.42	1.10	–	(0.12)	–	–	(0.12)	11.29
Mar. 31, 2013 ³	10.00 [†]	0.20	–	0.01	0.27	0.48	–	(0.01)	–	–	(0.01)	10.47
Series F												
Mar. 31, 2014	10.48	0.54	(0.01)	0.18	0.43	1.14	–	(0.16)	–	–	(0.16)	11.29
Mar. 31, 2013 ³	10.00 [†]	0.37	–	0.02	0.51	0.90	–	(0.01)	–	–	(0.01)	10.48
Series FT5												
Mar. 31, 2014	10.31	0.54	–	0.18	0.43	1.15	–	(0.18)	–	(0.33)	(0.51)	10.67
Mar. 31, 2013 ³	10.00 [†]	0.30	–	0.02	0.40	0.72	–	(0.08)	–	(0.13)	(0.21)	10.31
Series I												
Mar. 31, 2014	10.49	0.52	–	0.17	0.41	1.10	–	(0.17)	–	–	(0.17)	11.30
Mar. 31, 2013 ³	10.00 [†]	0.21	–	0.01	0.28	0.50	–	(0.01)	–	–	(0.01)	10.49

¹ Net assets and distributions are based on the actual number of mutual fund shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of mutual fund shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per mutual fund share.

² Distributions are reinvested in additional mutual fund shares of the Fund or paid in cash.

³ From October 31, 2012.

[†] Initial offering net asset value per mutual fund share.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2014	11.15	40 638	3 646	1.97	1.97	12.61	0.27
Mar. 31, 2013 ⁴	10.43	20 548	1 971	1.98	1.98	8.43	0.27
Advisor Series							
Mar. 31, 2014	11.13	9 781	879	1.98	1.98	12.61	0.27
Mar. 31, 2013 ⁴	10.43	4 497	431	1.98	1.98	8.43	0.27
Advisor T5 Series							
Mar. 31, 2014	10.51	14 118	1 343	1.90	1.90	12.61	0.27
Mar. 31, 2013 ⁴	10.26	9 975	976	1.97	1.97	8.43	0.27
Series T5							
Mar. 31, 2014	10.51	16 365	1 558	1.95	1.95	12.61	0.27
Mar. 31, 2013 ⁴	10.26	8 989	880	1.98	1.98	8.43	0.27
Series H							
Mar. 31, 2014	11.17	15 757	1 411	1.81	1.81	12.61	0.27
Mar. 31, 2013 ⁴	10.44	7 900	758	1.84	1.84	8.43	0.27
Series D							
Mar. 31, 2014	11.29	4 535	402	1.10	1.10	12.61	0.27
Mar. 31, 2013 ⁴	10.47	2 241	214	1.13	1.13	8.43	0.27
Series F							
Mar. 31, 2014	11.29	1 084	96	0.84	0.84	12.61	0.27
Mar. 31, 2013 ⁴	10.48	811	77	0.85	0.85	8.43	0.27
Series FT5							
Mar. 31, 2014	10.67	1 212	114	0.86	0.86	12.61	0.27
Mar. 31, 2013 ⁴	10.31	595	58	0.85	0.85	8.43	0.27
Series I							
Mar. 31, 2014	11.30	720	64	0.70	0.70	12.61	0.27
Mar. 31, 2013 ⁴	10.49	608	58	0.70	0.70	8.43	0.27

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From October 31, 2012.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.65%	61%	39%
Advisor Series	1.65%	61%	39%
Advisor T5 Series	1.65%	61%	39%
Series T5	1.65%	61%	39%
Series H	1.50%	67%	33%
Series D	0.90%	28%	72%
Series F	0.65%	–	100%
Series FT5	0.65%	–	100%
Series I	0.50%	–	100%

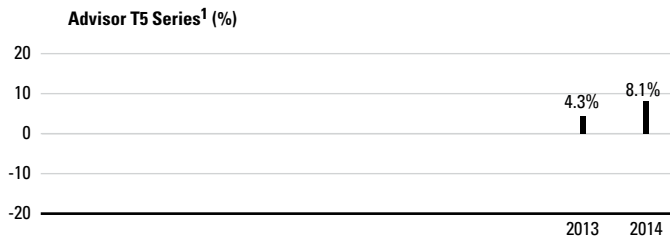
* Includes all costs related to management, investment advisory services, general administration and profit.

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.





March 31, 2014

PAST PERFORMANCE (cont.)



Annual Compound Returns (%)

The table shows the annual compound returns for each series of the Fund and for each of the periods indicated ended on March 31, 2014, compared with the following benchmarks:

The blended benchmark (the "Benchmark") is composed of:

- 50% S&P/TSX Capped Composite Total Return Index
- 35% FTSE TMX Canada Universe Bond Index
- 10% Merrill Lynch Canadian High Yield Index
- 5% S&P/TSX Preferred Share Total Return Index

The broad-based index is the FTSE TMX Canada Universe Bond Index.

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A ¹	8.0	—	—	—	8.8
Benchmark	8.8	—	—	—	1.0
Broad-based index	0.8	—	—	—	1.0
Advisor Series ¹	8.1	—	—	—	8.8
Benchmark	8.8	—	—	—	1.0
Broad-based index	0.8	—	—	—	1.0
Advisor T5 Series ¹	8.1	—	—	—	8.9
Benchmark	8.8	—	—	—	1.0
Broad-based index	0.8	—	—	—	1.0
Series T5 ¹	8.1	—	—	—	8.8
Benchmark	8.8	—	—	—	1.0
Broad-based index	0.8	—	—	—	1.0
Series H ¹	8.2	—	—	—	9.0
Benchmark	8.8	—	—	—	1.0
Broad-based index	0.8	—	—	—	1.0
Series D ¹	9.0	—	—	—	9.8
Benchmark	8.8	—	—	—	1.0
Broad-based index	0.8	—	—	—	1.0
Series F ¹	9.3	—	—	—	10.0
Benchmark	8.8	—	—	—	1.0
Broad-based index	0.8	—	—	—	1.0
Series FT5 ¹	9.2	—	—	—	10.0
Benchmark	8.8	—	—	—	1.0
Broad-based index	0.8	—	—	—	1.0
Series I ¹	9.4	—	—	—	10.2
Benchmark	8.8	—	—	—	1.0
Broad-based index	0.8	—	—	—	1.0

The returns of each series may vary because of differences in management fees and expenses. The Benchmark returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark.

¹ Inception date October 31, 2012.

INDEX DESCRIPTIONS

S&P/TSX Capped Composite Total Return Index This index is the amended capitalization-weighted index measuring the performance of selected securities listed on the Toronto Stock Exchange, with no individual stock exceeding 10% of the overall weight.

FTSE TMX Canada Universe Bond Index This index is designed as a broad measure of the Canadian investment-grade fixed-income market and includes bonds with maturities of at least one year. FTSE TMX Canada Universe Bond Index formerly known as DEX Universe Bond Index.

Merrill Lynch Canadian High Yield Index This index tracks the performance of U.S. dollar- and Canadian dollar-denominated below-investment-grade corporate debt publicly issued by Canadian issuers in the Canadian or U.S. domestic markets.

S&P/TSX Preferred Share Total Return Index This index is composed of preferred stocks trading on the Toronto Stock Exchange that meet criteria relating to minimum size, liquidity, issuer rating and exchange listing.



March 31, 2014

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2014

Investment Mix

	% of Net Asset Value
Canadian Equities	51.8
Bonds	32.6
Preferred Equities	4.9
Cash/Other	10.7

Top 25 Holdings*

	% of Net Asset Value
RBC High Yield Bond Fund	6.0
Government of Canada 0.750% May 1 14	5.3
Royal Bank of Canada	3.7
Phillips, Hager & North High Yield Bond Fund	3.7
Bank of Nova Scotia	3.1
Toronto-Dominion Bank	3.1
Cenovus Energy Inc.	2.6
Enbridge Inc.	2.2
TransCanada Corp.	2.0
ARC Resources Ltd.	1.9
Rogers Communications Inc., Class B	1.8
TELUS Corp.	1.6
Power Corporation of Canada	1.6
Industrial Alliance Insurance & Financial Services Inc.	1.5
Brookfield Asset Management Inc., Class A	1.5
National Bank of Canada	1.3
Province of Ontario 7.600% Jun 2 27	1.3
Canadian Imperial Bank of Commerce	1.3
Empire Co. Ltd., Class A	1.2
Province of Ontario 5.600% Jun 2 35	1.1
Province of Ontario 3.500% Jun 2 24	1.0
Talisman Energy Inc.	1.0
Suncor Energy Inc.	1.0
Pure Industrial Real Estate Investment Trust	0.9
H&R Real Estate Investment Trust	0.9
Top 25 Holdings	52.6

* The Fund invests substantially all of its assets directly in the Phillips, Hager & North Monthly Income Fund. The above are the Top 25 holdings of the Phillips, Hager & North Monthly Income Fund.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.

The Simplified Prospectus and other information about the underlying fund are available on SEDAR website at www.sedar.com.



PORTFOLIO SOLUTION

**RBC SELECT VERY
CONSERVATIVE CLASS**

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

The Board of Directors of RBC Corporate Class Inc. approved this annual management report of fund performance on May 9, 2014.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/funds or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



March 31, 2014

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund is a strategic asset allocation fund, which focuses on providing income and the potential for modest capital growth. The Fund maintains a balance of investments across several asset classes by investing in funds managed by RBC GAM or an affiliate (the “underlying funds”).

The Fund’s target weightings for each asset class are 80% fixed income, 10% Canadian equities, 5% U.S. equities and 5% international equities. The actual allocation to each asset class will not be more than 15% above or below its target weighting for the fixed-income asset class, and no more than 10% above or below the target weighting for the equities asset classes.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund’s overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund’s net asset value increased to \$76 million as of March 31, 2014, from \$35 million as of March 31, 2013. Most of the change was due to net inflows.

Over the past year, the Fund’s Series A shares rose 5.3%, which outperformed the 5.0% rise in the benchmark. The broad-based index rose 0.8%. The Fund’s return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

Developed-market economies extended their recovery into 2014, with the U.S. benefiting from a strengthening housing market and steady, if not robust, consumer demand, while much of Europe continued to claw its way back from almost two years of recession. Spain, Ireland and other long-suffering European economies showed signs of bottoming, and Ireland became the first of the “peripheral” countries to pay back bailout funds received in the wake of the financial crisis. One sign of the improved mood was a signal from the U.S. Federal Reserve (the “Fed”) that it would consider reducing economic stimulus before the end of 2013 following five years of extraordinarily loose monetary policy. In December 2013, the Fed made good on its promise to start paring bond purchases, and the monthly purchases have fallen to US\$55 billion from US\$85 billion just a few months ago.

However, the European Central Bank (the “ECB”) and the Bank of Japan, concerned that their economies were still fragile, went in the opposite direction by increasing economic stimulus. Emerging markets including Brazil and Turkey expanded more slowly during the period, while China maintained relatively fast rates of growth.

The Fund was positioned to hold a higher level of stocks versus the benchmark and a lower-than-benchmark position in bonds, and these allocations had an overall positive effect on performance.

Speculation that the Fed would start scaling back its extraordinary monetary stimulus had a major impact on the global bond market. Bond yields around the world rose as investors became comfortable that the “taper” signalled a more constructive economic outlook. Global government bond markets posted modest overall returns during the period, with significant gains in Italy and Spain offsetting losses in Canada, the U.S. and the U.K. The RBC Global Bond Fund and the Phillips, Hager & North Bond Fund contributed to performance.

Stock markets in most developed countries and regions posted strong, steady gains during the fiscal year, supported by monetary stimulus and the improving economic outlook. Asia had a good year, although Japan began to underperform in the first quarter of 2014. Much of the gain in Japan occurred in the early part of the fiscal year, when the currency was falling rapidly on government efforts to boost inflation and bolster economic growth. Emerging-market equities lagged amid moderating economic growth and rising interest rates. Canadian stocks underperformed, weighed down by the poorly performing Materials sector. The RBC European Equity Fund, the RBC U.S. Equity Fund and the RBC Canadian Dividend Fund had a positive impact on returns.

Recent Developments

Five years past the global financial crisis, economic normalization is well advanced. Low inflation, highly accommodative monetary policies and evolving risk preference in most developed markets continue to boost activity. The portfolio manager expects a moderate uptick in global growth in 2014 from 2013’s levels and a slightly stronger expansion in 2015. Recognizing that the U.S. economy is strengthening, the Fed is scaling back monetary stimulus. However, headwinds have surfaced in emerging markets in the form of political turmoil in Ukraine, slowing economic growth in China and concern that the outcomes of upcoming elections will have negative effects on domestic economies. These challenges have caused short-term market fluctuations, but in the portfolio manager’s view do not represent critical risks to the trajectory of the business-cycle expansion.



March 31, 2014

As long as the labour market continues to improve and inflation moves toward the Fed's 2% objective, monetary officials are likely to carry on with reductions in the pace of easing. In this strengthening economic environment, equities still offer the potential for attractive returns relative to bonds and the portfolio manager therefore continues to overweight stocks. The portfolio manager recently boosted the Fund's allocation to stocks and left the bond position unchanged.

RBC GAM capped further investments in the Fund effective November 12, 2013 and has announced that, subject to the receipt of necessary shareholder and regulatory approvals, effective September 12, 2014, the Fund will be reorganized and terminated and units of the RBC Select Very Conservative Portfolio, a corresponding RBC mutual fund trust, will be distributed to shareholders on termination. The termination of the Fund will be considered a taxable disposition.

Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund.

RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are the principal distributors of, or distribute certain series of the mutual fund shares of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A and Advisor Series mutual fund shares.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC IS and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



March 31, 2014

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Series A												
Mar. 31, 2014	10.27	0.28	(0.18)	0.14	0.37	0.61	—	(0.03)	—	—	(0.03)	10.78
Mar. 31, 2013 ³	10.00 [†]	0.12	(0.07)	0.06	0.24	0.35	—	(0.01)	—	—	(0.01)	10.27
Advisor Series												
Mar. 31, 2014	10.27	0.25	(0.18)	0.13	0.34	0.54	—	(0.02)	—	—	(0.02)	10.78
Mar. 31, 2013 ³	10.00 [†]	0.09	(0.08)	0.05	0.19	0.25	—	—	—	—	—	10.27
Series F												
Mar. 31, 2014	10.31	0.26	(0.07)	0.13	0.35	0.67	—	(0.02)	—	—	(0.02)	10.94
Mar. 31, 2013 ³	10.00 [†]	0.09	(0.03)	0.05	0.19	0.30	—	(0.01)	—	—	(0.01)	10.31

¹ Net assets and distributions are based on the actual number of mutual fund shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of mutual fund shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per mutual fund share.

² Distributions are reinvested in additional mutual fund shares of the Fund or paid in cash.

³ From October 31, 2012.

[†] Initial offering net asset value per mutual fund share.

Ratios and Supplemental Data

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2014	10.78	62 488	5 799	1.71	1.72	26.06	0.04
Mar. 31, 2013 ⁴	10.27	33 739	3 287	1.72	1.72	6.94	0.06
Advisor Series							
Mar. 31, 2014	10.78	5 419	503	1.75	1.76	26.06	0.04
Mar. 31, 2013 ⁴	10.27	193	19	1.73	1.73	6.94	0.06
Series F							
Mar. 31, 2014	10.94	8 097	740	0.72	0.73	26.06	0.04
Mar. 31, 2013 ⁴	10.31	1 333	129	0.75	0.75	6.94	0.06

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From October 31, 2012.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio advisor of the Fund. The management fee payable in respect of each series of the Fund is a variable fee and is determined on a basis such that all fees and expenses that comprise the management expense ratio ("MER"), other than the additional cost of the GST/HST, will be equal to a specified percentage of the average net asset value of each series of the Fund ("Specified Percentage"). The Specified Percentage includes the management fee, administration fee, taxes (other than the additional cost of the GST/HST), other fund costs and any fees and expenses of the underlying funds.

The MER paid by each series of the Fund is calculated at the applicable annual Specified Percentage of the daily net asset value of each series of the Fund, plus the additional cost of the GST/HST as of July 1, 2010. The breakdown of the services received in consideration of the management fee component of the MER for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.60%	47%	53%
Advisor Series	1.60%	47%	53%
Series F	0.70%	—	100%

* Includes all costs related to management, investment advisory services, general administration and profit.

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.





March 31, 2014

PAST PERFORMANCE (cont.)

Annual Compound Returns (%)

The table shows the annual compound returns for each series of the Fund and for each of the periods indicated ended on March 31, 2014, compared with the following benchmarks:

The blended benchmark (the "Benchmark") is composed of:

- 80% FTSE TMX Canada Universe Bond Index
- 10% S&P/TSX Capped Composite Total Return Index
- 5% S&P 500 Total Return Index (CAD)
- 5% MSCI EAFE Total Return Net Index (CAD)

The broad-based index is the FTSE TMX Canada Universe Bond Index.

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A ¹	5.3	—	—	—	5.7
Benchmark	5.0	—	—	—	1.0
Broad-based index	0.8	—	—	—	1.0
Advisor Series ¹	5.3	—	—	—	5.6
Benchmark	5.0	—	—	—	1.0
Broad-based index	0.8	—	—	—	1.0
Series F ¹	6.3	—	—	—	6.7
Benchmark	5.0	—	—	—	1.0
Broad-based index	0.8	—	—	—	1.0

The returns of each series may vary because of differences in management fees and expenses. The Benchmark returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark.

¹ Inception date October 31, 2012.

INDEX DESCRIPTIONS

FTSE TMX Canada Universe Bond Index This index is designed as a broad measure of the Canadian investment-grade fixed-income market and includes bonds with maturities of at least one year. FTSE TMX Canada Universe Bond Index formerly known as DEX Universe Bond Index.

S&P/TSX Capped Composite Total Return Index This index is the amended capitalization-weighted index measuring the performance of selected securities listed on the Toronto Stock Exchange, with no individual stock exceeding 10% of the overall weight.

S&P 500 Total Return Index (CAD) This index is a capitalization-weighted index measuring the Canadian dollar performance of 500 widely held common stocks representing all major industries in the United States. The index gives investors a broad measure of the overall performance of the U.S. stock market.

MSCI EAFE Total Return Net Index (CAD) This index is a broad measure of the Canadian dollar performance of stocks from developed equity markets covering countries in Europe, Australasia and the Far East. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2014

Investment Mix

	% of Net Asset Value
Income Funds	62.2
Canadian Equity Funds	11.2
U.S. Equity Funds	6.0
International Equity Funds	5.3
Cash/Other	15.3

Top 25 Holdings*

	% of Net Asset Value
Phillips, Hager & North Bond Fund	15.8
RBC Canadian Short-Term Income Fund	12.4
Phillips, Hager & North Short Term Bond & Mortgage Fund	12.4
RBC Global Bond Fund	11.9
Phillips, Hager & North Total Return Bond LP	9.0
RBC Bond Fund	8.7
RBC Canadian Dividend Fund	6.7
RBC U.S. Equity Fund	4.4
RBC European Equity Fund	4.3
RBC Bond LP	4.2
Cash & Cash Equivalents	2.3
Phillips, Hager & North Canadian Equity Underlying Fund	2.2
RBC Canadian Equity Fund	2.2
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	1.5
RBC Canadian Money Market Fund	1.0
RBC Asia Pacific ex-Japan Equity Fund	0.4
RBC Japanese Equity Fund	0.3
RBC Asian Equity Fund	0.3
Total	100.0

* The Fund holds fewer than 25 holdings.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



PORTFOLIO SOLUTION

RBC SELECT CONSERVATIVE CLASS

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

The Board of Directors of RBC Corporate Class Inc. approved this annual management report of fund performance on May 9, 2014.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/funds or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



March 31, 2014

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund is a strategic asset allocation fund, which focuses on providing income and the potential for moderate capital growth. The Fund maintains a balance of investments across several asset classes by investing in funds managed by RBC GAM or an affiliate (the “underlying funds”).

The Fund’s target weightings for each asset class are 65% for fixed income, 15% for Canadian equities, 10% for U.S. equities and 10% for international equities. The actual allocation to each asset class will not be more than 15% above or below its target weighting for the fixed-income asset class, and no more than 10% above or below the target weighting for the equities asset classes.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund’s overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund’s net asset value increased to \$71 million as of March 31, 2014, from \$34 million as of March 31, 2013. Most of the change was due to net inflows.

Over the past year, the Fund’s Series A shares rose 8.6%, which outperformed the 8.5% rise in the benchmark. The broad-based index rose 0.8%. The Fund’s return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

Developed-market economies extended their recovery into 2014, with the U.S. benefiting from a strengthening housing market and steady, if not robust, consumer demand, while much of Europe continued to claw its way back from almost two years of recession. Spain, Ireland and other long-suffering European economies showed signs of bottoming, and Ireland became the first of the “peripheral” countries to pay back bailout funds received in the wake of the financial crisis.

One sign of the improved mood was a signal from the U.S. Federal Reserve (the “Fed”) that it would consider reducing economic stimulus before the end of 2013 following five years of extraordinarily loose monetary policy. In December 2013, the Fed made good on its promise to start paring bond purchases, and the monthly purchases have fallen to US\$55 billion from US\$85 billion just a few months ago.

However, the European Central Bank (the “ECB”) and the Bank of Japan, concerned that their economies were still fragile, went in the opposite direction by increasing economic stimulus. Emerging markets including Brazil and Turkey expanded more slowly during the period, while China maintained relatively fast rates of growth.

The Fund was positioned to hold a higher level of stocks versus the benchmark and a lower-than-benchmark position in bonds, and these allocations had an overall positive effect on performance.

Speculation that the Fed would start scaling back its extraordinary monetary stimulus had a major impact on the global bond market. Bond yields around the world rose as investors became comfortable that the “taper” signalled a more constructive economic outlook. Global government bond markets posted modest overall returns during the period, with significant gains in Italy and Spain offsetting losses in Canada, the U.S. and the U.K. The RBC Bond Fund and the RBC Global Bond Fund had a positive impact on performance.

Stock markets in most developed countries and regions posted strong, steady gains during the fiscal year, supported by monetary stimulus and the improving economic outlook. Asia had a good year, although Japan began to underperform in the first quarter of 2014. Much of the gain in Japan occurred in the early part of the fiscal year, when the currency was falling rapidly on government efforts to boost inflation and bolster economic growth. Emerging-market equities lagged amid moderating economic growth and rising interest rates. Canadian stocks underperformed, weighed down by the poorly performing Materials sector. The RBC U.S. Equity Fund, the RBC European Equity Fund and the RBC Canadian Dividend Fund had a positive impact on performance.

Recent Developments

Five years past the global financial crisis, economic normalization is well advanced. Low inflation, highly accommodative monetary policies and evolving risk preference in most developed markets continue to boost activity. The portfolio manager expects a moderate uptick in global growth in 2014 from 2013’s levels and a slightly stronger expansion in 2015. Recognizing that the U.S. economy is strengthening, the Fed is scaling back monetary stimulus. However, headwinds have surfaced in emerging markets in the form of political turmoil in Ukraine, slowing economic growth in China and concern that the outcomes of upcoming elections will have negative effects on domestic economies. These challenges have caused short-term market fluctuations, but in the portfolio manager’s view do not represent critical risks to the trajectory of the business-cycle expansion.



March 31, 2014

As long as the labour market continues to improve and inflation moves toward the Fed's 2% objective, monetary officials are likely to carry on with reductions in the pace of easing. In this strengthening economic environment, equities still offer the potential for attractive returns relative to bonds and the portfolio manager therefore continues to overweight stocks. The portfolio manager recently boosted the Fund's allocation to stocks and left the bond position unchanged.

RBC GAM capped further investments in the Fund effective November 12, 2013 and has announced that, subject to the receipt of necessary shareholder and regulatory approvals, effective September 12, 2014, the Fund will be reorganized and terminated and units of the RBC Select Conservative Portfolio, a corresponding RBC mutual fund trust, will be distributed to shareholders on termination. The termination of the Fund will be considered a taxable disposition.

Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are the principal distributors of, or distribute certain series of the mutual fund shares of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A and Advisor Series mutual fund shares.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC IS and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



March 31, 2014

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Series A												
Mar. 31, 2014	10.43	0.28	(0.20)	0.21	0.69	0.98	—	(0.04)	—	—	(0.04)	11.28
Mar. 31, 2013 ³	10.00 [†]	0.14	(0.08)	0.07	0.35	0.48	—	(0.01)	—	—	(0.01)	10.43
Advisor Series												
Mar. 31, 2014	10.43	0.28	(0.19)	0.21	0.68	0.98	—	(0.05)	—	—	(0.05)	11.27
Mar. 31, 2013 ³	10.00 [†]	0.23	(0.08)	0.12	0.55	0.82	—	(0.01)	—	—	(0.01)	10.43
Series F												
Mar. 31, 2014	10.48	0.28	(0.08)	0.21	0.68	1.09	—	(0.02)	—	—	(0.02)	11.47
Mar. 31, 2013 ³	10.00 [†]	0.13	(0.03)	0.07	0.33	0.50	—	(0.01)	—	—	(0.01)	10.48

¹ Net assets and distributions are based on the actual number of mutual fund shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of mutual fund shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per mutual fund share.

² Distributions are reinvested in additional mutual fund shares of the Fund or paid in cash.

³ From October 31, 2012.

[†] Initial offering net asset value per mutual fund share.

Ratios and Supplemental Data

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2014	11.28	68 927	6 112	1.85	1.86	29.82	0.08
Mar. 31, 2013 ⁴	10.43	34 038	3 265	1.88	1.88	8.71	0.10
Advisor Series							
Mar. 31, 2014	11.27	226	20	1.78	1.79	29.82	0.08
Mar. 31, 2013 ⁴	10.43	53	5	1.88	1.88	8.71	0.10
Series F							
Mar. 31, 2014	11.47	1 418	124	0.77	0.78	29.82	0.08
Mar. 31, 2013 ⁴	10.48	168	16	0.81	0.81	8.71	0.10

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From October 31, 2012.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio advisor of the Fund. The management fee payable in respect of each series of the Fund is a variable fee and is determined on a basis such that all fees and expenses that comprise the management expense ratio ("MER"), other than the additional cost of the GST/HST, will be equal to a specified percentage of the average net asset value of each series of the Fund ("Specified Percentage"). The Specified Percentage includes the management fee, administration fee, taxes (other than the additional cost of the GST/HST), other fund costs and any fees and expenses of the underlying funds.

The MER paid by each series of the Fund is calculated at the applicable annual Specified Percentage of the daily net asset value of each series of the Fund, plus the additional cost of the GST/HST as of July 1, 2010. The breakdown of the services received in consideration of the management fee component of the MER for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.75%	43%	57%
Advisor Series	1.75%	43%	57%
Series F	0.75%	—	100%

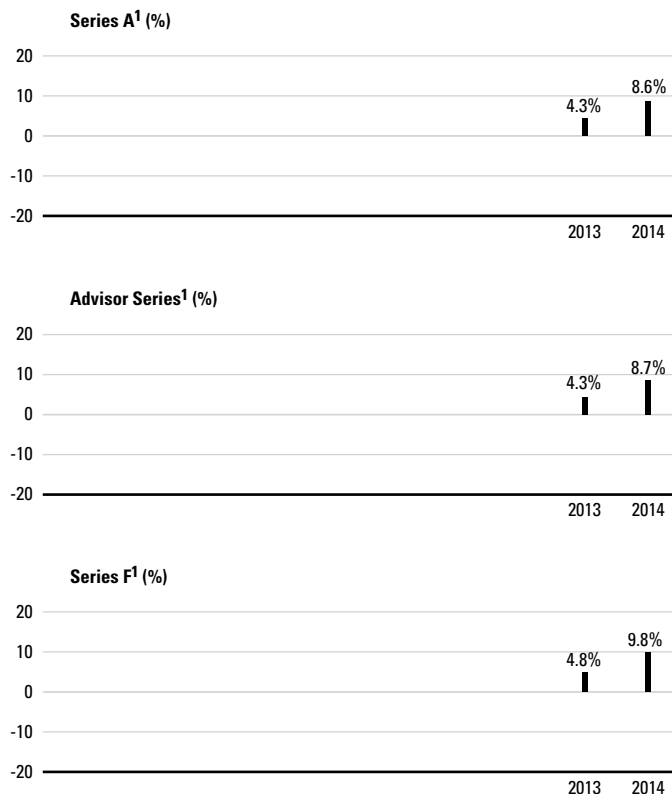
* Includes all costs related to management, investment advisory services, general administration and profit.

PAST PERFORMANCE

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The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.





March 31, 2014

PAST PERFORMANCE (cont.)

Annual Compound Returns (%)

The table shows the annual compound returns for each series of the Fund and for each of the periods indicated ended on March 31, 2014, compared with the following benchmarks:

The blended benchmark (the "Benchmark") is composed of:

- 65% FTSE TMX Canada Universe Bond Index
- 15% S&P/TSX Capped Composite Total Return Index
- 10% S&P 500 Total Return Index (CAD)
- 10% MSCI EAFE Total Return Net Index (CAD)

The broad-based index is the FTSE TMX Canada Universe Bond Index.

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A ¹	8.6	—	—	—	9.2
Benchmark	8.5	—	—	—	1.0
Broad-based index	0.8	—	—	—	1.0
Advisor Series ¹	8.7	—	—	—	9.3
Benchmark	8.5	—	—	—	1.0
Broad-based index	0.8	—	—	—	1.0
Series F ¹	9.8	—	—	—	10.4
Benchmark	8.5	—	—	—	1.0
Broad-based index	0.8	—	—	—	1.0

The returns of each series may vary because of differences in management fees and expenses. The Benchmark returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark.

¹ Inception date October 31, 2012.

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S&P/TSX Capped Composite Total Return Index This index is the amended capitalization-weighted index measuring the performance of selected securities listed on the Toronto Stock Exchange, with no individual stock exceeding 10% of the overall weight.

S&P 500 Total Return Index (CAD) This index is a capitalization-weighted index measuring the Canadian dollar performance of 500 widely held common stocks representing all major industries in the United States. The index gives investors a broad measure of the overall performance of the U.S. stock market.

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SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2014

Investment Mix

	% of Net Asset Value
Income Funds	48.9
Canadian Equity Funds	16.7
U.S. Equity Funds	11.3
International Equity Funds	10.6
Cash/Other	12.5

Top 25 Holdings*

	% of Net Asset Value
Phillips, Hager & North Bond Fund	14.6
RBC Bond Fund	14.0
RBC Bond LP	10.3
RBC Global Bond Fund	9.8
RBC Canadian Short-Term Income Fund	9.7
RBC Canadian Dividend Fund	8.9
RBC U.S. Equity Fund	8.5
RBC European Equity Fund	7.4
Phillips, Hager & North Canadian Equity Underlying Fund	3.9
RBC Canadian Equity Fund	3.9
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	2.8
Cash & Cash Equivalents	2.2
RBC Asia Pacific ex-Japan Equity Fund	1.4
RBC Japanese Equity Fund	0.9
RBC Asian Equity Fund	0.9
RBC Canadian Money Market Fund	0.8
Total	100.0

* The Fund holds fewer than 25 holdings.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



PORTFOLIO SOLUTION

RBC SELECT BALANCED CLASS

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

The Board of Directors of RBC Corporate Class Inc. approved this annual management report of fund performance on May 9, 2014.

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Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

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March 31, 2014

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund is a strategic asset allocation fund, which focuses on providing long-term capital growth and modest income. The Fund maintains a balance of investments across several asset classes by investing in funds managed by RBC GAM or an affiliate (the “underlying funds”).

The Fund’s target weightings for each asset class are 45% for fixed income, 20% for Canadian equities, 20% for U.S. equities and 15% for international equities. The actual allocation to each asset class will not be more than 15% above or below its target weighting for the fixed-income asset class, and no more than 10% above or below the target weighting for the equities asset classes.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund’s overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund’s net asset value increased to \$44 million as of March 31, 2014, from \$17 million as of March 31, 2013. Most of the change was due to net inflows:

Over the past year, the Fund’s Series A shares rose 12.7%, which underperformed the 13.7% rise in the benchmark. The broad-based index rose 0.8%. The Fund’s return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

Developed-market economies extended their recovery into 2014, with the U.S. benefiting from a strengthening housing market and steady, if not robust, consumer demand, while much of Europe continued to claw its way back from almost two years of recession. Spain, Ireland and other long-suffering European economies showed signs of bottoming, and Ireland became the first of the “peripheral” countries to pay back bailout funds received in the wake of the financial crisis. One sign of the improved mood was a signal from the U.S. Federal Reserve (the “Fed”) that it would consider reducing economic stimulus before the end of 2013 following five years of extraordinarily loose monetary policy. In December 2013, the Fed made good on its promise to start paring bond purchases, and the monthly purchases have fallen to US\$55 billion from US\$85 billion just a few months ago.

However, the European Central Bank (the “ECB”) and the Bank of Japan, concerned that their economies were still fragile, went in the opposite direction by increasing economic stimulus. Emerging markets including Brazil and Turkey expanded more slowly during the period, while China maintained relatively fast rates of growth.

The Fund was positioned to hold a higher level of stocks versus the benchmark and a lower-than-benchmark position in bonds, and these allocations had an overall positive effect on performance.

Speculation that the Fed would start scaling back its extraordinary monetary stimulus had a major impact on the global bond market. Bond yields around the world rose as investors became comfortable that the “taper” signalled a more constructive economic outlook. Global government bond markets posted modest overall returns during the period, with significant gains in Italy and Spain offsetting losses in Canada, the U.S. and the U.K. The RBC Bond Fund had a positive impact on returns.

Stock markets in most developed countries and regions posted strong, steady gains during the fiscal year, supported by monetary stimulus and the improving economic outlook. Asia had a good year, although Japan began to underperform in the first quarter of 2014. Much of the gain in Japan occurred in the early part of the fiscal year, when the currency was falling rapidly on government efforts to boost inflation and bolster economic growth. Emerging-market equities lagged amid moderating economic growth and rising interest rates. Canadian stocks underperformed, weighed down by the poorly performing Materials sector. The RBC U.S. Equity Fund, the RBC European Equity Fund and the RBC Canadian Dividend Fund contributed to portfolio returns.

Recent Developments

Five years past the global financial crisis, economic normalization is well advanced. Low inflation, highly accommodative monetary policies and evolving risk preference in most developed markets continue to boost activity. The portfolio manager expects a moderate uptick in global growth in 2014 from 2013’s levels and a slightly stronger expansion in 2015. Recognizing that the U.S. economy is strengthening, the Fed is scaling back monetary stimulus. However, headwinds have surfaced in emerging markets in the form of political turmoil in Ukraine, slowing economic growth in China and concern that the outcomes of upcoming elections will have negative effects on domestic economies. These challenges have caused short-term market fluctuations, but in the portfolio manager’s view do not represent critical risks to the trajectory of the business-cycle expansion.



March 31, 2014

As long as the labour market continues to improve and inflation moves toward the Fed's 2% objective, monetary officials are likely to carry on with reductions in the pace of easing. In this strengthening economic environment, equities still offer the potential for attractive returns relative to bonds and the portfolio manager therefore continues to overweight stocks. The portfolio manager recently boosted the Fund's allocation to stocks and left the bond position unchanged.

RBC GAM capped further investments in the Fund effective November 12, 2013 and has announced that, subject to the receipt of necessary shareholder and regulatory approvals, effective September 12, 2014, the Fund will be reorganized and terminated and units of the RBC Select Balanced Portfolio, a corresponding RBC mutual fund trust, will be distributed to shareholders on termination. The termination of the Fund will be considered a taxable disposition.

Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are the principal distributors of, or distribute certain series of the mutual fund shares of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A and Advisor Series mutual fund shares.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC IS and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



March 31, 2014

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Series A												
Mar. 31, 2014	10.60	0.33	(0.22)	0.30	1.09	1.50	–	(0.06)	–	–	(0.06)	11.88
Mar. 31, 2013 ³	10.00 [†]	0.20	(0.09)	0.04	0.50	0.65	–	(0.01)	–	–	(0.01)	10.60
Advisor Series												
Mar. 31, 2014	10.61	0.29	(0.23)	0.27	0.97	1.30	–	(0.04)	–	–	(0.04)	11.90
Mar. 31, 2013 ³	10.00 [†]	0.22	(0.09)	0.05	0.55	0.73	–	(0.01)	–	–	(0.01)	10.61
Series F												
Mar. 31, 2014	10.65	0.28	(0.10)	0.26	0.93	1.37	–	(0.02)	–	–	(0.02)	12.12
Mar. 31, 2013 ³	10.00 [†]	0.31	(0.04)	0.07	0.80	1.14	–	–	–	–	–	10.65

¹ Net assets and distributions are based on the actual number of mutual fund shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of mutual fund shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per mutual fund share.

² Distributions are reinvested in additional mutual fund shares of the Fund or paid in cash.

³ From October 31, 2012.

[†] Initial offering net asset value per mutual fund share.

Ratios and Supplemental Data

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2014	11.88	43 346	3 647	1.95	1.97	33.47	0.12
Mar. 31, 2013 ⁴	10.60	16 602	1 567	1.98	1.98	2.99	0.16
Advisor Series							
Mar. 31, 2014	11.90	528	44	1.99	2.01	33.47	0.12
Mar. 31, 2013 ⁴	10.61	27	3	1.98	1.98	2.99	0.16
Series F							
Mar. 31, 2014	12.12	619	51	0.87	0.89	33.47	0.12
Mar. 31, 2013 ⁴	10.65	1	–	0.91	0.91	2.99	0.16

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From October 31, 2012.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio advisor of the Fund. The management fee payable in respect of each series of the Fund is a variable fee and is determined on a basis such that all fees and expenses that comprise the management expense ratio ("MER"), other than the additional cost of the GST/HST, will be equal to a specified percentage of the average net asset value of each series of the Fund ("Specified Percentage"). The Specified Percentage includes the management fee, administration fee, taxes (other than the additional cost of the GST/HST), other fund costs and any fees and expenses of the underlying funds.

The MER paid by each series of the Fund is calculated at the applicable annual Specified Percentage of the daily net asset value of each series of the Fund, plus the additional cost of the GST/HST as of July 1, 2010. The breakdown of the services received in consideration of the management fee component of the MER for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.85%	54%	46%
Advisor Series	1.85%	54%	46%
Series F	0.85%	—	100%

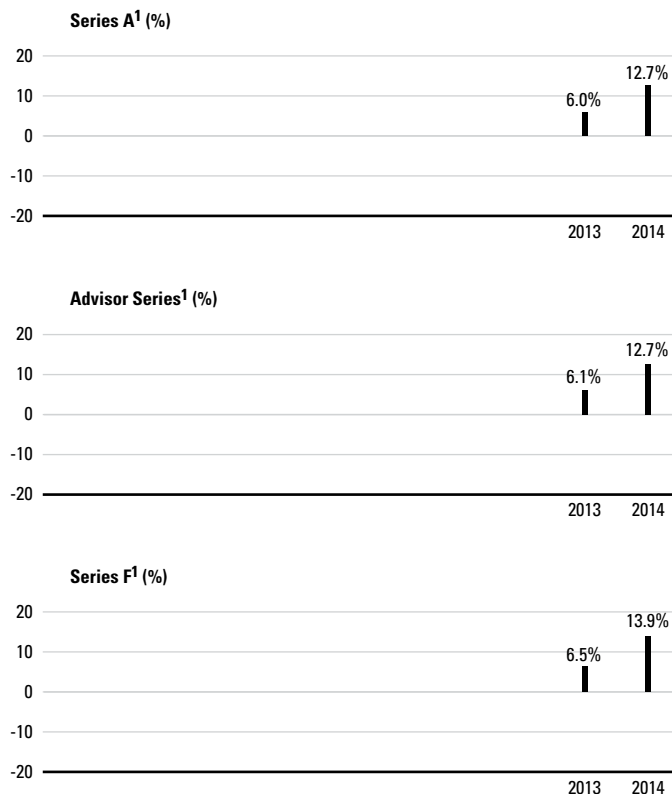
* Includes all costs related to management, investment advisory services, general administration and profit.

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.





March 31, 2014

PAST PERFORMANCE (cont.)

Annual Compound Returns (%)

The table shows the annual compound returns for each series of the Fund and for each of the periods indicated ended on March 31, 2014, compared with the following benchmarks:

The blended benchmark (the "Benchmark") is composed of:

- 45% FTSE TMX Canada Universe Bond Index
- 20% S&P/TSX Capped Composite Total Return Index
- 20% S&P 500 Total Return Index (CAD)
- 15% MSCI EAFE Total Return Net Index (CAD)

The broad-based index is the FTSE TMX Canada Universe Bond Index.

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A ¹	12.7	—	—	—	13.4
Benchmark	13.7	—	—	—	0.9
Broad-based index	0.8	—	—	—	1.0
Advisor Series ¹	12.7	—	—	—	13.4
Benchmark	13.7	—	—	—	0.9
Broad-based index	0.8	—	—	—	1.0
Series F ¹	13.9	—	—	—	14.7
Benchmark	13.7	—	—	—	0.9
Broad-based index	0.8	—	—	—	1.0

The returns of each series may vary because of differences in management fees and expenses. The Benchmark returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark.

¹ Inception date October 31, 2012.

INDEX DESCRIPTIONS

FTSE TMX Canada Universe Bond Index This index is designed as a broad measure of the Canadian investment-grade fixed-income market and includes bonds with maturities of at least one year. FTSE TMX Canada Universe Bond Index formerly known as DEX Universe Bond Index.

S&P/TSX Capped Composite Total Return Index This index is the amended capitalization-weighted index measuring the performance of selected securities listed on the Toronto Stock Exchange, with no individual stock exceeding 10% of the overall weight.

S&P 500 Total Return Index (CAD) This index is a capitalization-weighted index measuring the Canadian dollar performance of 500 widely held common stocks representing all major industries in the United States. The index gives investors a broad measure of the overall performance of the U.S. stock market.

MSCI EAFE Total Return Net Index (CAD) This index is a broad measure of the Canadian dollar performance of stocks from developed equity markets covering countries in Europe, Australasia and the Far East. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2014

Investment Mix

	% of Net Asset Value
Income Funds	38.0
Canadian Equity Funds	21.4
U.S. Equity Funds	19.6
International Equity Funds	18.4
Cash/Other	2.6

Top 25 Holdings*

	% of Net Asset Value
RBC Bond Fund	33.1
RBC U.S. Equity Fund	11.6
RBC Canadian Dividend Fund	10.8
RBC European Equity Fund	7.2
Phillips, Hager & North Canadian Equity Underlying Fund	5.3
RBC Canadian Equity Fund	5.3
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	4.8
RBC Global Bond Fund	4.7
RBC Emerging Markets Equity Fund	3.8
RBC U.S. Mid-Cap Equity Fund	3.2
RBC Global Dividend Growth Fund	3.2
Cash & Cash Equivalents	2.4
RBC Asia Pacific ex-Japan Equity Fund	1.6
RBC Asian Equity Fund	1.1
RBC Japanese Equity Fund	1.0
RBC Emerging Markets Small-Cap Equity Fund	0.3
RBC Emerging Markets Dividend Fund	0.3
RBC Canadian Money Market Fund	0.3
Total	100.0

* The Fund holds fewer than 25 holdings.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



PORTFOLIO SOLUTION

RBC SELECT GROWTH CLASS

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

The Board of Directors of RBC Corporate Class Inc. approved this annual management report of fund performance on May 9, 2014.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/funds or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



March 31, 2014

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund is a strategic asset allocation fund, which focuses on providing long-term capital growth. The Fund maintains a balance of investments across several asset classes by investing in funds managed by RBC GAM or an affiliate (the “underlying funds”).

The Fund’s target weightings for each asset class are 30% for fixed income, 25% for Canadian equities, 25% for U.S. equities and 20% for international equities. The actual allocation to each asset class will not be more than 15% above or below its target weighting for the fixed-income asset class, and no more than 10% above or below the target weighting for the equities asset classes.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund’s overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund’s net asset value increased to \$9 million as of March 31, 2014, from \$4 million as of March 31, 2013. Most of the change was due to net redemptions:

Over the past year, the Fund’s Series A shares rose 16.0%, which underperformed the 17.4% rise in the benchmark. The broad-based index rose 16.0%. The Fund’s return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

Developed-market economies extended their recovery into 2014, with the U.S. benefiting from a strengthening housing market and steady, if not robust, consumer demand, while much of Europe continued to claw its way back from almost two years of recession. Spain, Ireland and other long-suffering European economies showed signs of bottoming, and Ireland became the first of the “peripheral” countries to pay back bailout funds received in the wake of the financial crisis. One sign of the improved mood was a signal from the U.S. Federal Reserve (the “Fed”) that it would consider reducing economic stimulus before the end of 2013 following five years of extraordinarily loose monetary policy. In December 2013, the Fed made good on its promise to start paring bond purchases, and the monthly purchases have fallen to US\$55 billion from US\$85 billion just a few months ago.

However, the European Central Bank (the “ECB”) and the Bank of Japan, concerned that their economies were still fragile, went in the opposite direction by increasing economic stimulus. Emerging markets including Brazil and Turkey expanded more slowly during the period, while China maintained relatively fast rates of growth.

The Fund was positioned to hold a higher level of stocks versus the benchmark and a lower-than-benchmark position in bonds, and these allocations had an overall positive effect on performance.

Stock markets in most developed countries and regions posted strong, steady gains during the fiscal year, supported by monetary stimulus and the improving economic outlook. Asia had a good year, although Japan began to underperform in the first quarter of 2014. Much of the gain in Japan occurred in the early part of the fiscal year, when the currency was falling rapidly on government efforts to boost inflation and bolster economic growth. Emerging-market equities lagged amid moderating economic growth and rising interest rates. Canadian stocks underperformed, weighed down by the poorly performing Materials sector. The RBC U.S. Equity Fund and the RBC European Equity Fund contributed to returns.

Speculation that the Fed would start scaling back its extraordinary monetary stimulus had a major impact on the global bond market. Bond yields around the world rose as investors became comfortable that the “taper” signalled a more constructive economic outlook. Global government bond markets posted modest overall returns during the period, with significant gains in Italy and Spain offsetting losses in Canada, the U.S. and the U.K. The RBC Global Bond Fund and the RBC Bond Fund had a positive impact on performance.

Recent Developments

Five years past the global financial crisis, economic normalization is well advanced. Low inflation, highly accommodative monetary policies and evolving risk preference in most developed markets continue to boost activity. The portfolio manager expects a moderate uptick in global growth in 2014 from 2013’s levels and a slightly stronger expansion in 2015. Recognizing that the U.S. economy is strengthening, the Fed is scaling back monetary stimulus. However, headwinds have surfaced in emerging markets in the form of political turmoil in Ukraine, slowing economic growth in China and concern that the outcomes of upcoming elections will have negative effects on domestic economies. These challenges have caused short-term market fluctuations, but in the portfolio manager’s view do not represent critical risks to the trajectory of the business-cycle expansion.



March 31, 2014

As long as the labour market continues to improve and inflation moves toward the Fed's 2% objective, monetary officials are likely to carry on with reductions in the pace of easing. In this strengthening economic environment, equities still offer the potential for attractive returns relative to bonds and the portfolio manager therefore continues to overweight stocks. The portfolio manager recently boosted the Fund's allocation to stocks and left the bond position unchanged.

RBC GAM capped further investments in the Fund effective November 12, 2013 and has announced that, subject to the receipt of necessary shareholder and regulatory approvals, effective September 12, 2014, the Fund will be reorganized and terminated and units of the RBC Select Growth Portfolio, a corresponding RBC mutual fund trust, will be distributed to shareholders on termination. The termination of the Fund will be considered a taxable disposition.

Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are the principal distributors of, or distribute certain series of the mutual fund shares of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A and Advisor Series mutual fund shares.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC IS and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



March 31, 2014

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Series A												
Mar. 31, 2014	10.72	0.31	(0.23)	0.32	1.50	1.90	–	(0.07)	–	–	(0.07)	12.31
Mar. 31, 2013 ³	10.00 [†]	0.19	(0.09)	0.08	0.57	0.75	–	(0.03)	–	–	(0.03)	10.72
Advisor Series												
Mar. 31, 2014	10.72	0.29	(0.23)	0.30	1.40	1.76	–	(0.06)	–	–	(0.06)	12.38
Mar. 31, 2013 ³	10.00 [†]	0.20	(0.08)	0.09	0.61	0.82	–	–	–	–	–	10.72
Series F												
Mar. 31, 2014	10.76	0.29	(0.11)	0.31	1.43	1.92	–	(0.08)	–	–	(0.08)	12.54
Mar. 31, 2013 ³	10.00 [†]	0.20	(0.04)	0.09	0.61	0.86	–	–	–	–	–	10.76

¹ Net assets and distributions are based on the actual number of mutual fund shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of mutual fund shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per mutual fund share.

² Distributions are reinvested in additional mutual fund shares of the Fund or paid in cash.

³ From October 31, 2012.

[†] Initial offering net asset value per mutual fund share.

Ratios and Supplemental Data

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2014	12.31	8 336	677	2.02	2.07	29.08	0.16
Mar. 31, 2013 ⁴	10.72	3 655	342	2.09	2.09	12.54	0.21
Advisor Series							
Mar. 31, 2014	12.38	75	6	1.96	2.01	29.08	0.16
Mar. 31, 2013 ⁴	10.72	1	–	2.09	2.09	12.54	0.21
Series F							
Mar. 31, 2014	12.54	250	20	0.96	1.01	29.08	0.16
Mar. 31, 2013 ⁴	10.76	1	–	1.02	1.02	12.54	0.21

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From October 31, 2012.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio advisor of the Fund. The management fee payable in respect of each series of the Fund is a variable fee and is determined on a basis such that all fees and expenses that comprise the management expense ratio ("MER"), other than the additional cost of the GST/HST, will be equal to a specified percentage of the average net asset value of each series of the Fund ("Specified Percentage"). The Specified Percentage includes the management fee, administration fee, taxes (other than the additional cost of the GST/HST), other fund costs and any fees and expenses of the underlying funds.

The MER paid by each series of the Fund is calculated at the applicable annual Specified Percentage of the daily net asset value of each series of the Fund, plus the additional cost of the GST/HST as of July 1, 2010. The breakdown of the services received in consideration of the management fee component of the MER for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.95%	51%	49%
Advisor Series	1.95%	51%	49%
Series F	0.95%	—	100%

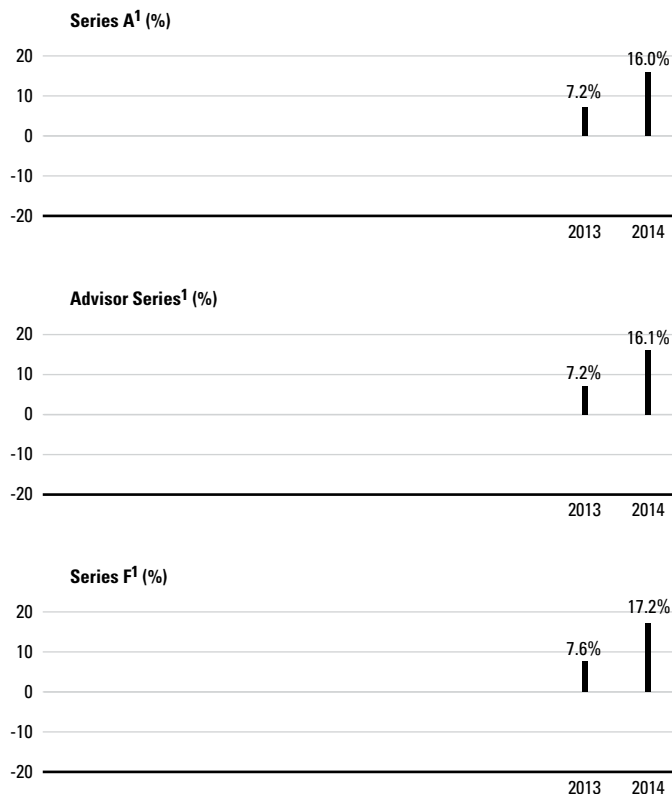
* Includes all costs related to management, investment advisory services, general administration and profit.

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.





March 31, 2014

PAST PERFORMANCE (cont.)

Annual Compound Returns (%)

The table shows the annual compound returns for each series of the Fund and for each of the periods indicated ended on March 31, 2014, compared with the following benchmarks:

The blended benchmark (the "Benchmark") is composed of:

- 30% FTSE TMX Canada Universe Bond Index
- 25% S&P/TSX Capped Composite Total Return Index
- 25% S&P 500 Total Return Index (CAD)
- 20% MSCI EAFE Total Return Net Index (CAD)

The broad-based index is the S&P/TSX Capped Composite Total Return Index.

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A ¹	16.0	—	—	—	16.6
Benchmark	17.4	—	—	—	0.9
Broad-based index	16.0	—	—	—	0.9
Advisor Series ¹	16.1	—	—	—	16.7
Benchmark	17.4	—	—	—	0.9
Broad-based index	16.0	—	—	—	0.9
Series F ¹	17.2	—	—	—	17.8
Benchmark	17.4	—	—	—	0.9
Broad-based index	16.0	—	—	—	0.9

The returns of each series may vary because of differences in management fees and expenses. The Benchmark returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark.

¹ Inception date October 31, 2012.

INDEX DESCRIPTIONS

FTSE TMX Canada Universe Bond Index This index is designed as a broad measure of the Canadian investment-grade fixed-income market and includes bonds with maturities of at least one year. FTSE TMX Canada Universe Bond Index formerly known as DEX Universe Bond Index.

S&P/TSX Capped Composite Total Return Index This index is the amended capitalization-weighted index measuring the performance of selected securities listed on the Toronto Stock Exchange, with no individual stock exceeding 10% of the overall weight.

S&P 500 Total Return Index (CAD) This index is a capitalization-weighted index measuring the Canadian dollar performance of 500 widely held common stocks representing all major industries in the United States. The index gives investors a broad measure of the overall performance of the U.S. stock market.

MSCI EAFE Total Return Net Index (CAD) This index is a broad measure of the Canadian dollar performance of stocks from developed equity markets covering countries in Europe, Australasia and the Far East. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2014

Investment Mix

	% of Net Asset Value
Canadian Equity Funds	26.4
International Equity Funds	24.2
U.S. Equity Funds	24.0
Income Funds	22.7
Cash/Other	2.7

Top 25 Holdings*

	% of Net Asset Value
RBC U.S. Equity Fund	14.5
RBC Bond Fund	13.2
RBC Global Bond Fund	9.1
RBC European Equity Fund	9.0
RBC Canadian Equity Fund	8.5
Phillips, Hager & North Canadian Equity Underlying Fund	8.4
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	5.7
RBC Global Dividend Growth Fund	5.4
RBC Emerging Markets Equity Fund	5.3
Phillips, Hager & North Canadian Growth Fund	5.2
RBC Canadian Dividend Fund	4.3
RBC U.S. Mid-Cap Equity Fund	3.7
Cash & Cash Equivalents	3.0
RBC Asia Pacific ex-Japan Equity Fund	1.8
RBC Japanese Equity Fund	1.5
RBC Asian Equity Fund	0.7
RBC Emerging Markets Small-Cap Equity Fund	0.3
RBC Canadian Money Market Fund	0.2
RBC Emerging Markets Dividend Fund	0.2
Total	100.0

* The Fund holds fewer than 25 holdings.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



PORTFOLIO SOLUTION

RBC SELECT AGGRESSIVE GROWTH CLASS

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

The Board of Directors of RBC Corporate Class Inc. approved this annual management report of fund performance on May 9, 2014.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/funds or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



March 31, 2014

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund is a strategic asset-allocation fund that focuses on providing long-term capital growth. The Fund maintains a balance of investments in other funds managed by RBC GAM or an affiliate (the “underlying funds”).

The Fund’s target weightings for each asset class are 35% for Canadian equities, 35% for U.S. equities and 30% for international equities. The actual allocation to each asset class will not be more than 10% above or below its target weighting.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund’s overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund’s net asset value rose to \$3 million as of March 31, 2014, from \$2 million as of March 31, 2013. The increase was due to a mix of net inflows and investment returns.

Over the past year, the Fund’s Series A shares rose 20.9%, which underperformed the 25.2% rise in the benchmark. The broad-based index rose 16.0%. The Fund’s return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

Developed-market economies extended their recovery into 2014, with the U.S. benefiting from a strengthening housing market and steady, if not robust, consumer demand, while much of Europe continued to claw its way back from almost two years of recession. Spain, Ireland and other long-suffering European economies showed signs of bottoming, and Ireland became the first of the “peripheral” countries to pay back bailout funds received in the wake of the financial crisis. One sign of the improved mood was a signal from the U.S. Federal Reserve (the “Fed”) that it would consider reducing economic stimulus before the end of 2013 following five years of extraordinarily loose monetary policy. In December 2013, the Fed made good on its promise to start paring bond purchases, and the monthly purchases have fallen to US\$55 billion from US\$85 billion just a few months ago.

However, the European Central Bank (the “ECB”) and the Bank of Japan, concerned that their economies were still fragile, went in the opposite direction by increasing economic stimulus. Emerging markets including Brazil and Turkey expanded more slowly during the period, while China maintained relatively fast rates of growth.

Stock markets in most developed countries and regions posted strong, steady gains during the fiscal year, supported by monetary stimulus and the improving economic outlook. Asia had a good year, although Japan began to underperform in the first quarter of 2014. Much of the gain in Japan occurred in the early part of the fiscal year, when the currency was falling rapidly on government efforts to boost inflation and bolster economic growth. Emerging-market equities lagged amid moderating economic growth and rising interest rates. Canadian stocks underperformed, weighed down by the poorly performing Materials sector. The RBC U.S. Equity Fund, the RBC European Equity Fund and the Phillips, Hager & North Canadian Equity Underlying Fund contributed to portfolio returns.

Recent Developments

Five years past the global financial crisis, economic normalization is well advanced. Low inflation, highly accommodative monetary policies and evolving risk preference in most developed markets continue to boost activity. The portfolio manager expects a moderate uptick in global growth in 2014 from 2013’s levels and a slightly stronger expansion in 2015. Recognizing that the U.S. economy is strengthening, the Fed is scaling back monetary stimulus. However, headwinds have surfaced in emerging markets in the form of political turmoil in Ukraine, slowing economic growth in China and concern that the outcomes of upcoming elections will have negative effects on domestic economies. These challenges have caused short-term market fluctuations, but in the portfolio manager’s view do not represent critical risks to the trajectory of the business-cycle expansion.

RBC GAM capped further investments in the Fund effective November 12, 2013 and has announced that, subject to the receipt of necessary shareholder and regulatory approvals, effective September 12, 2014, the Fund will be reorganized and terminated and units of the RBC Select Aggressive Growth Portfolio, a corresponding RBC mutual fund trust, will be distributed to shareholders on termination. The termination of the Fund will be considered a taxable disposition.



March 31, 2014

Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are the principal distributors of, or distribute certain series of the mutual fund shares of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A and Advisor Series mutual fund shares.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC IS and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



March 31, 2014

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Series A												
Mar. 31, 2014	10.96	0.26	(0.25)	0.43	1.89	2.33	—	(0.11)	—	—	(0.11)	13.08
Mar. 31, 2013 ³	10.00 [†]	0.20	(0.09)	0.06	0.80	0.97	—	(0.05)	—	—	(0.05)	10.96
Advisor Series												
Mar. 31, 2014	10.96	0.26	(0.26)	0.43	1.90	2.33	—	(0.12)	—	—	(0.12)	13.11
Mar. 31, 2013 ³	10.00 [†]	0.19	(0.10)	0.06	0.79	0.94	—	(0.02)	—	—	(0.02)	10.96
Series F												
Mar. 31, 2014	11.01	0.26	(0.13)	0.43	1.92	2.48	—	(0.11)	—	—	(0.11)	13.27
Mar. 31, 2013 ³	10.00 [†]	0.20	(0.05)	0.06	0.81	1.02	—	(0.05)	—	—	(0.05)	11.01

¹ Net assets and distributions are based on the actual number of mutual fund shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of mutual fund shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per mutual fund share.

² Distributions are reinvested in additional mutual fund shares of the Fund or paid in cash.

³ From October 31, 2012.

[†] Initial offering net asset value per mutual fund share.

Ratios and Supplemental Data

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2014	13.08	2 649	203	2.06	2.18	28.45	0.20
Mar. 31, 2013 ⁴	10.96	1 879	172	2.20	2.20	3.28	0.28
Advisor Series							
Mar. 31, 2014	13.11	10	1	2.08	2.20	28.45	0.20
Mar. 31, 2013 ⁴	10.96	7	1	2.20	2.20	3.28	0.28
Series F							
Mar. 31, 2014	13.27	1	—	1.05	1.17	28.45	0.20
Mar. 31, 2013 ⁴	11.01	1	—	1.13	1.13	3.28	0.28

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From October 31, 2012.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio advisor of the Fund. The management fee payable in respect of each series of the Fund is a variable fee and is determined on a basis such that all fees and expenses that comprise the management expense ratio ("MER"), other than the additional cost of the GST/HST, will be equal to a specified percentage of the average net asset value of each series of the Fund ("Specified Percentage"). The Specified Percentage includes the management fee, administration fee, taxes (other than the additional cost of the GST/HST), other fund costs and any fees and expenses of the underlying funds.

The MER paid by each series of the Fund is calculated at the applicable annual Specified Percentage of the daily net asset value of each series of the Fund, plus the additional cost of the GST/HST as of July 1, 2010. The breakdown of the services received in consideration of the management fee component of the MER for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	2.05%	49%	51%
Advisor Series	2.05%	49%	51%
Series F	1.05%	—	100%

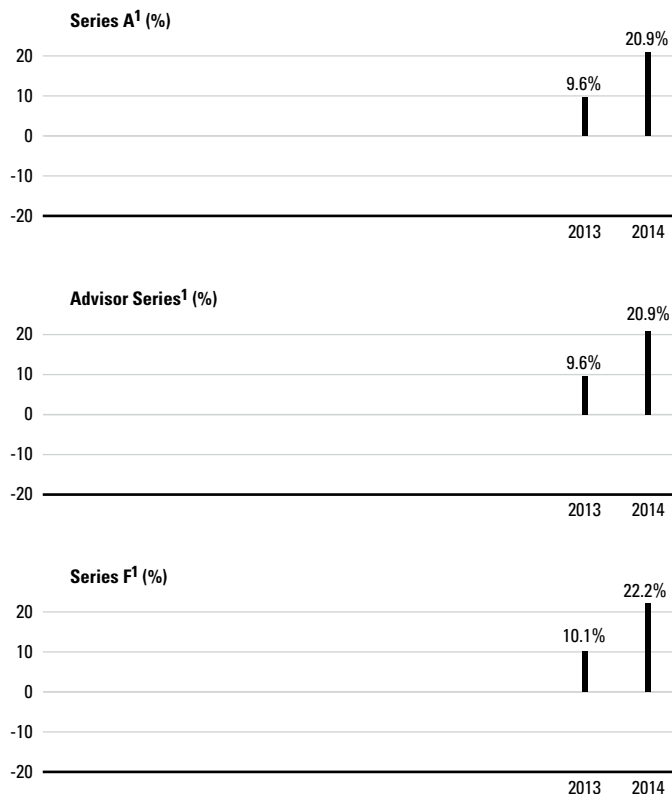
* Includes all costs related to management, investment advisory services, general administration and profit.

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.





March 31, 2014

PAST PERFORMANCE (cont.)

Annual Compound Returns (%)

The table shows the annual compound returns for each series of the Fund and for each of the periods indicated ended on March 31, 2014, compared with the following benchmarks:

The blended benchmark (the "Benchmark") is composed of:

- 35% S&P/TSX Capped Composite Total Return Index
- 35% S&P 500 Total Return Index (CAD)
- 30% MSCI EAFE Total Return Net Index (CAD)

The broad-based index is the S&P/TSX Capped Composite Total Return Index.

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A ¹	20.9	—	—	—	22.0
Benchmark	25.2	—	—	—	0.9
Broad-based index	16.0	—	—	—	0.9
Advisor Series ¹	20.9	—	—	—	22.0
Benchmark	25.2	—	—	—	0.9
Broad-based index	16.0	—	—	—	0.9
Series F ¹	22.2	—	—	—	23.3
Benchmark	25.2	—	—	—	0.9
Broad-based index	16.0	—	—	—	0.9

The returns of each series may vary because of differences in management fees and expenses. The Benchmark returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark.

¹ Inception date October 31, 2012.

INDEX DESCRIPTIONS

S&P/TSX Capped Composite Total Return Index This index is the amended capitalization-weighted index measuring the performance of selected securities listed on the Toronto Stock Exchange, with no individual stock exceeding 10% of the overall weight.

S&P 500 Total Return Index (CAD) This index is a capitalization-weighted index measuring the Canadian dollar performance of 500 widely held common stocks representing all major industries in the United States. The index gives investors a broad measure of the overall performance of the U.S. stock market.

MSCI EAFE Total Return Net Index (CAD) This index is a broad measure of the Canadian dollar performance of stocks from developed equity markets covering countries in Europe, Australasia and the Far East. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2014

Investment Mix

	% of Net Asset Value
Canadian Equity Funds	34.6
International Equity Funds	32.8
U.S. Equity Funds	31.4
Cash/Other	1.2

Top 25 Holdings*

	% of Net Asset Value
RBC U.S. Equity Fund	16.8
RBC European Equity Fund	13.6
Phillips, Hager & North Canadian Equity Underlying Fund	10.0
RBC Canadian Dividend Fund	9.9
RBC Canadian Equity Fund	9.9
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	7.8
RBC Emerging Markets Equity Fund	7.1
RBC U.S. Mid-Cap Equity Fund	6.8
RBC Global Dividend Growth Fund	5.8
Phillips, Hager & North Canadian Growth Fund	4.9
RBC Asia Pacific ex-Japan Equity Fund	2.9
RBC Japanese Equity Fund	2.2
Cash & Cash Equivalents	1.2
RBC Asian Equity Fund	0.7
RBC Emerging Markets Small-Cap Equity Fund	0.2
RBC Emerging Markets Dividend Fund	0.2
Total	100.0

* The Fund holds fewer than 25 holdings.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



CANADIAN EQUITY FUND

RBC CANADIAN DIVIDEND CLASS

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

The Board of Directors of RBC Corporate Class Inc. approved this annual management report of fund performance on May 9, 2014.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/funds or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



March 31, 2014

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to achieve long-term total returns consisting of regular dividend income, which benefits from the preferential tax treatment given to dividends from Canadian companies, and modest long-term capital growth.

To achieve its investment objective, the Fund invests most of its assets in the RBC Private Canadian Dividend Pool and/or the RBC Canadian Dividend Fund (the "underlying funds"). The underlying funds invest primarily in common shares with above-average dividend yields and also invest in preferred shares of major Canadian companies. The underlying funds select companies with long-term prospects of growing their dividends and tend to focus on interest-sensitive securities to achieve dividend income, primarily investing in the Financials, Telecommunication Services and Utilities sectors.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund's overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund's net asset value increased to \$88 million as of March 31, 2014, from \$51 million as of March 31, 2013. The change was due to \$26 million of net inflows and \$11 million of investment returns.

Over the past year, the Fund's Series A shares rose 15.9%, which underperformed the 16.0% rise in the benchmark. The Fund's return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

The S&P/TSX Composite Index posted a double-digit gain over the 12-month period, as developed-market economies extended their recovery into 2014. U.S. indexes continued to outpace those in Canada, driven by a strengthening housing market and steady, if not robust, consumer demand. In December, the U.S. Federal Reserve (the "Fed") began removing economic stimulus by reducing bond purchases. A shift in portfolios from bonds to stocks also contributed to stronger markets. Europe continued to claw its way back from almost two years of recession. Spain, Ireland and other embattled European economies showed signs of bottoming. Economic growth in Canada remains below global peers. As a result, the Canadian dollar fell to levels not seen since the global financial crisis after the Bank of Canada indicated that it would be reluctant to raise its trend-setting interest rate.

Weak performance in the Consumer Discretionary and Industrials

sectors offset strong performance in the Materials, Financials and Telecommunication Services sectors.

In the Consumer Discretionary sector, below-benchmark exposure to Canadian Tire weighed on performance. Shares of Canadian Tire rose strongly after the company said it would spin off its real estate assets into a real estate investment trust. The Industrials sector was hurt by a lack of exposure to shares of CAE.

In the Materials sector, the Fund's lower-than-benchmark position in gold-producing companies drove strong relative performance. Barrick Gold, Goldcorp and Yamana Gold performed poorly, and a relative lack of exposure to these companies contributed to performance. In the Financials sector, above-benchmark exposure to CI Financial was a positive for performance as the company benefited from strong sales and growth in assets under management. An overweight position in Brookfield Asset Management also helped performance. Strong relative returns in the Telecommunication Services were driven by a relative lack of exposure to BCE, which underperformed.

Recent Developments

Five years past the global financial crisis, economic normalization is underway, albeit at different paces across the globe. Investors remain focused on the U.S., as the economy's ability to sustain growth in the face of reduced stimulus will have a ripple effect on global markets. The U.S. unemployment rate has fallen significantly since 2009, but the underlying participation rate calls into question the true trend. Inflation has been persistently low and is trending lower. As long as the labour-market continues to improve and inflation moves toward the Fed's 2% objective, officials are likely to carry on with tapering bond purchases. Global headwinds continue to surface though, as political turmoil in Ukraine, slowing economic growth in China and upcoming elections could have negative effects on domestic and global economies. These challenges have caused short-term market volatility. In Canada, rejuvenated global growth could spur improved domestic growth and offset worries about the housing market and consumer-debt levels.

Equities still offer attractive returns relative to bonds. In Canada, buoyancy in global economies will likely be required for the country's benchmark index to outperform the U.S.

Effective January 1, 2014, the administration fee for the Series A and Advisor Series mutual fund shares of the fund was reduced from 0.06% to 0.04%.

Related-Party Transactions



March 31, 2014

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are the principal distributors of, or distribute certain series of the mutual fund shares of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, Series H and Series D mutual fund shares.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC IS and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



March 31, 2014

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Series A												
Mar. 31, 2014	11.13	0.36	(0.20)	0.13	1.57	1.86	–	(0.22)	–	–	(0.22)	12.54
Mar. 31, 2013	10.29	0.39	(0.18)	–	1.11	1.32	–	(0.12)	–	–	(0.12)	11.13
Mar. 31, 2012 ³	10.00 [†]	0.21	(0.05)	–	0.13	0.29	–	–	–	–	–	10.29
Advisor Series												
Mar. 31, 2014	11.14	0.36	(0.20)	0.13	1.57	1.86	–	(0.27)	–	–	(0.27)	12.51
Mar. 31, 2013	10.29	0.39	(0.18)	–	1.10	1.31	–	(0.11)	–	–	(0.11)	11.14
Mar. 31, 2012 ³	10.00 [†]	0.21	(0.05)	–	0.13	0.29	–	–	–	–	–	10.29
Series H												
Mar. 31, 2014	11.14	0.36	(0.19)	0.14	1.60	1.91	–	(0.23)	–	–	(0.23)	12.53
Mar. 31, 2013 ⁴	9.92 [†]	0.23	(0.13)	–	0.64	0.74	–	(0.13)	–	–	(0.13)	11.14
Series D												
Mar. 31, 2014	11.24	0.37	(0.13)	0.14	1.62	2.00	–	(0.31)	–	–	(0.31)	12.64
Mar. 31, 2013	10.31	0.35	(0.13)	–	1.00	1.22	–	(0.13)	–	–	(0.13)	11.24
Mar. 31, 2012 ³	10.00 [†]	0.21	(0.03)	–	0.13	0.31	–	–	–	–	–	10.31
Series F												
Mar. 31, 2014	11.25	0.37	(0.11)	0.14	1.61	2.01	–	(0.26)	–	–	(0.26)	12.75
Mar. 31, 2013	10.31	0.45	(0.10)	–	1.28	1.63	–	(0.12)	–	–	(0.12)	11.25
Mar. 31, 2012 ³	10.00 [†]	0.21	(0.03)	–	0.13	0.31	–	–	–	–	–	10.31
Series I												
Mar. 31, 2014	11.26	0.37	(0.08)	0.14	1.61	2.04	–	(0.20)	–	–	(0.20)	12.83
Mar. 31, 2013 ⁴	9.97 [†]	0.23	(0.06)	–	0.65	0.82	–	(0.13)	–	–	(0.13)	11.26
Series O												
Mar. 31, 2014	11.37	0.37	–	0.14	1.63	2.14	–	(0.28)	–	–	(0.28)	12.96
Mar. 31, 2013	10.33	0.42	(0.01)	–	1.21	1.62	–	(0.14)	–	–	(0.14)	11.37
Mar. 31, 2012 ³	10.00 [†]	0.21	(0.01)	–	0.13	0.33	–	–	–	–	–	10.33

¹ Net assets and distributions are based on the actual number of mutual fund shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of mutual fund shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per mutual fund share.

² Distributions are reinvested in additional mutual fund shares of the Fund or paid in cash.

³ From January 1, 2012.

⁴ From July 9, 2012.

[†] Initial offering net asset value per mutual fund share.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2014	12.54	34 093	2 719	1.82	1.82	12.67	0.03
Mar. 31, 2013	11.13	16 519	1 500	1.80	1.81	2.47	0.05
Mar. 31, 2012 ⁴	10.29	3 132	304	1.88	1.88	–	0.05
Advisor Series							
Mar. 31, 2014	12.51	4 961	397	1.82	1.82	12.67	0.03
Mar. 31, 2013	11.14	2 170	197	1.79	1.80	2.47	0.05
Mar. 31, 2012 ⁴	10.29	431	42	1.88	1.88	–	0.05
Series H							
Mar. 31, 2014	12.53	9 641	769	1.73	1.73	12.67	0.03
Mar. 31, 2013 ⁵	11.14	5 862	533	1.75	1.76	2.47	0.05
Series D							
Mar. 31, 2014	12.64	10 711	848	1.20	1.20	12.67	0.03
Mar. 31, 2013	11.24	8 163	735	1.23	1.24	2.47	0.05
Mar. 31, 2012 ⁴	10.31	198	19	1.29	1.29	–	0.05
Series F							
Mar. 31, 2014	12.75	3 461	272	0.98	0.98	12.67	0.03
Mar. 31, 2013	11.25	2 326	209	0.97	0.98	2.47	0.05
Mar. 31, 2012 ⁴	10.31	1 093	106	1.01	1.01	–	0.05
Series I							
Mar. 31, 2014	12.83	3 507	273	0.78	0.78	12.67	0.03
Mar. 31, 2013 ⁵	11.26	1 322	119	0.81	0.82	2.47	0.05
Series O							
Mar. 31, 2014	12.96	21 725	1 677	0.11	0.11	12.67	0.03
Mar. 31, 2013	11.37	14 967	1 332	0.11	0.12	2.47	0.05
Mar. 31, 2012 ⁴	10.33	5 005	484	0.14	0.14	–	0.05

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From January 1, 2012.

⁵ From July 9, 2012.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.50%	67%	33%
Advisor Series	1.50%	67%	33%
Series H	1.45%	79%	21%
Series D	1.00%	25%	75%
Series F	0.75%	–	100%
Series I	0.60%	–	100%

Series O – no management fees are paid by the Fund in respect of Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, investment advisory services, general administration and profit.

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Advisor Series¹ (%)



Series H² (%)



Series D¹ (%)



Series F¹ (%)



Series I² (%)



Series O¹ (%)





March 31, 2014

PAST PERFORMANCE (cont.)

Annual Compound Returns (%)

The table shows the annual compound returns for each series of the Fund and for each of the periods indicated ended on March 31, 2014, compared with the following benchmark:

S&P/TSX Capped Composite Total Return Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A ¹	15.9	–	–	–	12.0
Benchmark	16.0	–	–	–	0.9
Advisor Series ¹	15.9	–	–	–	12.0
Benchmark	16.0	–	–	–	0.9
Series H ²	16.0	–	–	–	16.5
Benchmark	16.0	–	–	–	0.9
Series D ¹	16.6	–	–	–	12.8
Benchmark	16.0	–	–	–	0.9
Series F ¹	16.9	–	–	–	13.0
Benchmark	16.0	–	–	–	0.9
Series I ²	17.1	–	–	–	17.6
Benchmark	16.0	–	–	–	0.9
Series O ¹	17.9	–	–	–	13.9
Benchmark	16.0	–	–	–	0.9

The returns of each series may vary because of differences in management fees and expenses. The Benchmark returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark.

¹ Inception date January 1, 2012.

² Inception date July 9, 2012.

INDEX DESCRIPTION

S&P/TSX Capped Composite Total Return Index This index is the amended capitalization-weighted index measuring the performance of selected securities listed on the Toronto Stock Exchange, with no individual stock exceeding 10% of the overall weight.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2014

Investment Mix

	% of Net Asset Value
Financials	42.9
Energy	21.9
Industrials	5.6
Consumer Discretionary	4.6
Materials	4.5
Utilities	4.1
Telecommunication Services	3.8
Consumer Staples	2.6
Cash/Other	10.0

Top 25 Holdings*

	% of Net Asset Value
Cash & Cash Equivalents	7.6
Royal Bank of Canada	6.7
Toronto-Dominion Bank	6.6
Bank of Nova Scotia	5.9
Canadian National Railway Co.	3.4
Canadian Imperial Bank of Commerce	3.4
Suncor Energy Inc.	3.2
Bank of Montreal	3.2
Enbridge Inc.	3.2
Brookfield Asset Management Inc., Class A	3.0
Canadian Natural Resources Ltd.	2.8
TransCanada Corp.	2.6
Manulife Financial Corporation	2.4
Imperial Oil Ltd.	2.1
Cenovus Energy Inc.	1.8
Magna International Inc., Class A	1.8
Husky Energy Inc.	1.7
Power Corporation of Canada	1.7
TELUS Corp.	1.6
Canadian Pacific Railway Ltd.	1.4
Shaw Communications Inc., Class B	1.4
CI Financial Corp.	1.4
Potash Corporation of Saskatchewan Inc.	1.4
Sun Life Financial Inc.	1.4
BCE Inc.	1.3
Top 25 Holdings	73.0

* The Fund invests substantially all of its assets directly in the RBC Private Canadian Dividend Pool. The above are the Top 25 holdings of the RBC Private Canadian Dividend Pool.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.

The Simplified Prospectus and other information about the underlying fund are available on SEDAR website at www.sedar.com.



CANADIAN EQUITY FUND

RBC CANADIAN EQUITY CLASS

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

The Board of Directors of RBC Corporate Class Inc. approved this annual management report of fund performance on May 9, 2014.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/funds or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



March 31, 2014

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in equity securities of major Canadian companies.

To achieve its investment objective, the Fund invests most of its assets in the RBC Private Canadian Equity Pool and/or RBC Canadian Equity Fund (the “underlying funds”). The underlying funds typically invest in large-cap Canadian companies or income trusts and may take advantage of opportunities in mid-cap companies. The underlying funds diversify across S&P/TSX industry sectors, with minimum and maximum exposures.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund’s overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund’s net asset value increased to \$11 million as of March 31, 2014, from \$9 million as of March 31, 2013. The change was due to a mix of net inflows and investment returns.

Over the past year, the Fund’s Series A shares rose 15.6%, which underperformed the 16.0% rise in the benchmark. The Fund’s return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

The S&P/TSX Composite Index posted a double-digit gain over the 12-month period, as developed-market economies extended their recovery into 2014. U.S. indexes continued to outpace those in Canada, driven by a strengthening housing market and steady, if not robust, consumer demand. In December, the U.S. Federal Reserve (the “Fed”) began removing economic stimulus by reducing bond purchases. A shift in portfolios from bonds to stocks also contributed to stronger markets. Europe continued to claw its way back from almost two years of recession. Spain, Ireland and other embattled European economies showed signs of bottoming. Economic growth in Canada remains below global peers. As a result, the Canadian dollar fell to levels not seen since the global financial crisis after the Bank of Canada indicated that it would be reluctant to raise its trend-setting interest rate.

Weak performance in the Health Care and Consumer Discretionary sectors offset strong performance in the Materials, Financials and Information Technology sectors.

In the Materials sector, the Fund’s lower-than-benchmark position in gold-producing companies drove strong relative performance. A relative lack of exposure to Barrick Gold and Silver Wheaton was a positive as these stocks performed poorly. Strong performance from Onex contributed to outperformance in the Financials sector. Also in the Financials sector, above-benchmark exposure to CI Financial was a positive as the company benefited from strong sales and growth in assets under management. The Information Technology sector benefited from overweight positions in Open Text and Celestica, as both posted strong returns during the year. An overweight position in Maple Leaf Foods added to returns in the Consumer Staples sector, as the company sold its Canadian Bread unit to Grupo Bimbo.

In the Health Care sector, a lack of exposure to Valeant Pharmaceuticals weighed on performance as the shares benefited significantly from acquisitions including its US\$8.7 billion purchase of Bausch & Lomb. Below-benchmark exposure to the Consumer Discretionary sector also weighed on performance, in part because of an underweight position in Magna International, which rose during the period.

Recent Developments

Five years past the global financial crisis, economic normalization is underway, albeit at different paces across the globe. Investors remain focused on the U.S., as the economy’s ability to sustain growth in the face of reduced stimulus will have a ripple effect on global markets. The U.S. unemployment rate has fallen significantly since 2009, but the underlying participation rate calls into question the true trend. Inflation has been persistently low and is trending lower. As long as the labour market continues to improve and inflation moves toward the Fed’s 2% objective, officials are likely to carry on with tapering bond purchases. Global headwinds continue to surface though, as political turmoil in Ukraine, slowing economic growth in China and upcoming elections could have negative effects on domestic and global economies. These challenges have caused short-term market volatility. In Canada, rejuvenated global growth could spur improved domestic growth and offset worries about the housing market and consumer-debt levels.

Equities still offer attractive returns relative to bonds. In Canada, buoyancy in global economies will likely be required for the country’s benchmark index to outperform the U.S.



March 31, 2014

Related-Party Transactions

Manager and Portfolio Advisor

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Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are the principal distributors of, or distribute certain series of the mutual fund shares of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, Series H and Series D mutual fund shares.

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RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

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- (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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



March 31, 2014

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Series A												
Mar. 31, 2014	10.96	0.29	(0.23)	0.45	1.22	1.73	–	(0.27)	–	–	(0.27)	12.25
Mar. 31, 2013	10.19	0.34	(0.21)	0.02	1.17	1.32	–	(0.13)	–	–	(0.13)	10.96
Mar. 31, 2012 ³	10.00 [†]	0.10	(0.14)	–	0.24	0.20	–	–	–	–	–	10.19
Advisor Series												
Mar. 31, 2014	10.96	0.29	(0.23)	0.45	1.22	1.73	–	(0.26)	–	–	(0.26)	12.25
Mar. 31, 2013	10.19	0.34	(0.22)	0.02	1.14	1.28	–	(0.14)	–	–	(0.14)	10.96
Mar. 31, 2012 ³	10.00 [†]	0.11	(0.15)	–	0.24	0.20	–	–	–	–	–	10.19
Series H												
Mar. 31, 2014	10.97	0.29	(0.20)	0.45	1.23	1.77	–	(0.31)	–	–	(0.31)	12.24
Mar. 31, 2013 ⁴	9.65 [†]	0.20	(0.15)	0.01	0.69	0.75	–	(0.14)	–	–	(0.14)	10.97
Series D												
Mar. 31, 2014	11.08	0.30	(0.13)	0.46	1.24	1.87	–	(0.32)	–	–	(0.32)	12.43
Mar. 31, 2013	10.21	0.31	(0.13)	0.02	1.07	1.27	–	(0.14)	–	–	(0.14)	11.08
Mar. 31, 2012 ³	10.00 [†]	0.11	(0.13)	–	0.24	0.22	–	–	–	–	–	10.21
Series F												
Mar. 31, 2014	11.11	0.30	(0.11)	0.46	1.25	1.90	–	(0.25)	–	–	(0.25)	12.61
Mar. 31, 2013	10.22	0.31	(0.10)	0.02	1.07	1.30	–	(0.12)	–	–	(0.12)	11.11
Mar. 31, 2012 ³	10.00 [†]	0.11	(0.12)	–	0.24	0.23	–	–	–	–	–	10.22
Series I												
Mar. 31, 2014	11.13	0.29	(0.08)	0.45	1.22	1.88	–	(0.10)	–	–	(0.10)	12.78
Mar. 31, 2013 ⁴	9.71 [†]	0.22	(0.05)	0.01	0.75	0.93	–	(0.14)	–	–	(0.14)	11.13
Series O												
Mar. 31, 2014	11.23	0.30	(0.01)	0.47	1.26	2.02	–	(0.30)	–	–	(0.30)	12.78
Mar. 31, 2013	10.24	0.38	(0.01)	0.02	1.28	1.67	–	(0.13)	–	–	(0.13)	11.23
Mar. 31, 2012 ³	10.00 [†]	0.15	(0.15)	–	0.24	0.24	–	–	–	–	–	10.24

¹ Net assets and distributions are based on the actual number of mutual fund shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of mutual fund shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per mutual fund share.

² Distributions are reinvested in additional mutual fund shares of the Fund or paid in cash.

³ From January 1, 2012.

⁴ From July 9, 2012.

[†] Initial offering net asset value per mutual fund share.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2014	12.25	2 396	196	2.13	2.16	27.42	0.11
Mar. 31, 2013	10.96	1 762	163	2.08	2.14	14.41	0.12
Mar. 31, 2012 ⁴	10.19	374	37	2.15	2.15	1.48	0.12
Advisor Series							
Mar. 31, 2014	12.25	895	73	2.08	2.11	27.42	0.11
Mar. 31, 2013	10.96	566	52	2.11	2.17	14.41	0.12
Mar. 31, 2012 ⁴	10.19	290	28	2.15	2.15	1.48	0.12
Series H							
Mar. 31, 2014	12.24	244	20	1.86	1.89	27.42	0.11
Mar. 31, 2013 ⁵	10.97	218	20	1.92	1.98	14.41	0.12
Series D							
Mar. 31, 2014	12.43	3 292	265	1.20	1.23	27.42	0.11
Mar. 31, 2013	11.08	2 913	266	1.23	1.29	14.41	0.12
Mar. 31, 2012 ⁴	10.21	35	3	1.28	1.28	1.48	0.12
Series F							
Mar. 31, 2014	12.61	629	50	0.97	1.00	27.42	0.11
Mar. 31, 2013	11.11	375	34	0.96	1.02	14.41	0.12
Mar. 31, 2012 ⁴	10.22	63	6	0.99	0.99	1.48	0.12
Series I							
Mar. 31, 2014	12.78	80	6	0.75	0.78	27.42	0.11
Mar. 31, 2013 ⁵	11.13	1	–	0.73	0.81	14.41	0.12
Series O							
Mar. 31, 2014	12.78	3 948	309	0.10	0.13	27.42	0.11
Mar. 31, 2013	11.23	3 178	286	0.10	0.16	14.41	0.12
Mar. 31, 2012 ⁴	10.24	1 537	150	0.12	0.12	1.48	0.12

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From January 1, 2012.

⁵ From July 9, 2012.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.75%	66%	34%
Advisor Series	1.75%	66%	34%
Series H	1.65%	61%	39%
Series D	1.00%	25%	75%
Series F	0.75%	–	100%
Series I	0.60%	–	100%

Series O – no management fees are paid by the Fund in respect of Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, investment advisory services, general administration and profit.

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.





March 31, 2014

PAST PERFORMANCE (cont.)

Annual Compound Returns (%)

The table shows the annual compound returns for each series of the Fund and for each of the periods indicated ended on March 31, 2014, compared with the following benchmark:

S&P/TSX Capped Composite Total Return Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A ¹	15.6	–	–	–	11.1
Benchmark	16.0	–	–	–	0.9
Advisor Series ¹	15.7	–	–	–	11.1
Benchmark	16.0	–	–	–	0.9
Series H ²	15.9	–	–	–	17.3
Benchmark	16.0	–	–	–	0.9
Series D ¹	16.7	–	–	–	12.1
Benchmark	16.0	–	–	–	0.9
Series F ¹	16.9	–	–	–	12.3
Benchmark	16.0	–	–	–	0.9
Series I ²	17.3	–	–	–	18.6
Benchmark	16.0	–	–	–	0.9
Series O ¹	17.9	–	–	–	13.3
Benchmark	16.0	–	–	–	0.9

The returns of each series may vary because of differences in management fees and expenses. The Benchmark returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark.

¹ Inception date January 1, 2012.

² Inception date July 9, 2012.

INDEX DESCRIPTION

S&P/TSX Capped Composite Total Return Index This index is the amended capitalization-weighted index measuring the performance of selected securities listed on the Toronto Stock Exchange, with no individual stock exceeding 10% of the overall weight.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2014

Investment Mix

	% of Net Asset Value
Financials	34.2
Energy	23.6
Materials	8.0
Industrials	7.5
Consumer Discretionary	5.1
Consumer Staples	4.2
Information Technology	2.5
Utilities	2.3
Telecommunication Services	2.2
Cash/Other	10.4

Top 25 Holdings*

	% of Net Asset Value
RBC Canadian Small & Mid-Cap Resources Fund	7.7
Royal Bank of Canada	5.9
Toronto-Dominion Bank	5.2
Bank of Nova Scotia	4.9
Suncor Energy Inc.	3.8
Bank of Montreal	3.4
Canadian Natural Resources Ltd.	3.4
Enbridge Inc.	3.2
Manulife Financial Corporation	2.8
Loblaws Companies Ltd.	2.6
Canadian National Railway Co.	2.5
Cenovus Energy Inc.	2.4
Canadian Imperial Bank of Commerce	2.2
Cash & Cash Equivalents	2.2
TransCanada Corp.	1.9
WestJet Airlines Ltd.	1.7
Power Corporation of Canada	1.6
Brookfield Asset Management Inc., Class A	1.5
Agrium Inc.	1.5
Magna International Inc., Class A	1.4
Encana Corp.	1.4
Potash Corporation of Saskatchewan Inc.	1.4
Imperial Oil Ltd.	1.3
TELUS Corp.	1.3
ARC Resources Ltd.	1.3
Top 25 Holdings	68.5

* The Fund invests substantially all of its assets directly in the RBC Private Canadian Equity Pool. The above are the Top 25 holdings of the RBC Private Canadian Equity Pool.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.

The Simplified Prospectus and other information about the underlying fund are available on SEDAR website at www.sedar.com.



CANADIAN EQUITY FUND

RBC CANADIAN EQUITY INCOME CLASS

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

The Board of Directors of RBC Corporate Class Inc. approved this annual management report of fund performance on May 9, 2014.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/funds or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



March 31, 2014

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in a diversified portfolio of Canadian securities including, but not limited to, common and preferred shares of Canadian companies that pay dividends, real estate investment trusts and income trusts.

To achieve its investment objective, the Fund invests most of its assets in the RBC Canadian Equity Income Fund (the “underlying fund”). The underlying fund invests primarily in a diversified portfolio of Canadian equity securities including common and preferred shares, real estate investment trusts and income trusts. The underlying fund may also invest in fixed-income securities, such as government and corporate bonds, debentures and notes.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund’s overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund’s net asset value increased to \$204 million as of March 31, 2014, from \$140 million as of March 31, 2013. Of the change, \$36 million was due to net inflows and \$28 million to investment returns.

Over the past year, the Fund’s Series A shares rose 17.1%, which outperformed the 16.0% rise in the benchmark. The Fund’s return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

The S&P/TSX Composite Index posted a double-digit gain over the 12-month period, as developed-market economies extended their recovery into 2014. U.S. indexes continued to outpace those in Canada, driven by a strengthening housing market and steady, if not robust, consumer demand. In December, the U.S. Federal Reserve (the “Fed”) began removing economic stimulus by reducing bond purchases. A shift in portfolios from bonds to stocks also contributed to stronger markets. Europe continued to claw its way back from almost two years of recession. Spain, Ireland and other embattled European economies showed signs of bottoming. Economic growth in Canada remains below global peers. As a result, the Canadian dollar fell to levels not seen since the global financial crisis after the Bank of Canada indicated that it would be reluctant to raise its trend-setting interest rate.

Strong performance in the Energy, Materials, Industrials and

Telecommunication Services sectors offset weaker performance in the Financials and Consumer Discretionary sectors.

Security selection was the main contributor to outperformance in the Energy sector. A position in Spectra Energy proved beneficial as shares gained significantly. Canadian Energy Services also contributed to performance as the oil-services company expanded into the U.S. In the Materials sector, the Fund’s lower-than-benchmark position in gold-producing companies drove strong relative performance. Below-benchmark exposure to Barrick Gold and Kinross Gold contributed to performance. The Industrials sector benefited from exposure to shares of Badger Daylighting and CSX. Below-benchmark exposure to BCE and Rogers Communications drove strong relative performance in the Telecommunication Services sector.

In the Financials sector, security selection hurt overall Fund performance. A relative lack of exposure to the large Canadian banks was negative for returns, particularly in below-benchmark allocations to Royal Bank of Canada and Toronto-Dominion Bank. Also, a relative lack of exposure to insurance companies such as Manulife Financial and SunLife Financial weighed on returns. Both insurers benefited from higher valuations as strong stock markets lifted capital levels and higher interest rates boosted portfolio returns. The Consumer Discretionary sector was negatively impacted by an underweight stake in Magna International, which performed well.

Recent Developments

Five years past the global financial crisis, economic normalization is underway, albeit at different paces across the globe. Investors remain focused on the U.S., as the economy’s ability to sustain growth in the face of reduced stimulus will have a ripple effect on global markets. The U.S. unemployment rate has fallen significantly since 2009, but the underlying participation rate calls into question the true trend. Inflation has been persistently low and is trending lower. As long as the labour market continues to improve and inflation moves toward the Fed’s 2% objective, officials are likely to carry on with tapering bond purchases. Global headwinds continue to surface though, as political turmoil in Ukraine, slowing economic growth in China and upcoming elections could have negative effects on domestic and global economies. These challenges have caused short-term market volatility. In Canada, rejuvenated global growth could spur improved domestic growth and offset worries about the housing market and consumer-debt levels.

Equities still offer attractive returns relative to bonds. In Canada, buoyancy in global economies will likely be required for the country’s benchmark index to outperform the U.S.



Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are the principal distributors of, or distribute certain series of the mutual fund shares of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, Series H and Series D mutual fund shares.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC IS and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



March 31, 2014

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Series A												
Mar. 31, 2014	11.11	0.48	(0.24)	0.22	1.52	1.98	–	(0.12)	–	–	(0.12)	12.86
Mar. 31, 2013	10.30	0.40	(0.22)	–	1.07	1.25	–	(0.02)	–	–	(0.02)	11.11
Mar. 31, 2012 ³	10.00 [†]	0.13	(0.05)	–	0.23	0.31	–	–	–	–	–	10.30
Advisor Series												
Mar. 31, 2014	11.12	0.48	(0.24)	0.22	1.52	1.98	–	(0.13)	–	–	(0.13)	12.86
Mar. 31, 2013	10.30	0.41	(0.22)	–	1.08	1.27	–	(0.02)	–	–	(0.02)	11.12
Mar. 31, 2012 ³	10.00 [†]	0.13	(0.05)	–	0.23	0.31	–	–	–	–	–	10.30
Series H												
Mar. 31, 2014	11.13	0.48	(0.22)	0.22	1.52	2.00	–	(0.11)	–	–	(0.11)	12.91
Mar. 31, 2013 ⁴	9.86 [†]	0.24	(0.15)	–	0.63	0.72	–	(0.02)	–	–	(0.02)	11.13
Series D												
Mar. 31, 2014	11.24	0.49	(0.14)	0.22	1.55	2.12	–	(0.14)	–	–	(0.14)	13.11
Mar. 31, 2013	10.33	0.38	(0.13)	–	1.02	1.27	–	(0.02)	–	–	(0.02)	11.24
Mar. 31, 2012 ³	10.00 [†]	0.11	(0.03)	–	0.23	0.31	–	–	–	–	–	10.33
Series F												
Mar. 31, 2014	11.28	0.49	(0.11)	0.22	1.55	2.15	–	(0.13)	–	–	(0.13)	13.20
Mar. 31, 2013	10.33	0.40	(0.10)	–	1.06	1.36	–	(0.02)	–	–	(0.02)	11.28
Mar. 31, 2012 ³	10.00 [†]	0.12	(0.02)	–	0.23	0.33	–	–	–	–	–	10.33
Series I												
Mar. 31, 2014	11.29	0.49	(0.09)	0.22	1.55	2.17	–	(0.12)	–	–	(0.12)	13.26
Mar. 31, 2013 ⁴	9.92 [†]	0.23	(0.06)	–	0.61	0.78	–	(0.02)	–	–	(0.02)	11.29
Series O												
Mar. 31, 2014	11.40	0.49	–	0.22	1.57	2.28	–	(0.12)	–	–	(0.12)	13.48
Mar. 31, 2013	10.36	0.45	–	0.01	1.19	1.65	–	(0.02)	–	–	(0.02)	11.40
Mar. 31, 2012 ³	10.00 [†]	0.13	–	–	0.23	0.36	–	–	–	–	–	10.36

¹ Net assets and distributions are based on the actual number of mutual fund shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of mutual fund shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per mutual fund share.

² Distributions are reinvested in additional mutual fund shares of the Fund or paid in cash.

³ From January 1, 2012.

⁴ From July 9, 2012.

[†] Initial offering net asset value per mutual fund share.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2014	12.86	46 956	3 651	2.11	2.11	9.03	0.21
Mar. 31, 2013	11.11	30 397	2 741	2.12	2.12	3.33	0.38
Mar. 31, 2012 ⁴	10.30	9 139	887	2.20	2.20	–	0.67
Advisor Series							
Mar. 31, 2014	12.86	66 114	5 143	2.11	2.11	9.03	0.21
Mar. 31, 2013	11.12	50 675	4 567	2.11	2.11	3.33	0.38
Mar. 31, 2012 ⁴	10.30	19 379	1 881	2.20	2.20	–	0.67
Series H							
Mar. 31, 2014	12.91	25 524	1 976	1.93	1.93	9.03	0.21
Mar. 31, 2013 ⁵	11.13	13 871	1 249	1.96	1.96	3.33	0.38
Series D							
Mar. 31, 2014	13.11	12 626	963	1.20	1.20	9.03	0.21
Mar. 31, 2013	11.24	9 685	863	1.24	1.24	3.33	0.38
Mar. 31, 2012 ⁴	10.33	1 713	166	1.29	1.29	–	0.67
Series F							
Mar. 31, 2014	13.20	36 191	2 742	0.95	0.95	9.03	0.21
Mar. 31, 2013	11.28	24 302	2 160	0.96	0.96	3.33	0.38
Mar. 31, 2012 ⁴	10.33	6 112	592	1.01	1.01	–	0.67
Series I							
Mar. 31, 2014	13.26	15 259	1 151	0.76	0.76	9.03	0.21
Mar. 31, 2013 ⁵	11.29	9 998	887	0.78	0.78	3.33	0.38
Series O							
Mar. 31, 2014	13.48	1 610	119	0.06	0.06	9.03	0.21
Mar. 31, 2013	11.40	953	84	0.07	0.07	3.33	0.38
Mar. 31, 2012 ⁴	10.36	952	92	0.09	0.09	–	0.67

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From January 1, 2012.

⁵ From July 9, 2012.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.75%	66%	34%
Advisor Series	1.75%	66%	34%
Series H	1.65%	70%	30%
Series D	1.00%	25%	75%
Series F	0.75%	–	100%
Series I	0.60%	–	100%

Series O – no management fees are paid by the Fund in respect of Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

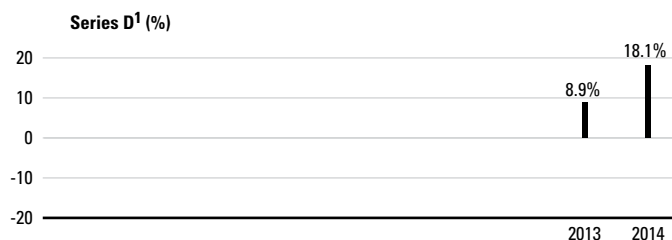
* Includes all costs related to management, investment advisory services, general administration and profit.

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.





March 31, 2014

PAST PERFORMANCE (cont.)

Annual Compound Returns (%)

The table shows the annual compound returns for each series of the Fund and for each of the periods indicated ended on March 31, 2014, compared with the following benchmark:

S&P/TSX Capped Composite Total Return Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A ¹	17.1	–	–	–	12.4
Benchmark	16.0	–	–	–	0.0
Advisor Series ¹	17.1	–	–	–	12.4
Benchmark	16.0	–	–	–	0.0
Series H ²	17.3	–	–	–	17.6
Benchmark	16.0	–	–	–	0.0
Series D ¹	18.1	–	–	–	13.4
Benchmark	16.0	–	–	–	0.0
Series F ¹	18.4	–	–	–	13.7
Benchmark	16.0	–	–	–	0.0
Series I ²	18.7	–	–	–	19.0
Benchmark	16.0	–	–	–	0.0
Series O ¹	19.5	–	–	–	14.8
Benchmark	16.0	–	–	–	0.0

The returns of each series may vary because of differences in management fees and expenses. The Benchmark returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark.

¹ Inception date January 1, 2012.

² Inception date July 9, 2012.

INDEX DESCRIPTION

S&P/TSX Capped Composite Total Return Index This index is the amended capitalization-weighted index measuring the performance of selected securities listed on the Toronto Stock Exchange, with no individual stock exceeding 10% of the overall weight.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2014

Investment Mix

	% of Net Asset Value
Financials	34.2
Energy	28.8
Industrials	9.0
Utilities	7.6
Consumer Discretionary	5.5
Materials	4.4
Telecommunication Services	3.6
Consumer Staples	3.2
Information Technology	1.0
Cash/Other	2.7

Top 25 Holdings*

	% of Net Asset Value
Royal Bank of Canada	3.9
Bank of Nova Scotia	3.9
Enbridge Inc.	3.3
Suncor Energy Inc.	3.1
Toronto-Dominion Bank	2.9
Canadian Natural Resources Ltd.	2.8
Bank of Montreal	2.7
Cash & Cash Equivalents	2.4
TransCanada Corp.	2.3
Loblaw Companies Ltd.	2.2
Manulife Financial Corporation	2.1
Cenovus Energy Inc.	1.9
Brookfield Property Partners LP	1.7
Brookfield Asset Management Inc., Class A	1.4
Canadian Imperial Bank of Commerce	1.4
AT&T Inc.	1.4
Newalta Inc.	1.3
Algonquin Power & Utilities Corp.	1.2
Magna International Inc., Class A	1.2
Potash Corporation of Saskatchewan Inc.	1.2
Brookfield Canada Office Properties	1.1
Canadian Utilities Ltd., Class A	1.1
Encana Corp.	1.1
Russel Metals Inc.	1.0
Emera Inc.	1.0
Top 25 Holdings	49.6

* The Fund invests substantially all of its assets directly in the RBC Canadian Equity Income Fund. The above are the Top 25 holdings of the RBC Canadian Equity Income Fund.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.

The Simplified Prospectus and other information about the underlying fund are available on SEDAR website at www.sedar.com.



CANADIAN EQUITY FUND

RBC CANADIAN MID-CAP EQUITY CLASS

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

The Board of Directors of RBC Corporate Class Inc. approved this annual management report of fund performance on May 9, 2014.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/funds or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



March 31, 2014

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in equity securities of mid-sized Canadian companies that offer above-average prospects for growth and may also invest in smaller capitalization companies that have adequate liquidity.

To achieve its investment objective, the Fund invests most of its assets in the RBC Private Canadian Mid-Cap Equity Pool (the “underlying fund”). The underlying fund focuses on companies with a history of high growth in sales and earnings, with above-average prospects for continued growth. The underlying fund invests in companies with strong management, focused business models and a competitive advantage. The underlying fund typically invests across major industry sectors within minimum and maximum exposures for each sector.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund’s overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund’s net asset value increased to \$10 million as of March 31, 2014, from \$7 million as of March 31, 2013. The change was due to a mix of net inflows and investment returns.

Over the past year, the Fund’s Series A shares rose 15.4%, which outperformed the 14.2% rise in the benchmark. The Fund’s return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

Canadian stocks posted double-digit gains over the 12-month period, as developed-market economies extended their recovery into 2014. U.S. indexes continued to outpace those in Canada, driven by a strengthening housing market and steady, if not robust, consumer demand. In December, the U.S. Federal Reserve (the “Fed”) began removing economic stimulus by reducing bond purchases. A shift in portfolios from bonds to stocks also contributed to stronger markets. Europe continued to claw its way back from almost two years of recession. Spain, Ireland and other embattled European economies showed signs of bottoming. Economic growth in Canada remains below global peers. As a result, the Canadian dollar fell to levels not seen since the global financial crisis after the Bank of Canada indicated that it would be reluctant to raise its trend-setting interest rate.

Canadian mid-cap stocks outperformed their larger-cap peers over the period. Within the Fund, strong performance in the Energy, Materials, Consumer Discretionary and Financials sectors offset weaker performance in the Industrials and Consumer Staples sectors.

Security selection was the primary contributor to strong performance in the Energy sector. The Fund benefited from exposure to Gran Tierra, a South American-focused producer. An overweight position in Raging River Exploration also proved beneficial. In the Materials sector, below-benchmark exposure to Iamgold and Turquoise Hill Resources were among the main contributors to stronger relative performance. In the Financials sector, concern over rising interest rates weighed on interest-sensitive real estate investment trusts. A lack of exposure to Dundee REIT and below-benchmark exposure to Canadian Apartment Properties REIT proved beneficial. Performance in the Consumer Discretionary sector was led by Linamar, which outperformed amid record earnings.

The Industrials sector outperformed the broader market, and below-benchmark exposure in the Fund hurt performance. A lack of exposure to Stantec weighed on performance. In the Consumer Staples sector, an overweight position in Loblaw had a negative impact on returns.

Recent Developments

Five years past the global financial crisis, economic normalization is underway, albeit at different paces across the globe. Investors remain focused on the U.S., as the economy’s ability to sustain growth in the face of reduced stimulus will have a ripple effect on global markets. The U.S. unemployment rate has fallen significantly since 2009, but the underlying participation rate calls into question the true trend. Inflation has been persistently low and is trending lower. As long as the labour-market continues to improve and inflation moves toward the Fed’s 2% objective, officials are likely to carry on with tapering bond purchases. Global headwinds continue to surface though, as political turmoil in Ukraine, slowing economic growth in China and upcoming elections could have negative effects on domestic and global economies. These challenges have caused short-term market volatility. In Canada, rejuvenated global growth could spur improved domestic growth and offset worries about the housing market and consumer-debt levels.

Equities still offer attractive returns relative to bonds. In Canada, buoyancy in global economies will likely be required for the country’s benchmark index to outperform the U.S.



March 31, 2014

Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are the principal distributors of, or distribute certain series of the mutual fund shares of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, Series H and Series D mutual fund shares.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC IS and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



March 31, 2014

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Series A												
Mar. 31, 2014	10.62	0.25	(0.23)	0.29	1.38	1.69	–	(0.16)	–	–	(0.16)	11.98
Mar. 31, 2013	9.83	0.23	(0.21)	0.05	0.91	0.98	–	(0.10)	–	–	(0.10)	10.62
Mar. 31, 2012 ³	10.00 [†]	0.10	(0.05)	–	(0.22)	(0.17)	–	–	–	–	–	9.83
Advisor Series												
Mar. 31, 2014	10.66	0.24	(0.22)	0.29	1.36	1.67	–	(0.09)	–	–	(0.09)	12.18
Mar. 31, 2013	9.83	0.22	(0.19)	0.05	0.90	0.98	–	(0.04)	–	–	(0.04)	10.66
Mar. 31, 2012 ³	10.00 [†]	0.10	(0.07)	(0.01)	(0.22)	(0.20)	–	–	–	–	–	9.83
Series H												
Mar. 31, 2014	10.64	0.26	(0.20)	0.31	1.48	1.85	–	(0.22)	–	–	(0.22)	11.97
Mar. 31, 2013 ⁴	9.31 [†]	0.16	(0.13)	0.04	0.63	0.70	–	(0.10)	–	–	(0.10)	10.64
Series D												
Mar. 31, 2014	10.74	0.23	(0.14)	0.27	1.27	1.63	–	(0.04)	–	–	(0.04)	12.38
Mar. 31, 2013	9.85	0.21	(0.13)	0.05	0.85	0.98	–	(0.07)	–	–	(0.07)	10.74
Mar. 31, 2012 ³	10.00 [†]	0.10	(0.04)	–	(0.22)	(0.16)	–	–	–	–	–	9.85
Series F												
Mar. 31, 2014	10.78	0.26	(0.10)	0.30	1.43	1.89	–	(0.20)	–	–	(0.20)	12.30
Mar. 31, 2013	9.86	0.20	(0.10)	0.05	0.81	0.96	–	(0.07)	–	–	(0.07)	10.78
Mar. 31, 2012 ³	10.00 [†]	0.10	(0.04)	–	(0.22)	(0.16)	–	–	–	–	–	9.86
Series I												
Mar. 31, 2014	10.79	0.25	(0.08)	0.30	1.42	1.89	–	(0.22)	–	–	(0.22)	12.29
Mar. 31, 2013 ⁴	9.37 [†]	0.16	(0.05)	0.04	0.64	0.79	–	(0.10)	–	–	(0.10)	10.79
Series O												
Mar. 31, 2014	10.88	0.25	(0.01)	0.30	1.43	1.97	–	(0.19)	–	–	(0.19)	12.51
Mar. 31, 2013	9.87	0.24	(0.01)	0.06	0.95	1.24	–	(0.09)	–	–	(0.09)	10.88
Mar. 31, 2012 ³	10.00 [†]	0.10	(0.01)	–	(0.22)	(0.13)	–	–	–	–	–	9.87

¹ Net assets and distributions are based on the actual number of mutual fund shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of mutual fund shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per mutual fund share.

² Distributions are reinvested in additional mutual fund shares of the Fund or paid in cash.

³ From January 1, 2012.

⁴ From July 9, 2012.

[†] Initial offering net asset value per mutual fund share.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2014	11.98	1 287	107	2.15	2.19	26.23	0.23
Mar. 31, 2013	10.62	773	73	2.12	2.19	50.57	0.26
Mar. 31, 2012 ⁴	9.83	44	4	2.19	2.19	2.31	0.33
Advisor Series							
Mar. 31, 2014	12.18	16	1	2.02	2.06	26.23	0.23
Mar. 31, 2013	10.66	3	—	2.02	2.09	50.57	0.26
Mar. 31, 2012 ⁴	9.83	—	—	2.19	2.19	2.31	0.33
Series H							
Mar. 31, 2014	11.97	1	—	1.92	1.96	26.23	0.23
Mar. 31, 2013 ⁵	10.64	1	—	1.92	1.99	50.57	0.26
Series D							
Mar. 31, 2014	12.38	457	37	1.31	1.35	26.23	0.23
Mar. 31, 2013	10.74	29	3	1.28	1.35	50.57	0.26
Mar. 31, 2012 ⁴	9.85	3	—	1.34	1.34	2.31	0.33
Series F							
Mar. 31, 2014	12.30	257	21	0.97	1.01	26.23	0.23
Mar. 31, 2013	10.78	251	23	0.96	1.03	50.57	0.26
Mar. 31, 2012 ⁴	9.86	—	—	1.06	1.06	2.31	0.33
Series I							
Mar. 31, 2014	12.29	1	—	0.80	0.84	26.23	0.23
Mar. 31, 2013 ⁵	10.79	1	—	0.78	0.85	50.57	0.26
Series O							
Mar. 31, 2014	12.51	7 930	634	0.14	0.18	26.23	0.23
Mar. 31, 2013	10.88	5 730	531	0.15	0.22	50.57	0.26
Mar. 31, 2012 ⁴	9.87	2 829	287	0.18	0.18	2.31	0.33

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From January 1, 2012.

⁵ From July 9, 2012.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.75%	66%	34%
Advisor Series	1.75%	66%	34%
Series H	1.65%	70%	30%
Series D	1.00%	25%	75%
Series F	0.75%	–	100%
Series I	0.60%	–	100%

Series O – no management fees are paid by the Fund in respect of Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, investment advisory services, general administration and profit.

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.





March 31, 2014

PAST PERFORMANCE (cont.)

Annual Compound Returns (%)

The table shows the annual compound returns for each series of the Fund and for each of the periods indicated ended on March 31, 2014, compared with the following benchmark:

S&P/TSX MidCap Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A ¹	15.4	–	–	–	9.5
Benchmark	14.2	–	–	–	0.9
Advisor Series ¹	15.6	–	–	–	9.7
Benchmark	14.2	–	–	–	0.9
Series H ²	15.7	–	–	–	17.6
Benchmark	14.2	–	–	–	0.9
Series D ¹	16.4	–	–	–	10.4
Benchmark	14.2	–	–	–	0.9
Series F ¹	16.8	–	–	–	10.8
Benchmark	14.2	–	–	–	0.9
Series I ²	17.0	–	–	–	18.9
Benchmark	14.2	–	–	–	0.9
Series O ¹	17.7	–	–	–	11.6
Benchmark	14.2	–	–	–	0.9

The returns of each series may vary because of differences in management fees and expenses. The Benchmark returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark.

¹ Inception date January 1, 2012.

² Inception date July 9, 2012.

INDEX DESCRIPTION

S&P/TSX MidCap Index This is an index of mid-sized Canadian companies, with weights adjusted across economic sectors.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2014

Investment Mix

	% of Net Asset Value
Energy	31.5
Financials	18.7
Materials	11.2
Industrials	9.9
Consumer Discretionary	7.3
Consumer Staples	5.9
Utilities	5.4
Information Technology	4.7
Telecommunication Services	1.0
Cash/Other	4.4

Top 25 Holdings*

	% of Net Asset Value
Cash & Cash Equivalents	3.7
Canadian Utilities Ltd., Class A	3.1
Loblaw Companies Ltd.	2.7
Vermilion Energy Inc.	2.6
Veresen Inc.	2.5
Eldorado Gold Corp.	2.4
West Fraser Timber Co. Ltd.	2.3
Canadian Real Estate Investment Trust	2.2
Finning International Inc.	2.2
Gildan Activewear Inc., Class A	2.1
H&R Real Estate Investment Trust	1.9
Open Text Corp.	1.9
Peyto Exploration & Development Corp.	1.8
Keyera Corp.	1.8
Onex Corporation	1.8
Brookfield Property Partners LP	1.7
MEG Energy Corp.	1.6
Bombardier Inc., Class B	1.6
Metro Inc., Class A	1.6
AltaGas Ltd.	1.5
Paramount Resources Ltd., Class A	1.5
Dollarama Inc.	1.5
Precision Drilling Corp.	1.5
IGM Financial Inc.	1.4
CI Financial Corp.	1.4
Top 25 Holdings	50.3

* The Fund invests substantially all of its assets directly in the RBC Private Canadian Mid-Cap Equity Pool. The above are the Top 25 holdings of the RBC Private Canadian Mid-Cap Equity Pool.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.

The Simplified Prospectus and other information about the underlying fund are available on SEDAR website at www.sedar.com.



NORTH AMERICAN EQUITY FUND

RBC NORTH AMERICAN VALUE CLASS

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

The Board of Directors of RBC Corporate Class Inc. approved this annual management report of fund performance on May 9, 2014.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/funds or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



March 31, 2014

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing in equity securities of Canadian and/or U.S. companies priced below their true value and offering long-term opportunities for growth.

To achieve its investment objective, the Fund invests most of its assets in the RBC North American Value Fund (the “underlying fund”). The underlying fund identifies quality companies that are undervalued based on criteria such as assets, earnings and cash flow. The approach provides for a lower level of volatility than a portfolio of growth companies. The underlying fund may also invest in income trusts.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund’s overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund’s net asset value increased to \$144 million as of March 31, 2014, from \$53 million as of March 31, 2013. Most of the change was due to net inflows.

Over the past year, the Fund’s Series A shares rose 19.7%, which outperformed the 16.0% rise in the S&P/TSX Capped Composite Total Return Index. The shares underperformed the 32.6% rise in the S&P 500 Index. The Fund’s return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

The S&P/TSX Composite Index posted a double-digit gain over the 12-month period, as developed-market economies extended their recovery into 2014. U.S. indexes continued to outpace those in Canada, driven by a strengthening housing market and steady, if not robust, consumer demand. In December, the U.S. Federal Reserve (the “Fed”) began removing economic stimulus by reducing bond purchases. A shift in portfolios from bonds to stocks also contributed to stronger markets. Europe continued to claw its way back from almost two years of recession. Spain, Ireland and other embattled European economies showed signs of bottoming. Economic growth in Canada remains below global peers. As a result, the Canadian dollar fell to levels not seen since the global financial crisis after the Bank of Canada indicated that it would be reluctant to raise its trend-setting interest rate.

The Fund’s performance was led by strong results in the Canadian Materials sector and the U.S. Financials sector.

Below-benchmark exposure to gold-producing companies such as Barrick Gold proved beneficial amid falling gold prices. Strength in the Financials sector was led by positions in E*Trade Financial and Morgan Stanley. In the Canadian Financials sector, an overweight position in Manulife had a positive impact on returns. Security selection in the Industrials sector in Canada also contributed to performance, led by an overweight position in Air Canada. Air Canada gained sharply as a cost-cutting plan boosted its valuation. Other strong contributors to performance included the U.S. companies Cardinal Health and Safeway.

Canada’s Health Care sector was a source of underperformance as a lack of exposure to Valeant Pharmaceuticals weighed on returns. Valeant shares benefited significantly from acquisitions including its US\$8.7 billion purchase of Bausch & Lomb. Also negatively impacting performance was below-benchmark exposure to Magna International and above-benchmark exposure to Cenovus Energy.

Recent Developments

Five years past the global financial crisis, economic normalization is underway, albeit at different paces across the globe. Investors remain focused on the U.S., as the economy’s ability to sustain growth in the face of reduced stimulus will have a ripple effect on global markets. The U.S. unemployment rate has fallen significantly since 2009, but the underlying participation rate calls into question the true trend. Inflation has been persistently low and is trending lower. As long as the labour-market continues to improve and inflation moves toward the Fed’s 2% objective, officials are likely to carry on with tapering bond purchases. Global headwinds continue to surface though, as political turmoil in Ukraine, slowing economic growth in China and upcoming elections could have negative effects on domestic and global economies. These challenges have caused short-term market volatility. In Canada, rejuvenated global growth could spur improved domestic growth and offset worries about the housing market and consumer-debt levels.

Equities still offer attractive returns relative to bonds. In Canada, buoyancy in global economies will likely be required for the country’s benchmark index to outperform the U.S.



March 31, 2014

Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are the principal distributors of, or distribute certain series of the mutual fund shares of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, Series H and Series D mutual fund shares.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC IS and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



March 31, 2014

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Series A												
Mar. 31, 2014	11.60	–	(0.26)	0.85	1.78	2.37	–	–	(0.11)	–	(0.11)	13.67
Mar. 31, 2013	10.46	0.14	(0.23)	0.51	1.47	1.89	–	(0.07)	–	–	(0.07)	11.60
Mar. 31, 2012 ³	10.00 [†]	–	(0.06)	–	0.49	0.43	–	–	–	–	–	10.46
Advisor Series												
Mar. 31, 2014	11.60	–	(0.27)	0.86	1.78	2.37	–	–	(0.11)	–	(0.11)	13.67
Mar. 31, 2013	10.46	0.14	(0.23)	0.51	1.47	1.89	–	(0.07)	–	–	(0.07)	11.60
Mar. 31, 2012 ³	10.00 [†]	–	(0.06)	–	0.49	0.43	–	–	–	–	–	10.46
Series H												
Mar. 31, 2014	11.61	–	(0.24)	0.84	1.76	2.36	–	–	(0.11)	–	(0.11)	13.73
Mar. 31, 2013 ⁴	9.97 [†]	0.07	(0.16)	0.27	0.77	0.95	–	(0.06)	–	–	(0.06)	11.61
Series D												
Mar. 31, 2014	11.72	–	(0.15)	0.86	1.79	2.50	–	–	(0.11)	–	(0.11)	13.94
Mar. 31, 2013	10.48	0.13	(0.14)	0.47	1.36	1.82	–	(0.07)	–	–	(0.07)	11.72
Mar. 31, 2012 ³	10.00 [†]	–	(0.04)	–	0.49	0.45	–	–	–	–	–	10.48
Series F												
Mar. 31, 2014	11.76	–	(0.12)	0.88	1.83	2.59	–	–	(0.11)	–	(0.11)	14.02
Mar. 31, 2013	10.49	0.14	(0.10)	0.50	1.45	1.99	–	(0.08)	–	–	(0.08)	11.76
Mar. 31, 2012 ³	10.00 [†]	–	(0.03)	–	0.49	0.46	–	–	–	–	–	10.49
Series I												
Mar. 31, 2014	11.78	–	(0.09)	0.86	1.80	2.57	–	–	(0.11)	–	(0.11)	14.09
Mar. 31, 2013 ⁴	10.03 [†]	0.08	(0.06)	0.31	0.89	1.22	–	(0.06)	–	–	(0.06)	11.78
Series O												
Mar. 31, 2014	11.90	–	–	0.66	1.37	2.03	–	–	(0.11)	–	(0.11)	14.30
Mar. 31, 2013	10.51	0.23	(0.01)	0.84	2.43	3.49	–	(0.09)	–	–	(0.09)	11.90
Mar. 31, 2012 ³	10.00 [†]	–	(0.06)	0.02	0.49	0.45	–	–	–	–	–	10.51

¹ Net assets and distributions are based on the actual number of mutual fund shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of mutual fund shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per mutual fund share.

² Distributions are reinvested in additional mutual fund shares of the Fund or paid in cash.

³ From January 1, 2012.

⁴ From July 9, 2012.

[†] Initial offering net asset value per mutual fund share.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2014	13.67	42 608	3 117	2.13	2.13	4.67	0.34
Mar. 31, 2013	11.60	16 283	1 412	2.12	2.13	2.62	0.49
Mar. 31, 2012 ⁴	10.46	3 213	307	2.20	2.20	3.17	0.61
Advisor Series							
Mar. 31, 2014	13.67	44 962	3 290	2.16	2.16	4.67	0.34
Mar. 31, 2013	11.60	18 721	1 624	2.11	2.12	2.62	0.49
Mar. 31, 2012 ⁴	10.46	3 860	369	2.20	2.20	3.17	0.61
Series H							
Mar. 31, 2014	13.73	20 402	1 486	1.93	1.93	4.67	0.34
Mar. 31, 2013 ⁵	11.61	6 629	574	1.94	1.95	2.62	0.49
Series D							
Mar. 31, 2014	13.94	3 954	284	1.20	1.20	4.67	0.34
Mar. 31, 2013	11.72	1 508	129	1.25	1.26	2.62	0.49
Mar. 31, 2012 ⁴	10.48	187	18	1.29	1.29	3.17	0.61
Series F							
Mar. 31, 2014	14.02	14 620	1 043	0.97	0.97	4.67	0.34
Mar. 31, 2013	11.76	5 950	509	0.97	0.98	2.62	0.49
Mar. 31, 2012 ⁴	10.49	1 115	106	1.01	1.01	3.17	0.61
Series I							
Mar. 31, 2014	14.09	17 388	1 235	0.76	0.76	4.67	0.34
Mar. 31, 2013 ⁵	11.78	3 475	297	0.78	0.79	2.62	0.49
Series O							
Mar. 31, 2014	14.30	517	36	0.05	0.05	4.67	0.34
Mar. 31, 2013	11.90	1	–	0.06	0.07	2.62	0.49
Mar. 31, 2012 ⁴	10.51	157	15	0.09	0.09	3.17	0.61

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From January 1, 2012.

⁵ From July 9, 2012.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.75%	66%	34%
Advisor Series	1.75%	66%	34%
Series H	1.65%	70%	30%
Series D	1.00%	25%	75%
Series F	0.75%	–	100%
Series I	0.60%	–	100%

Series O – no management fees are paid by the Fund in respect of Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, investment advisory services, general administration and profit.

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.





March 31, 2014

PAST PERFORMANCE (cont.)

Annual Compound Returns (%)

The table shows the annual compound returns for each series of the Fund and for each of the periods indicated ended on March 31, 2014, compared with the following benchmarks:

Benchmark 1 – S&P 500 Total Return Index (CAD)

Benchmark 2 – S&P/TSX Capped Composite Total Return Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A ¹	19.7	–	–	–	15.7
Benchmark 1	32.6	–	–	–	0.7
Benchmark 2	16.0	–	–	–	0.9
Advisor Series ¹	19.6	–	–	–	15.7
Benchmark 1	32.6	–	–	–	0.7
Benchmark 2	16.0	–	–	–	0.9
Series H ²	19.9	–	–	–	21.3
Benchmark 1	32.6	–	–	–	0.8
Benchmark 2	16.0	–	–	–	0.9
Series D ¹	20.8	–	–	–	16.7
Benchmark 1	32.6	–	–	–	0.7
Benchmark 2	16.0	–	–	–	0.9
Series F ¹	21.1	–	–	–	17.0
Benchmark 1	32.6	–	–	–	0.7
Benchmark 2	16.0	–	–	–	0.9
Series I ²	21.3	–	–	–	22.7
Benchmark 1	32.6	–	–	–	0.8
Benchmark 2	16.0	–	–	–	0.9
Series O ¹	22.2	–	–	–	18.1
Benchmark 1	32.6	–	–	–	0.7
Benchmark 2	16.0	–	–	–	0.9

The returns of each series may vary because of differences in management fees and expenses. The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark indexes.

¹ Inception date January 1, 2012.

² Inception date July 9, 2012.

INDEX DESCRIPTIONS

S&P 500 Total Return Index (CAD) This index is a capitalization-weighted index measuring the Canadian dollar performance of 500 widely held common stocks representing all major industries in the United States. The index gives investors a broad measure of the overall performance of the U.S. stock market.

S&P/TSX Capped Composite Total Return Index This index is the amended capitalization-weighted index measuring the performance of selected securities listed on the Toronto Stock Exchange, with no individual stock exceeding 10% of the overall weight.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2014

Investment Mix – Sectors

	% of Net Asset Value
Financials	24.3
Energy	17.2
Consumer Discretionary	10.5
Industrials	8.7
Health Care	7.9
Information Technology	5.5
Consumer Staples	4.7
Materials	4.3
Telecommunication Services	0.9
Utilities	0.5
Cash/Other	15.5

Investment Mix – Countries/Regions

	% of Net Asset Value
United States	45.0
Canada	39.5
United Kingdom	0.4
Cash/Other	15.1



March 31, 2014

SUMMARY OF INVESTMENT PORTFOLIO (cont.)

Top 25 Holdings*

	% of Net Asset Value
Cash & Cash Equivalents	15.1
Royal Bank of Canada	2.8
Bank of Nova Scotia	2.6
Toronto-Dominion Bank	2.5
Suncor Energy Inc.	2.1
Canadian Natural Resources Ltd.	2.1
Berkshire Hathaway Inc., Class B	1.8
Brookfield Asset Management Inc., Class A	1.7
Manulife Financial Corporation	1.5
Enbridge Inc.	1.5
Cenovus Energy Inc.	1.2
Potash Corporation of Saskatchewan Inc.	1.1
Husky Energy Inc.	1.0
Imperial Oil Ltd.	1.0
Microsoft Corp.	1.0
Schlumberger Ltd.	1.0
Onex Corporation	1.0
JPMorgan Chase & Co.	1.0
Canadian Imperial Bank of Commerce	1.0
BCE Inc.	0.9
Loblaw Companies Ltd.	0.9
Apple Inc.	0.9
Foot Locker Inc.	0.8
Trican Well Service Ltd.	0.8
Barrick Gold Corp.	0.8
Top 25 Holdings	48.1

* The Fund invests substantially all of its assets directly in the RBC North American Value Fund.
The above are the Top 25 holdings of the RBC North American Value Fund.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.

The Simplified Prospectus and other information about the underlying fund are available on SEDAR website at www.sedar.com.



U.S. EQUITY FUND

RBC U.S. DIVIDEND CLASS

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

The Board of Directors of RBC Corporate Class Inc. approved this annual management report of fund performance on May 9, 2014.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/funds or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



March 31, 2014

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth and regular dividend income by investing primarily in common and preferred shares of major U.S. companies with above-average dividend yields in order to provide targeted exposure to opportunities in U.S. equity markets. Stocks that qualify as investments will generally carry above-average dividend yields and offer the potential for increased payouts.

To achieve its investment objective, the Fund invests most of its assets in the RBC U.S. Dividend Fund (the "underlying fund"). The underlying fund invests in companies with long-term prospects of growing their dividends or which have the potential for such special events as stock buybacks, takeovers and special dividends. The underlying fund may also invest in government bonds, corporate bonds and treasury bills.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund's overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund's net asset value increased to \$52 million as of March 31, 2014, from \$23 million as of March 31, 2013. Most of the change was due to net inflows.

Over the past year, the Fund's Series A shares rose 27.7%, which underperformed the 32.6% rise in the benchmark. The Fund's return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

The U.S. stock market performed strongly over the past year, rising to an all-time high by the end of March 2014. The returns of the past 12 months were driven by an improvement in the outlook for U.S. housing and employment, decent earnings given the muted growth environment, a substantial reduction in the U.S. fiscal deficit, low reported inflation and extremely accommodative global monetary policy.

During the period, the markets were led by the Consumer Discretionary, Industrials, Information Technology, Financials and Materials sectors, which all rose substantially. The laggards included Telecommunication Services, Utilities, Consumer Staples and Energy – sectors that are less economically sensitive and have attractive dividend yields.

The portfolio benefited from significant exposure to companies in the Industrials sector such as Wynn Resorts and Las Vegas Sands, and from positions in aerospace and defense companies Lockheed Martin, Honeywell and United Technologies. Portfolio performance was negatively impacted by significant positions in the Information Technology sector, including Cisco Systems and EMC Corp. Other stocks that held back overall performance included McDonald's, Phillip Morris and Pepsi-Co.

Recent Developments

Recent weakening in U.S. economic data during the winter appears to be giving way to a faster expansion as the weather warms up. Surveys of business activity, management commentary and freight trends all suggest the economy is accelerating. On the housing front, prices continue to rise but sales and new-home construction have slowed. While the slowdown could in part be due to the harsh weather, higher mortgage rates and strict lending standards have likely played a role too. Despite this, the employment picture seems to be improving.

The S&P 500 stands just below its all-time high and valuations are just above historical norms. Expectations for an improvement in U.S. economic activity in the second half of 2014 appear well grounded. Moreover, the outlook for sales and earnings derived from outside the U.S. has improved as China's stabilizing economic growth and Europe's emergence from recession begin to contribute to global economic growth.

The Fund is positioned for a slow-growth environment and the portfolio manager favours companies that generate significant revenues, earnings and free cash flow from domestic operations. The portfolio manager also continues to emphasize companies that have moderately high dividends and the potential to raise them over time.

Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.



March 31, 2014

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are the principal distributors of, or distribute certain series of the mutual fund shares of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, Series H and Series D mutual fund shares.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC IS and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



March 31, 2014

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Series A												
Mar. 31, 2014	10.90	0.28	(0.25)	0.58	2.48	3.09	—	—	—	—	—	13.92
Mar. 31, 2013 ³	10.00 [†]	0.13	(0.09)	—	1.40	1.44	—	—	—	—	—	10.90
Advisor Series												
Mar. 31, 2014	10.90	0.27	(0.26)	0.57	2.46	3.04	—	—	—	—	—	13.92
Mar. 31, 2013 ³	10.00 [†]	0.09	(0.09)	—	0.97	0.97	—	—	—	—	—	10.90
Series H												
Mar. 31, 2014	10.92	0.27	(0.23)	0.57	2.45	3.06	—	—	—	—	—	13.97
Mar. 31, 2013 ³	10.00 [†]	0.07	(0.09)	—	0.77	0.75	—	—	—	—	—	10.92
Series D												
Mar. 31, 2014	10.94	0.28	(0.14)	0.59	2.55	3.28	—	—	—	—	—	14.10
Mar. 31, 2013 ³	10.00 [†]	0.09	(0.06)	—	0.93	0.96	—	—	—	—	—	10.94
Series F												
Mar. 31, 2014	10.96	0.28	(0.12)	0.59	2.53	3.28	—	—	—	—	—	14.14
Mar. 31, 2013 ³	10.00 [†]	0.08	(0.05)	—	0.89	0.92	—	—	—	—	—	10.96
Series I												
Mar. 31, 2014	10.97	0.27	(0.09)	0.57	2.46	3.21	—	—	—	—	—	14.19
Mar. 31, 2013 ³	10.00 [†]	0.05	(0.04)	—	0.52	0.53	—	—	—	—	—	10.97

¹ Net assets and distributions are based on the actual number of mutual fund shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of mutual fund shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per mutual fund share.

² Distributions are reinvested in additional mutual fund shares of the Fund or paid in cash.

³ From October 31, 2012.

[†] Initial offering net asset value per mutual fund share.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2014	13.92	14 764	1 061	2.07	2.08	16.94	0.32
Mar. 31, 2013 ⁴	10.90	5 683	521	2.14	2.14	–	0.22
Advisor Series							
Mar. 31, 2014	13.92	10 267	737	2.07	2.08	16.94	0.32
Mar. 31, 2013 ⁴	10.90	4 572	419	2.14	2.14	–	0.22
Series H							
Mar. 31, 2014	13.97	1 736	124	1.85	1.86	16.94	0.32
Mar. 31, 2013 ⁴	10.92	570	52	1.91	1.91	–	0.22
Series D							
Mar. 31, 2014	14.10	7 160	508	1.17	1.18	16.94	0.32
Mar. 31, 2013 ⁴	10.94	4 219	386	1.27	1.27	–	0.22
Series F							
Mar. 31, 2014	14.14	13 169	931	0.95	0.96	16.94	0.32
Mar. 31, 2013 ⁴	10.96	7 035	642	0.96	0.96	–	0.22
Series I							
Mar. 31, 2014	14.19	4 627	326	0.72	0.73	16.94	0.32
Mar. 31, 2013 ⁴	10.97	1 128	103	0.72	0.72	–	0.22

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From October 31, 2012.

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund.

Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.75%	66%	34%
Advisor Series	1.75%	66%	34%
Series H	1.65%	70%	30%
Series D	1.00%	25%	75%
Series F	0.75%	–	100%
Series I	0.60%	–	100%

* Includes all costs related to management, investment advisory services, general administration and profit.



March 31, 2014

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.





March 31, 2014

PAST PERFORMANCE (cont.)

Annual Compound Returns (%)

The table shows the annual compound returns for each series of the Fund and for each of the periods indicated ended on March 31, 2014, compared with the following benchmark:

S&P 500 Total Return Index (CAD)

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A ¹	27.7	–	–	–	26.3
Benchmark	32.6	–	–	–	0.9
Advisor Series ¹	27.7	–	–	–	26.3
Benchmark	32.6	–	–	–	0.9
Series H ¹	28.0	–	–	–	26.6
Benchmark	32.6	–	–	–	0.9
Series D ¹	28.8	–	–	–	27.4
Benchmark	32.6	–	–	–	0.9
Series F ¹	29.1	–	–	–	27.7
Benchmark	32.6	–	–	–	0.9
Series I ¹	29.4	–	–	–	28.0
Benchmark	32.6	–	–	–	0.9

The returns of each series may vary because of differences in management fees and expenses. The Benchmark returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark.

¹ Inception date October 31, 2012.

INDEX DESCRIPTION

S&P 500 Total Return Index (CAD) This index is a capitalization-weighted index measuring the Canadian dollar performance of 500 widely held common stocks representing all major industries in the United States. The index gives investors a broad measure of the overall performance of the U.S. stock market.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2014

Investment Mix

	% of Net Asset Value
Information Technology	19.6
Health Care	18.4
Industrials	14.6
Financials	13.6
Consumer Discretionary	9.8
Consumer Staples	8.6
Energy	7.2
Telecommunication Services	3.0
Materials	2.0
Utilities	2.0
Cash/Other	1.2

Top 25 Holdings*

	% of Net Asset Value
Apple Inc.	3.2
Pfizer Inc.	2.8
Microsoft Corp.	2.6
Johnson & Johnson	2.5
Intel Corp.	2.5
JPMorgan Chase & Co.	2.5
Wells Fargo & Company	2.4
Cardinal Health Inc.	2.1
Oracle Corporation	2.0
CVS Corp.	2.0
ConocoPhillips	2.0
Western Digital Corp.	1.7
WellPoint Inc.	1.6
Seagate Technology	1.6
Merck & Co. Inc.	1.5
LyondellBasell Industries N.V.	1.5
Wynn Resorts Ltd.	1.5
Bristol-Myers Squibb Co.	1.5
Hess Corp.	1.5
AT&T Inc.	1.5
Verizon Communications Inc.	1.5
Honeywell International Inc.	1.5
The Walt Disney Company	1.5
Exxon Mobil Corp.	1.5
General Electric Company	1.5
Top 25 Holdings	48.0

* The Fund invests substantially all of its assets directly in the RBC U.S. Dividend Fund. The above are the Top 25 holdings of the RBC U.S. Dividend Fund.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.

The Simplified Prospectus and other information about the underlying fund are available on SEDAR website at www.sedar.com.



U.S. EQUITY FUND

RBC U.S. EQUITY CLASS

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

The Board of Directors of RBC Corporate Class Inc. approved this annual management report of fund performance on May 9, 2014.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/funds or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



March 31, 2014

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in equity securities of major U.S. companies.

To achieve its investment objective, the Fund invests most of its assets in the RBC Private U.S. Equity Pool and/or the RBC U.S. Equity Fund (the “underlying funds”). The underlying funds diversify across industries and invest in companies with strong management, focused business models and the potential for growth in earnings and cash flow.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund’s overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund’s net asset value increased to \$21 million as of March 31, 2014, from \$13 million as of March 31, 2013. The change was due to a mix of net inflows and investment returns.

Over the past year, the Fund’s Series A shares rose 26.0%, which underperformed the 32.6% rise in the benchmark. The Fund’s return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

U.S. equity markets advanced strongly over the period, recording their highest annual gain in several years. The solid performance was fuelled by the continuation of central-bank efforts to hold down short- and long-term interest rates, led by the U.S. Federal Reserve (the “Fed”). This stance led to a constructive backdrop for stocks, as inflation remained well contained while economic activity gradually recovered around the world. Corporate earnings extended their gains, albeit at a modest pace, as companies held down costs and profit margins generally remained near historically high levels. Fears that Congressional inaction would lead to a downdraft in the stock market were not realized, and the U.S. government shutdown in October ended quickly and without much effect on the overall economy.

The Fund’s underperformance was due to a combination of subpar stock selection in the Consumer Discretionary, Telecommunication Services and Information Technology sectors, along with a lack of relative exposure to the Health Care sector, which performed especially well during the period. Also contributing to the underperformance was the Fund’s general focus on the largest

U.S. companies, which tend to have more of a global presence, whereas smaller benchmark companies focused on the relatively strong U.S. economy outperformed.

On the positive side, the Fund benefited from strong stock selection in the Industrials sector and continued strength in aerospace-related areas. In the Energy sector, companies that explore for and produce oil and natural gas in rapidly developing shale basins in the U.S. performed strongly. The Fund also benefited from underweight positions in the Energy and Telecommunication Services sectors. Portfolio turnover is normally high for this Fund, as the portfolio manager attempts to generate better returns through active sector and stock selection.

Recent Developments

Looking ahead, U.S. equity markets are on solid footing due to the improving employment backdrop, which is expected to lead to a more sustainable housing recovery and eventually spill over into the overall economy. Central bankers will have to strike a delicate balance between providing sufficient liquidity to keep the current momentum in place, while being mindful that sometime in the foreseeable future the U.S. economy has to expand on its own fundamentals with less help from monetary policy. As a result, the portfolio manager expects the rest of 2014 to be positive for equities, but with more moderate returns expected. The portfolio manager envisions a more selective stock environment for U.S. stocks as many sectors are now approaching fair value.

More recently, the Fed has begun reducing its program of extraordinary monetary easing, a sign that the U.S. economy may be on the road to a more self-sustaining recovery after four years of fragile growth. The big stock gains of the past year mean that the U.S. equity markets have moved from being undervalued to being more fairly valued.

Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund’s day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course



March 31, 2014

of their normal businesses are discussed below.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are the principal distributors of, or distribute certain series of the mutual fund shares of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, Series H and Series D mutual fund shares.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC IS and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



March 31, 2014

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Series A												
Mar. 31, 2014	11.83	0.23	(0.28)	0.47	2.70	3.12	—	—	—	—	—	14.90
Mar. 31, 2013	10.73	0.26	(0.23)	0.02	1.57	1.62	—	—	—	—	—	11.83
Mar. 31, 2012 ³	10.00 [†]	0.05	(0.06)	—	0.71	0.70	—	—	—	—	—	10.73
Advisor Series												
Mar. 31, 2014	11.83	0.23	(0.28)	0.47	2.71	3.13	—	—	—	—	—	14.90
Mar. 31, 2013	10.72	0.26	(0.23)	0.02	1.56	1.61	—	—	—	—	—	11.83
Mar. 31, 2012 ³	10.00 [†]	0.06	(0.06)	—	0.71	0.71	—	—	—	—	—	10.72
Series H												
Mar. 31, 2014	11.85	0.22	(0.27)	0.44	2.55	2.94	—	—	—	—	—	14.98
Mar. 31, 2013 ⁴	10.36 [†]	0.18	(0.14)	0.02	1.07	1.13	—	—	—	—	—	11.85
Series D												
Mar. 31, 2014	11.96	0.24	(0.15)	0.48	2.75	3.32	—	—	—	—	—	15.21
Mar. 31, 2013	10.75	0.25	(0.13)	0.02	1.53	1.67	—	—	—	—	—	11.96
Mar. 31, 2012 ³	10.00 [†]	0.05	(0.04)	—	0.71	0.72	—	—	—	—	—	10.75
Series F												
Mar. 31, 2014	12.00	0.24	(0.13)	0.48	2.75	3.34	—	—	—	—	—	15.30
Mar. 31, 2013	10.75	0.26	(0.10)	0.02	1.57	1.75	—	—	—	—	—	12.00
Mar. 31, 2012 ³	10.00 [†]	0.05	(0.03)	—	0.71	0.73	—	—	—	—	—	10.75
Series I												
Mar. 31, 2014	12.02	0.22	(0.11)	0.44	2.53	3.08	—	—	—	—	—	15.37
Mar. 31, 2013 ⁴	10.42 [†]	0.18	(0.06)	0.02	1.08	1.22	—	—	—	—	—	12.02
Series O												
Mar. 31, 2014	12.13	0.24	(0.01)	0.49	2.80	3.52	—	—	—	—	—	15.60
Mar. 31, 2013	10.78	0.29	(0.01)	0.02	1.73	2.03	—	—	—	—	—	12.13
Mar. 31, 2012 ³	10.00 [†]	0.07	(0.01)	—	0.71	0.77	—	—	—	—	—	10.78

¹ Net assets and distributions are based on the actual number of mutual fund shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of mutual fund shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per mutual fund share.

² Distributions are reinvested in additional mutual fund shares of the Fund or paid in cash.

³ From January 1, 2012.

⁴ From July 9, 2012.

[†] Initial offering net asset value per mutual fund share.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2014	14.90	5 938	398	2.18	2.20	18.97	0.33
Mar. 31, 2013	11.83	3 391	287	2.13	2.17	7.96	0.33
Mar. 31, 2012 ⁴	10.73	384	36	2.18	2.18	–	0.48
Advisor Series							
Mar. 31, 2014	14.90	721	48	2.15	2.17	18.97	0.33
Mar. 31, 2013	11.83	505	43	2.15	2.19	7.96	0.33
Mar. 31, 2012 ⁴	10.72	77	7	2.18	2.18	–	0.48
Series H							
Mar. 31, 2014	14.98	482	32	1.94	1.96	18.97	0.33
Mar. 31, 2013 ⁵	11.85	1	–	1.86	1.90	7.96	0.33
Series D							
Mar. 31, 2014	15.21	2 869	189	1.18	1.20	18.97	0.33
Mar. 31, 2013	11.96	1 799	150	1.25	1.29	7.96	0.33
Mar. 31, 2012 ⁴	10.75	59	5	1.27	1.27	–	0.48
Series F							
Mar. 31, 2014	15.30	1 083	71	0.97	0.99	18.97	0.33
Mar. 31, 2013	12.00	488	41	0.97	1.01	7.96	0.33
Mar. 31, 2012 ⁴	10.75	80	7	0.99	0.99	–	0.48
Series I							
Mar. 31, 2014	15.37	400	26	0.75	0.77	18.97	0.33
Mar. 31, 2013 ⁵	12.02	1	–	0.76	0.80	7.96	0.33
Series O							
Mar. 31, 2014	15.60	9 198	590	0.09	0.11	18.97	0.33
Mar. 31, 2013	12.13	6 473	534	0.10	0.14	7.96	0.33
Mar. 31, 2012 ⁴	10.78	2 999	278	0.11	0.11	–	0.48

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From January 1, 2012.

⁵ From July 9, 2012.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.75%	66%	34%
Advisor Series	1.75%	66%	34%
Series H	1.65%	70%	30%
Series D	1.00%	25%	75%
Series F	0.75%	–	100%
Series I	0.60%	–	100%

Series O – no management fees are paid by the Fund in respect of Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, investment advisory services, general administration and profit.

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.





March 31, 2014

PAST PERFORMANCE (cont.)

Annual Compound Returns (%)

The table shows the annual compound returns for each series of the Fund and for each of the periods indicated ended on March 31, 2014, compared with the following benchmark:

S&P 500 Total Return Index (CAD)

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A ¹	26.0	–	–	–	19.4
Benchmark	32.6	–	–	–	0.7
Advisor Series ¹	26.0	–	–	–	19.4
Benchmark	32.6	–	–	–	0.7
Series H ²	26.4	–	–	–	23.8
Benchmark	32.6	–	–	–	0.8
Series D ¹	27.2	–	–	–	20.5
Benchmark	32.6	–	–	–	0.7
Series F ¹	27.5	–	–	–	20.8
Benchmark	32.6	–	–	–	0.7
Series I ²	27.9	–	–	–	25.2
Benchmark	32.6	–	–	–	0.8
Series O ¹	28.6	–	–	–	21.8
Benchmark	32.6	–	–	–	0.7

The returns of each series may vary because of differences in management fees and expenses. The Benchmark returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark.

¹ Inception date January 1, 2012.

² Inception date July 9, 2012.

INDEX DESCRIPTION

S&P 500 Total Return Index (CAD) This index is a capitalization-weighted index measuring the Canadian dollar performance of 500 widely held common stocks representing all major industries in the United States. The index gives investors a broad measure of the overall performance of the U.S. stock market.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2014

Investment Mix

	% of Net Asset Value
Information Technology	23.7
Financials	15.2
Industrials	12.3
Health Care	12.1
Energy	9.5
Consumer Discretionary	9.2
Consumer Staples	8.4
Materials	3.2
Telecommunication Services	2.5
Utilities	2.5
Cash/Other	1.4

Top 25 Holdings*

	% of Net Asset Value
Apple Inc.	3.1
Microsoft Corp.	2.6
Johnson & Johnson	2.1
Exxon Mobil Corp.	2.0
Wells Fargo & Company	1.9
KeyCorp	1.8
QUALCOMM Inc.	1.8
Google Inc., Class A	1.7
Lockheed Martin Corporation	1.7
JPMorgan Chase & Co.	1.7
EOG Resources Inc.	1.7
Morgan Stanley	1.6
Hewlett-Packard Co.	1.6
Merck & Co. Inc.	1.6
Union Pacific Corp.	1.6
Oracle Corporation	1.6
Archer Daniels Midland Co.	1.6
Prudential Financial Inc.	1.5
Cummins Engine Inc.	1.5
The Walt Disney Company	1.5
Colgate-Palmolive Company	1.5
Tyco International Ltd.	1.5
NextEra Energy Inc.	1.5
Halliburton Co.	1.4
AT&T Inc.	1.4
Top 25 Holdings	43.5

* The Fund invests substantially all of its assets directly in the RBC Private U.S. Equity Pool. The above are the Top 25 holdings of the RBC Private U.S. Equity Pool.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.

The Simplified Prospectus and other information about the underlying fund are available on SEDAR website at www.sedar.com.



U.S. EQUITY FUND

**PHILLIPS, HAGER & NORTH U.S.
MULTI-STYLE ALL-CAP EQUITY CLASS**

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

The Board of Directors of RBC Corporate Class Inc. approved this annual management report of fund performance on May 9, 2014.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/funds or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



March 31, 2014

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in a well-diversified portfolio of U.S. equity securities.

To achieve its investment objective, the Fund invests most of its assets in the Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund (the “underlying fund”). The underlying fund invests in U.S. equity securities with the objective of building a portfolio that encompasses multiple investment styles. The underlying fund’s portfolio will be comprised of the following investment styles, which are managed by RBC GAM’s sub-advisors as separate portfolios within the underlying fund: U.S. Large Cap Growth, U.S. Mid Cap Growth, U.S. Large Cap Value, U.S. Mid Cap Value and U.S. Small Cap Core.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund’s overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund’s net asset value rose to \$23 million as of March 31, 2014, from \$12 million as of March 31, 2013. The change was due to a mix of net inflows and investment returns.

Over the past year, the Fund’s Series A shares rose 29.3%, which underperformed the 33.4% rise in the benchmark. The Fund’s return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

Developed-market economies extended their recovery into 2014, with the U.S. benefiting from a strengthening housing market and steady, if not robust, consumer demand, while much of Europe continued to claw its way back from almost two years of recession. One sign of the improved mood was a signal from the U.S. Federal Reserve (the “Fed”) that it would consider reducing economic stimulus before the end of 2013 following five years of extraordinarily loose monetary policy. In December 2013, the Fed made good on its promise to start paring bond purchases, and the monthly purchases have fallen to US\$55 billion from US\$85 billion just a few months ago. However, the European Central Bank and the Bank of Japan, concerned that their economies were still fragile, went in the opposite direction by increasing economic stimulus. Stock markets in most developed countries and regions posted strong, steady gains during the fiscal year, supported by monetary stimulus and the improving economic outlook.

The Large Cap Growth component underperformed the benchmark, the Russell Top 200 Growth Index. An overweight position and poor security selection in the Financials sector detracted from returns. Security selection in the Energy and Consumer Discretionary sectors also had a negative impact on performance.

The Large Cap Value strategy underperformed its benchmark, the Russell Top 200 Value Index, as security selection weighed on returns. Adverse security selection in Consumer Discretionary, Financials, Materials and Health Care offset positive security selection in Utilities, Consumer Staples and Energy.

The Mid Cap Growth component underperformed the benchmark, the Russell Mid Cap Growth Index, as security selection detracted from returns. Positive security selection in the Financials and Energy sectors was more than offset by poor security selection in the Industrials, Health Care and Information Technology sectors.

The Mid Cap Value strategy outperformed its benchmark, the Russell Mid Cap Value Index. The outperformance was attributable to both security selection and asset allocation. Positive security selection in the Information Technology, Health Care and Materials sectors had a positive effect on performance, as well as an overweight allocation in the Information Technology sector and underweight allocations in Utilities and Financials.

The Small Cap Core strategy outperformed its benchmark, the Russell 2000 Index, due to both favourable security selection and sector allocation. Positive security selection in Consumer Discretionary and Industrials had the largest impact on returns. An underweight in the Utilities sector also contributed positively.

Recent Developments

Five years past the global financial crisis, economic normalization is well advanced. Low inflation, highly accommodative monetary policies and evolving risk preference in most of developed markets continue to boost activity. The portfolio manager expects a moderate uptick in global growth in 2014 from 2013’s levels, and a slightly stronger expansion in 2015. However, headwinds have surfaced in emerging markets in the form of political turmoil in Ukraine, slowing economic growth in China and concern that the outcomes of upcoming elections will have negative effects on domestic economies. These challenges have caused short-term market fluctuations, but in our view do not represent critical risks to the trajectory of the business-cycle expansion.



Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are the principal distributors of, or distribute certain series of the mutual fund shares of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, Series H and Series D mutual fund shares.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC IS and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



March 31, 2014

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Series A												
Mar. 31, 2014	11.87	0.20	(0.27)	1.52	2.02	3.47	—	—	(0.28)	—	(0.28)	15.00
Mar. 31, 2013	10.66	0.24	(0.22)	0.96	1.30	2.28	—	—	—	—	—	11.87
Mar. 31, 2012 ³	10.00 [†]	—	(0.06)	—	0.71	0.65	—	—	—	—	—	10.66
Advisor Series												
Mar. 31, 2014	11.87	0.20	(0.26)	1.52	2.02	3.48	—	—	(0.28)	—	(0.28)	15.01
Mar. 31, 2013	10.66	0.38	(0.22)	1.53	2.06	3.75	—	—	—	—	—	11.87
Mar. 31, 2012 ³	10.00 [†]	—	(0.06)	—	0.71	0.65	—	—	—	—	—	10.66
Series H												
Mar. 31, 2014	11.88	0.20	(0.24)	1.53	2.02	3.51	—	—	(0.28)	—	(0.28)	15.06
Mar. 31, 2013 ⁴	10.30 [†]	0.14	(0.15)	0.56	0.75	1.30	—	—	—	—	—	11.88
Series D												
Mar. 31, 2014	11.99	0.21	(0.15)	1.55	2.05	3.66	—	—	(0.28)	—	(0.28)	15.29
Mar. 31, 2013	10.68	0.21	(0.13)	0.85	1.15	2.08	—	—	—	—	—	11.99
Mar. 31, 2012 ³	10.00 [†]	—	(0.03)	—	0.71	0.68	—	—	—	—	—	10.68
Series F												
Mar. 31, 2014	12.04	0.20	(0.12)	1.53	2.03	3.64	—	—	(0.28)	—	(0.28)	15.38
Mar. 31, 2013	10.69	0.23	(0.11)	0.93	1.25	2.30	—	—	—	—	—	12.04
Mar. 31, 2012 ³	10.00 [†]	—	(0.03)	—	0.71	0.68	—	—	—	—	—	10.69
Series I												
Mar. 31, 2014	12.05	0.21	(0.09)	1.58	2.10	3.80	—	—	(0.28)	—	(0.28)	15.43
Mar. 31, 2013 ⁴	10.36 [†]	0.12	(0.06)	0.48	0.65	1.19	—	—	—	—	—	12.05
Series O												
Mar. 31, 2014	12.16	0.20	(0.01)	1.54	2.04	3.77	—	—	(0.28)	—	(0.28)	15.66
Mar. 31, 2013	10.71	0.33	(0.01)	1.34	1.80	3.46	—	—	—	—	—	12.16
Mar. 31, 2012 ³	10.00 [†]	—	(0.02)	—	0.71	0.69	—	—	—	—	—	10.71

¹ Net assets and distributions are based on the actual number of mutual fund shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of mutual fund shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per mutual fund share.

² Distributions are reinvested in additional mutual fund shares of the Fund or paid in cash.

³ From January 1, 2012.

⁴ From July 9, 2012.

[†] Initial offering net asset value per mutual fund share.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2014	15.00	8 886	592	2.11	2.12	7.64	0.18
Mar. 31, 2013	11.87	4 480	377	2.05	2.10	12.23	0.25
Mar. 31, 2012 ⁴	10.66	614	58	2.14	2.14	–	0.41
Advisor Series							
Mar. 31, 2014	15.01	224	15	2.04	2.05	7.64	0.18
Mar. 31, 2013	11.87	124	10	2.07	2.12	12.23	0.25
Mar. 31, 2012 ⁴	10.66	239	22	2.14	2.14	–	0.41
Series H							
Mar. 31, 2014	15.06	987	66	1.82	1.83	7.64	0.18
Mar. 31, 2013 ⁵	11.88	444	37	1.92	1.97	12.23	0.25
Series D							
Mar. 31, 2014	15.29	9 496	621	1.19	1.20	7.64	0.18
Mar. 31, 2013	11.99	5 428	453	1.24	1.29	12.23	0.25
Mar. 31, 2012 ⁴	10.68	122	11	1.29	1.29	–	0.41
Series F							
Mar. 31, 2014	15.38	2 615	170	0.95	0.96	7.64	0.18
Mar. 31, 2013	12.04	901	75	0.97	1.02	12.23	0.25
Mar. 31, 2012 ⁴	10.69	1	–	1.01	1.01	–	0.41
Series I							
Mar. 31, 2014	15.43	264	17	0.75	0.76	7.64	0.18
Mar. 31, 2013 ⁵	12.05	229	19	0.77	0.82	12.23	0.25
Series O							
Mar. 31, 2014	15.66	557	36	0.09	0.10	7.64	0.18
Mar. 31, 2013	12.16	57	5	0.09	0.14	12.23	0.25
Mar. 31, 2012 ⁴	10.71	173	16	0.12	0.12	–	0.41

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From January 1, 2012.

⁵ From July 9, 2012.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.75%	57%	43%
Advisor Series	1.75%	57%	43%
Series H	1.60%	63%	37%
Series D	1.00%	25%	75%
Series F	0.75%	–	100%
Series I	0.60%	–	100%

Series O – no management fees are paid by the Fund in respect of Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, investment advisory services, general administration and profit.

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.





March 31, 2014

PAST PERFORMANCE (cont.)

Annual Compound Returns (%)

The table shows the annual compound returns for each series of the Fund and for each of the periods indicated ended on March 31, 2014, compared with the following benchmark:

Russell 3000 Total Return Index (CAD)

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A ¹	29.3	–	–	–	21.0
Benchmark	33.4	–	–	–	0.7
Advisor Series ¹	29.4	–	–	–	21.0
Benchmark	33.4	–	–	–	0.7
Series H ²	29.7	–	–	–	26.2
Benchmark	33.4	–	–	–	0.8
Series D ¹	30.5	–	–	–	22.0
Benchmark	33.4	–	–	–	0.7
Series F ¹	30.8	–	–	–	22.4
Benchmark	33.4	–	–	–	0.7
Series I ²	31.1	–	–	–	27.6
Benchmark	33.4	–	–	–	0.8
Series O ¹	31.9	–	–	–	23.4
Benchmark	33.4	–	–	–	0.7

The returns of each series may vary because of differences in management fees and expenses. The Benchmark returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark.

¹ Inception date January 1, 2012.

² Inception date July 9, 2012.

INDEX DESCRIPTION

Russell 3000 Total Return Index (CAD) This index measures the Canadian dollar performance of the largest 3000 U.S. companies representing approximately 98% of the U.S. equity market. The index provides a broader barometer of the equity market than the S&P 500 Index.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2014

Investment Mix

	% of Net Asset Value
Information Technology	19.1
Financials	16.7
Industrials	14.1
Health Care	12.7
Consumer Discretionary	10.8
Energy	9.3
Consumer Staples	6.0
Materials	5.9
Utilities	2.6
Telecommunication Services	0.9
Cash/Other	1.9

Top 25 Holdings*

	% of Net Asset Value
Apple Inc.	2.1
Google Inc., Class A	1.6
Cash & Cash Equivalents	1.6
Wells Fargo & Company	1.5
Johnson & Johnson	1.3
Microsoft Corp.	1.3
Pfizer Inc.	1.3
JPMorgan Chase & Co.	1.2
The Walt Disney Company	1.1
Chevron Corp.	1.1
Honeywell International Inc.	1.0
Lockheed Martin Corporation	1.0
Exxon Mobil Corp.	0.9
CVS Corp.	0.9
Helmerich & Payne	0.8
Skyworks Solutions Inc.	0.8
Mondelez International Inc.	0.8
Hartford Financial Services Inc.	0.7
Sempra Energy	0.7
C.R. Bard Inc.	0.7
NXP Semiconductor N.V.	0.7
Delta Air Lines Inc.	0.7
Gilead Sciences Inc.	0.7
Adobe Systems Inc.	0.7
Caterpillar Inc.	0.7
Top 25 Holdings	25.9

* The Fund invests substantially all of its assets directly in the Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund. The above are the Top 25 holdings of the Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.

The Simplified Prospectus and other information about the underlying fund are available on SEDAR website at www.sedar.com.



INTERNATIONAL EQUITY FUND

**PHILLIPS, HAGER & NORTH
OVERSEAS EQUITY CLASS**

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

The Board of Directors of RBC Corporate Class Inc. approved this annual management report of fund performance on May 9, 2014.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/funds or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



March 31, 2014

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing in a diversified portfolio of common stocks in companies in the world's largest industrialized countries outside North America, including countries in Europe, the Far East, including Japan and Australia.

To achieve its investment objective, the Fund will invest most of its assets in the Phillips, Hager & North Overseas Equity Fund (the "underlying fund"). The underlying fund invests in companies that are attractively valued, possess sound fundamentals and have a strong market position.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund's overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund's net asset value rose to \$30 million as of March 31, 2014, from \$17 million as of March 31, 2013. The change was due to a mix of net inflows and investment returns.

Over the past year, the Fund's Series A shares rose 26.1%, which underperformed the 27.7% rise in the benchmark. The Fund's return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

In terms of stock selection, Telecom Italia, Renault, Balfour Beatty, and Novartis were among the top contributors to the Fund's performance. Telecom Italia shares, which traded at attractive valuations, rebounded due to a reduction in debt financed by asset sales and an improvement in industry-wide pricing for wireless services. Carmaker Renault was also selling at a deep discount based on its assets, which include Nissan. Cost-cutting led to better profitability and this was reflected in a higher valuation.

Among stocks that had a negative impact on performance were two gold-mining companies, Zijin Mining and Newcrest, which performed poorly in an environment of falling gold prices. UGL, an industrial company in Australia, also performed poorly. This company has a business that provides services to the mining industry, and the downturn in capital spending on mine projects hurt the company's profitability.

The worst-performing market sectors were Materials and Consumer Staples and the Fund was underweight in both areas. By contrast, Telecommunication Services and Health Care were among the best performing, and the Fund had above-benchmark exposure to both. By region, the Fund's overweight position in France and Italy had a particularly beneficial effect, as these markets recorded strong returns. A relative lack of exposure to Japan also aided performance, as this country's stock market lagged other major developed markets during the period.

Overall, markets were strong, but currency gains from a weak Canadian dollar also added to returns. Among major currencies, the British pound rose most against the Canadian dollar, followed by the euro and the U.S. dollar.

Recent Developments

Recent equity-market gains have raised stocks to levels that are more fully valued. This development combined with geopolitical concerns, an economic slowdown in China and reform challenges in Japan, has prompted the portfolio manager to become more cautious. As a result, the Fund has lowered exposure to the economically sensitive Financials sector while increasing allocations to the more defensive Consumer Staples and Utilities sectors. In addition, the Fund continues to have an overweight position in the Health Care sector.

By region, the Fund is maintaining an overweight position in Europe and underweight positions in Japan and Australia. The portfolio manager is concerned that Japan has the highest debt levels in the world and yet enjoys the lowest cost of debt. With regard to Australia, the portfolio manager is concerned that this country has a heavy resource orientation, which will be challenged by an economic slowdown in China.

In summary, the portfolio manager has a more defensive bent to the portfolio than last year. The focus is on companies that generate good cash flows, which can finance attractive dividends. As a result, the portfolio currently has an overall dividend yield that exceeds that of the benchmark.

Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.



March 31, 2014

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are the principal distributors of, or distribute certain series of the mutual fund shares of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, Series H and Series D mutual fund shares.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC IS and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



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FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Series A												
Mar. 31, 2014	11.47	0.41	(0.29)	0.14	2.73	2.99	—	—	—	—	—	14.46
Mar. 31, 2013	10.83	0.46	(0.24)	(0.02)	0.87	1.07	—	—	—	—	—	11.47
Mar. 31, 2012 ³	10.00 [†]	—	(0.06)	0.01	0.87	0.82	—	—	—	—	—	10.83
Advisor Series												
Mar. 31, 2014	11.47	0.42	(0.26)	0.14	2.84	3.14	—	—	—	—	—	14.48
Mar. 31, 2013	10.83	0.38	(0.25)	(0.01)	0.71	0.83	—	—	—	—	—	11.47
Mar. 31, 2012 ³	10.00 [†]	—	(0.07)	0.02	0.87	0.82	—	—	—	—	—	10.83
Series H												
Mar. 31, 2014	11.49	0.39	(0.26)	0.13	2.63	2.89	—	—	—	—	—	14.53
Mar. 31, 2013 ⁴	10.25 [†]	0.32	(0.15)	(0.01)	0.59	0.75	—	—	—	—	—	11.49
Series D												
Mar. 31, 2014	11.58	0.42	(0.16)	0.14	2.82	3.22	—	—	—	—	—	14.74
Mar. 31, 2013	10.85	0.44	(0.15)	(0.02)	0.83	1.10	—	—	—	—	—	11.58
Mar. 31, 2012 ³	10.00 [†]	—	(0.04)	0.01	0.87	0.84	—	—	—	—	—	10.85
Series F												
Mar. 31, 2014	11.63	0.43	(0.13)	0.15	2.86	3.31	—	—	—	—	—	14.83
Mar. 31, 2013	10.86	0.52	(0.12)	(0.02)	0.98	1.36	—	—	—	—	—	11.63
Mar. 31, 2012 ³	10.00 [†]	—	(0.03)	0.01	0.87	0.85	—	—	—	—	—	10.86
Series I												
Mar. 31, 2014	11.64	0.42	(0.12)	0.14	2.84	3.28	—	—	—	—	—	14.88
Mar. 31, 2013 ⁴	10.31 [†]	0.24	(0.08)	(0.01)	0.45	0.60	—	—	—	—	—	11.64
Series O												
Mar. 31, 2014	11.77	0.43	(0.01)	0.15	2.88	3.45	—	—	—	—	—	15.16
Mar. 31, 2013	10.89	0.61	(0.01)	(0.02)	1.14	1.72	—	—	—	—	—	11.77
Mar. 31, 2012 ³	10.00 [†]	—	(0.01)	0.02	0.87	0.88	—	—	—	—	—	10.89

¹ Net assets and distributions are based on the actual number of mutual fund shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of mutual fund shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per mutual fund share.

² Distributions are reinvested in additional mutual fund shares of the Fund or paid in cash.

³ From January 1, 2012.

⁴ From July 9, 2012.

[†] Initial offering net asset value per mutual fund share.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2014	14.46	8 054	557	2.27	2.28	7.87	0.39
Mar. 31, 2013	11.47	2 840	248	2.24	2.28	10.66	0.38
Mar. 31, 2012 ⁴	10.83	263	24	2.31	2.31	11.25	0.34
Advisor Series							
Mar. 31, 2014	14.48	298	21	2.14	2.15	7.87	0.39
Mar. 31, 2013	11.47	242	21	2.23	2.27	10.66	0.38
Mar. 31, 2012 ⁴	10.83	9	1	2.31	2.31	11.25	0.34
Series H							
Mar. 31, 2014	14.53	504	35	2.03	2.04	7.87	0.39
Mar. 31, 2013 ⁵	11.49	1	—	2.02	2.06	10.66	0.38
Series D							
Mar. 31, 2014	14.74	14 655	994	1.34	1.35	7.87	0.39
Mar. 31, 2013	11.58	9 531	823	1.41	1.45	10.66	0.38
Mar. 31, 2012 ⁴	10.85	108	10	1.46	1.46	11.25	0.34
Series F							
Mar. 31, 2014	14.83	1 450	98	1.11	1.12	7.87	0.39
Mar. 31, 2013	11.63	1 345	116	1.13	1.17	10.66	0.38
Mar. 31, 2012 ⁴	10.86	44	4	1.18	1.18	11.25	0.34
Series I							
Mar. 31, 2014	14.88	724	49	0.96	0.97	7.87	0.39
Mar. 31, 2013 ⁵	11.64	392	34	1.00	1.04	10.66	0.38
Series O							
Mar. 31, 2014	15.16	4 473	295	0.12	0.13	7.87	0.39
Mar. 31, 2013	11.77	2 610	222	0.13	0.17	10.66	0.38
Mar. 31, 2012 ⁴	10.89	1 326	122	0.16	0.16	11.25	0.34

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From January 1, 2012.

⁵ From July 9, 2012.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.85%	54%	46%
Advisor Series	1.85%	54%	46%
Series H	1.75%	57%	43%
Series D	1.10%	23%	77%
Series F	0.85%	–	100%
Series I	0.75%	–	100%

Series O – no management fees are paid by the Fund in respect of Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, investment advisory services, general administration and profit.

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund’s performance for each of the years shown, and illustrates how the Fund’s performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.





March 31, 2014

PAST PERFORMANCE (cont.)

Annual Compound Returns (%)

The table shows the annual compound returns for each series of the Fund and for each of the periods indicated ended on March 31, 2014, compared with the following benchmark:

MSCI EAFE Total Return Net Index (CAD)

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A ¹	26.1	–	–	–	17.8
Benchmark	27.7	–	–	–	0.8
Advisor Series ¹	26.3	–	–	–	17.9
Benchmark	27.7	–	–	–	0.8
Series H ²	26.5	–	–	–	22.4
Benchmark	27.7	–	–	–	0.8
Series D ¹	27.3	–	–	–	18.8
Benchmark	27.7	–	–	–	0.8
Series F ¹	27.6	–	–	–	19.2
Benchmark	27.7	–	–	–	0.8
Series I ²	27.8	–	–	–	23.6
Benchmark	27.7	–	–	–	0.8
Series O ¹	28.8	–	–	–	20.3
Benchmark	27.7	–	–	–	0.8

The returns of each series may vary because of differences in management fees and expenses. The Benchmark returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark.

¹ Inception date January 1, 2012.

² Inception date July 9, 2012.

INDEX DESCRIPTION

MSCI EAFE Total Return Net Index (CAD) This index is a broad measure of the Canadian dollar performance of stocks from developed equity markets covering countries in Europe, Australasia and the Far East. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2014

Investment Mix – Sectors

	% of Net Asset Value
Financials	19.5
Health Care	14.6
Industrials	14.1
Energy	10.1
Consumer Staples	9.5
Materials	6.9
Consumer Discretionary	6.7
Telecommunication Services	5.1
Information Technology	2.2
Utilities	2.1
Cash/Other	9.2

Investment Mix – Countries/Regions

	% of Net Asset Value
Europe ex. U.K. Equities	49.2
U.K. Equities	21.2
Japan Equities	12.6
Pacific ex. Japan Equities	6.5
U.S. Equities	2.3
Middle East & Africa Equities	0.6
Cash/Other	7.6

Top 25 Holdings*

	% of Net Asset Value
Cash & Cash Equivalents	6.1
Roche Holdings AG Genussscheine	4.9
Sanofi	4.7
Novartis AG	4.6
The Royal Bank of Scotland Group Plc.	3.0
Nippon Telegraph & Telephone Corp.	3.0
Direct Line Insurance Group Plc.	2.6
Total S.A.	2.6
Balfour Beatty Plc.	2.5
Royal Dutch Shell Plc.	2.4
Itochu Corp.	2.4
Catlin Group Ltd.	2.2
Inpex Corp.	2.1
Renault S.A.	2.0
Syngenta AG	2.0
Carillion Plc.	1.8
ABB Ltd.	1.6
Nestle S.A.	1.5
Intesa Sanpaolo S.p.A.	1.5
Unilever Plc.	1.5
ArcelorMittal	1.5
Yara International ASA	1.4
Compagnie Generale des Etablissements Michelin	1.4
BNP Paribas S.A.	1.3
HSBC Holdings Plc. (U.K. Reg.)	1.2
Top 25 Holdings	61.8

* The Fund invests substantially all of its assets directly in the Phillips, Hager & North Overseas Equity Fund. The above are the Top 25 holdings of the Phillips, Hager & North Overseas Equity Fund.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.

The Simplified Prospectus and other information about the underlying fund are available on SEDAR website at www.sedar.com.



INTERNATIONAL EQUITY FUND

**RBC EMERGING MARKETS
EQUITY CLASS**

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

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March 31, 2014

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing primarily in equity securities of companies located in or active in emerging markets.

To achieve its investment objective, the Fund invests most of its assets in the RBC Emerging Markets Equity Fund (the “underlying fund”). The underlying fund invests in securities of companies located or active in emerging-market countries, including, but not limited to: China, Brazil, South Korea, Taiwan, India, South Africa, Russia, Mexico, Israel, Malaysia, Indonesia, Turkey, Chile, Thailand and Poland. The portfolio is diversified by sector and emerging-market country to help reduce risk. Individual stocks are selected based on the intrinsic value of each company, liquidity and overall portfolio risk.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund’s overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund’s net asset value rose to \$39 million as of March 31, 2014, from \$27 million as of March 31, 2013. Most of the change was due to net inflows.

Over the past year, the Fund’s Series A shares rose 6.4%, which underperformed the 7.1% rise in the benchmark. The Fund’s return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

Emerging-market equities underperformed developed markets in 2013 for reasons that varied depending on the time of the year. Among the concerns were Chinese economic growth; the strength of the U.S. dollar; weak earnings growth relative to developed markets; and higher bond yields, which make financing more expensive. Emerging markets recovered significantly in the final quarter of the reporting period after valuations fell to very attractive levels and the outlook for earnings improved as many emerging-market countries took policy steps to boost economic growth. Another development that aided emerging-market stocks was speculation that election outcomes in Brazil, India and Indonesia would lead to governments that were more investor-friendly. In the final two months of the fiscal year, the loss in the benchmark emerging-market index narrowed in U.S. dollar terms to about 1% from about 11%.

Stock selection is the principal determinant of the Fund’s relative performance. The Fund’s focus on high-quality growth stocks trading at reasonable valuations had a positive impact on performance. Stock selection was particularly strong in South Africa, Turkey and India. In particular, a focus on large companies with significant cash flow, dominant market shares and strong balance sheets also aided returns.

Stocks that contributed to the Fund’s results included Naspers, Hikma, Taiwan Semiconductor, Baidu, Bank Pekao, Wynn Macau and Malaysia’s Public Bank.

Stocks that had a negative effect on performance were Embotelladora Andina, Sberbank, CCU, Tisco and SM Investment. Embotelladora Andina, a Chilean-based Coca-Cola bottler, performed particularly poorly due to concern about the possibility of higher sugar taxes in Chile and a currency devaluation in Argentina, which accounts for 20% of company sales.

Stock selection in Brazil hurt performance amid weakness in the Materials sector. The Fund’s preference for businesses that benefit from domestic growth, combined with a relative lack of exposure to commodities producers, had a positive impact on performance.

Given the rise in valuations in the consumer sectors over the past four years, the Fund reduced its exposure to the Consumer Discretionary and Consumer Staples sectors. Meanwhile, the sub-advisor increased allocations to Industrials-sector companies such as Delta Electronics and Airtac, both of Taiwan, and Weg, a Brazilian maker of electrical equipment that should benefit from the trend toward automation.

Exposure to specific countries was generally in line with benchmark levels and therefore had limited impact on relative Fund performance. The Fund benefited from exposure to markets such as Nigeria and Jordan, a complete lack of exposure to Hungary, and underweight positions in Colombia and Brazil. Underweight positions in South Korea, China and Taiwan hurt performance in the second half of the year as hopes of a global growth recovery had a positive impact on those markets.

Recent Developments

The financial position of many emerging markets has improved in recent months as a stronger U.S. dollar has made exporters more competitive, current accounts have narrowed and lending has slowed. Borrowing costs have fallen in response and exports are strengthening, leading to healthier current accounts and a recovery in stocks.



March 31, 2014

The Fund will retain its preference for stocks of companies with predictable earnings and strong balance sheets, and companies that benefit from domestic growth. Stocks of these types of companies have performed well, and the sub-advisor expects this trend to continue.

Related-Party Transactions

Manager and Portfolio Advisor

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Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC IS and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



March 31, 2014

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Corporate Class Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Series A												
Mar. 31, 2014	11.85	0.27	(0.26)	0.07	0.81	0.89	—	—	—	—	—	12.61
Mar. 31, 2013	10.79	0.22	(0.24)	0.03	1.46	1.47	—	—	—	—	—	11.85
Mar. 31, 2012 ³	10.00 [†]	—	(0.06)	—	0.84	0.78	—	—	—	—	—	10.79
Advisor Series												
Mar. 31, 2014	11.86	0.26	(0.26)	0.07	0.80	0.87	—	—	—	—	—	12.61
Mar. 31, 2013	10.79	0.19	(0.25)	0.02	1.23	1.19	—	—	—	—	—	11.86
Mar. 31, 2012 ³	10.00 [†]	—	(0.11)	—	0.84	0.73	—	—	—	—	—	10.79
Series H												
Mar. 31, 2014	11.87	0.27	(0.23)	0.07	0.82	0.93	—	—	—	—	—	12.66
Mar. 31, 2013 ⁴	10.24 [†]	0.12	(0.18)	0.01	0.77	0.72	—	—	—	—	—	11.87
Series D												
Mar. 31, 2014	12.00	0.28	(0.15)	0.08	0.84	1.05	—	—	—	—	—	12.89
Mar. 31, 2013	10.81	0.22	(0.14)	0.03	1.43	1.54	—	—	—	—	—	12.00
Mar. 31, 2012 ³	10.00 [†]	—	(0.04)	—	0.84	0.80	—	—	—	—	—	10.81
Series F												
Mar. 31, 2014	12.03	0.26	(0.11)	0.07	0.81	1.03	—	—	—	—	—	12.96
Mar. 31, 2013	10.83	0.23	(0.11)	0.03	1.52	1.67	—	—	—	—	—	12.03
Mar. 31, 2012 ³	10.00 [†]	—	(0.08)	—	0.84	0.76	—	—	—	—	—	10.83
Series I												
Mar. 31, 2014	12.04	0.26	(0.11)	0.07	0.79	1.01	—	—	—	—	—	12.97
Mar. 31, 2013 ⁴	10.31 [†]	0.14	(0.08)	0.02	0.90	0.98	—	—	—	—	—	12.04
Series O												
Mar. 31, 2014	12.16	0.28	(0.01)	0.08	0.85	1.20	—	—	—	—	—	13.22
Mar. 31, 2013	10.84	0.24	(0.01)	0.03	1.58	1.84	—	—	—	—	—	12.16
Mar. 31, 2012 ³	10.00 [†]	—	(0.01)	—	0.84	0.83	—	—	—	—	—	10.84

¹ Net assets and distributions are based on the actual number of mutual fund shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of mutual fund shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per mutual fund share.

² Distributions are reinvested in additional mutual fund shares of the Fund or paid in cash.

³ From January 1, 2012.

⁴ From July 9, 2012.

[†] Initial offering net asset value per mutual fund share.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2014	12.61	4 465	354	2.48	2.49	7.91	0.25
Mar. 31, 2013	11.85	3 003	253	2.42	2.44	3.33	0.32
Mar. 31, 2012 ⁴	10.79	365	34	2.51	2.51	–	0.46
Advisor Series							
Mar. 31, 2014	12.61	528	42	2.50	2.51	7.91	0.25
Mar. 31, 2013	11.86	221	19	2.44	2.46	3.33	0.32
Mar. 31, 2012 ⁴	10.79	1	–	2.51	2.51	–	0.46
Series H							
Mar. 31, 2014	12.66	460	36	2.21	2.22	7.91	0.25
Mar. 31, 2013 ⁵	11.87	207	17	2.15	2.17	3.33	0.32
Series D							
Mar. 31, 2014	12.89	821	64	1.50	1.51	7.91	0.25
Mar. 31, 2013	12.00	944	79	1.49	1.51	3.33	0.32
Mar. 31, 2012 ⁴	10.81	110	10	1.56	1.56	–	0.46
Series F							
Mar. 31, 2014	12.96	5 446	420	1.22	1.23	7.91	0.25
Mar. 31, 2013	12.03	1 411	117	1.24	1.26	3.33	0.32
Mar. 31, 2012 ⁴	10.83	2	–	1.27	1.27	–	0.46
Series I							
Mar. 31, 2014	12.97	2 619	202	1.20	1.21	7.91	0.25
Mar. 31, 2013 ⁵	12.04	451	37	1.20	1.22	3.33	0.32
Series O							
Mar. 31, 2014	13.22	24 555	1 857	0.31	0.32	7.91	0.25
Mar. 31, 2013	12.16	20 358	1 674	0.32	0.34	3.33	0.32
Mar. 31, 2012 ⁴	10.84	7 536	695	0.33	0.33	–	0.46

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From January 1, 2012.

⁵ From July 9, 2012.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily net asset value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.85%	54%	46%
Advisor Series	1.85%	54%	46%
Series H	1.70%	59%	41%
Series D	1.00%	25%	75%
Series F	0.75%	–	100%
Series I	0.70%	–	100%

Series O – no management fees are paid by the Fund in respect of Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, investment advisory services, general administration and profit.

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.





March 31, 2014

PAST PERFORMANCE (cont.)

Annual Compound Returns (%)

The table shows the annual compound returns for each series of the Fund and for each of the periods indicated ended on March 31, 2014, compared with the following benchmark:

MSCI Emerging Markets Total Return Net Index (CAD)

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A ¹	6.4	–	–	–	10.9
Benchmark	7.1	–	–	–	0.9
Advisor Series ¹	6.3	–	–	–	10.9
Benchmark	7.1	–	–	–	0.9
Series H ²	6.7	–	–	–	13.1
Benchmark	7.1	–	–	–	0.9
Series D ¹	7.4	–	–	–	12.0
Benchmark	7.1	–	–	–	0.9
Series F ¹	7.7	–	–	–	12.2
Benchmark	7.1	–	–	–	0.9
Series I ²	7.7	–	–	–	14.2
Benchmark	7.1	–	–	–	0.9
Series O ¹	8.7	–	–	–	13.2
Benchmark	7.1	–	–	–	0.9

The returns of each series may vary because of differences in management fees and expenses. The Benchmark returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark.

¹ Inception date January 1, 2012.

² Inception date July 9, 2012.

INDEX DESCRIPTION

MSCI Emerging Markets Total Return Net Index (CAD) This index is a broad measure of the Canadian dollar performance of emerging-market equities. As of May 2010, the index consisted of the following 21 emerging-market country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, South Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand and Turkey. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2014

Investment Mix

	% of Net Asset Value
Other Countries	15.1
South Korea	11.8
India	11.5
China	10.7
South Africa	10.5
Taiwan	9.4
Hong Kong	7.3
Brazil	6.8
Malaysia	4.6
Chile	3.5
Mexico	2.4
Peru	2.3
Indonesia	2.3
Cash/Other	1.8

Top 25 Holdings*

	% of Net Asset Value
Samsung Electronics Co. Ltd.	4.1
Taiwan Semiconductor Manufacturing Co. Ltd.	4.1
Housing Development Finance Corp.	3.6
China Mobile (Hong Kong) Ltd.	2.7
Public Bank Berhad	2.6
Petrochina Co.	2.6
Naspers Ltd.	2.6
AIA Group Ltd.	2.4
HCL Technologies Ltd.	2.4
South African Breweries Plc.	2.4
Samsung Fire & Marine Insurance Co. Ltd.	2.3
Credicorp Ltd.	2.3
PT Astra International Tbk	2.3
Cash & Cash Equivalents	2.3
Dragon Oil Plc.	2.1
Samsonite International S.A.	2.1
Axiata Group Bhd	2.0
Hikma Pharmaceuticals Plc.	2.0
Clicks Group Ltd.	1.9
Embotelladora Andina S.A.	1.9
China Merchants Holdings Co. Ltd.	1.9
Hyundai Motor Co., Preferred	1.8
Banco Bradesco S.A. ADR	1.8
Standard Foods Corp.	1.8
Cheung Kong (Holdings) Ltd.	1.7
Top 25 Holdings	59.7

* The Fund invests substantially all of its assets directly in the RBC Emerging Markets Equity Fund. The above are the Top 25 holdings of the RBC Emerging Markets Equity Fund.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.

The Simplified Prospectus and other information about the underlying fund are available on SEDAR website at www.sedar.com.



GLOBAL EQUITY FUND

RBC GLOBAL RESOURCES CLASS

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

The Board of Directors of RBC Corporate Class Inc. approved this annual management report of fund performance on May 9, 2014.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/funds or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



March 31, 2014

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term capital growth by investing in equity securities of companies around the world in any or all of the Energy, Materials, Industrials and Utilities sectors.

To achieve its investment objective, the Fund invests most of its assets in the RBC Global Resources Fund (the “underlying fund”). The underlying fund pursues global companies with a leading market position, high and sustainable profitability, sound finances and attractive valuations relative to peers and the market. The Fund will focus on mid- to large-cap stocks, but will also invest in smaller companies.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund’s overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund’s net asset value increased to \$1.5 million as of March 31, 2014, from \$900,000 as of March 31, 2013. The change was due mostly to net inflows.

Over the past year, the Fund’s Series A shares rose 12.9%, which underperformed the 22.0% rise in the benchmark. The broad-based index rose 29.4%. The Fund’s return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the other series, which may vary because of differences in management fees and expenses.

The Fund’s underperformance versus its benchmark during the period was largely attributable to the poor performance of smaller-capitalization metals and mining stocks in the portfolio, including Mongolia Minerals and Ivanhoe Mines. Mongolia Minerals was hurt by lower global coal prices and investor concern about tighter government control of the mining industry, while Ivanhoe Mines ran into difficulty financing projects in the Democratic Republic of the Congo. Underweight positions in certain large-capitalization oil and gas companies including Total SA and Royal Dutch Shell also detracted from relative returns, as investors favoured companies that imposed stricter controls on capital expenditures.

The Fund was aided most by overweight positions in a number of oil-and-gas exploration and production stocks, including EOG Resources, Pioneer Natural Resources and Continental Resources. Overweight positions in chemical companies exposed to rising demand for ethylene, a building block for plastics, including LyondellBasell Industries, and overweight positions in packaging makers such as Owens-Illinois and Sealed Air also boosted returns.

Over the 12-month period, North American crude-oil prices remained at relatively high levels, trading mostly above US\$90 per barrel. Oil prices were supported by improved demand as the global economy recovered. Tensions were linked to Syria’s civil war and the threat of U.S. military involvement, which propelled prices above US\$110/barrel in early September. For the most part, gold and precious-metals stocks were one of the worst sectors during the period. Underweight positions in large-cap producers including Barrick and Newmont, coupled with well-timed investments in smaller companies such as Osisko and Primero Mining, had a positive impact.

Recent Developments

Prices for commodities and equities have been relatively volatile in recent months. Among the events affecting equities have been improving U.S. economic data and the U.S. Federal Reserve’s (the “Fed”) decision to begin unwinding its US\$85 billion-per-month bond-purchase program; deteriorating Chinese industrial and manufacturing data, which suggests slowing demand for commodities; Russia’s seizure of Crimea from Ukraine, which is spurring fears of regional conflict; and unseasonably harsh winter conditions in North America.

Gold and precious-metals stocks were among the best-performing equities in early 2014 amid geopolitical tensions tied to Russia and Ukraine, as well as speculation that the Fed will phase out monetary easing more slowly than had been expected. Among base-metals and bulk commodities, prices for copper and iron ore were hurt by weakening demand in China, the largest consumer of commodities, and new supplies coming on stream. On the energy side, natural-gas prices in North America hit multi-year highs as colder-than-normal weather increased demand and depleted stockpiles. Given record-low inventories and limits on infrastructure construction, the outlook for natural-gas prices remains positive. Strength in oil prices is supported by geopolitics.



Related-Party Transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, provides investment advice and portfolio management services to the Fund and appoints distributors for the Fund. RBC GAM is paid a management fee by the Fund as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are the principal distributors of, or distribute certain series of the mutual fund shares of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, Series H and Series D mutual fund shares.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

Registrars

Royal Bank, RBC IS and RBC GAM are the registrars of the Fund and keep records of who owns the mutual fund shares of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



March 31, 2014

FINANCIAL HIGHLIGHTS

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Change in Net Assets Per Mutual Fund Share (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Series A												
Mar. 31, 2014	8.88	–	(0.22)	0.01	1.46	1.25	–	–	–	–	–	10.02
Mar. 31, 2013	9.67	–	(0.22)	(0.66)	0.05	(0.83)	–	–	–	–	–	8.88
Mar. 31, 2012 ³	10.00 [†]	–	(0.06)	–	(0.28)	(0.34)	–	–	–	–	–	9.67
Advisor Series												
Mar. 31, 2014	8.88	–	(0.23)	0.01	1.43	1.21	–	–	–	–	–	10.02
Mar. 31, 2013	9.67	–	(0.22)	(0.70)	0.05	(0.87)	–	–	–	–	–	8.88
Mar. 31, 2012 ³	10.00 [†]	–	(0.06)	–	(0.28)	(0.34)	–	–	–	–	–	9.67
Series H												
Mar. 31, 2014	8.90	–	(0.19)	0.01	1.48	1.30	–	–	–	–	–	10.09
Mar. 31, 2013 ⁴	8.24 [†]	–	(0.14)	(0.46)	0.03	(0.57)	–	–	–	–	–	8.90
Series D												
Mar. 31, 2014	8.99	–	(0.13)	0.01	1.49	1.37	–	–	–	–	–	10.25
Mar. 31, 2013	9.70	–	(0.14)	(0.66)	0.05	(0.75)	–	–	–	–	–	8.99
Mar. 31, 2012 ³	10.00 [†]	–	(0.03)	–	(0.28)	(0.31)	–	–	–	–	–	9.70
Series F												
Mar. 31, 2014	9.02	–	(0.11)	0.01	1.44	1.34	–	–	–	–	–	10.32
Mar. 31, 2013	9.70	–	(0.10)	(0.52)	0.04	(0.58)	–	–	–	–	–	9.02
Mar. 31, 2012 ³	10.00 [†]	–	(0.03)	–	(0.28)	(0.31)	–	–	–	–	–	9.70
Series I												
Mar. 31, 2014	9.07	–	(0.10)	0.01	1.28	1.19	–	–	–	–	–	10.39
Mar. 31, 2013 ⁴	8.29 [†]	–	(0.06)	(0.32)	0.02	(0.36)	–	–	–	–	–	9.07
Series O												
Mar. 31, 2014	9.12	–	(0.03)	0.01	1.53	1.51	–	–	–	–	–	10.53
Mar. 31, 2013	9.72	–	(0.03)	(0.65)	0.05	(0.63)	–	–	–	–	–	9.12
Mar. 31, 2012 ³	10.00 [†]	–	(0.01)	–	(0.28)	(0.29)	–	–	–	–	–	9.72

¹ Net assets and distributions are based on the actual number of mutual fund shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of mutual fund shares outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per mutual fund share.

² Distributions are reinvested in additional mutual fund shares of the Fund or paid in cash.

³ From January 1, 2012.

⁴ From July 9, 2012.

[†] Initial offering net asset value per mutual fund share.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data

As at	Net Asset Value Per Mutual Fund Share (\$)	Net Asset Value (\$000s)	Number of Mutual Fund Shares Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series A							
Mar. 31, 2014	10.02	671	67	2.26	2.49	26.76	0.30
Mar. 31, 2013	8.88	461	52	2.25	2.48	97.50	0.32
Mar. 31, 2012 ⁴	9.67	57	6	2.35	2.35	0.39	0.50
Advisor Series							
Mar. 31, 2014	10.02	79	8	2.28	2.51	26.76	0.30
Mar. 31, 2013	8.88	37	4	2.23	2.46	97.50	0.32
Mar. 31, 2012 ⁴	9.67	8	1	2.35	2.35	0.39	0.50
Series H							
Mar. 31, 2014	10.09	1	–	2.00	2.23	26.76	0.30
Mar. 31, 2013 ⁵	8.90	1	–	2.02	2.25	97.50	0.32
Series D							
Mar. 31, 2014	10.25	149	15	1.26	1.49	26.76	0.30
Mar. 31, 2013	8.99	98	11	1.29	1.52	97.50	0.32
Mar. 31, 2012 ⁴	9.70	31	3	1.34	1.34	0.39	0.50
Series F							
Mar. 31, 2014	10.32	62	6	0.96	1.19	26.76	0.30
Mar. 31, 2013	9.02	15	2	0.98	1.21	97.50	0.32
Mar. 31, 2012 ⁴	9.70	63	7	1.05	1.05	0.39	0.50
Series I							
Mar. 31, 2014	10.39	221	21	0.84	1.07	26.76	0.30
Mar. 31, 2013 ⁵	9.07	1	–	0.86	1.09	97.50	0.32
Series O							
Mar. 31, 2014	10.53	327	31	0.05	0.28	26.76	0.30
Mar. 31, 2013	9.12	315	35	0.06	0.29	97.50	0.32
Mar. 31, 2012 ⁴	9.72	144	15	0.08	0.08	0.39	0.50

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to shareholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From January 1, 2012.

⁵ From July 9, 2012.



March 31, 2014

FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund. Management fees paid by each series of the Fund are calculated at the applicable annual percentages, before GST/HST, of the daily value of each series of the Fund. The breakdown of the services received in consideration of the management fees for each series, as a percentage of the management fees, is as follows:

	Management Fees	Breakdown of Services	
		Distribution	Other*
Series A	1.85%	62%	38%
Advisor Series	1.85%	62%	38%
Series H	1.75%	66%	34%
Series D	1.00%	25%	75%
Series F	0.75%	–	100%
Series I	0.60%	–	100%

Series O – no management fees are paid by the Fund in respect of Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

* Includes all costs related to management, investment advisory services, general administration and profit.

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund’s performance for each of the years shown, and illustrates how the Fund’s performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.





March 31, 2014

PAST PERFORMANCE (cont.)

Annual Compound Returns (%)

The table shows the annual compound returns for each series of the Fund and for each of the periods indicated ended on March 31, 2014, compared with the following benchmarks:

The blended benchmark (the "Benchmark") is composed of:

- 65% MSCI World Index – Energy (CAD)
- 35% MSCI World Index – Materials (CAD)

The broad-based index is the MSCI World Total Return Net Index (CAD).

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series A ¹	12.9	–	–	–	0.1
Benchmark	22.0	–	–	–	0.9
Broad-based index	29.4	–	–	–	0.8
Advisor Series ¹	12.9	–	–	–	0.1
Benchmark	22.0	–	–	–	0.9
Broad-based index	29.4	–	–	–	0.8
Series H ²	13.3	–	–	–	12.4
Benchmark	22.0	–	–	–	0.9
Broad-based index	29.4	–	–	–	0.8
Series D ¹	14.0	–	–	–	1.1
Benchmark	22.0	–	–	–	0.9
Broad-based index	29.4	–	–	–	0.8
Series F ¹	14.4	–	–	–	1.4
Benchmark	22.0	–	–	–	0.9
Broad-based index	29.4	–	–	–	0.8
Series I ²	14.6	–	–	–	13.9
Benchmark	22.0	–	–	–	0.9
Broad-based index	29.4	–	–	–	0.8
Series O ¹	15.4	–	–	–	2.3
Benchmark	22.0	–	–	–	0.9
Broad-based index	29.4	–	–	–	0.8

The returns of each series may vary because of differences in management fees and expenses. The Benchmark and broad-based index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark and broad-based index.

¹ Inception date January 1, 2012.

² Inception date July 9, 2012.

INDEX DESCRIPTIONS

MSCI World Index – Energy (CAD) This sub-index is a measure of the Canadian dollar performance of the stocks in the Energy sector in the MSCI World Index.

MSCI World Index – Materials (CAD) This sub-index is a measure of the Canadian dollar performance of stocks in the Materials sector in the MSCI World Index.

MSCI World Total Return Net Index (CAD) This index is the capitalization-weighted index measuring the Canadian dollar performance of selected companies listed on stock exchanges in countries around the world. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2014

Investment Mix – Sectors

	% of Net Asset Value
Oil, Gas and Consumable Fuels	49.5
Chemicals	20.0
Metals and Mining	16.3
Energy Equipment and Services	7.5
Construction Materials	3.0
Containers and Packaging	1.3
Paper and Forest Products	0.9
Cash/Other	1.5

Investment Mix – Countries/Regions

	% of Net Asset Value
United States	53.1
Canada	33.6
United Kingdom	7.8
Germany	1.4
Sweden	1.0
Australia	0.6
Cash/Other	2.5



March 31, 2014

SUMMARY OF INVESTMENT PORTFOLIO (cont.)

Top 25 Holdings*

	% of Net Asset Value
EOG Resources Inc.	5.2
Suncor Energy Inc.	5.2
BHP Billiton Plc.	4.6
Halliburton Co.	4.2
Chevron Corp.	3.9
Anadarko Petroleum Corp.	3.4
Continental Resources Inc.	2.9
Exxon Mobil Corp.	2.9
Cemex S.A. de CV ADR	2.4
EQT Corp.	2.4
LyondellBasell Industries N.V.	2.2
Pioneer Natural Resources Co.	2.2
Praxair Inc.	2.1
Gran Tierra Energy Inc.	2.0
Concho Resources Inc.	1.8
Cabot Oil & Gas Corp.	1.8
Celanese Corp.	1.7
Sherwin-Williams Co.	1.6
Ecolab Inc.	1.6
Monsanto Co.	1.5
FMC Corp.	1.5
Nucor Corp.	1.5
Range Resources Corp.	1.4
Cash & Cash Equivalents	1.4
Owens-Illinois Inc.	1.3
Top 25 Holdings	62.7

* The Fund invests substantially all of its assets directly in the RBC Global Resources Fund. The above are the Top 25 holdings of the RBC Global Resources Fund.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.

The Simplified Prospectus and other information about the underlying fund are available on SEDAR website at www.sedar.com.



The accompanying financial statements have been prepared by RBC Global Asset Management Inc. ("RBC GAM") as manager of the RBC Corporate Class Funds (the "Funds") and approved by the Board of Directors of RBC Corporate Class Inc. 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 accordance with accounting principles generally accepted in Canada (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.

Although the Board of Directors of RBC Corporate Class Inc. is solely responsible for approving the financial statements and overseeing management's financial reporting responsibilities along with RBC GAM, the Financial Advisory Committee of the Board of Governors provides advice to RBC GAM concerning financial reporting, the audit process and internal controls. Please see *The Role of the Board of Governors* at the end of this report.

Deloitte LLP, Independent Chartered Professional Accountants, Chartered Accountants, have performed an independent audit of the financial statements in accordance with Canadian generally accepted auditing standards. Their report is set out on the next page.

John S. Montalbano, CFA
Chief Executive Officer
RBC Global Asset Management Inc.

May 9, 2014

Frank Lippa, CPA, CA
Chief Financial Officer and Chief Operating Officer
RBC Global Asset Management Inc.



To the Shareholders of the following classes of RBC Corporate Class Inc.:

RBC Short Term Income Class	RBC Select Balanced Class	RBC U.S. Dividend Class
RBC Bond Capital Class	RBC Select Growth Class	RBC U.S. Equity Class
Phillips, Hager & North Total Return Bond Capital Class	RBC Select Aggressive Growth Class	Phillips, Hager & North U.S. Multi-Style All-Cap Equity Class
RBC High Yield Bond Capital Class	RBC Canadian Dividend Class	Phillips, Hager & North Overseas Equity Class
BlueBay Global Convertible Bond Class (Canada)	RBC Canadian Equity Class	RBC Emerging Markets Equity Class
Phillips, Hager & North Monthly Income Class	RBC Canadian Equity Income Class	RBC Global Resources Class
RBC Select Very Conservative Class	RBC Canadian Mid-Cap Equity Class	(collectively referred to as the "Funds")
RBC Select Conservative Class	RBC North American Value Class	

We have audited the accompanying financial statements of each of the Funds, which comprise the statement of investment portfolio as at March 31, 2014, the statements of net assets as at March 31, 2014 and 2013 (as applicable) and the statements of operations and changes in net assets for the years or periods (since establishment of the Funds) then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements

in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as at March 31, 2014 and 2013 (as applicable) and the results of their operations and changes in their net assets for the years or periods (since establishment of the Funds) then ended in accordance with Canadian generally accepted accounting principles.

Deloitte LLP

Chartered Professional Accountants, Chartered Accountants,
Licensed Public Accountants
May 9, 2014
Toronto, Ontario



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC SHORT TERM INCOME CLASS

March 31, 2014

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
3 467 268	RBC Canadian Money Market Fund*	\$ 34 673	\$ 34 673	
TOTAL MUTUAL FUND UNITS		<u>34 673</u>	<u>34 673</u>	<u>99.9</u>
TOTAL INVESTMENTS		<u>\$ 34 673</u>	<u>34 673</u>	<u>99.9</u>
OTHER NET ASSETS			41	0.1
NET ASSETS			<u>\$ 34 714</u>	<u>100.0</u>

* Investment in related party (see note 6 in the generic notes).



Statements of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2014	2013
ASSETS		
Investments at fair value	\$ 34 673	\$ 48 586
Cash	12	15
Due from investment dealers	210	–
Subscriptions receivable	86	851
TOTAL ASSETS	34 981	49 452
LIABILITIES		
Due to investment dealers	–	285
Redemptions payable	252	36
Accounts payable and accrued expenses	15	20
TOTAL LIABILITIES	267	341
NET ASSETS	\$ 34 714	\$ 49 111
Investments at cost	\$ 34 673	\$ 48 586
NET ASSETS, END OF PERIOD		
SERIES A	\$ 19 155	\$ 28 770
ADVISOR SERIES	\$ 1 012	\$ 1 570
SERIES H	\$ 9 688	\$ 14 809
SERIES D	\$ 638	\$ 401
SERIES F	\$ 887	\$ 769
SERIES I	\$ 1	\$ 1
SERIES O	\$ 3 333	\$ 2 791
NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD		
SERIES A	\$ 10.13	\$ 10.07
ADVISOR SERIES	\$ 10.12	\$ 10.06
SERIES H	\$ 10.15	\$ 10.08
SERIES D	\$ 10.13	\$ 10.07
SERIES F	\$ 10.14	\$ 10.07
SERIES I	\$ 10.15	\$ 10.06
SERIES O	\$ 10.26	\$ 10.14
NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD (see note 3 in the generic notes)		
SERIES A	\$ 10.13	\$ 10.07
ADVISOR SERIES	\$ 10.12	\$ 10.06
SERIES H	\$ 10.15	\$ 10.08
SERIES D	\$ 10.13	\$ 10.07
SERIES F	\$ 10.14	\$ 10.07
SERIES I	\$ 10.15	\$ 10.06
SERIES O	\$ 10.26	\$ 10.14

Statements of Operations (in \$000s except per mutual fund share amounts)

For the periods ended March 31 (see note 2 in the generic notes)*	2014	2013
INCOME (see note 3 in the generic notes)		
Interest	\$ 6	\$ 8
Other revenue	508	310
TOTAL INCOME (LOSS)	514	318
EXPENSES (see notes – Fund Specific Information)		
Management fees	168	101
Administration fees	23	16
Board of Directors fees	5	5
Board of Governors costs	3	3
GST/HST	21	12
TOTAL EXPENSES	220	137
Less expenses reimbursed by manager	(3)	(3)
TOTAL EXPENSES NET OF REIMBURSEMENT	217	134
NET INVESTMENT INCOME (LOSS)	297	184
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS	\$ 297	\$ 184
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS		
SERIES A	\$ 142	\$ 98
ADVISOR SERIES	\$ 10	\$ 11
SERIES H	\$ 90	\$ 36
SERIES D	\$ 4	\$ 2
SERIES F	\$ 5	\$ 3
SERIES I	\$ –	\$ –
SERIES O	\$ 46	\$ 34
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS PER MUTUAL FUND SHARE		
SERIES A	\$ 0.06	\$ 0.06
ADVISOR SERIES	\$ 0.05	\$ 0.07
SERIES H	\$ 0.07	\$ 0.03
SERIES D	\$ 0.07	\$ 0.07
SERIES F	\$ 0.06	\$ 0.09
SERIES I	\$ 0.09	\$ 0.03
SERIES O	\$ 0.12	\$ 0.16

* Series H and Series I launched July 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

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



Statements of Changes in Net Assets (in \$000s)

For the periods ended March 31 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 28 770	\$ 4 488	\$ 1 570	\$ 1 200	\$ 14 809	\$ –	\$ 401	\$ 81
INCREASE (DECREASE) FROM OPERATIONS	142	98	10	11	90	36	4	2
Early redemption fees	–	–	1	–	(1)	1	–	–
Proceeds from mutual fund shares issued	14 881	36 313	2 264	2 479	6 387	17 105	568	559
Proceeds from reinvestment of distributions	–	–	–	–	–	–	–	–
Payments on redemption of mutual fund shares	(24 638)	(12 129)	(2 833)	(2 120)	(11 597)	(2 333)	(335)	(241)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	(9 757)	24 184	(568)	359	(5 211)	14 773	233	318
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	–	–	–	–	–	–	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	(9 615)	24 282	(558)	370	(5 121)	14 809	237	320
NET ASSETS – END OF PERIOD	\$ 19 155	\$ 28 770	\$ 1 012	\$ 1 570	\$ 9 688	\$ 14 809	\$ 638	\$ 401

For the periods ended March 31 (see note 2 in the generic notes)*	Series F		Series I		Series O		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 769	\$ 677	\$ 1	\$ –	\$ 2 791	\$ 2 653	\$ 49 111	\$ 9 099
INCREASE (DECREASE) FROM OPERATIONS	5	3	–	–	46	34	297	184
Early redemption fees	–	–	–	–	–	–	–	1
Proceeds from mutual fund shares issued	486	798	–	644	3 881	6 141	28 467	64 039
Proceeds from reinvestment of distributions	–	–	–	–	–	–	–	–
Payments on redemption of mutual fund shares	(373)	(709)	–	(643)	(3 385)	(6 037)	(43 161)	(24 212)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	113	89	–	1	496	104	(14 694)	39 828
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	–	–	–	–	–	–	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	118	92	–	1	542	138	(14 397)	40 012
NET ASSETS – END OF PERIOD	\$ 887	\$ 769	\$ 1	\$ 1	\$ 3 333	\$ 2 791	\$ 34 714	\$ 49 111

* Series H and Series I launched July 2012.



March 31, 2014

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

The Fund invests in the RBC Canadian Money Market Fund. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk (%)

The table below summarizes the RBC Canadian Money Market Fund's exposure to credit risk grouped by credit ratings as at:

Rating	March 31 2014	March 31 2013
R-1 (H)	74.7	73.5
R-1 (M)	20.1	14.8
R-1 (L)	5.2	11.7
Total	100.0	100.0

Interest rate risk (%)

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

Term to maturity	March 31 2014	March 31 2013
0 – 1 month	42.6	38.4
1 – 3 months	35.9	42.0
4 – 6 months	18.8	15.0
7 – 12 months	2.7	4.6
Total	100.0	100.0

Due to the short-term nature of the Fund's investments, the Fund has minimal sensitivity to changes in interest rates.

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

The following is a summary of the inputs used as of March 31, 2014 and 2013 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	34 673	–	–	34 673
Fixed-income	–	–	–	–
and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	34 673	–	–	34 673
% of total portfolio	100.0	–	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	48 586	–	–	48 586
Fixed-income	–	–	–	–
and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	48 586	–	–	48 586
% of total portfolio	100.0	–	–	100.0

For the periods ended March 31, 2014 and 2013, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 7 in the generic notes)

No management fees are payable by the Fund with respect to Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

Management fees of the other series of the Fund are calculated up to the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.75%
Advisor Series	0.75%
Series H	0.60%
Series D	0.60%
Series F	0.50%
Series I	0.40%

Operating expenses (see note 7 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.08%
Advisor Series	0.08%
Series H	0.03%
Series D	0.03%
Series F	0.03%
Series I	0.03%
Series O	0.02%



March 31, 2014

Initial investments (\$000s except mutual fund share amounts)

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

	March 31 2014	March 31 2013
Mutual fund shares held		
Series A	50	50
Advisor Series	50	50
Series H	100	100
Series D	50	50
Series F	50	50
Series I	100	100
Value of all mutual fund shares	\$ 4	\$ 4

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

	2014	2013
Series A		
Opening mutual fund shares	2 857	449
Issued number of mutual fund shares	1 474	3 616
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(2 440)	(1 208)
Ending number of mutual fund shares	1 891	2 857
Advisor Series		
Opening mutual fund shares	156	120
Issued number of mutual fund shares	224	247
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(280)	(211)
Ending number of mutual fund shares	100	156
Series H		
Opening mutual fund shares	1 470	–
Issued number of mutual fund shares	633	1 702
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(1 148)	(232)
Ending number of mutual fund shares	955	1 470
Series D		
Opening mutual fund shares	40	8
Issued number of mutual fund shares	56	56
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(33)	(24)
Ending number of mutual fund shares	63	40

For the periods ended March 31
(see note 2 in the generic notes)

	2014	2013
Series F		
Opening mutual fund shares	76	68
Issued number of mutual fund shares	48	79
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(37)	(71)
Ending number of mutual fund shares	87	76
Series I		
Opening mutual fund shares	–	–
Issued number of mutual fund shares	–	64
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	(64)
Ending number of mutual fund shares	–	–
Series O		
Opening mutual fund shares	275	265
Issued number of mutual fund shares	382	610
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(332)	(600)
Ending number of mutual fund shares	325	275

**Other revenue and capital gains (\$000s)
(see note 3 in the generic notes)**

Other revenue and capital gains from investing in other related investment funds for the periods ended:

	March 31 2014	March 31 2013
RBC Canadian Money Market Fund	\$ 508	\$ 310
Total other revenue	\$ 508	\$ 310
Capital gains received from underlying funds	\$ –	\$ –

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



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC BOND CAPITAL CLASS

March 31, 2014

Number of Units	Security	Cost	Fair Value	% of Net Assets
LIMITED PARTNERSHIP UNITS				
1 671 589	RBC Bond LP*	\$ 16 753	\$ 17 163	
TOTAL LIMITED PARTNERSHIP UNITS		<u>16 753</u>	<u>17 163</u>	99.3
TOTAL INVESTMENTS		<u>\$ 16 753</u>	<u>17 163</u>	99.3
OTHER NET ASSETS			122	0.7
NET ASSETS			<u>\$ 17 285</u>	100.0

* Investment in related party (see note 6 in the generic notes).



Statements of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2014	2013
ASSETS		
Investments at fair value	\$ 17 163	\$ 22 517
Cash	153	6
Due from investment dealers	–	600
Subscriptions receivable	–	520
TOTAL ASSETS	17 316	23 643
LIABILITIES		
Redemptions payable	23	500
Accounts payable and accrued expenses	8	12
TOTAL LIABILITIES	31	512
NET ASSETS	\$ 17 285	\$ 23 131
Investments at cost	\$ 16 753	\$ 22 249
NET ASSETS, END OF PERIOD		
SERIES A	\$ 3 539	\$ 7 609
ADVISOR SERIES	\$ 647	\$ 810
SERIES H	\$ 2 679	\$ 4 096
SERIES D	\$ 46	\$ 107
SERIES F	\$ 627	\$ 877
SERIES I	\$ 1	\$ 1
SERIES O	\$ 9 746	\$ 9 631
NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD		
SERIES A	\$ 10.03	\$ 10.09
ADVISOR SERIES	\$ 10.03	\$ 10.09
SERIES H	\$ 10.06	\$ 10.10
SERIES D	\$ 10.09	\$ 10.11
SERIES F	\$ 10.13	\$ 10.12
SERIES I	\$ 10.15	\$ 10.12
SERIES O	\$ 10.20	\$ 10.14
NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD (see note 3 in the generic notes)		
SERIES A	\$ 10.03	\$ 10.09
ADVISOR SERIES	\$ 10.03	\$ 10.09
SERIES H	\$ 10.06	\$ 10.10
SERIES D	\$ 10.09	\$ 10.11
SERIES F	\$ 10.13	\$ 10.12
SERIES I	\$ 10.15	\$ 10.12
SERIES O	\$ 10.20	\$ 10.14

Statements of Operations (in \$000s except per mutual fund share amounts)

For the periods ended March 31 (see note 2 in the generic notes)*	2014	2013
INCOME (see note 3 in the generic notes)		
Interest	\$ 1	\$ –
TOTAL INCOME (LOSS)	1	–
EXPENSES (see notes – Fund Specific Information)		
Management fees	92	28
Administration fees	8	3
Board of Directors fees	2	1
Board of Governors costs	3	–
GST/HST	9	4
TOTAL EXPENSES	114	36
Less expenses reimbursed by manager	(3)	–
TOTAL EXPENSES NET OF REIMBURSEMENT	111	36
NET INVESTMENT INCOME (LOSS)	(110)	(36)
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized gain (loss) on investments	(21)	7
Change in unrealized gain (loss) on investments	142	268
NET GAIN (LOSS) ON INVESTMENTS	121	275
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS	\$ 11	\$ 239
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
SERIES A	\$ (66)	\$ 60
ADVISOR SERIES	\$ –	\$ 7
SERIES H	\$ (34)	\$ 28
SERIES D	\$ (2)	\$ 1
SERIES F	\$ (2)	\$ 6
SERIES I	\$ –	\$ –
SERIES O	\$ 115	\$ 137
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE		
SERIES A	\$ (0.06)	\$ 0.10
ADVISOR SERIES	\$ (0.06)	\$ 0.10
SERIES H	\$ (0.04)	\$ 0.09
SERIES D	\$ (0.02)	\$ 0.12
SERIES F	\$ –	\$ 0.11
SERIES I	\$ 0.02	\$ 0.15
SERIES O	\$ 0.06	\$ 0.17

* Fund launched October 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

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



Statements of Changes in Net Assets (in \$000s)

For the periods ended March 31 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 7 609	\$ –	\$ 810	\$ –	\$ 4 096	\$ –	\$ 107	\$ –
INCREASE (DECREASE) FROM OPERATIONS	(66)	60	–	7	(34)	28	(2)	1
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	–	8 262	10	810	–	4 068	–	106
Proceeds from reinvestment of distributions	42	–	4	–	22	–	1	–
Payments on redemption of mutual fund shares	(4 003)	(713)	(172)	(7)	(1 382)	–	(59)	–
TOTAL MUTUAL FUND SHARE TRANSACTIONS	(3 961)	7 549	(158)	803	(1 360)	4 068	(58)	106
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	(43)	–	(5)	–	(23)	–	(1)	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	(43)	–	(5)	–	(23)	–	(1)	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	(4 070)	7 609	(163)	810	(1 417)	4 096	(61)	107
NET ASSETS – END OF PERIOD	\$ 3 539	\$ 7 609	\$ 647	\$ 810	\$ 2 679	\$ 4 096	\$ 46	\$ 107

For the periods ended March 31 (see note 2 in the generic notes)*	Series F		Series I		Series O		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 877	\$ –	\$ 1	\$ –	\$ 9 631	\$ –	\$ 23 131	\$ –
INCREASE (DECREASE) FROM OPERATIONS	(2)	6	–	–	115	137	11	239
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	–	912	–	1	–	9 994	10	24 153
Proceeds from reinvestment of distributions	5	–	–	–	55	–	129	–
Payments on redemption of mutual fund shares	(248)	(41)	–	–	–	(500)	(5 864)	(1 261)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	(243)	871	–	1	55	9 494	(5 725)	22 892
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	(5)	–	–	–	(55)	–	(132)	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	(5)	–	–	–	(55)	–	(132)	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	(250)	877	–	1	115	9 631	(5 846)	23 131
NET ASSETS – END OF PERIOD	\$ 627	\$ 877	\$ 1	\$ 1	\$ 9 746	\$ 9 631	\$ 17 285	\$ 23 131

* Fund launched October 2012.



March 31, 2014

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

The Fund invests directly in the RBC Bond LP and invests indirectly in the RBC Bond Trust. The Fund's exposure to financial instrument risk is based on the mutual fund asset mix of the indirect investment.

Credit risk (%)

The table below summarizes the RBC Bond Trust's exposure to credit risk grouped by credit ratings as at:

Rating	March 31 2014	March 31 2013
AAA	9.3	10.1
AA	50.6	47.4
A	20.0	25.7
BBB	15.2	13.9
BB	3.4	1.4
B	1.3	1.3
CCC	0.1	0.1
Unrated	0.1	0.1
Total	100.0	100.0

Interest rate risk (%)

The table below summarizes the RBC Bond Trust's exposure to interest rate risk by remaining term to maturity from investments in mutual fund units as at:

Term to maturity	March 31 2014	March 31 2013
Less than 1 year	0.6	0.6
1 – 5 years	40.9	40.5
5 – 10 years	32.1	29.3
> 10 years	26.4	29.6
Total	100.0	100.0

As at March 31, 2014, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 6.5% (March 31, 2013 – 6.7%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Currency risk (% of net assets)

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk as at:

Currency	March 31 2014	March 31 2013
United States dollar	4.9	–
Other currencies	0.7	–
Total	5.6	–

As at March 31, 2014, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 0.1%. In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of March 31, 2014 and 2013 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	17 163	–	–	17 163
Fixed-income	–	–	–	–
and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	17 163	–	–	17 163
% of total portfolio	100.0	–	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	22 517	–	–	22 517
Fixed-income	–	–	–	–
and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	22 517	–	–	22 517
% of total portfolio	100.0	–	–	100.0

For the periods ended March 31, 2014 and 2013, there were no transfers of financial instruments between Level 1 and Level 2.



March 31, 2014

Management fees (see note 7 in the generic notes)

No management fees are payable by the Fund with respect to Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

Management fees of the other series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.00%
Advisor Series	1.00%
Series H	0.90%
Series D	0.65%
Series F	0.50%
Series I	0.40%

Operating expenses (see note 7 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.08%
Advisor Series	0.08%
Series H	0.03%
Series D	0.03%
Series F	0.03%
Series I	0.03%
Series O	0.02%

Initial investments (\$000s except mutual fund share amounts)

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

	March 31 2014	March 31 2013
Mutual fund shares held		
Series A	101	100
Advisor Series	101	100
Series H	101	100
Series D	101	100
Series F	101	100
Series I	101	100
Series O	955 360	999 400
Value of all mutual fund shares	\$ 9 752	\$ 10 138

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

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the periods ended March 31 (see note 2 in the generic notes)	2014	2013
Series A		
Opening mutual fund shares	754	–
Issued number of mutual fund shares	1	825
Reinvested number of mutual fund shares	4	–
Redeemed number of mutual fund shares	(406)	(71)
Ending number of mutual fund shares	353	754
Advisor Series		
Opening mutual fund shares	80	–
Issued number of mutual fund shares	1	81
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(17)	(1)
Ending number of mutual fund shares	64	80
Series H		
Opening mutual fund shares	406	–
Issued number of mutual fund shares	–	406
Reinvested number of mutual fund shares	2	–
Redeemed number of mutual fund shares	(142)	–
Ending number of mutual fund shares	266	406
Series D		
Opening mutual fund shares	11	–
Issued number of mutual fund shares	–	11
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(6)	–
Ending number of mutual fund shares	5	11
Series F		
Opening mutual fund shares	87	–
Issued number of mutual fund shares	–	91
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(25)	(4)
Ending number of mutual fund shares	62	87
Series I		
Opening mutual fund shares	–	–
Issued number of mutual fund shares	–	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	–
Ending number of mutual fund shares	–	–
Series O		
Opening mutual fund shares	950	–
Issued number of mutual fund shares	–	999
Reinvested number of mutual fund shares	5	–
Redeemed number of mutual fund shares	–	(49)
Ending number of mutual fund shares	955	950



Subsequent event

The Canadian government's 2013 federal budget included provisions to eliminate the capital gains tax treatment associated with forward agreements as of December 31, 2014. In response to the foregoing change in tax treatment, RBC GAM capped further investments in the Fund and has announced that, subject to the receipt of necessary shareholder and regulatory approvals, effective September 12, 2014, the Fund will be terminated and units of a corresponding RBC mutual fund trust will be distributed to shareholders on termination. The termination of the Fund will be considered a taxable disposition.



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
PHILLIPS, HAGER & NORTH TOTAL RETURN BOND CAPITAL CLASS

March 31, 2014

Number of Units	Security	Cost	Fair Value	% of Net Assets
LIMITED PARTNERSHIP UNITS				
20 569 028	Phillips, Hager & North Total Return Bond LP*	\$ 209 137	\$ 217 499	
TOTAL LIMITED PARTNERSHIP UNITS		<u>209 137</u>	<u>217 499</u>	99.6
TOTAL INVESTMENTS		<u>\$ 209 137</u>	<u>217 499</u>	99.6
OTHER NET ASSETS			953	0.4
NET ASSETS			<u>\$ 218 452</u>	100.0

* Investment in related party (see note 6 in the generic notes).



Statements of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2014	2013
ASSETS		
Investments at fair value	\$ 217 499	\$ 399 835
Cash	2 596	–
Due from investment dealers	–	6 500
Subscriptions receivable	–	1 839
TOTAL ASSETS	220 095	408 174
LIABILITIES		
Bank overdraft	–	4 203
Redemptions payable	1 543	4 831
Accounts payable and accrued expenses	100	218
TOTAL LIABILITIES	1 643	9 252
NET ASSETS	\$ 218 452	\$ 398 922
Investments at cost	\$ 209 137	\$ 388 908
NET ASSETS, END OF PERIOD		
SERIES A	\$ 34 229	\$ 77 239
ADVISOR SERIES	\$ 25 334	\$ 49 935
SERIES H	\$ 19 906	\$ 48 722
SERIES D	\$ 5 962	\$ 9 116
SERIES F	\$ 24 063	\$ 62 369
SERIES I	\$ 9 960	\$ 19 748
SERIES O	\$ 98 998	\$ 131 793
NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD		
SERIES A	\$ 10.18	\$ 10.30
ADVISOR SERIES	\$ 10.18	\$ 10.30
SERIES H	\$ 10.20	\$ 10.31
SERIES D	\$ 10.31	\$ 10.38
SERIES F	\$ 10.31	\$ 10.37
SERIES I	\$ 10.32	\$ 10.38
SERIES O	\$ 10.44	\$ 10.44
NET ASSET VALUE (TRANSACTIONAL NAV)		
PER MUTUAL FUND SHARE, END OF PERIOD		
(see note 3 in the generic notes)		
SERIES A	\$ 10.18	\$ 10.30
ADVISOR SERIES	\$ 10.18	\$ 10.30
SERIES H	\$ 10.20	\$ 10.31
SERIES D	\$ 10.31	\$ 10.38
SERIES F	\$ 10.31	\$ 10.37
SERIES I	\$ 10.32	\$ 10.38
SERIES O	\$ 10.44	\$ 10.44

Statements of Operations (in \$000s except per mutual fund share amounts)

For the periods ended March 31 (see note 2 in the generic notes)*	2014	2013
INCOME (see note 3 in the generic notes)		
Interest	\$ (3)	\$ 17
TOTAL INCOME (LOSS)	(3)	17
EXPENSES (see notes – Fund Specific Information)		
Management fees	1 462	1 527
Administration fees	77	79
Board of Directors fees	36	55
Board of Governors costs	3	3
GST/HST	171	164
TOTAL EXPENSES	1 749	1 828
Less expenses reimbursed by manager	–	(3)
TOTAL EXPENSES NET OF REIMBURSEMENT	1 749	1 825
NET INVESTMENT INCOME (LOSS)	(1 752)	(1 808)
REALIZED AND UNREALIZED GAIN (LOSS)		
ON INVESTMENTS		
Net realized gain (loss) on investments	3 219	295
Change in unrealized gain (loss) on investments	(2 565)	10 696
NET GAIN (LOSS) ON INVESTMENTS	654	10 991
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS	\$ (1 098)	\$ 9 183
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS		
SERIES A	\$ (781)	\$ 1 649
ADVISOR SERIES	\$ (357)	\$ 899
SERIES H	\$ (447)	\$ 496
SERIES D	\$ (3)	\$ 148
SERIES F	\$ (173)	\$ 1 621
SERIES I	\$ (65)	\$ 204
SERIES O	\$ 728	\$ 4 166
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS PER MUTUAL FUND SHARE		
SERIES A	\$ (0.10)	\$ 0.27
ADVISOR SERIES	\$ (0.10)	\$ 0.26
SERIES H	\$ (0.08)	\$ 0.15
SERIES D	\$ (0.04)	\$ 0.30
SERIES F	\$ (0.04)	\$ 0.33
SERIES I	\$ (0.03)	\$ 0.19
SERIES O	\$ 0.02	\$ 0.40

* Series H and Series I launched July 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

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



Statements of Changes in Net Assets (in \$000s)

For the periods ended March 31 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 77 239	\$ 28 329	\$ 49 935	\$ 15 773	\$ 48 722	\$ –	\$ 9 116	\$ 806
INCREASE (DECREASE) FROM OPERATIONS	(781)	1 649	(357)	889	(447)	496	(3)	148
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	80	77 406	67	47 019	1 006	59 558	1 005	9 071
Proceeds from reinvestment of distributions	815	–	505	–	482	–	99	–
Payments on redemption of mutual fund shares	(42 242)	(30 145)	(24 243)	(13 756)	(29 292)	(11 332)	(4 149)	(909)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	(41 347)	47 261	(23 671)	33 263	(27 804)	48 226	(3 045)	8 162
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	(882)	–	(573)	–	(565)	–	(106)	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	(882)	–	(573)	–	(565)	–	(106)	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	(43 010)	48 910	(24 601)	34 162	(28 816)	48 722	(3 154)	8 310
NET ASSETS – END OF PERIOD	\$ 34 229	\$ 77 239	\$ 25 334	\$ 49 935	\$ 19 906	\$ 48 722	\$ 5 962	\$ 9 116

For the periods ended March 31 (see note 2 in the generic notes)*	Series F		Series I		Series O		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 62 369	\$ 27 867	\$ 19 748	\$ –	\$ 131 793	\$ 66 433	\$ 398 922	\$ 139 208
INCREASE (DECREASE) FROM OPERATIONS	(173)	1 621	(65)	204	728	4 166	(1 098)	9 183
Early redemption fees	–	–	–	2	–	–	–	2
Proceeds from mutual fund shares issued	394	52 320	492	21 752	25	76 698	3 069	343 824
Proceeds from reinvestment of distributions	520	–	141	–	289	–	2 851	–
Payments on redemption of mutual fund shares	(38 349)	(19 439)	(10 130)	(2 210)	(32 305)	(15 504)	(180 710)	(93 295)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	(37 435)	32 881	(9 497)	19 544	(31 991)	61 194	(174 790)	250 531
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	(698)	–	(226)	–	(1 532)	–	(4 582)	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	(698)	–	(226)	–	(1 532)	–	(4 582)	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	(38 306)	34 502	(9 788)	19 748	(32 795)	65 360	(180 470)	259 714
NET ASSETS – END OF PERIOD	\$ 24 063	\$ 62 369	\$ 9 960	\$ 19 748	\$ 98 998	\$ 131 793	\$ 218 452	\$ 398 922

* Series H and Series I launched July 2012.



March 31, 2014

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

The Fund invests directly in the Phillips, Hager & North Total Return Bond LP and invests indirectly in the Phillips, Hager & North Total Return Bond Trust. The Fund's exposure to financial instrument risk is based on the mutual fund asset mix of the indirect investment.

Credit risk (%)

The table below summarizes the Phillips, Hager & North Total Return Bond Trust's exposure to credit risk grouped by credit ratings as at:

Rating	March 31 2014	March 31 2013
AAA	12.0	12.8
AA	49.2	49.6
A	20.4	25.9
BBB	14.2	9.0
BB	1.1	1.0
B	3.0	1.6
Unrated	0.1	0.1
Total	100.0	100.0

Interest rate risk (%)

The table below summarizes the Phillips, Hager & North Total Return Bond Trust's exposure to interest rate risk by remaining term to maturity from investments in mutual fund units as at:

Term to maturity	March 31 2014	March 31 2013
Less than 1 year	2.7	6.1
1 – 5 years	31.7	32.6
5 – 10 years	30.8	17.7
> 10 years	34.8	43.6
Total	100.0	100.0

As at March 31, 2014, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 6.3% (March 31, 2013 – 6.1%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of March 31, 2014 and 2013 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	217 499	–	–	217 499
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	217 499	–	–	217 499
% of total portfolio	100.0	–	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	399 835	–	–	399 835
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	399 835	–	–	399 835
% of total portfolio	100.0	–	–	100.0

For the periods ended March 31, 2014 and 2013, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 7 in the generic notes)

No management fees are payable by the Fund with respect to Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

Management fees of the other series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.00%
Advisor Series	1.00%
Series H	0.90%
Series D	0.50%
Series F	0.50%
Series I	0.40%



March 31, 2014

Operating expenses (see note 7 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.03%
Advisor Series	0.03%
Series H	0.03%
Series D	0.02%
Series F	0.03%
Series I	0.03%
Series O	0.02%

Initial investments (\$000s except mutual fund share amounts)

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

	March 31 2014	March 31 2013
Mutual fund shares held		
Series A	51	50
Advisor Series	51	50
Series H	99	98
Series D	51	50
Series F	51	50
Series I	99	98
Value of all mutual fund shares	\$ 4	\$ 4

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the periods ended March 31 (see note 2 in the generic notes)	2014	2013
Series A		
Opening mutual fund shares	7 497	2 832
Issued number of mutual fund shares	7	7 615
Reinvested number of mutual fund shares	80	–
Redeemed number of mutual fund shares	(4 222)	(2 950)
Ending number of mutual fund shares	3 362	7 497
Advisor Series		
Opening mutual fund shares	4 847	1 577
Issued number of mutual fund shares	7	4 618
Reinvested number of mutual fund shares	49	–
Redeemed number of mutual fund shares	(2 414)	(1 348)
Ending number of mutual fund shares	2 489	4 847

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

For the periods ended March 31
(see note 2 in the generic notes)

	2014	2013
Series H		
Opening mutual fund shares	4 726	–
Issued number of mutual fund shares	99	5 833
Reinvested number of mutual fund shares	47	–
Redeemed number of mutual fund shares	(2 920)	(1 107)
Ending number of mutual fund shares	1 952	4 726
Series D		
Opening mutual fund shares	879	80
Issued number of mutual fund shares	99	888
Reinvested number of mutual fund shares	10	–
Redeemed number of mutual fund shares	(410)	(89)
Ending number of mutual fund shares	578	879
Series F		
Opening mutual fund shares	6 014	2 783
Issued number of mutual fund shares	38	5 125
Reinvested number of mutual fund shares	50	–
Redeemed number of mutual fund shares	(3 767)	(1 894)
Ending number of mutual fund shares	2 335	6 014
Series I		
Opening mutual fund shares	1 903	–
Issued number of mutual fund shares	48	2 118
Reinvested number of mutual fund shares	14	–
Redeemed number of mutual fund shares	(1 000)	(215)
Ending number of mutual fund shares	965	1 903
Series O		
Opening mutual fund shares	12 620	6 624
Issued number of mutual fund shares	2	7 499
Reinvested number of mutual fund shares	28	–
Redeemed number of mutual fund shares	(3 165)	(1 503)
Ending number of mutual fund shares	9 485	12 620

Subsequent event

The Canadian government's 2013 federal budget included provisions to eliminate the capital gains tax treatment associated with forward agreements as of December 31, 2014. In response to the foregoing change in tax treatment, RBC GAM capped further investments in the Fund and has announced that, subject to the receipt of necessary shareholder and regulatory approvals, effective September 12, 2014, the Fund will be terminated and units of a corresponding RBC mutual fund trust will be distributed to shareholders on termination. The termination of the Fund will be considered a taxable disposition.



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC HIGH YIELD BOND CAPITAL CLASS

March 31, 2014

Number of Units	Security	Cost	Fair Value	% of Net Assets
LIMITED PARTNERSHIP UNITS				
24 834 524	RBC High Yield Bond LP*	\$ 259 168	\$ 291 803	
TOTAL LIMITED PARTNERSHIP UNITS		259 168	291 803	100.7
TOTAL INVESTMENTS		<u>\$ 259 168</u>	291 803	100.7
OTHER NET ASSETS (LIABILITIES)			(2 026)	(0.7)
NET ASSETS			<u>\$ 289 777</u>	100.0

* Investment in related party (see note 6 in the generic notes).



Statements of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2014	2013
ASSETS		
Investments at fair value	\$ 291 803	\$ 386 202
Cash	2 540	–
Subscriptions receivable	–	830
TOTAL ASSETS	294 343	387 032
LIABILITIES		
Bank overdraft	–	174
Redemptions payable	4 449	186
Accounts payable and accrued expenses	117	166
TOTAL LIABILITIES	4 566	526
NET ASSETS	\$ 289 777	\$ 386 506

Investments at cost	\$ 259 168	\$ 363 064
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NET ASSETS, END OF PERIOD

SERIES A	\$ 23 551	\$ 37 919
ADVISOR SERIES	\$ 34 105	\$ 49 483
SERIES H	\$ 12 390	\$ 19 458
SERIES D	\$ 5 136	\$ 5 892
SERIES F	\$ 18 472	\$ 29 373
SERIES I	\$ 10 651	\$ 15 732
SERIES O	\$ 185 472	\$ 228 649

NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD

SERIES A	\$ 11.01	\$ 10.89
ADVISOR SERIES	\$ 11.00	\$ 10.89
SERIES H	\$ 11.04	\$ 10.90
SERIES D	\$ 11.11	\$ 10.94
SERIES F	\$ 11.14	\$ 10.96
SERIES I	\$ 11.17	\$ 10.97
SERIES O	\$ 11.36	\$ 11.07

**NET ASSET VALUE (TRANSACTIONAL NAV)
PER MUTUAL FUND SHARE, END OF PERIOD**
(see note 3 in the generic notes)

SERIES A	\$ 11.01	\$ 10.89
ADVISOR SERIES	\$ 11.00	\$ 10.89
SERIES H	\$ 11.04	\$ 10.90
SERIES D	\$ 11.11	\$ 10.94
SERIES F	\$ 11.14	\$ 10.96
SERIES I	\$ 11.17	\$ 10.97
SERIES O	\$ 11.36	\$ 11.07

Statements of Operations (in \$000s except per mutual fund share amounts)

For the periods ended March 31 (see note 2 in the generic notes)*	2014	2013
INCOME (see note 3 in the generic notes)		
Interest	\$ (1)	\$ 2
TOTAL INCOME (LOSS)	(1)	2
EXPENSES (see notes – Fund Specific Information)		
Management fees	1 359	1 041
Administration fees	78	63
Board of Directors fees	38	51
Board of Governors costs	3	3
GST/HST	176	118
TOTAL EXPENSES	1 654	1 276
Less expenses reimbursed by manager	–	(3)
TOTAL EXPENSES NET OF REIMBURSEMENT	1 654	1 273
NET INVESTMENT INCOME (LOSS)	(1 655)	(1 271)

REALIZED AND UNREALIZED GAIN (LOSS)

ON INVESTMENTS		
Net realized gain (loss) on investments	7 674	485
Change in unrealized gain (loss) on investments	9 497	22 445
NET GAIN (LOSS) ON INVESTMENTS	17 171	22 930

INCREASE (DECREASE) IN NET ASSETS

FROM OPERATIONS	\$ 15 516	\$ 21 659
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INCREASE (DECREASE) IN NET ASSETS

FROM OPERATIONS		
SERIES A	\$ 1 064	\$ 1 680
ADVISOR SERIES	\$ 1 546	\$ 2 202
SERIES H	\$ 674	\$ 460
SERIES D	\$ 236	\$ 241
SERIES F	\$ 964	\$ 1 676
SERIES I	\$ 554	\$ 694
SERIES O	\$ 10 478	\$ 14 706

INCREASE (DECREASE) IN NET ASSETS

FROM OPERATIONS PER MUTUAL FUND SHARE		
SERIES A	\$ 0.41	\$ 0.73
ADVISOR SERIES	\$ 0.40	\$ 0.72
SERIES H	\$ 0.43	\$ 0.43
SERIES D	\$ 0.47	\$ 0.72
SERIES F	\$ 0.47	\$ 0.83
SERIES I	\$ 0.50	\$ 0.51
SERIES O	\$ 0.58	\$ 0.91

* Series H and Series I launched July 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

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



Statements of Changes in Net Assets (in \$000s)

For the periods ended March 31 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 37 919	\$ 9 600	\$ 49 483	\$ 13 844	\$ 19 458	\$ –	\$ 5 892	\$ 490
INCREASE (DECREASE) FROM OPERATIONS	1 064	1 680	1 546	2 202	674	460	236	241
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	395	33 323	331	39 454	1 165	19 749	81	5 985
Proceeds from reinvestment of distributions	1 112	–	1 235	–	486	–	172	–
Payments on redemption of mutual fund shares	(15 785)	(6 684)	(16 968)	(6 017)	(8 789)	(751)	(1 067)	(824)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	(14 278)	26 639	(15 402)	33 437	(7 138)	18 998	(814)	5 161
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	(1 154)	–	(1 522)	–	(604)	–	(178)	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	(1 154)	–	(1 522)	–	(604)	–	(178)	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	(14 368)	28 319	(15 378)	35 639	(7 068)	19 458	(756)	5 402
NET ASSETS – END OF PERIOD	\$ 23 551	\$ 37 919	\$ 34 105	\$ 49 483	\$ 12 390	\$ 19 458	\$ 5 136	\$ 5 892

For the periods ended March 31 (see note 2 in the generic notes)*	Series F		Series I		Series O		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 29 373	\$ 11 822	\$ 15 732	\$ –	\$ 228 649	\$ 92 253	\$ 386 506	\$ 128 009
INCREASE (DECREASE) FROM OPERATIONS	964	1 676	554	694	10 478	14 706	15 516	21 659
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	860	31 296	244	17 875	64	149 579	3 140	297 261
Proceeds from reinvestment of distributions	694	–	283	–	1 223	–	5 205	–
Payments on redemption of mutual fund shares	(12 559)	(15 421)	(5 678)	(2 837)	(47 968)	(27 889)	(108 814)	(60 423)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	(11 005)	15 875	(5 151)	15 038	(46 681)	121 690	(100 469)	236 838
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	(860)	–	(484)	–	(6 974)	–	(11 776)	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	(860)	–	(484)	–	(6 974)	–	(11 776)	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	(10 901)	17 551	(5 081)	15 732	(43 177)	136 396	(96 729)	258 497
NET ASSETS – END OF PERIOD	\$ 18 472	\$ 29 373	\$ 10 651	\$ 15 732	\$ 185 472	\$ 228 649	\$ 289 777	\$ 386 506

* Series H and Series I launched July 2012.



March 31, 2014

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

The Fund invests directly in the RBC High Yield Bond LP and invests indirectly in the RBC High Yield Bond Trust. The Fund's exposure to financial instrument risk is based on the mutual fund asset mix of the indirect investment.

Credit risk (%)

The table below summarizes the RBC High Yield Bond Trust's exposure to credit risk grouped by credit ratings as at:

Rating	March 31 2014	March 31 2013
A	0.5	1.2
BBB	10.6	16.5
BB	46.7	40.5
B	40.6	40.4
CCC	1.6	1.4
Total	100.0	100.0

Interest rate risk (%)

The table below summarizes the RBC High Yield Bond Trust's exposure to interest rate risk by remaining term to maturity from investments in mutual fund units as at:

Term to maturity	March 31 2014	March 31 2013
Less than 1 year	–	0.1
1 – 5 years	20.9	25.8
5 – 10 years	79.1	71.2
> 10 years	–	2.9
Total	100.0	100.0

As at March 31, 2014, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 3.8% (March 31, 2013 – 3.5%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of March 31, 2014 and 2013 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	291 803	–	–	291 803
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	291 803	–	–	291 803
% of total portfolio	100.0	–	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	386 202	–	–	386 202
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	386 202	–	–	386 202
% of total portfolio	100.0	–	–	100.0

For the periods ended March 31, 2014 and 2013, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 7 in the generic notes)

No management fees are payable by the Fund with respect to Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

Management fees of the other series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.25%
Advisor Series	1.25%
Series H	1.10%
Series D	0.90%
Series F	0.75%
Series I	0.60%



March 31, 2014

Operating expenses (see note 7 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.03%
Advisor Series	0.03%
Series H	0.03%
Series D	0.03%
Series F	0.03%
Series I	0.03%
Series O	0.02%

Initial investments (\$000s except mutual fund share amounts)

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

	March 31 2014	March 31 2013
Mutual fund shares held		
Series A	52	50
Advisor Series	52	50
Series H	100	97
Series D	52	50
Series F	52	50
Series I	100	97
Value of all mutual fund shares	\$ 4	\$ 4

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the periods ended March 31 (see note 2 in the generic notes)	2014	2013
Series A		
Opening mutual fund shares	3 483	948
Issued number of mutual fund shares	37	3 166
Reinvested number of mutual fund shares	104	–
Redeemed number of mutual fund shares	(1 485)	(631)
Ending number of mutual fund shares	2 139	3 483
Advisor Series		
Opening mutual fund shares	4 546	1 368
Issued number of mutual fund shares	31	3 745
Reinvested number of mutual fund shares	116	–
Redeemed number of mutual fund shares	(1 593)	(567)
Ending number of mutual fund shares	3 100	4 546

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

For the periods ended March 31
(see note 2 in the generic notes)

	2014	2013
Series H		
Opening mutual fund shares	1 785	–
Issued number of mutual fund shares	107	1 855
Reinvested number of mutual fund shares	46	–
Redeemed number of mutual fund shares	(816)	(70)
Ending number of mutual fund shares	1 122	1 785
Series D		
Opening mutual fund shares	539	48
Issued number of mutual fund shares	7	568
Reinvested number of mutual fund shares	16	–
Redeemed number of mutual fund shares	(100)	(77)
Ending number of mutual fund shares	462	539
Series F		
Opening mutual fund shares	2 680	1 166
Issued number of mutual fund shares	80	2 973
Reinvested number of mutual fund shares	65	–
Redeemed number of mutual fund shares	(1 167)	(1 459)
Ending number of mutual fund shares	1 658	2 680
Series I		
Opening mutual fund shares	1 434	–
Issued number of mutual fund shares	23	1 696
Reinvested number of mutual fund shares	26	–
Redeemed number of mutual fund shares	(530)	(262)
Ending number of mutual fund shares	953	1 434
Series O		
Opening mutual fund shares	20 649	9 084
Issued number of mutual fund shares	6	14 135
Reinvested number of mutual fund shares	113	–
Redeemed number of mutual fund shares	(4 434)	(2 570)
Ending number of mutual fund shares	16 334	20 649

Subsequent event

The Canadian government's 2013 federal budget included provisions to eliminate the capital gains tax treatment associated with forward agreements as of December 31, 2014. In response to the foregoing change in tax treatment, RBC GAM capped further investments in the Fund and has announced that, subject to the receipt of necessary shareholder and regulatory approvals, effective September 12, 2014, the Fund will be terminated and units of a corresponding RBC mutual fund trust will be distributed to shareholders on termination. The termination of the Fund will be considered a taxable disposition.



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
BLUEBAY GLOBAL CONVERTIBLE BOND CLASS (CANADA)

March 31, 2014

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
2 984 240	BlueBay Global Convertible Bond Fund (Canada)*	\$ 34 538	\$ 34 637	
TOTAL MUTUAL FUND UNITS		34 538	34 637	89.9
TOTAL INVESTMENTS		\$ 34 538	34 637	89.9
SUBSCRIPTIONS RECEIVABLE			4 630	12.0
OTHER NET ASSETS (LIABILITIES)			(749)	(1.9)
NET ASSETS			\$ 38 518	100.0

* Investment in related party (see note 6 in the generic notes).



Statement of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2014
ASSETS	
Investments at fair value	\$ 34 637
Cash	474
Subscriptions receivable	4 630
TOTAL ASSETS	39 741
LIABILITIES	
Due to investment dealers	1 170
Redemptions payable	19
Accounts payable and accrued expenses	34
TOTAL LIABILITIES	1 223
NET ASSETS	\$ 38 518
Investments at cost	\$ 34 538
NET ASSETS, END OF PERIOD	
SERIES A	\$ 2 878
ADVISOR SERIES	\$ 12 360
SERIES H	\$ 5 474
SERIES D	\$ 567
SERIES F	\$ 11 255
SERIES I	\$ 5 837
SERIES O	\$ 147
NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD	
SERIES A	\$ 10.16
ADVISOR SERIES	\$ 10.16
SERIES H	\$ 10.17
SERIES D	\$ 10.17
SERIES F	\$ 10.18
SERIES I	\$ 10.19
SERIES O	\$ 10.20
NET ASSET VALUE (TRANSACTIONAL NAV)	
PER MUTUAL FUND SHARE, END OF PERIOD	
(see note 3 in the generic notes)	
SERIES A	\$ 10.16
ADVISOR SERIES	\$ 10.16
SERIES H	\$ 10.17
SERIES D	\$ 10.17
SERIES F	\$ 10.18
SERIES I	\$ 10.19
SERIES O	\$ 10.20

Statement of Operations (in \$000s except per mutual fund share amounts)

For the period ended March 31	2014
(see note 2 in the generic notes)*	
INCOME (see note 3 in the generic notes)	
Other revenue	\$ 111
TOTAL INCOME (LOSS)	111
EXPENSES (see notes – Fund Specific Information)	
Management fees	46
Administration fees	1
Board of Directors costs	1
GST/HST	6
TOTAL EXPENSES	54
NET INVESTMENT INCOME (LOSS)	57
REALIZED AND UNREALIZED GAIN (LOSS)	
ON INVESTMENTS	
Change in unrealized gain (loss) on investments	99
NET GAIN (LOSS) ON INVESTMENTS	99
INCREASE (DECREASE) IN NET ASSETS	
FROM OPERATIONS	\$ 156
INCREASE (DECREASE) IN NET ASSETS	
FROM OPERATIONS	
SERIES A	\$ 4
ADVISOR SERIES	\$ 35
SERIES H	\$ (3)
SERIES D	\$ 4
SERIES F	\$ 72
SERIES I	\$ 41
SERIES O	\$ 3
INCREASE (DECREASE) IN NET ASSETS	
FROM OPERATIONS PER MUTUAL FUND SHARE	
SERIES A	\$ 0.06
ADVISOR SERIES	\$ 0.07
SERIES H	\$ 0.06
SERIES D	\$ 0.10
SERIES F	\$ 0.08
SERIES I	\$ 0.09
SERIES O	\$ 0.96

* Fund launched January 2014.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

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



Statement of Changes in Net Assets (in \$000s)

For the period ended March 31 (see note 2 in the generic notes)*	Series A 2014	Advisor Series 2014	Series H 2014	Series D 2014
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	4	35	(3)	4
Early redemption fees	–	–	–	–
Proceeds from mutual fund shares issued	2 874	12 327	5 477	563
Proceeds from reinvestment of distributions	–	–	–	–
Payments on redemption of mutual fund shares	–	(2)	–	–
TOTAL MUTUAL FUND SHARE TRANSACTIONS	2 874	12 325	5 477	563
Distributions from net income	–	–	–	–
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
TOTAL DISTRIBUTIONS	–	–	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	2 878	12 360	5 474	567
NET ASSETS – END OF PERIOD	\$ 2 878	\$ 12 360	\$ 5 474	\$ 567

For the period ended March 31 (see note 2 in the generic notes)*	Series F 2014	Series I 2014	Series O 2014	Total 2014
NET ASSETS – BEGINNING OF PERIOD	\$ –	\$ –	\$ –	\$ –
INCREASE (DECREASE) FROM OPERATIONS	72	41	3	156
Early redemption fees	–	–	–	–
Proceeds from mutual fund shares issued	11 212	6 417	144	39 014
Proceeds from reinvestment of distributions	–	–	–	–
Payments on redemption of mutual fund shares	(29)	(621)	–	(652)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	11 183	5 796	144	38 362
Distributions from net income	–	–	–	–
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
TOTAL DISTRIBUTIONS	–	–	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	11 255	5 837	147	38 518
NET ASSETS – END OF PERIOD	\$ 11 255	\$ 5 837	\$ 147	\$ 38 518

* Fund launched January 2014.



March 31, 2014

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

The Fund invests in the BlueBay Global Convertible Bond Fund (Canada). The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk (%)

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

Rating	March 31 2014
AA	0.1
A	7.0
BBB	7.6
BB	13.3
B	7.1
Unrated	64.9
Total	100.0

Interest rate risk (%)

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

Term to maturity	March 31 2014
Less than 1 year	16.2
1 – 5 years	60.4
5 – 10 years	13.7
> 10 years	9.7
Total	100.0

As at March 31, 2014, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 3.8%. In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Currency risk (% of net assets)

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

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

The following is a summary of the inputs used as of March 31, 2014 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	34 637	–	–	34 637
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	34 637	–	–	34 637
% of total portfolio	100.0	–	–	100.0

For the period ended March 31, 2014, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 7 in the generic notes)

No management fees are payable by the Fund with respect to Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

Management fees of the other series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.70%
Advisor Series	1.70%
Series H	1.45%
Series D	1.10%
Series F	0.95%
Series I	0.70%

Operating expenses (see note 7 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.02%
Advisor Series	0.02%
Series H	0.02%
Series D	0.02%
Series F	0.02%
Series I	0.02%
Series O	0.02%



March 31, 2014

Initial investments (\$000s except mutual fund share amounts)

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

	March 31 2014
Mutual fund shares held	
Series A	100
Advisor Series	100
Series H	100
Series D	100
Series F	100
Series I	100
Series O	14 400
Value of all mutual fund shares	\$ 153

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the period ended March 31
(see note 2 in the generic notes) 2014

Series A	
Opening mutual fund shares	–
Issued number of mutual fund shares	283
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	283
Advisor Series	
Opening mutual fund shares	–
Issued number of mutual fund shares	1 216
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	1 216
Series H	
Opening mutual fund shares	–
Issued number of mutual fund shares	538
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	538
Series D	
Opening mutual fund shares	–
Issued number of mutual fund shares	56
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	56

For the period ended March 31
(see note 2 in the generic notes)

	2014
Series F	
Opening mutual fund shares	–
Issued number of mutual fund shares	1 108
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(2)
Ending number of mutual fund shares	1 106
Series I	
Opening mutual fund shares	–
Issued number of mutual fund shares	634
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	(61)
Ending number of mutual fund shares	573
Series O	
Opening mutual fund shares	–
Issued number of mutual fund shares	14
Reinvested number of mutual fund shares	–
Redeemed number of mutual fund shares	–
Ending number of mutual fund shares	14

**Other revenue and capital gains (\$000s)
(see note 3 in the generic notes)**

Other revenue and capital gains from investing in other related investment funds for the periods ended:

	March 31 2014
BlueBay Global Convertible Bond Fund (Canada)	\$ 111
Total other revenue	\$ 111
Capital gains received from underlying funds	\$ –

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



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
PHILLIPS, HAGER & NORTH MONTHLY INCOME CLASS

March 31, 2014

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
8 879 690	Phillips, Hager & North Monthly Income Fund*	\$ 99 011	\$ 103 115	
TOTAL MUTUAL FUND UNITS		99 011	103 115	98.9
TOTAL INVESTMENTS		<u>\$ 99 011</u>	103 115	98.9
OTHER NET ASSETS			1 095	1.1
NET ASSETS			<u>\$ 104 210</u>	100.0

* Investment in related party (see note 6 in the generic notes).



Statements of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2014	2013
ASSETS		
Investments at fair value	\$ 103 115	\$ 55 711
Cash	1 199	497
Subscriptions receivable	655	1 419
TOTAL ASSETS	104 969	57 627
LIABILITIES		
Due to investment dealers	475	1 095
Redemptions payable	11	287
Distributions payable	120	–
Accounts payable and accrued expenses	153	81
TOTAL LIABILITIES	759	1 463
NET ASSETS	\$ 104 210	\$ 56 164

Investments at cost	\$ 99 011	\$ 54 755
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Statements of Net Assets (cont.) (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2014	2013
NET ASSETS, END OF PERIOD		
SERIES A	\$ 40 638	\$ 20 548
ADVISOR SERIES	\$ 9 781	\$ 4 497
ADVISOR T5 SERIES	\$ 14 118	\$ 9 975
SERIES T5	\$ 16 365	\$ 8 989
SERIES H	\$ 15 757	\$ 7 900
SERIES D	\$ 4 535	\$ 2 241
SERIES F	\$ 1 084	\$ 811
SERIES FT5	\$ 1 212	\$ 595
SERIES I	\$ 720	\$ 608

NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD		
SERIES A	\$ 11.15	\$ 10.43
ADVISOR SERIES	\$ 11.13	\$ 10.43
ADVISOR T5 SERIES	\$ 10.51	\$ 10.26
SERIES T5	\$ 10.51	\$ 10.26
SERIES H	\$ 11.17	\$ 10.44
SERIES D	\$ 11.29	\$ 10.47
SERIES F	\$ 11.29	\$ 10.48
SERIES FT5	\$ 10.67	\$ 10.31
SERIES I	\$ 11.30	\$ 10.49

**NET ASSET VALUE (TRANSACTIONAL NAV)
PER MUTUAL FUND, SHARE END OF PERIOD**
(see note 3 in the generic notes)

SERIES A	\$ 11.15	\$ 10.43
ADVISOR SERIES	\$ 11.13	\$ 10.43
ADVISOR T5 SERIES	\$ 10.51	\$ 10.26
SERIES T5	\$ 10.51	\$ 10.26
SERIES H	\$ 11.17	\$ 10.44
SERIES D	\$ 11.29	\$ 10.47
SERIES F	\$ 11.29	\$ 10.48
SERIES FT5	\$ 10.67	\$ 10.31
SERIES I	\$ 11.30	\$ 10.49

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lipa
Director



Statements of Operations (in \$000s except per mutual fund share amounts)

For the periods ended March 31
(see note 2 in the generic notes)*

	2014	2013
INCOME (see note 3 in the generic notes)		
Interest	\$ 6	\$ –
Other revenue	3 972	701
TOTAL INCOME (LOSS)	3 978	701
EXPENSES (see notes – Fund Specific Information)		
Management fees	1 237	200
Administration fees	39	8
Board of Directors fees	9	3
Board of Governors costs	3	–
GST/HST	132	27
TOTAL EXPENSES	1 420	238
NET INVESTMENT INCOME (LOSS)	2 558	463
REALIZED AND UNREALIZED GAIN (LOSS)		
ON INVESTMENTS		
Capital gains received from underlying funds	1 271	–
Net realized gain (loss) on investments	66	42
Change in unrealized gain (loss) on investments	3 148	956
NET GAIN (LOSS) ON INVESTMENTS	4 485	998
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS	\$ 7 043	\$ 1 461
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS		
SERIES A	\$ 2 537	\$ 526
ADVISOR SERIES	\$ 682	\$ 86
ADVISOR T5 SERIES	\$ 1 026	\$ 200
SERIES T5	\$ 1 193	\$ 222
SERIES H	\$ 1 015	\$ 320
SERIES D	\$ 314	\$ 56
SERIES F	\$ 87	\$ 15
SERIES FT5	\$ 119	\$ 21
SERIES I	\$ 70	\$ 15
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS PER MUTUAL FUND SHARE		
SERIES A	\$ 1.06	\$ 0.59
ADVISOR SERIES	\$ 1.06	\$ 0.49
ADVISOR T5 SERIES	\$ 1.11	\$ 0.47
SERIES T5	\$ 1.07	\$ 0.57
SERIES H	\$ 1.05	\$ 0.50
SERIES D	\$ 1.10	\$ 0.48
SERIES F	\$ 1.14	\$ 0.90
SERIES FT5	\$ 1.15	\$ 0.72
SERIES I	\$ 1.10	\$ 0.50

* Fund launched October 2012.



Statements of Changes in Net Assets (in \$000s)

For the periods ended March 31 (see note 2 in the generic notes)*	Series A		Advisor Series		Advisor T5 Series		Series T5	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 20 548	\$ –	\$ 4 497	\$ –	\$ 9 975	\$ –	\$ 8 989	\$ –
INCREASE (DECREASE) FROM OPERATIONS	2 537	526	682	86	1 026	200	1 193	222
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	26 916	24 743	6 912	4 463	5 678	10 192	10 583	8 892
Proceeds from reinvestment of distributions	408	18	99	3	63	23	227	44
Payments on redemption of mutual fund shares	(9 352)	(4 720)	(2 295)	(52)	(2 003)	(329)	(3 920)	(54)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	17 972	20 041	4 716	4 414	3 738	9 886	6 890	8 882
Distributions from net income	(419)	(19)	(114)	(3)	(621)	(103)	(707)	(99)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	(8)	–	(16)
TOTAL DISTRIBUTIONS	(419)	(19)	(114)	(3)	(621)	(111)	(707)	(115)
TOTAL INCREASE (DECREASE) IN NET ASSETS	20 090	20 548	5 284	4 497	4 143	9 975	7 376	8 989
NET ASSETS – END OF PERIOD	\$ 40 638	\$ 20 548	\$ 9 781	\$ 4 497	\$ 14 118	\$ 9 975	\$ 16 365	\$ 8 989

For the periods ended March 31 (see note 2 in the generic notes)*	Series H		Series D		Series F		Series FT5	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 7 900	\$ –	\$ 2 241	\$ –	\$ 811	\$ –	\$ 595	\$ –
INCREASE (DECREASE) FROM OPERATIONS	1 015	320	314	56	87	15	119	21
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	10 535	14 463	2 874	2 504	829	1 077	875	581
Proceeds from reinvestment of distributions	132	9	46	2	13	–	12	2
Payments on redemption of mutual fund shares	(3 662)	(6 882)	(893)	(319)	(641)	(281)	(329)	–
TOTAL MUTUAL FUND SHARE TRANSACTIONS	7 005	7 590	2 027	2 187	201	796	558	583
Distributions from net income	(163)	(10)	(47)	(2)	(15)	–	(60)	(7)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	(2)
TOTAL DISTRIBUTIONS	(163)	(10)	(47)	(2)	(15)	–	(60)	(9)
TOTAL INCREASE (DECREASE) IN NET ASSETS	7 857	7 900	2 294	2 241	273	811	617	595
NET ASSETS – END OF PERIOD	\$ 15 757	\$ 7 900	\$ 4 535	\$ 2 241	\$ 1 084	\$ 811	\$ 1 212	\$ 595

For the periods ended March 31 (see note 2 in the generic notes)*	Series I		Total	
	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 608	\$ –	\$ 56 164	\$ –
INCREASE (DECREASE) FROM OPERATIONS	70	15	7 043	1 461
Early redemption fees	–	–	–	–
Proceeds from mutual fund shares issued	311	623	65 513	67 538
Proceeds from reinvestment of distributions	11	–	1 011	101
Payments on redemption of mutual fund shares	(269)	(30)	(23 364)	(12 667)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	53	593	43 160	54 972
Distributions from net income	(11)	–	(2 157)	(243)
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	(26)
TOTAL DISTRIBUTIONS	(11)	–	(2 157)	(269)
TOTAL INCREASE (DECREASE) IN NET ASSETS	112	608	48 046	56 164
NET ASSETS – END OF PERIOD	\$ 720	\$ 608	\$ 104 210	\$ 56 164

* Fund launched October 2012.

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



March 31, 2014

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

The Fund invests in the Phillips, Hager & North Monthly Income Fund and/or a combination of other mutual funds. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk (%)

Credit-exposed securities, excluding short-term investments, comprise 42.5% (March 31, 2013 – 34.5%) of the net assets of the Fund. The table below summarizes the Phillips, Hager & North Monthly Income Fund's exposure to credit risk grouped by credit ratings as at:

Rating	March 31 2014	March 31 2013
AAA	20.1	24.6
AA	34.7	31.2
A	13.5	16.4
BBB	11.1	10.5
BB	8.7	7.7
B	11.6	9.2
CCC	0.2	0.2
Unrated	0.1	0.2
Total	100.0	100.0

Interest rate risk (%)

Fixed-income and debt securities, excluding short-term investments, comprise 33.7% (March 31, 2013 – 34.5%) of the net assets of the Fund. The table below summarizes the Phillips, Hager & North Monthly Income Fund's exposure to interest rate risk by remaining term to maturity as at:

Term to maturity	March 31 2014	March 31 2013
Less than 1 year	15.2	25.5
1 – 5 years	26.0	25.0
5 – 10 years	27.8	14.8
> 10 years	31.0	34.7
Total	100.0	100.0

As at March 31, 2014, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 2.1% (March 31, 2013 – 2.1%). In practice, 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.

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 17-month historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	March 31 2014
S&P/TSX Capped Composite Total Return Index	+ or - 0.4

Due to the fact that the Fund was in existence for less than six months prior to March 31, 2013, no comparative disclosure is provided because there is insufficient data, and any resulting calculation of the impact on net assets of the Fund using historical correlation between the Fund's return and a broad-based index could be materially misleading.

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

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

The following is a summary of the inputs used as of March 31, 2014 and 2013 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	103 115	–	–	103 115
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	103 115	–	–	103 115
% of total portfolio	100.0	–	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	55 711	–	–	55 711
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	55 711	–	–	55 711
% of total portfolio	100.0	–	–	100.0

For the periods ended March 31, 2014 and 2013, there were no transfers of financial instruments between Level 1 and Level 2.



March 31, 2014

Management fees (see note 7 in the generic notes)

Management fees paid by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.65%
Advisor Series	1.65%
Advisor T5 Series	1.65%
Series T5	1.65%
Series H	1.50%
Series D	0.90%
Series F	0.65%
Series FT5	0.65%
Series I	0.50%

Operating expenses (see note 7 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.05%
Advisor Series	0.05%
Advisor T5 Series	0.05%
Series T5	0.05%
Series H	0.05%
Series D	0.05%
Series F	0.05%
Series FT5	0.05%
Series I	0.05%

Initial investments (\$000s except mutual fund share amounts)

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

	March 31 2014	March 31 2013
Mutual fund shares held		
Advisor Series	101	100
Advisor T5 Series	107	102
Series T5	107	102
Series H	101	100
Series D	101	100
Series F	101	100
Series FT5	107	102
Series I	102	100
Value of all mutual fund shares	\$ 9	\$ 8

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the periods ended March 31
(see note 2 in the generic notes)

	2014	2013
Series A		
Opening mutual fund shares	1 971	–
Issued number of mutual fund shares	2 526	2 427
Reinvested number of mutual fund shares	37	2
Redeemed number of mutual fund shares	(888)	(458)
Ending number of mutual fund shares	3 646	1 971
Advisor Series		
Opening mutual fund shares	431	–
Issued number of mutual fund shares	656	436
Reinvested number of mutual fund shares	9	–
Redeemed number of mutual fund shares	(217)	(5)
Ending number of mutual fund shares	879	431
Advisor T5 Series		
Opening mutual fund shares	976	–
Issued number of mutual fund shares	557	1 006
Reinvested number of mutual fund shares	6	2
Redeemed number of mutual fund shares	(196)	(32)
Ending number of mutual fund shares	1 343	976
Series T5		
Opening mutual fund shares	880	–
Issued number of mutual fund shares	1 044	881
Reinvested number of mutual fund shares	22	4
Redeemed number of mutual fund shares	(388)	(5)
Ending number of mutual fund shares	1 558	880
Series H		
Opening mutual fund shares	758	–
Issued number of mutual fund shares	989	1 423
Reinvested number of mutual fund shares	12	1
Redeemed number of mutual fund shares	(348)	(666)
Ending number of mutual fund shares	1 411	758
Series D		
Opening mutual fund shares	214	–
Issued number of mutual fund shares	268	246
Reinvested number of mutual fund shares	4	–
Redeemed number of mutual fund shares	(84)	(32)
Ending number of mutual fund shares	402	214
Series F		
Opening mutual fund shares	77	–
Issued number of mutual fund shares	78	104
Reinvested number of mutual fund shares	1	–
Redeemed number of mutual fund shares	(60)	(27)
Ending number of mutual fund shares	96	77

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



March 31, 2014

For the periods ended March 31
(see note 2 in the generic notes)

	2014	2013
Series FT5		
Opening mutual fund shares	58	–
Issued number of mutual fund shares	87	58
Reinvested number of mutual fund shares	1	–
Redeemed number of mutual fund shares	(32)	–
Ending number of mutual fund shares	114	58

Series I		
Opening mutual fund shares	58	–
Issued number of mutual fund shares	29	61
Reinvested number of mutual fund shares	1	–
Redeemed number of mutual fund shares	(24)	(3)
Ending number of mutual fund shares	64	58

**Other revenue and capital gains (\$000s)
(see note 3 in the generic notes)**

Other revenue and capital gains from investing in other related investment funds for the periods ended:

	March 31 2014	March 31 2013
Phillips, Hager & North Monthly Income Fund	\$ 3 972	\$ 701
Total other revenue	\$ 3 972	\$ 701
Capital gains received from underlying funds	\$ 1 271	\$ –

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



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC SELECT VERY CONSERVATIVE CLASS

March 31, 2014

Number of Units	Security	Cost	Fair Value	% of Net Assets
LIMITED PARTNERSHIP UNITS				
645 257	Phillips, Hager & North Total Return Bond LP*	\$ 6 685	\$ 6 823	
309 848	RBC Bond LP*	3 111	3 181	
TOTAL LIMITED PARTNERSHIP UNITS		9 796	10 004	13.2
MUTUAL FUND UNITS				
78 850	RBC Canadian Money Market Fund*	789	789	1.0
864 540	RBC Canadian Short-Term Income Fund*	9 464	9 429	12.4
928 064	Phillips, Hager & North Short Term Bond & Mortgage Fund*	9 453	9 416	12.4
994 905	RBC Bond Fund*	6 686	6 635	8.7
1 159 432	Phillips, Hager & North Bond Fund*	12 115	12 011	15.8
828 009	RBC Global Bond Fund*	8 982	9 052	11.9
83 417	RBC Canadian Dividend Fund*	4 423	5 123	6.8
60 106	RBC Canadian Equity Fund*	1 462	1 669	2.2
141 609	Phillips, Hager & North Canadian Equity Underlying Fund*	1 400	1 671	2.2
103 787	RBC U.S. Equity Fund*	2 717	3 375	4.5
74 541	Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund*	987	1 126	1.5
148 028	RBC European Equity Fund*	2 622	3 281	4.3
25 052	RBC Asian Equity Fund*	196	213	0.3
32 776	RBC Asia Pacific ex-Japan Equity Fund*	325	330	0.4
25 831	RBC Japanese Equity Fund*	250	250	0.3
TOTAL MUTUAL FUND UNITS		61 871	64 370	84.7
TOTAL INVESTMENTS		\$ 71 667	74 374	97.9
OTHER NET ASSETS			1 630	2.1
NET ASSETS			\$ 76 004	100.0

* Investment in related party (see note 6 in the generic notes).



Statements of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2014	2013
ASSETS		
Investments at fair value	\$ 74 374	\$ 31 614
Cash	1 613	1 046
Due from investment dealers	100	230
Subscriptions receivable	16	3 591
TOTAL ASSETS	76 103	36 481
LIABILITIES		
Due to investment dealers	–	1 155
Redemptions payable	–	20
Accounts payable and accrued expenses	99	41
TOTAL LIABILITIES	99	1 216
NET ASSETS	\$ 76 004	\$ 35 265
Investments at cost	\$ 71 667	\$ 31 252
NET ASSETS, END OF PERIOD		
SERIES A	\$ 62 488	\$ 33 739
ADVISOR SERIES	\$ 5 419	\$ 193
SERIES F	\$ 8 097	\$ 1 333
NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD		
SERIES A	\$ 10.78	\$ 10.27
ADVISOR SERIES	\$ 10.78	\$ 10.27
SERIES F	\$ 10.94	\$ 10.31
NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD (see note 3 in the generic notes)		
SERIES A	\$ 10.78	\$ 10.27
ADVISOR SERIES	\$ 10.78	\$ 10.27
SERIES F	\$ 10.94	\$ 10.31

Statements of Operations (in \$000s except per mutual fund share amounts)

For the periods ended March 31 (see note 2 in the generic notes)*	2014	2013
INCOME (see note 3 in the generic notes)		
Interest	\$ 12	\$ 2
Other revenue	1 737	179
TOTAL INCOME (LOSS)	1 749	181
EXPENSES (see notes – Fund Specific Information)		
Management fees	922	96
Administration fees	32	3
Board of Directors fees	7	2
Board of Governors costs	3	–
GST/HST	117	13
TOTAL EXPENSES	1 081	114
Less expenses reimbursed by manager	(7)	–
TOTAL EXPENSES NET OF REIMBURSEMENT	1 074	114
NET INVESTMENT INCOME (LOSS)	675	67
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Capital gains received from underlying funds	170	66
Net realized gain (loss) on investments	741	26
Change in unrealized gain (loss) on investments	2 345	362
NET GAIN (LOSS) ON INVESTMENTS	3 256	454
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
	\$ 3 931	\$ 521
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
SERIES A	\$ 3 244	\$ 490
ADVISOR SERIES	\$ 274	\$ 2
SERIES F	\$ 413	\$ 29
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE		
SERIES A	\$ 0.61	\$ 0.35
ADVISOR SERIES	\$ 0.54	\$ 0.25
SERIES F	\$ 0.67	\$ 0.30

* Fund launched October 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

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



Statements of Changes in Net Assets (in \$000s)

For the periods ended March 31 (see note 2 in the generic notes)*	Series A		Advisor Series		Series F		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 33 739	\$ –	\$ 193	\$ –	\$ 1 333	\$ –	\$ 35 265	\$ –
INCREASE (DECREASE) FROM OPERATIONS	3 244	490	274	2	413	29	3 931	521
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	39 439	36 064	5 170	191	6 883	1 312	51 492	37 567
Proceeds from reinvestment of distributions	174	18	10	–	4	–	188	18
Payments on redemption of mutual fund shares	(13 932)	(2 815)	(217)	–	(521)	(7)	(14 670)	(2 822)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	25 681	33 267	4 963	191	6 366	1 305	37 010	34 763
Distributions from net income	(176)	(18)	(11)	–	(15)	(1)	(202)	(19)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	(176)	(18)	(11)	–	(15)	(1)	(202)	(19)
TOTAL INCREASE (DECREASE) IN NET ASSETS	28 749	33 739	5 226	193	6 764	1 333	40 739	35 265
NET ASSETS – END OF PERIOD	\$ 62 488	\$ 33 739	\$ 5 419	\$ 193	\$ 8 097	\$ 1 333	\$ 76 004	\$ 35 265

* Fund launched October 2012.



March 31, 2014

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

The Fund invests primarily in other mutual funds. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk

The Fund is exposed to credit risk from investments in the underlying mutual funds. These underlying funds could invest in debt securities and could enter into over-the-counter derivative contracts.

Interest rate risk (%)

As at March 31, 2014, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 3.8% (March 31, 2013 – 3.6%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Currency risk (% of net assets)

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk as at:

Currency	March 31 2014	March 31 2013
United States dollar	6.9	6.1
Euro	1.3	1.6
Pound sterling	1.1	1.3
Japanese yen	–	0.6
Swiss franc	–	0.5
Other currencies	2.1	1.3
Total	11.4	11.4

As at March 31, 2014, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 0.1% (March 31, 2013 – 0.1%). In practice, 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.

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 17-month historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	March 31 2014
S&P/TSX Capped Composite Total Return Index	+ or - 0.2

Due to the fact that the Fund was in existence for less than six months prior to March 31, 2013, no comparative disclosure is provided because there is insufficient data, and any resulting calculation of the impact on net assets of the Fund using historical correlation between the Fund's return and a broad-based index could be materially misleading.

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

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

The following is a summary of the inputs used as of March 31, 2014 and 2013 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	74 374	–	–	74 374
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	74 374	–	–	74 374
% of total portfolio	100.0	–	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	31 614	–	–	31 614
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	31 614	–	–	31 614
% of total portfolio	100.0	–	–	100.0

For the periods ended March 31, 2014 and 2013, there were no transfers of financial instruments between Level 1 and Level 2.



March 31, 2014

Management fees (see note 7 in the generic notes)

RBC GAM is the manager, trustee and portfolio advisor of the Fund. The management fee payable in respect of each series of the Fund is a variable fee and is determined on a basis such that all fees and expenses that comprise the management expense ratio (“MER”), other than the additional cost of the harmonized sales tax (“HST”), will be equal to a specified percentage of the average net asset value of each series of the Fund (“Specified Percentage”). The Specified Percentage includes the management fee, administration fee, taxes (other than the additional cost of the HST), other fund costs and any fees and expenses of the underlying funds.

The Specified Percentage for Series A and Advisor Series is 1.60% and for Series F is 0.70%.

Operating expenses (see note 7 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.05%
Advisor Series	0.05%
Series F	0.05%

Initial investments (\$000s except mutual fund share amounts)

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

	March 31 2014	March 31 2013
Mutual fund shares held		
Advisor Series	100	100
Series F	100	100
Value of all mutual fund shares	\$ 2	\$ 2

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the periods ended March 31
(see note 2 in the generic notes)

	2014	2013
Series A		
Opening mutual fund shares	3 287	–
Issued number of mutual fund shares	3 837	3 563
Reinvested number of mutual fund shares	16	2
Redeemed number of mutual fund shares	(1 341)	(278)
Ending number of mutual fund shares	5 799	3 287
Advisor Series		
Opening mutual fund shares	19	–
Issued number of mutual fund shares	503	19
Reinvested number of mutual fund shares	1	–
Redeemed number of mutual fund shares	(20)	–
Ending number of mutual fund shares	503	19
Series F		
Opening mutual fund shares	129	–
Issued number of mutual fund shares	659	130
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(48)	(1)
Ending number of mutual fund shares	740	129

**Other revenue and capital gains (\$000s)
(see note 3 in the generic notes)**

Other revenue and capital gains from investing in other related investment funds for the periods ended:

	March 31 2014	March 31 2013
RBC Canadian Money Market Fund	\$ 13	\$ 1
RBC Canadian Short-Term Income Fund	252	30
Phillips, Hager & North Short Term Bond & Mortgage Fund	258	35
RBC Global Bond Fund	236	38
RBC Canadian Dividend Fund	135	22
RBC Canadian Equity Fund	57	14
Phillips, Hager & North Canadian Equity Underlying Fund	27	–
RBC U.S. Equity Fund	44	14
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	17	4
RBC European Equity Fund	76	17
RBC Asian Equity Fund	20	4
Phillips, Hager & North Bond Fund	378	–
RBC Bond Fund	224	–
Total other revenue	\$ 1 737	\$ 179
Capital gains received from underlying funds	\$ 170	\$ 66



March 31, 2014

Subsequent event

The Canadian government's 2013 federal budget included provisions to eliminate the capital gains tax treatment associated with forward agreements as of December 31, 2014. In response to the foregoing change in tax treatment, RBC GAM capped further investments in the Fund and has announced that, subject to the receipt of necessary shareholder and regulatory approvals, effective September 12, 2014, the Fund will be terminated and units of a corresponding RBC mutual fund trust will be distributed to shareholders on termination. The termination of the Fund will be considered a taxable disposition.

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



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC SELECT CONSERVATIVE CLASS

March 31, 2014

Number of Units	Security	Cost	Fair Value	% of Net Assets
LIMITED PARTNERSHIP UNITS				
707 951	RBC Bond LP*	\$ 7 112	\$ 7 269	
TOTAL LIMITED PARTNERSHIP UNITS		7 112	7 269	10.3
MUTUAL FUND UNITS				
54 725	RBC Canadian Money Market Fund*	547	547	0.8
628 166	RBC Canadian Short-Term Income Fund*	6 870	6 851	9.7
992 302	Phillips, Hager & North Bond Fund*	10 406	10 280	14.6
1 484 912	RBC Bond Fund*	9 911	9 903	14.0
629 480	RBC Global Bond Fund*	6 812	6 882	9.8
102 128	RBC Canadian Dividend Fund*	5 423	6 272	8.9
98 935	RBC Canadian Equity Fund*	2 414	2 747	3.9
233 109	Phillips, Hager & North Canadian Equity Underlying Fund*	2 314	2 751	3.9
184 836	RBC U.S. Equity Fund*	4 797	6 011	8.5
133 188	Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund*	1 755	2 011	2.8
236 263	RBC European Equity Fund*	4 162	5 236	7.4
73 402	RBC Asian Equity Fund*	575	625	0.9
100 315	RBC Asia Pacific ex-Japan Equity Fund*	995	1 009	1.4
67 052	RBC Japanese Equity Fund*	650	648	0.9
TOTAL MUTUAL FUND UNITS		57 631	61 773	87.5
TOTAL INVESTMENTS		\$ 64 743	69 042	97.8
OTHER NET ASSETS			1 529	2.2
NET ASSETS			\$ 70 571	100.0

* Investment in related party (see note 6 in the generic notes).



Statements of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2014	2013
ASSETS		
Investments at fair value	\$ 69 042	\$ 33 114
Cash	1 628	405
Due from investment dealers	–	290
Subscriptions receivable	11	764
TOTAL ASSETS	70 681	34 573
LIABILITIES		
Due to investment dealers	–	260
Redemptions payable	5	7
Accounts payable and accrued expenses	105	47
TOTAL LIABILITIES	110	314
NET ASSETS	\$ 70 571	\$ 34 259
Investments at cost	\$ 64 743	\$ 32 634
NET ASSETS, END OF PERIOD		
SERIES A	\$ 68 927	\$ 34 038
ADVISOR SERIES	\$ 226	\$ 53
SERIES F	\$ 1 418	\$ 168
NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD		
SERIES A	\$ 11.28	\$ 10.43
ADVISOR SERIES	\$ 11.27	\$ 10.43
SERIES F	\$ 11.47	\$ 10.48
NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD (see note 3 in the generic notes)		
SERIES A	\$ 11.28	\$ 10.43
ADVISOR SERIES	\$ 11.27	\$ 10.43
SERIES F	\$ 11.47	\$ 10.48

Statements of Operations (in \$000s except per mutual fund share amounts)

For the periods ended March 31 (see note 2 in the generic notes)*	2014	2013
INCOME (see note 3 in the generic notes)		
Interest	\$ 9	\$ –
Other revenue	1 568	197
TOTAL INCOME (LOSS)	1 577	197
EXPENSES (see notes – Fund Specific Information)		
Management fees	946	96
Administration fees	29	5
Board of Directors fees	6	2
Board of Governors costs	3	–
GST/HST	106	13
TOTAL EXPENSES	1 090	116
Less expenses reimbursed by manager	(6)	–
TOTAL EXPENSES NET OF REIMBURSEMENT	1 084	116
NET INVESTMENT INCOME (LOSS)	493	81
REALIZED AND UNREALIZED GAIN (LOSS)		
ON INVESTMENTS		
Capital gains received from underlying funds	260	64
Net realized gain (loss) on investments	922	38
Change in unrealized gain (loss) on investments	3 819	480
NET GAIN (LOSS) ON INVESTMENTS	5 001	582
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS	\$ 5 494	\$ 663
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS		
SERIES A	\$ 5 412	\$ 655
ADVISOR SERIES	\$ 23	\$ 2
SERIES F	\$ 59	\$ 6
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS PER MUTUAL FUND SHARE		
SERIES A	\$ 0.98	\$ 0.48
ADVISOR SERIES	\$ 0.98	\$ 0.82
SERIES F	\$ 1.09	\$ 0.50

* Fund launched October 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

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



Statements of Changes in Net Assets (in \$000s)

For the periods ended March 31 (see note 2 in the generic notes)*	Series A		Advisor Series		Series F		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 34 038	\$ –	\$ 53	\$ –	\$ 168	\$ –	\$ 34 259	\$ –
INCREASE (DECREASE) FROM OPERATIONS	5 412	655	23	2	59	6	5 494	663
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	43 182	35 880	353	51	1 206	162	44 741	36 093
Proceeds from reinvestment of distributions	264	20	1	–	3	–	268	20
Payments on redemption of mutual fund shares	(13 702)	(2 497)	(203)	–	(15)	–	(13 920)	(2 497)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	29 744	33 403	151	51	1 194	162	31 089	33 616
Distributions from net income	(267)	(20)	(1)	–	(3)	–	(271)	(20)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	(267)	(20)	(1)	–	(3)	–	(271)	(20)
TOTAL INCREASE (DECREASE) IN NET ASSETS	34 889	34 038	173	53	1 250	168	36 312	34 259
NET ASSETS – END OF PERIOD	\$ 68 927	\$ 34 038	\$ 226	\$ 53	\$ 1 418	\$ 168	\$ 70 571	\$ 34 259

* Fund launched October 2012.



March 31, 2014

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

The Fund invests primarily in other mutual funds. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk

The Fund is exposed to credit risk from investments in the underlying mutual funds. These underlying funds could invest in debt securities and could enter into over-the-counter derivative contracts.

Interest rate risk (%)

As at March 31, 2014, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 3.3% (March 31, 2013 –3.3%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Currency risk (% of net assets)

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk as at:

Currency	March 31 2014	March 31 2013
United States dollar	13.0	11.5
Euro	2.2	2.4
Pound sterling	1.9	2.2
Japanese yen	1.3	1.3
Swiss franc	0.6	0.8
Australian dollar	0.5	–
Hong Kong dollar	0.5	0.5
Other currencies	1.4	1.6
Total	21.4	20.3

As at March 31, 2014, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 0.2% (March 31, 2013 – 0.2%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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 17-month historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	March 31 2014
S&P/TSX Capped Composite Total Return Index	+ or - 0.3

Due to the fact that the Fund was in existence for less than six months prior to March 31, 2013, no comparative disclosure is provided because there is insufficient data, and any resulting calculation of the impact on net assets of the Fund using historical correlation between the Fund's return and a broad-based index could be materially misleading.

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

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

The following is a summary of the inputs used as of March 31, 2014 and 2013 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	69 042	–	–	69 042
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	69 042	–	–	69 042
% of total portfolio	100.0	–	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	33 114	–	–	33 114
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	33 114	–	–	33 114
% of total portfolio	100.0	–	–	100.0

For the periods ended March 31, 2014 and 2013, there were no transfers of financial instruments between Level 1 and Level 2.



March 31, 2014

Management fees (see note 7 in the generic notes)

RBC GAM is the manager, trustee and portfolio advisor of the Fund. The management fee payable in respect of each series of the Fund is a variable fee and is determined on a basis such that all fees and expenses that comprise the management expense ratio (“MER”), other than the additional cost of the harmonized sales tax (“HST”), will be equal to a specified percentage of the average net asset value of each series of the Fund (“Specified Percentage”). The Specified Percentage includes the management fee, administration fee, taxes (other than the additional cost of the HST), other fund costs and any fees and expenses of the underlying funds.

The Specified Percentage for Series A and Advisor Series is 1.75% and for Series F is 0.75%.

Operating expenses (see note 7 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.05%
Advisor Series	0.05%
Series F	0.05%

Initial investments (\$000s except mutual fund share amounts)

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

	March 31 2014	March 31 2013
Mutual fund shares held		
Advisor Series	101	100
Series F	100	100
Value of all mutual fund shares	\$ 2	\$ 2

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

Shareholders’ equity (000s)

The shareholders’ equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the periods ended March 31 (see note 2 in the generic notes)	2014	2013
Series A		
Opening mutual fund shares	3 265	–
Issued number of mutual fund shares	4 093	3 505
Reinvested number of mutual fund shares	23	2
Redeemed number of mutual fund shares	(1 269)	(242)
Ending number of mutual fund shares	6 112	3 265
Advisor Series		
Opening mutual fund shares	5	–
Issued number of mutual fund shares	34	5
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(19)	–
Ending number of mutual fund shares	20	5
Series F		
Opening mutual fund shares	16	–
Issued number of mutual fund shares	109	16
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(1)	–
Ending number of mutual fund shares	124	16

**Other revenue and capital gains (\$000s)
(see note 3 in the generic notes)**

Other revenue and capital gains from investing in other related investment funds for the periods ended:

	March 31 2014	March 31 2013
RBC Canadian Money Market Fund	\$ 8	\$ 1
RBC Canadian Short-Term Income Fund	178	21
Phillips, Hager & North Bond Fund	326	55
RBC Bond Fund	311	–
RBC Global Bond Fund	174	29
RBC Canadian Dividend Fund	158	28
RBC Canadian Equity Fund	91	16
Phillips, Hager & North Canadian Equity Underlying Fund	42	–
RBC U.S. Equity Fund	78	17
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	28	4
RBC European Equity Fund	120	19
RBC Asian Equity Fund	54	7
Total other revenue	\$ 1 568	\$ 197
Capital gains received from underlying funds	\$ 260	\$ 64



Subsequent event

The Canadian government's 2013 federal budget included provisions to eliminate the capital gains tax treatment associated with forward agreements as of December 31, 2014. In response to the foregoing change in tax treatment, RBC GAM capped further investments in the Fund and has announced that, subject to the receipt of necessary shareholder and regulatory approvals, effective September 12, 2014, the Fund will be terminated and units of a corresponding RBC mutual fund trust will be distributed to shareholders on termination. The termination of the Fund will be considered a taxable disposition.



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC SELECT BALANCED CLASS

March 31, 2014

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
11 218	RBC Canadian Money Market Fund*	\$ 112	\$ 112	0.2
2 207 354	RBC Bond Fund*	14 817	14 720	33.1
189 598	RBC Global Bond Fund*	2 049	2 074	4.7
77 943	RBC Canadian Dividend Fund*	4 168	4 787	10.8
85 446	RBC Canadian Equity Fund*	2 096	2 373	5.3
201 328	Phillips, Hager & North Canadian Equity Underlying Fund*	2 005	2 377	5.3
158 958	RBC U.S. Equity Fund*	4 169	5 169	11.6
51 427	RBC U.S. Mid-Cap Equity Fund*	1 131	1 418	3.2
140 441	Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund*	1 871	2 121	4.8
145 289	RBC European Equity Fund*	2 591	3 220	7.2
56 147	RBC Asian Equity Fund*	444	478	1.1
70 597	RBC Asia Pacific ex-Japan Equity Fund*	700	710	1.6
46 442	RBC Japanese Equity Fund*	450	449	1.0
136 504	RBC Emerging Markets Equity Fund*	1 552	1 672	3.8
108 859	RBC Global Dividend Growth Fund*	1 119	1 402	3.1
10 889	RBC Emerging Markets Dividend Fund*	112	115	0.3
11 031	RBC Emerging Markets Small-Cap Equity Fund*	111	120	0.3
TOTAL MUTUAL FUND UNITS		39 497	43 317	97.4
TOTAL INVESTMENTS		\$ 39 497	43 317	97.4
OTHER NET ASSETS			1 176	2.6
NET ASSETS			\$ 44 493	100.0

* Investment in related party (see note 6 in the generic notes).



Statements of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2014	2013
ASSETS		
Investments at fair value	\$ 43 317	\$ 16 139
Cash	1 239	937
Due from investment dealers	–	15
Subscriptions receivable	10	496
TOTAL ASSETS	44 566	17 587
LIABILITIES		
Due to investment dealers	–	934
Redemptions payable	5	–
Accounts payable and accrued expenses	68	23
TOTAL LIABILITIES	73	957
NET ASSETS	\$ 44 493	\$ 16 630
Investments at cost	\$ 39 497	\$ 15 829
NET ASSETS, END OF PERIOD		
SERIES A	\$ 43 346	\$ 16 602
ADVISOR SERIES	\$ 528	\$ 27
SERIES F	\$ 619	\$ 1
NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD		
SERIES A	\$ 11.88	\$ 10.60
ADVISOR SERIES	\$ 11.90	\$ 10.61
SERIES F	\$ 12.12	\$ 10.65
NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD (see note 3 in the generic notes)		
SERIES A	\$ 11.88	\$ 10.60
ADVISOR SERIES	\$ 11.90	\$ 10.61
SERIES F	\$ 12.12	\$ 10.65

Statements of Operations (in \$000s except per mutual fund share amounts)

For the periods ended March 31 (see note 2 in the generic notes)*	2014	2013
INCOME (see note 3 in the generic notes)		
Interest	\$ 5	\$ –
Other revenue	1 049	122
TOTAL INCOME (LOSS)	1 054	122
EXPENSES (see notes – Fund Specific Information)		
Management fees	603	46
Administration fees	19	2
Board of Directors fees	4	1
Board of Governors costs	3	–
GST/HST	65	6
TOTAL EXPENSES	694	55
Less expenses reimbursed by manager	(6)	–
TOTAL EXPENSES NET OF REIMBURSEMENT	688	55
NET INVESTMENT INCOME (LOSS)	366	67
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Capital gains received from underlying funds	251	25
Net realized gain (loss) on investments	718	2
Change in unrealized gain (loss) on investments	3 510	310
NET GAIN (LOSS) ON INVESTMENTS	4 479	337
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
	\$ 4 845	\$ 404
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
SERIES A	\$ 4 770	\$ 403
ADVISOR SERIES	\$ 46	\$ 1
SERIES F	\$ 29	\$ –
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE		
SERIES A	\$ 1.50	\$ 0.65
ADVISOR SERIES	\$ 1.30	\$ 0.73
SERIES F	\$ 1.37	\$ 1.14

* Fund launched October 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

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



Statements of Changes in Net Assets (in \$000s)

For the periods ended March 31 (see note 2 in the generic notes)*	Series A		Advisor Series		Series F		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 16 602	\$ –	\$ 27	\$ –	\$ 1	\$ –	\$ 16 630	\$ –
INCREASE (DECREASE) FROM OPERATIONS	4 770	403	46	1	29	–	4 845	404
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	29 134	16 315	533	26	651	1	30 318	16 342
Proceeds from reinvestment of distributions	210	11	2	–	1	–	213	11
Payments on redemption of mutual fund shares	(7 159)	(116)	(78)	–	(62)	–	(7 299)	(116)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	22 185	16 210	457	26	590	1	23 232	16 237
Distributions from net income	(211)	(11)	(2)	–	(1)	–	(214)	(11)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	(211)	(11)	(2)	–	(1)	–	(214)	(11)
TOTAL INCREASE (DECREASE) IN NET ASSETS	26 744	16 602	501	27	618	1	27 863	16 630
NET ASSETS – END OF PERIOD	\$ 43 346	\$ 16 602	\$ 528	\$ 27	\$ 619	\$ 1	\$ 44 493	\$ 16 630

* Fund launched October 2012.



March 31, 2014

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

The Fund invests primarily in other mutual funds. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk

The Fund is exposed to credit risk from investments in the underlying mutual funds. These underlying funds could invest in debt securities and could enter into over-the-counter derivative contracts.

Interest rate risk (%)

As at March 31, 2014, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 2.4% (March 31, 2013 – 2.5%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Currency risk (% of net assets)

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk as at:

Currency	March 31 2014	March 31 2013
United States dollar	23.4	22.6
Euro	2.5	2.6
Pound sterling	2.2	2.5
Japanese yen	1.6	1.5
Hong Kong dollar	1.3	1.4
South Korean won	0.7	0.9
Swiss franc	0.7	0.8
Australian dollar	0.7	0.6
New Taiwan dollar	0.5	0.6
South African rand	–	0.5
Other currencies	3.2	3.0
Total	36.8	37.0

As at March 31, 2014, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 0.4% (March 31, 2013 – 0.4%). In practice, 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.

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 17-month historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	March 31 2014
S&P/TSX Capped Composite Total Return Index	+ or - 0.5

Due to the fact that the Fund was in existence for less than six months prior to March 31, 2013, no comparative disclosure is provided because there is insufficient data, and any resulting calculation of the impact on net assets of the Fund using historical correlation between the Fund's return and a broad-based index could be materially misleading.

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

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

The following is a summary of the inputs used as of March 31, 2014 and 2013 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	43 317	–	–	43 317
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	43 317	–	–	43 317
% of total portfolio	100.0	–	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	16 139	–	–	16 139
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	16 139	–	–	16 139
% of total portfolio	100.0	–	–	100.0

For the periods ended March 31, 2014 and 2013, there were no transfers of financial instruments between Level 1 and Level 2.



March 31, 2014

Management fees (see note 7 in the generic notes)

RBC GAM is the manager, trustee and portfolio advisor of the Fund. The management fee payable in respect of each series of the Fund is a variable fee and is determined on a basis such that all fees and expenses that comprise the management expense ratio (“MER”), other than the additional cost of the harmonized sales tax (“HST”), will be equal to a specified percentage of the average net asset value of each series of the Fund (“Specified Percentage”). The Specified Percentage includes the management fee, administration fee, taxes (other than the additional cost of the HST), other fund costs and any fees and expenses of the underlying funds.

The Specified Percentage for Series A and Advisor Series is 1.85% and for Series F is 0.85%.

Operating expenses (see note 7 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.05%
Advisor Series	0.05%
Series F	0.05%

Initial investments (\$000s except mutual fund share amounts)

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

	March 31 2014	March 31 2013
Mutual fund shares held		
Series A	–	149 903
Advisor Series	100	100
Series F	100	100
Value of all mutual fund shares	\$ 2	\$ 1 591

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

Shareholders’ equity (000s)

The shareholders’ equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the periods ended March 31 (see note 2 in the generic notes)	2014	2013
Series A		
Opening mutual fund shares	1 567	–
Issued number of mutual fund shares	2 692	1 577
Reinvested number of mutual fund shares	18	1
Redeemed number of mutual fund shares	(630)	(11)
Ending number of mutual fund shares	3 647	1 567
Advisor Series		
Opening mutual fund shares	3	–
Issued number of mutual fund shares	48	3
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(7)	–
Ending number of mutual fund shares	44	3
Series F		
Opening mutual fund shares	–	–
Issued number of mutual fund shares	56	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(5)	–
Ending number of mutual fund shares	51	–

**Other revenue and capital gains (\$000s)
(see note 3 in the generic notes)**

Other revenue and capital gains from investing in other related investment funds for the periods ended:

	March 31 2014	March 31 2013
RBC Bond Fund	\$ 482	\$ 61
RBC Global Bond Fund	52	7
RBC Canadian Money Market Fund	2	–
RBC Canadian Dividend Fund	119	16
RBC Canadian Equity Fund	78	9
Phillips, Hager & North Canadian Equity Underlying Fund	37	–
RBC U.S. Equity Fund	66	9
RBC U.S. Mid-Cap Equity Fund	4	1
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	29	3
RBC European Equity Fund	73	7
RBC Global Dividend Growth Fund	32	3
RBC Asian Equity Fund	37	3
RBC Emerging Markets Equity Fund	37	3
RBC Emerging Markets Dividend Fund	1	–
Total other revenue	\$ 1 049	\$ 122
Capital gains received from underlying funds	\$ 251	\$ 25



Subsequent event

The Canadian government's 2013 federal budget included provisions to eliminate the capital gains tax treatment associated with forward agreements as of December 31, 2014. In response to the foregoing change in tax treatment, RBC GAM capped further investments in the Fund and has announced that, subject to the receipt of necessary shareholder and regulatory approvals, effective September 12, 2014, the Fund will be terminated and units of a corresponding RBC mutual fund trust will be distributed to shareholders on termination. The termination of the Fund will be considered a taxable disposition.



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC SELECT GROWTH CLASS

March 31, 2014

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
2 159	RBC Canadian Money Market Fund*	\$ 22	\$ 22	0.3
172 083	RBC Bond Fund*	1 153	1 149	13.3
72 091	RBC Global Bond Fund*	780	788	9.1
6 112	RBC Canadian Dividend Fund*	323	375	4.3
26 661	RBC Canadian Equity Fund*	651	740	8.5
13 414	Phillips, Hager & North Canadian Growth Fund*	392	449	5.2
61 963	Phillips, Hager & North Canadian Equity Underlying Fund*	618	731	8.4
38 711	RBC U.S. Equity Fund*	996	1 259	14.6
11 590	RBC U.S. Mid-Cap Equity Fund*	250	320	3.7
32 905	Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund*	434	497	5.7
35 292	RBC European Equity Fund*	620	782	9.0
6 841	RBC Asian Equity Fund*	53	58	0.7
15 612	RBC Asia Pacific ex-Japan Equity Fund*	155	157	1.8
13 752	RBC Japanese Equity Fund*	135	133	1.5
37 131	RBC Emerging Markets Equity Fund*	417	455	5.3
36 566	RBC Global Dividend Growth Fund*	371	471	5.4
2 019	RBC Emerging Markets Dividend Fund*	20	21	0.2
2 010	RBC Emerging Markets Small-Cap Equity Fund*	20	22	0.3
TOTAL MUTUAL FUND UNITS		7 410	8 429	97.3
TOTAL INVESTMENTS		\$ 7 410	8 429	97.3
OTHER NET ASSETS			232	2.7
NET ASSETS			\$ 8 661	100.0

* Investment in related party (see note 6 in the generic notes).



Statements of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2014	2013
ASSETS		
Investments at fair value	\$ 8 429	\$ 3 605
Cash	254	23
Due from investment dealers	200	47
Subscriptions receivable	7	–
TOTAL ASSETS	8 890	3 675
LIABILITIES		
Due to investment dealers	–	12
Redemptions payable	215	–
Accounts payable and accrued expenses	14	6
TOTAL LIABILITIES	229	18
NET ASSETS	\$ 8 661	\$ 3 657
Investments at cost	\$ 7 410	\$ 3 466
NET ASSETS, END OF PERIOD		
SERIES A	\$ 8 336	\$ 3 655
ADVISOR SERIES	\$ 75	\$ 1
SERIES F	\$ 250	\$ 1
NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD		
SERIES A	\$ 12.31	\$ 10.72
ADVISOR SERIES	\$ 12.38	\$ 10.72
SERIES F	\$ 12.54	\$ 10.76
NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD (see note 3 in the generic notes)		
SERIES A	\$ 12.31	\$ 10.72
ADVISOR SERIES	\$ 12.38	\$ 10.72
SERIES F	\$ 12.54	\$ 10.76

Statements of Operations (in \$000s except per mutual fund share amounts)

For the periods ended March 31 (see note 2 in the generic notes)*	2014	2013
INCOME (see note 3 in the generic notes)		
Interest	\$ 1	\$ –
Other revenue	180	46
TOTAL INCOME (LOSS)	181	46
EXPENSES (see notes – Fund Specific Information)		
Management fees	118	19
Administration fees	3	1
Board of Directors fees	1	–
Board of Governors costs	3	–
GST/HST	10	2
TOTAL EXPENSES	135	22
Less expenses reimbursed by manager	(3)	–
TOTAL EXPENSES NET OF REIMBURSEMENT	132	22
NET INVESTMENT INCOME (LOSS)	49	24
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Capital gains received from underlying funds	55	15
Net realized gain (loss) on investments	134	4
Change in unrealized gain (loss) on investments	880	139
NET GAIN (LOSS) ON INVESTMENTS	1 069	158
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
	\$ 1 118	\$ 182
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
SERIES A	\$ 1 077	\$ 182
ADVISOR SERIES	\$ 8	\$ –
SERIES F	\$ 33	\$ –
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE		
SERIES A	\$ 1.90	\$ 0.75
ADVISOR SERIES	\$ 1.76	\$ 0.82
SERIES F	\$ 1.92	\$ 0.86

* Fund launched October 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

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



Statements of Changes in Net Assets *(in \$000s)*

For the periods ended March 31 (see note 2 in the generic notes)*	Series A		Advisor Series		Series F		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 3 655	\$ –	\$ 1	\$ –	\$ 1	\$ –	\$ 3 657	\$ –
INCREASE (DECREASE) FROM OPERATIONS	1 077	182	8	–	33	–	1 118	182
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	4 385	3 731	69	1	264	1	4 718	3 733
Proceeds from reinvestment of distributions	50	11	–	–	2	–	52	11
Payments on redemption of mutual fund shares	(780)	(258)	(3)	–	(48)	–	(831)	(258)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	3 655	3 484	66	1	218	1	3 939	3 486
Distributions from net income	(51)	(11)	–	–	(2)	–	(53)	(11)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	(51)	(11)	–	–	(2)	–	(53)	(11)
TOTAL INCREASE (DECREASE) IN NET ASSETS	4 681	3 655	74	1	249	1	5 004	3 657
NET ASSETS – END OF PERIOD	\$ 8 336	\$ 3 655	\$ 75	\$ 1	\$ 250	\$ 1	\$ 8 661	\$ 3 657

* Fund launched October 2012.



March 31, 2014

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

The Fund invests primarily in other mutual funds. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk

The Fund is exposed to credit risk from investments in the underlying mutual funds. These underlying funds could invest in debt securities and could enter into over-the-counter derivative contracts.

Interest rate risk (%)

As at March 31, 2014, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 1.4% (March 31, 2013 – 1.4%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Currency risk (% of net assets)

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk as at:

Currency	March 31 2014	March 31 2013
United States dollar	29.3	27.8
Euro	3.4	3.2
Pound sterling	3.0	3.1
Japanese yen	2.2	2.2
Hong Kong dollar	1.6	1.9
South Korean won	0.9	1.2
Swiss franc	0.9	1.0
Australian dollar	0.7	0.8
New Taiwan dollar	0.7	0.8
South African rand	0.6	0.6
Indian rupee	0.6	0.5
Other currencies	3.0	3.3
Total	46.9	46.4

As at March 31, 2014, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 0.5% (March 31, 2013 – 0.5%). In practice, 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.

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 17-month historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	March 31 2014
S&P/TSX Capped Composite Total Return Index	+ or - 0.6

Due to the fact that the Fund was in existence for less than six months prior to March 31, 2013, no comparative disclosure is provided because there is insufficient data, and any resulting calculation of the impact on net assets of the Fund using historical correlation between the Fund's return and a broad-based index could be materially misleading.

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

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

The following is a summary of the inputs used as of March 31, 2014 and 2013 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	8 429	–	–	8 429
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	8 429	–	–	8 429
% of total portfolio	100.0	–	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	3 605	–	–	3 605
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	3 605	–	–	3 605
% of total portfolio	100.0	–	–	100.0

For the periods ended March 31, 2014 and 2013, there were no transfers of financial instruments between Level 1 and Level 2.



March 31, 2014

Management fees (see note 7 in the generic notes)

RBC GAM is the manager, trustee and portfolio advisor of the Fund. The management fee payable in respect of each series of the Fund is a variable fee and is determined on a basis such that all fees and expenses that comprise the management expense ratio (“MER”), other than the additional cost of the harmonized sales tax (“HST”), will be equal to a specified percentage of the average net asset value of each series of the Fund (“Specified Percentage”). The Specified Percentage includes the management fee, administration fee, taxes (other than the additional cost of the HST), other fund costs and any fees and expenses of the underlying funds.

The Specified Percentage for Series A and Advisor Series is 1.95% and for Series F is 0.95%.

Operating expenses (see note 7 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.05%
Advisor Series	0.05%
Series F	0.05%

Initial investments (\$000s except mutual fund share amounts)

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

	March 31 2014	March 31 2013
Mutual fund shares held		
Series A	151 174	150 259
Advisor Series	100	100
Series F	101	100
Value of all mutual fund shares	\$ 1 864	\$ 1 607

Shareholders’ equity (000s)

The shareholders’ equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the periods ended March 31
(see note 2 in the generic notes)

	2014	2013
Series A		
Opening mutual fund shares	342	–
Issued number of mutual fund shares	397	366
Reinvested number of mutual fund shares	4	1
Redeemed number of mutual fund shares	(66)	(25)
Ending number of mutual fund shares	677	342
Advisor Series		
Opening mutual fund shares	–	–
Issued number of mutual fund shares	6	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	–
Ending number of mutual fund shares	6	–
Series F		
Opening mutual fund shares	–	–
Issued number of mutual fund shares	24	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(4)	–
Ending number of mutual fund shares	20	–

**Other revenue and capital gains (\$000s)
(see note 3 in the generic notes)**

Other revenue and capital gains from investing in other related investment funds for the periods ended:

	March 31 2014	March 31 2013
RBC Bond Fund	\$ 37	\$ 6
RBC Global Bond Fund	19	3
RBC Canadian Dividend Fund	9	2
RBC Canadian Equity Fund	24	8
Phillips, Hager & North Canadian Growth Fund	11	3
Phillips, Hager & North Canadian Equity Underlying Fund	11	–
RBC U.S. Equity Fund	15	7
RBC U.S. Mid-Cap Equity Fund	1	1
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	7	2
RBC European Equity Fund	18	5
RBC Global Dividend Growth Fund	10	3
RBC Asian Equity Fund	8	3
RBC Emerging Markets Equity Fund	10	3
Total other revenue	\$ 180	\$ 46
Capital gains received from underlying funds	\$ 55	\$ 15

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



Subsequent event

The Canadian government's 2013 federal budget included provisions to eliminate the capital gains tax treatment associated with forward agreements as of December 31, 2014. In response to the foregoing change in tax treatment, RBC GAM capped further investments in the Fund and has announced that, subject to the receipt of necessary shareholder and regulatory approvals, effective September 12, 2014, the Fund will be terminated and units of a corresponding RBC mutual fund trust will be distributed to shareholders on termination. The termination of the Fund will be considered a taxable disposition.



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC SELECT AGGRESSIVE GROWTH CLASS

March 31, 2014

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
4 300	RBC Canadian Dividend Fund*	\$ 220	\$ 264	9.9
9 443	RBC Canadian Equity Fund*	228	262	9.8
3 911	Phillips, Hager & North Canadian Growth Fund*	113	131	4.9
22 502	Phillips, Hager & North Canadian Equity Underlying Fund*	221	266	10.0
13 709	RBC U.S. Equity Fund*	329	446	16.8
6 580	RBC U.S. Mid-Cap Equity Fund*	131	181	6.8
13 793	Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund*	174	208	7.8
16 294	RBC European Equity Fund*	264	361	13.6
2 067	RBC Asian Equity Fund*	15	18	0.7
7 558	RBC Asia Pacific ex-Japan Equity Fund*	75	76	2.9
6 088	RBC Japanese Equity Fund*	60	59	2.2
15 471	RBC Emerging Markets Equity Fund*	170	190	7.1
11 952	RBC Global Dividend Growth Fund*	112	154	5.8
604	RBC Emerging Markets Dividend Fund*	6	6	0.2
599	RBC Emerging Markets Small-Cap Equity Fund*	6	7	0.3
TOTAL MUTUAL FUND UNITS		2 124	2 629	98.8
TOTAL INVESTMENTS		<u>\$ 2 124</u>	<u>2 629</u>	<u>98.8</u>
OTHER NET ASSETS			31	1.2
NET ASSETS			<u>\$ 2 660</u>	<u>100.0</u>

* Investment in related party (see note 6 in the generic notes).



Statements of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2014	2013
ASSETS		
Investments at fair value	\$ 2 629	\$ 1 881
Cash	36	9
TOTAL ASSETS	2 665	1 890
LIABILITIES		
Accounts payable and accrued expenses	5	3
TOTAL LIABILITIES	5	3
NET ASSETS	\$ 2 660	\$ 1 887
Investments at cost	\$ 2 124	\$ 1 753
NET ASSETS, END OF PERIOD		
SERIES A	\$ 2 649	\$ 1 879
ADVISOR SERIES	\$ 10	\$ 7
SERIES F	\$ 1	\$ 1
NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD		
SERIES A	\$ 13.08	\$ 10.96
ADVISOR SERIES	\$ 13.11	\$ 10.96
SERIES F	\$ 13.27	\$ 11.01
NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD (see note 3 in the generic notes)		
SERIES A	\$ 13.08	\$ 10.96
ADVISOR SERIES	\$ 13.11	\$ 10.96
SERIES F	\$ 13.27	\$ 11.01

Statements of Operations (in \$000s except per mutual fund share amounts)

For the periods ended March 31 (see note 2 in the generic notes)*	2014	2013
INCOME (see note 3 in the generic notes)		
Other revenue	\$ 51	\$ 32
TOTAL INCOME (LOSS)	51	32
EXPENSES (see notes – Fund Specific Information)		
Management fees	44	13
Administration fees	2	–
Board of Governors costs	3	–
GST/HST	3	2
TOTAL EXPENSES	52	15
Less expenses reimbursed by manager	(3)	–
TOTAL EXPENSES NET OF REIMBURSEMENT	49	15
NET INVESTMENT INCOME (LOSS)	2	17
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Capital gains received from underlying funds	22	8
Net realized gain (loss) on investments	62	2
Change in unrealized gain (loss) on investments	377	128
NET GAIN (LOSS) ON INVESTMENTS	461	138
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
	\$ 463	\$ 155
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
SERIES A	\$ 461	\$ 155
ADVISOR SERIES	\$ 2	\$ –
SERIES F	\$ –	\$ –
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE		
SERIES A	\$ 2.33	\$ 0.97
ADVISOR SERIES	\$ 2.33	\$ 0.94
SERIES F	\$ 2.48	\$ 1.02

* Fund launched October 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

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



Statements of Changes in Net Assets (in \$000s)

For the periods ended March 31 (see note 2 in the generic notes)*	Series A		Advisor Series		Series F		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 1 879	\$ –	\$ 7	\$ –	\$ 1	\$ –	\$ 1 887	\$ –
INCREASE (DECREASE) FROM OPERATIONS	461	155	2	–	–	–	463	155
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	501	1 724	2	7	–	1	503	1 732
Proceeds from reinvestment of distributions	22	9	–	–	–	–	22	9
Payments on redemption of mutual fund shares	(192)	–	(1)	–	–	–	(193)	–
TOTAL MUTUAL FUND SHARE TRANSACTIONS	331	1 733	1	7	–	1	332	1 741
Distributions from net income	(22)	(9)	–	–	–	–	(22)	(9)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	(22)	(9)	–	–	–	–	(22)	(9)
TOTAL INCREASE (DECREASE) IN NET ASSETS	770	1 879	3	7	–	1	773	1 887
NET ASSETS – END OF PERIOD	\$ 2 649	\$ 1 879	\$ 10	\$ 7	\$ 1	\$ 1	\$ 2 660	\$ 1 887

* Fund launched October 2012.



March 31, 2014

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

The Fund invests primarily in other mutual funds. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk

The Fund is exposed to credit risk from investments in the underlying mutual funds. These underlying funds could invest in debt securities and could enter into over-the-counter derivative contracts.

Currency risk (% of net assets)

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk as at:

Currency	March 31 2014	March 31 2013
United States dollar	36.5	35.5
Euro	4.7	4.3
Pound sterling	4.2	4.3
Japanese yen	2.8	2.4
Hong Kong dollar	2.1	2.5
Swiss franc	1.3	1.4
Australian dollar	1.0	1.0
South Korean won	0.9	1.5
New Taiwan dollar	0.8	1.0
South African rand	0.8	0.9
Indian rupee	0.8	0.7
Malaysian ringgit	0.5	–
Swedish krona	0.5	–
Brazilian real	–	0.5
Chilean peso	–	0.5
Other currencies	2.3	2.9
Total	59.2	59.4

As at March 31, 2014, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 0.6% (March 31, 2013 – 0.6%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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 17-month historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	March 31 2014
S&P/TSX Capped Composite Total Return Index	+ or - 0.7

Due to the fact that the Fund was in existence for less than six months prior to March 31, 2013, no comparative disclosure is provided because there is insufficient data, and any resulting calculation of the impact on net assets of the Fund using historical correlation between the Fund's return and a broad-based index could be materially misleading.

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

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

The following is a summary of the inputs used as of March 31, 2014 and 2013 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	2 629	–	–	2 629
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	2 629	–	–	2 629
% of total portfolio	100.0	–	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	1 881	–	–	1 881
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	1 881	–	–	1 881
% of total portfolio	100.0	–	–	100.0

For the periods ended March 31, 2014 and 2013, there were no transfers of financial instruments between Level 1 and Level 2.



March 31, 2014

Management fees (see note 7 in the generic notes)

RBC GAM is the manager, trustee and portfolio advisor of the Fund. The management fee payable in respect of each series of the Fund is a variable fee and is determined on a basis such that all fees and expenses that comprise the management expense ratio (“MER”), other than the additional cost of the harmonized sales tax (“HST”), will be equal to a specified percentage of the average net asset value of each series of the Fund (“Specified Percentage”). The Specified Percentage includes the management fee, administration fee, taxes (other than the additional cost of the HST), other fund costs and any fees and expenses of the underlying funds.

The Specified Percentage for Series A and Advisor Series is 2.05% and for Series F is 1.05%.

Operating expenses (see note 7 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.05%
Advisor Series	0.05%
Series F	0.05%

Initial investments (\$000s except mutual fund share amounts)

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

	March 31 2014	March 31 2013
Mutual fund shares held		
Series A	151 803	150 522
Advisor Series	101	100
Series F	101	101
Value of all mutual fund shares	\$ 1 988	\$ 1 644

Shareholders’ equity (000s)

The shareholders’ equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the periods ended March 31
(see note 2 in the generic notes)

	2014	2013
Series A		
Opening mutual fund shares	172	–
Issued number of mutual fund shares	44	171
Reinvested number of mutual fund shares	2	1
Redeemed number of mutual fund shares	(15)	–
Ending number of mutual fund shares	203	172

Advisor Series

Opening mutual fund shares	1	–
Issued number of mutual fund shares	–	1
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	–
Ending number of mutual fund shares	1	1

Series F

Opening mutual fund shares	–	–
Issued number of mutual fund shares	–	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	–
Ending number of mutual fund shares	–	–

**Other revenue and capital gains (\$000s)
(see note 3 in the generic notes)**

Other revenue and capital gains from investing in other related investment funds for the periods ended:

	March 31 2014	March 31 2013
RBC Canadian Dividend Fund	\$ 7	\$ 2
RBC Canadian Equity Fund	8	7
Phillips, Hager & North Canadian Equity Underlying Fund	4	–
Phillips, Hager & North Canadian Growth Fund	3	3
RBC U.S. Equity Fund	6	5
RBC U.S. Mid-Cap Equity Fund	–	1
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	3	2
RBC European Equity Fund	8	6
RBC Global Dividend Growth Fund	4	2
RBC Asian Equity Fund	4	2
RBC Emerging Markets Equity Fund	4	2
Total other revenue	\$ 51	\$ 32
Capital gains received from underlying funds	\$ 22	\$ 8

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



Subsequent event

The Canadian government's 2013 federal budget included provisions to eliminate the capital gains tax treatment associated with forward agreements as of December 31, 2014. In response to the foregoing change in tax treatment, RBC GAM capped further investments in the Fund and has announced that, subject to the receipt of necessary shareholder and regulatory approvals, effective September 12, 2014, the Fund will be terminated and units of a corresponding RBC mutual fund trust will be distributed to shareholders on termination. The termination of the Fund will be considered a taxable disposition.



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC CANADIAN DIVIDEND CLASS

March 31, 2014

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
2 237 146	RBC Private Canadian Dividend Pool*	\$ 74 273	\$ 86 339	
TOTAL MUTUAL FUND UNITS		<u>74 273</u>	<u>86 339</u>	98.0
TOTAL INVESTMENTS		<u>\$ 74 273</u>	<u>86 339</u>	98.0
OTHER NET ASSETS			<u>1 760</u>	2.0
NET ASSETS			<u>\$ 88 099</u>	100.0

* Investment in related party (see note 6 in the generic notes).



Statements of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2014	2013
ASSETS		
Investments at fair value	\$ 86 339	\$ 51 516
Cash	1 314	–
Due from investment dealers	400	–
Subscriptions receivable	164	83
TOTAL ASSETS	88 217	51 599
LIABILITIES		
Bank overdraft	–	155
Due to investment dealers	–	25
Redemptions payable	33	42
Distributions payable	1	–
Accounts payable and accrued expenses	84	48
TOTAL LIABILITIES	118	270
NET ASSETS	\$ 88 099	\$ 51 329

Investments at cost \$ 74 273 \$ 48 257

NET ASSETS, END OF PERIOD

SERIES A	\$ 34 093	\$ 16 519
ADVISOR SERIES	\$ 4 961	\$ 2 170
SERIES H	\$ 9 641	\$ 5 862
SERIES D	\$ 10 711	\$ 8 163
SERIES F	\$ 3 461	\$ 2 326
SERIES I	\$ 3 507	\$ 1 322
SERIES O	\$ 21 725	\$ 14 967

NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD

SERIES A	\$ 12.54	\$ 11.13
ADVISOR SERIES	\$ 12.51	\$ 11.14
SERIES H	\$ 12.53	\$ 11.14
SERIES D	\$ 12.64	\$ 11.24
SERIES F	\$ 12.75	\$ 11.25
SERIES I	\$ 12.83	\$ 11.26
SERIES O	\$ 12.96	\$ 11.37

**NET ASSET VALUE (TRANSACTIONAL NAV)
PER MUTUAL FUND SHARE, END OF PERIOD**
(see note 3 in the generic notes)

SERIES A	\$ 12.54	\$ 11.13
ADVISOR SERIES	\$ 12.51	\$ 11.14
SERIES H	\$ 12.53	\$ 11.14
SERIES D	\$ 12.64	\$ 11.24
SERIES F	\$ 12.75	\$ 11.25
SERIES I	\$ 12.83	\$ 11.26
SERIES O	\$ 12.96	\$ 11.37

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

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

Statements of Operations (in \$000s except per mutual fund share amounts)

For the periods ended March 31 (see note 2 in the generic notes)*	2014	2013
INCOME (see note 3 in the generic notes)		
Interest	\$ 1	\$ 3
Other revenue	2 003	1 127
TOTAL INCOME (LOSS)	2 004	1 130
EXPENSES (see notes – Fund Specific Information)		
Management fees	618	253
Administration fees	24	13
Board of Directors fees	7	6
Board of Governors costs	3	3
GST/HST	68	29
TOTAL EXPENSES	720	304
Less expenses reimbursed by manager	–	(3)
TOTAL EXPENSES NET OF REIMBURSEMENT	720	301
NET INVESTMENT INCOME (LOSS)	1 284	829
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized gain (loss) on investments	748	(9)
Change in unrealized gain (loss) on investments	8 807	3 206
NET GAIN (LOSS) ON INVESTMENTS	9 555	3 197
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
	\$ 10 839	\$ 4 026
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
SERIES A	\$ 3 741	\$ 1 109
ADVISOR SERIES	\$ 660	\$ 126
SERIES H	\$ 1 009	\$ 432
SERIES D	\$ 1 540	\$ 703
SERIES F	\$ 438	\$ 170
SERIES I	\$ 347	\$ 110
SERIES O	\$ 3 104	\$ 1 376
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE		
SERIES A	\$ 1.86	\$ 1.32
ADVISOR SERIES	\$ 1.86	\$ 1.31
SERIES H	\$ 1.91	\$ 0.74
SERIES D	\$ 2.00	\$ 1.22
SERIES F	\$ 2.01	\$ 1.63
SERIES I	\$ 2.04	\$ 0.82
SERIES O	\$ 2.14	\$ 1.62

* Series H and Series I launched July 2012.



Statements of Changes in Net Assets (in \$000s)

For the periods ended March 31 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 16 519	\$ 3 132	\$ 2 170	\$ 431	\$ 5 862	\$ –	\$ 8 163	\$ 198
INCREASE (DECREASE) FROM OPERATIONS	3 741	1 109	660	126	1 009	432	1 540	703
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	20 097	14 133	3 333	1 735	6 364	5 451	3 606	7 502
Proceeds from reinvestment of distributions	574	168	88	20	171	63	247	95
Payments on redemption of mutual fund shares	(6 237)	(1 847)	(1 186)	(120)	(3 589)	(13)	(2 589)	(238)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	14 434	12 454	2 235	1 635	2 946	5 501	1 264	7 359
Distributions from net income	(601)	(176)	(104)	(22)	(176)	(71)	(256)	(97)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	(601)	(176)	(104)	(22)	(176)	(71)	(256)	(97)
TOTAL INCREASE (DECREASE) IN NET ASSETS	17 574	13 387	2 791	1 739	3 779	5 862	2 548	7 965
NET ASSETS – END OF PERIOD	\$ 34 093	\$ 16 519	\$ 4 961	\$ 2 170	\$ 9 641	\$ 5 862	\$ 10 711	\$ 8 163

For the periods ended March 31 (see note 2 in the generic notes)*	Series F		Series I		Series O		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 2 326	\$ 1 093	\$ 1 322	\$ –	\$ 14 967	\$ 5 005	\$ 51 329	\$ 9 859
INCREASE (DECREASE) FROM OPERATIONS	438	170	347	110	3 104	1 376	10 839	4 026
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	1 591	2 006	2 152	1 212	7 839	10 579	44 982	42 618
Proceeds from reinvestment of distributions	37	14	39	16	88	41	1 244	417
Payments on redemption of mutual fund shares	(860)	(931)	(299)	–	(3 802)	(1 852)	(18 562)	(5 001)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	768	1 089	1 892	1 228	4 125	8 768	27 664	38 034
Distributions from net income	(71)	(26)	(54)	(16)	(471)	(182)	(1 733)	(590)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	(71)	(26)	(54)	(16)	(471)	(182)	(1 733)	(590)
TOTAL INCREASE (DECREASE) IN NET ASSETS	1 135	1 233	2 185	1 322	6 758	9 962	36 770	41 470
NET ASSETS – END OF PERIOD	\$ 3 461	\$ 2 326	\$ 3 507	\$ 1 322	\$ 21 725	\$ 14 967	\$ 88 099	\$ 51 329

* Series H and Series I launched July 2012.



March 31, 2014

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

The Fund invests in the RBC Private Canadian Dividend Pool and/or the RBC Canadian Dividend Fund. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk

The Fund is exposed to credit risk from investments in underlying mutual funds. These underlying funds could invest in debt securities and could enter into over-the-counter derivative contracts.

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 27-month (March 31, 2013 – 15-month) historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	March 31 2014	March 31 2013
S&P/TSX Capped Composite Total Return Index	+ or - 0.7	+ or - 0.6

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

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

The following is a summary of the inputs used as of March 31, 2014 and 2013 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	86 339	–	–	86 339
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	86 339	–	–	86 339
% of total portfolio	100.0	–	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	51 516	–	–	51 516
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	51 516	–	–	51 516
% of total portfolio	100.0	–	–	100.0

For the periods ended March 31, 2014 and 2013, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 7 in the generic notes)

No management fees are payable by the Fund with respect to Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

Management fees of the other series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.50%
Advisor Series	1.50%
Series H	1.45%
Series D	1.00%
Series F	0.75%
Series I	0.60%

Operating expenses (see note 7 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.04%
Advisor Series	0.04%
Series H	0.04%
Series D	0.04%
Series F	0.04%
Series I	0.04%
Series O	0.02%

Effective January 1, 2014, the administration fee for Series A and Advisor Series mutual fund shares of the Fund was reduced from 0.06% to 0.04%.



March 31, 2014

Initial investments (\$000s except mutual fund share amounts)

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

	March 31 2014	March 31 2013
Mutual fund shares held		
Series A	51	51
Advisor Series	52	51
Series H	104	102
Series D	52	51
Series F	52	51
Series I	103	102
Value of all mutual fund shares	\$ 5	\$ 4

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the periods ended March 31
(see note 2 in the generic notes)

	2014	2013
Series A		
Opening mutual fund shares	1 500	304
Issued number of mutual fund shares	1 711	1 360
Reinvested number of mutual fund shares	46	15
Redeemed number of mutual fund shares	(538)	(179)
Ending number of mutual fund shares	2 719	1 500
Advisor Series		
Opening mutual fund shares	197	42
Issued number of mutual fund shares	290	165
Reinvested number of mutual fund shares	7	2
Redeemed number of mutual fund shares	(97)	(12)
Ending number of mutual fund shares	397	197
Series H		
Opening mutual fund shares	533	–
Issued number of mutual fund shares	540	528
Reinvested number of mutual fund shares	14	6
Redeemed number of mutual fund shares	(318)	(1)
Ending number of mutual fund shares	769	533
Series D		
Opening mutual fund shares	735	19
Issued number of mutual fund shares	312	729
Reinvested number of mutual fund shares	20	9
Redeemed number of mutual fund shares	(219)	(22)
Ending number of mutual fund shares	848	735

For the periods ended March 31
(see note 2 in the generic notes)

	2014	2013
Series F		
Opening mutual fund shares	209	106
Issued number of mutual fund shares	134	192
Reinvested number of mutual fund shares	3	1
Redeemed number of mutual fund shares	(74)	(90)
Ending number of mutual fund shares	272	209
Series I		
Opening mutual fund shares	119	–
Issued number of mutual fund shares	177	118
Reinvested number of mutual fund shares	3	1
Redeemed number of mutual fund shares	(26)	–
Ending number of mutual fund shares	273	119
Series O		
Opening mutual fund shares	1 332	484
Issued number of mutual fund shares	664	1 023
Reinvested number of mutual fund shares	7	4
Redeemed number of mutual fund shares	(326)	(179)
Ending number of mutual fund shares	1 677	1 332

**Other revenue and capital gains (\$000s)
(see note 3 in the generic notes)**

Other revenue and capital gains from investing in other related investment funds for the periods ended:

	March 31 2014	March 31 2013
RBC Private Canadian Dividend Pool	\$ 2 003	\$ 1 127
Total other revenue	\$ 2 003	\$ 1 127
Capital gains received from underlying funds	\$ –	\$ –

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



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC CANADIAN EQUITY CLASS

March 31, 2014

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
492 573	RBC Private Canadian Equity Pool*	\$ 9 581	\$ 11 293	
TOTAL MUTUAL FUND UNITS		9 581	11 293	98.3
TOTAL INVESTMENTS		<u>\$ 9 581</u>	11 293	98.3
OTHER NET ASSETS			191	1.7
NET ASSETS			<u>\$ 11 484</u>	100.0

* Investment in related party (see note 6 in the generic notes).



Statements of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2014	2013
ASSETS		
Investments at fair value	\$ 11 293	\$ 9 077
Cash	157	9
Due from investment dealers	150	–
Subscriptions receivable	4	6
TOTAL ASSETS	11 604	9 092
LIABILITIES		
Due to investment dealers	–	40
Redemptions payable	112	31
Accounts payable and accrued expenses	8	8
TOTAL LIABILITIES	120	79
NET ASSETS	\$ 11 484	\$ 9 013
Investments at cost	\$ 9 581	\$ 8 434
NET ASSETS, END OF PERIOD		
SERIES A	\$ 2 396	\$ 1 762
ADVISOR SERIES	\$ 895	\$ 566
SERIES H	\$ 244	\$ 218
SERIES D	\$ 3 292	\$ 2 913
SERIES F	\$ 629	\$ 375
SERIES I	\$ 80	\$ 1
SERIES O	\$ 3 948	\$ 3 178
NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD		
SERIES A	\$ 12.25	\$ 10.96
ADVISOR SERIES	\$ 12.25	\$ 10.96
SERIES H	\$ 12.24	\$ 10.97
SERIES D	\$ 12.43	\$ 11.08
SERIES F	\$ 12.61	\$ 11.11
SERIES I	\$ 12.78	\$ 11.13
SERIES O	\$ 12.78	\$ 11.23
NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD (see note 3 in the generic notes)		
SERIES A	\$ 12.25	\$ 10.96
ADVISOR SERIES	\$ 12.25	\$ 10.96
SERIES H	\$ 12.24	\$ 10.97
SERIES D	\$ 12.43	\$ 11.08
SERIES F	\$ 12.61	\$ 11.11
SERIES I	\$ 12.78	\$ 11.13
SERIES O	\$ 12.78	\$ 11.23

Statements of Operations (in \$000s except per mutual fund share amounts)

For the periods ended March 31 (see note 2 in the generic notes)*	2014	2013
INCOME (see note 3 in the generic notes)		
Other revenue	\$ 256	\$ 195
TOTAL INCOME (LOSS)	256	195
EXPENSES (see notes – Fund Specific Information)		
Management fees	82	48
Administration fees	3	3
Board of Directors fees	1	1
Board of Governors costs	3	3
GST/HST	8	5
TOTAL EXPENSES	97	60
Less expenses reimbursed by manager	(3)	(3)
TOTAL EXPENSES NET OF REIMBURSEMENT	94	57
NET INVESTMENT INCOME (LOSS)	162	138
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Capital gains received from underlying funds	151	–
Net realized gain (loss) on investments	244	11
Change in unrealized gain (loss) on investments	1 069	665
NET GAIN (LOSS) ON INVESTMENTS	1 464	676
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
	\$ 1 626	\$ 814
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
SERIES A	\$ 289	\$ 129
ADVISOR SERIES	\$ 107	\$ 47
SERIES H	\$ 35	\$ 23
SERIES D	\$ 492	\$ 325
SERIES F	\$ 82	\$ 20
SERIES I	\$ (1)	\$ –
SERIES O	\$ 622	\$ 270
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE		
SERIES A	\$ 1.73	\$ 1.32
ADVISOR SERIES	\$ 1.73	\$ 1.28
SERIES H	\$ 1.77	\$ 0.75
SERIES D	\$ 1.87	\$ 1.27
SERIES F	\$ 1.90	\$ 1.30
SERIES I	\$ 1.88	\$ 0.93
SERIES O	\$ 2.02	\$ 1.67

* Series H and Series I launched July 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

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



Statements of Changes in Net Assets (in \$000s)

For the periods ended March 31 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 1 762	\$ 374	\$ 566	\$ 290	\$ 218	\$ –	\$ 2 913	\$ 35
INCREASE (DECREASE) FROM OPERATIONS	289	129	107	47	35	23	492	325
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	904	1 758	624	457	–	201	577	2 615
Proceeds from reinvestment of distributions	51	21	15	7	–	–	75	35
Payments on redemption of mutual fund shares	(559)	(499)	(398)	(228)	(3)	(3)	(682)	(60)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	396	1 280	241	236	(3)	198	(30)	2 590
Distributions from net income	(51)	(21)	(19)	(7)	(6)	(3)	(83)	(37)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	(51)	(21)	(19)	(7)	(6)	(3)	(83)	(37)
TOTAL INCREASE (DECREASE) IN NET ASSETS	634	1 388	329	276	26	218	379	2 878
NET ASSETS – END OF PERIOD	\$ 2 396	\$ 1 762	\$ 895	\$ 566	\$ 244	\$ 218	\$ 3 292	\$ 2 913

For the periods ended March 31 (see note 2 in the generic notes)*	Series F		Series I		Series O		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 375	\$ 63	\$ 1	\$ –	\$ 3 178	\$ 1 537	\$ 9 013	\$ 2 299
INCREASE (DECREASE) FROM OPERATIONS	82	20	(1)	–	622	270	1 626	814
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	460	342	431	1	979	2 048	3 975	7 422
Proceeds from reinvestment of distributions	8	1	1	–	1	1	151	65
Payments on redemption of mutual fund shares	(284)	(47)	(351)	–	(736)	(640)	(3 013)	(1 477)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	184	296	81	1	244	1 409	1 113	6 010
Distributions from net income	(12)	(4)	(1)	–	(96)	(38)	(268)	(110)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	(12)	(4)	(1)	–	(96)	(38)	(268)	(110)
TOTAL INCREASE (DECREASE) IN NET ASSETS	254	312	79	1	770	1 641	2 471	6 714
NET ASSETS – END OF PERIOD	\$ 629	\$ 375	\$ 80	\$ 1	\$ 3 948	\$ 3 178	\$ 11 484	\$ 9 013

* Series H and Series I launched July 2012.



March 31, 2014

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

The Fund invests in the RBC Private Canadian Equity Pool and/or the RBC Canadian Equity Fund. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk

The Fund is exposed to credit risk from investments in underlying mutual funds. These underlying funds could invest in debt securities and could enter into over-the-counter derivative contracts.

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 27-month (March 31, 2013 – 15-month) historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	March 31 2014	March 31 2013
S&P/TSX Capped Composite Total Return Index	+ or - 0.9	+ or - 0.9

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

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

The following is a summary of the inputs used as of March 31, 2014 and 2013 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	11 293	–	–	11 293
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	11 293	–	–	11 293
% of total portfolio	100.0	–	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	9 077	–	–	9 077
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	9 077	–	–	9 077
% of total portfolio	100.0	–	–	100.0

For the periods ended March 31, 2014 and 2013, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 7 in the generic notes)

No management fees are payable by the Fund with respect to Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

Management fees of the other series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.75%
Advisor Series	1.75%
Series H	1.65%
Series D	1.00%
Series F	0.75%
Series I	0.60%

Operating expenses (see note 7 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.06%
Advisor Series	0.06%
Series H	0.04%
Series D	0.04%
Series F	0.04%
Series I	0.04%
Series O	0.02%



March 31, 2014

Initial investments (\$000s except mutual fund share amounts)

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

	March 31 2014	March 31 2013
Mutual fund shares held		
Series A	52	51
Advisor Series	52	51
Series H	108	105
Series D	52	51
Series F	52	51
Series I	105	104
Value of all mutual fund shares	\$ 5	\$ 4

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

	2014	2013
Series A		
Opening mutual fund shares	163	37
Issued number of mutual fund shares	80	172
Reinvested number of mutual fund shares	4	2
Redeemed number of mutual fund shares	(51)	(48)
Ending number of mutual fund shares	196	163
Advisor Series		
Opening mutual fund shares	52	28
Issued number of mutual fund shares	56	46
Reinvested number of mutual fund shares	1	1
Redeemed number of mutual fund shares	(36)	(23)
Ending number of mutual fund shares	73	52
Series H		
Opening mutual fund shares	20	–
Issued number of mutual fund shares	–	20
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	–
Ending number of mutual fund shares	20	20
Series D		
Opening mutual fund shares	266	3
Issued number of mutual fund shares	52	266
Reinvested number of mutual fund shares	6	3
Redeemed number of mutual fund shares	(59)	(6)
Ending number of mutual fund shares	265	266

	2014	2013
For the periods ended March 31 (see note 2 in the generic notes)		
Series F		
Opening mutual fund shares	34	6
Issued number of mutual fund shares	39	33
Reinvested number of mutual fund shares	1	–
Redeemed number of mutual fund shares	(24)	(5)
Ending number of mutual fund shares	50	34
Series I		
Opening mutual fund shares	–	–
Issued number of mutual fund shares	38	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(32)	–
Ending number of mutual fund shares	6	–
Series O		
Opening mutual fund shares	286	150
Issued number of mutual fund shares	86	197
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(63)	(61)
Ending number of mutual fund shares	309	286

**Other revenue and capital gains (\$000s)
(see note 3 in the generic notes)**

Other revenue and capital gains from investing in other related investment funds for the periods ended:

	March 31 2014	March 31 2013
RBC Private Canadian Equity Pool	\$ 256	\$ 195
Total other revenue	\$ 256	\$ 195
Capital gains received from underlying funds	\$ 151	\$ –

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



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC CANADIAN EQUITY INCOME CLASS

March 31, 2014

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
6 956 084	RBC Canadian Equity Income Fund*	\$ 172 302	\$ 202 284	
TOTAL MUTUAL FUND UNITS		172 302	202 284	99.0
TOTAL INVESTMENTS		<u>\$ 172 302</u>	<u>202 284</u>	99.0
OTHER NET ASSETS			1 996	1.0
NET ASSETS			<u>\$ 204 280</u>	100.0

* Investment in related party (see note 6 in the generic notes).



Statements of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2014	2013
ASSETS		
Investments at fair value	\$ 202 284	\$ 139 684
Cash	1 904	95
Due from investment dealers	–	75
Subscriptions receivable	811	1 019
TOTAL ASSETS	204 999	140 873
LIABILITIES		
Due to investment dealers	225	80
Redemptions payable	213	712
Accounts payable and accrued expenses	281	200
TOTAL LIABILITIES	719	992
NET ASSETS	\$ 204 280	\$ 139 881

Investments at cost	\$ 172 302	\$ 130 976
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NET ASSETS, END OF PERIOD

SERIES A	\$ 46 956	\$ 30 397
ADVISOR SERIES	\$ 66 114	\$ 50 675
SERIES H	\$ 25 524	\$ 13 871
SERIES D	\$ 12 626	\$ 9 685
SERIES F	\$ 36 191	\$ 24 302
SERIES I	\$ 15 259	\$ 9 998
SERIES O	\$ 1 610	\$ 953

NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD

SERIES A	\$ 12.86	\$ 11.11
ADVISOR SERIES	\$ 12.86	\$ 11.12
SERIES H	\$ 12.91	\$ 11.13
SERIES D	\$ 13.11	\$ 11.24
SERIES F	\$ 13.20	\$ 11.28
SERIES I	\$ 13.26	\$ 11.29
SERIES O	\$ 13.48	\$ 11.40

**NET ASSET VALUE (TRANSACTIONAL NAV)
PER MUTUAL FUND SHARE, END OF PERIOD**
(see note 3 in the generic notes)

SERIES A	\$ 12.86	\$ 11.11
ADVISOR SERIES	\$ 12.86	\$ 11.12
SERIES H	\$ 12.91	\$ 11.13
SERIES D	\$ 13.11	\$ 11.24
SERIES F	\$ 13.20	\$ 11.28
SERIES I	\$ 13.26	\$ 11.29
SERIES O	\$ 13.48	\$ 11.40

Statements of Operations (in \$000s except per mutual fund share amounts)

For the periods ended March 31 (see note 2 in the generic notes)*	2014	2013
INCOME (see note 3 in the generic notes)		
Interest	\$ –	\$ 3
Other revenue	6 689	3 277
TOTAL INCOME (LOSS)	6 689	3 280
EXPENSES (see notes – Fund Specific Information)		
Management fees	2 321	1 256
Administration fees	165	91
Board of Directors fees	17	17
Board of Governors costs	3	3
GST/HST	259	142
TOTAL EXPENSES	2 765	1 509
Less expenses reimbursed by manager	–	(3)
TOTAL EXPENSES NET OF REIMBURSEMENT	2 765	1 506
NET INVESTMENT INCOME (LOSS)	3 924	1 774
REALIZED AND UNREALIZED GAIN (LOSS)		
ON INVESTMENTS		
Capital gains received from underlying funds	1 678	–
Net realized gain (loss) on investments	1 365	38
Change in unrealized gain (loss) on investments	21 274	8 699
NET GAIN (LOSS) ON INVESTMENTS	24 317	8 737
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS	\$ 28 241	\$ 10 511
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS		
SERIES A	\$ 6 199	\$ 2 228
ADVISOR SERIES	\$ 9 308	\$ 3 795
SERIES H	\$ 3 340	\$ 916
SERIES D	\$ 1 918	\$ 812
SERIES F	\$ 5 246	\$ 2 065
SERIES I	\$ 2 006	\$ 618
SERIES O	\$ 224	\$ 77

INCREASE (DECREASE) IN NET ASSETS

FROM OPERATIONS PER MUTUAL FUND SHARE		
SERIES A	\$ 1.98	\$ 1.25
ADVISOR SERIES	\$ 1.98	\$ 1.27
SERIES H	\$ 2.00	\$ 0.72
SERIES D	\$ 2.12	\$ 1.27
SERIES F	\$ 2.15	\$ 1.36
SERIES I	\$ 2.17	\$ 0.78
SERIES O	\$ 2.28	\$ 1.65

* Series H and Series I launched July 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

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



Statements of Changes in Net Assets (in \$000s)

For the periods ended March 31 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 30 397	\$ 9 139	\$ 50 675	\$ 19 379	\$ 13 871	\$ –	\$ 9 685	\$ 1 713
INCREASE (DECREASE) FROM OPERATIONS	6 199	2 228	9 308	3 795	3 340	916	1 918	812
Early redemption fees	–	–	–	–	–	–	2	–
Proceeds from mutual fund shares issued	20 099	24 728	19 296	35 632	14 163	13 891	3 279	9 203
Proceeds from reinvestment of distributions	408	54	619	94	177	21	121	20
Payments on redemption of mutual fund shares	(9 714)	(5 694)	(13 112)	(8 124)	(5 803)	(932)	(2 247)	(2 043)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	10 793	19 088	6 803	27 602	8 537	12 980	1 155	7 180
Distributions from net income	(433)	(58)	(672)	(101)	(224)	(25)	(132)	(20)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	(433)	(58)	(672)	(101)	(224)	(25)	(132)	(20)
TOTAL INCREASE (DECREASE) IN NET ASSETS	16 559	21 258	15 439	31 296	11 653	13 871	2 941	7 972
NET ASSETS – END OF PERIOD	\$ 46 956	\$ 30 397	\$ 66 114	\$ 50 675	\$ 25 524	\$ 13 871	\$ 12 626	\$ 9 685

For the periods ended March 31 (see note 2 in the generic notes)*	Series F		Series I		Series O		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 24 302	\$ 6 112	\$ 9 998	\$ –	\$ 953	\$ 952	\$ 139 881	\$ 37 295
INCREASE (DECREASE) FROM OPERATIONS	5 246	2 065	2 006	618	224	77	28 241	10 511
Early redemption fees	–	–	–	–	–	–	2	–
Proceeds from mutual fund shares issued	17 967	21 380	7 884	10 165	785	371	83 473	115 370
Proceeds from reinvestment of distributions	214	32	116	15	11	2	1 666	238
Payments on redemption of mutual fund shares	(11 191)	(5 239)	(4 611)	(783)	(350)	(447)	(47 028)	(23 262)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	6 990	16 173	3 389	9 397	446	(74)	38 113	92 346
Distributions from net income	(347)	(48)	(134)	(17)	(13)	(2)	(1 955)	(271)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	(347)	(48)	(134)	(17)	(13)	(2)	(1 955)	(271)
TOTAL INCREASE (DECREASE) IN NET ASSETS	11 889	18 190	5 261	9 998	657	1	64 399	102 586
NET ASSETS – END OF PERIOD	\$ 36 191	\$ 24 302	\$ 15 259	\$ 9 998	\$ 1 610	\$ 953	\$ 204 280	\$ 139 881

* Series H and Series I launched July 2012.



March 31, 2014

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

The Fund invests in the RBC Canadian Equity Income Fund. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk

The Fund is exposed to credit risk from investments in the underlying mutual fund. This underlying fund could invest in debt securities and could enter into over-the-counter derivative contracts.

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 27-month (March 31, 2013 – 15-month) historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	March 31 2014	March 31 2013
S&P/TSX Capped Composite Total Return Index	+ or - 0.7	+ or - 0.7

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

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

The following is a summary of the inputs used as of March 31, 2014 and 2013 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	202 284	–	–	202 284
Fixed-income	–	–	–	–
and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	202 284	–	–	202 284
% of total portfolio	100.0	–	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	139 684	–	–	139 684
Fixed-income	–	–	–	–
and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	139 684	–	–	139 684
% of total portfolio	100.0	–	–	100.0

For the periods ended March 31, 2014 and 2013, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 7 in the generic notes)

No management fees are payable by the Fund with respect to Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

Management fees of the other series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.75%
Advisor Series	1.75%
Series H	1.65%
Series D	1.00%
Series F	0.75%
Series I	0.60%

Operating expenses (see note 7 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.13%
Advisor Series	0.13%
Series H	0.05%
Series D	0.08%
Series F	0.08%
Series I	0.05%
Series O	0.02%



March 31, 2014

Initial investments (\$000s except mutual fund share amounts)

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

	March 31 2014	March 31 2013
Mutual fund shares held		
Series A	51	50
Advisor Series	51	50
Series H	103	102
Series D	51	50
Series F	51	50
Series I	102	101
Series O	48	48
Value of all mutual fund shares	\$ 6	\$ 5

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

	2014	2013
For the periods ended March 31 (see note 2 in the generic notes)		
Series A		
Opening mutual fund shares	2 741	887
Issued number of mutual fund shares	1 704	2 398
Reinvested number of mutual fund shares	32	5
Redeemed number of mutual fund shares	(826)	(549)
Ending number of mutual fund shares	3 651	2 741
Advisor Series		
Opening mutual fund shares	4 567	1 881
Issued number of mutual fund shares	1 654	3 465
Reinvested number of mutual fund shares	48	8
Redeemed number of mutual fund shares	(1 126)	(787)
Ending number of mutual fund shares	5 143	4 567
Series H		
Opening mutual fund shares	1 249	–
Issued number of mutual fund shares	1 205	1 334
Reinvested number of mutual fund shares	14	2
Redeemed number of mutual fund shares	(492)	(87)
Ending number of mutual fund shares	1 976	1 249
Series D		
Opening mutual fund shares	863	166
Issued number of mutual fund shares	276	890
Reinvested number of mutual fund shares	9	2
Redeemed number of mutual fund shares	(185)	(195)
Ending number of mutual fund shares	963	863

	2014	2013
For the periods ended March 31 (see note 2 in the generic notes)		
Series F		
Opening mutual fund shares	2 160	592
Issued number of mutual fund shares	1 509	2 057
Reinvested number of mutual fund shares	16	3
Redeemed number of mutual fund shares	(943)	(492)
Ending number of mutual fund shares	2 742	2 160
Series I		
Opening mutual fund shares	887	–
Issued number of mutual fund shares	643	957
Reinvested number of mutual fund shares	9	1
Redeemed number of mutual fund shares	(388)	(71)
Ending number of mutual fund shares	1 151	887
Series O		
Opening mutual fund shares	84	92
Issued number of mutual fund shares	62	37
Reinvested number of mutual fund shares	1	–
Redeemed number of mutual fund shares	(28)	(45)
Ending number of mutual fund shares	119	84

**Other revenue and capital gains (\$000s)
(see note 3 in the generic notes)**

Other revenue and capital gains from investing in other related investment funds for the periods ended:

	March 31 2014	March 31 2013
RBC Canadian Equity Income Fund	\$ 6 689	\$ 3 277
Total other revenue	\$ 6 689	\$ 3 277
Capital gains received from underlying funds	\$ 1 678	\$ –

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



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC CANADIAN MID-CAP EQUITY CLASS

March 31, 2014

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
401 104	RBC Private Canadian Mid-Cap Equity Pool*	\$ 8 510	\$ 9 804	
TOTAL MUTUAL FUND UNITS		<u>8 510</u>	<u>9 804</u>	98.5
TOTAL INVESTMENTS		<u>\$ 8 510</u>	<u>9 804</u>	98.5
OTHER NET ASSETS			145	1.5
NET ASSETS			<u>\$ 9 949</u>	100.0

* Investment in related party (see note 6 in the generic notes).



Statements of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2014	2013
ASSETS		
Investments at fair value	\$ 9 804	\$ 6 827
Cash	74	–
Due from investment dealers	100	350
Subscriptions receivable	1	1
TOTAL ASSETS	9 979	7 178
LIABILITIES		
Bank overdraft	–	373
Due to investment dealers	25	–
Redemptions payable	–	15
Accounts payable and accrued expenses	5	2
TOTAL LIABILITIES	30	390
NET ASSETS	\$ 9 949	\$ 6 788

Investments at cost \$ 8 510 \$ 6 439

NET ASSETS, END OF PERIOD

SERIES A	\$ 1 287	\$ 773
ADVISOR SERIES	\$ 16	\$ 3
SERIES H	\$ 1	\$ 1
SERIES D	\$ 457	\$ 29
SERIES F	\$ 257	\$ 251
SERIES I	\$ 1	\$ 1
SERIES O	\$ 7 930	\$ 5 730

NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD

SERIES A	\$ 11.98	\$ 10.62
ADVISOR SERIES	\$ 12.18	\$ 10.66
SERIES H	\$ 11.97	\$ 10.64
SERIES D	\$ 12.38	\$ 10.74
SERIES F	\$ 12.30	\$ 10.78
SERIES I	\$ 12.29	\$ 10.79
SERIES O	\$ 12.51	\$ 10.88

**NET ASSET VALUE (TRANSACTIONAL NAV)
PER MUTUAL FUND SHARE, END OF PERIOD**
(see note 3 in the generic notes)

SERIES A	\$ 11.98	\$ 10.62
ADVISOR SERIES	\$ 12.18	\$ 10.66
SERIES H	\$ 11.97	\$ 10.64
SERIES D	\$ 12.38	\$ 10.74
SERIES F	\$ 12.30	\$ 10.78
SERIES I	\$ 12.29	\$ 10.79
SERIES O	\$ 12.51	\$ 10.88

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

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

Statements of Operations (in \$000s except per mutual fund share amounts)

For the periods ended March 31 (see note 2 in the generic notes)*	2014	2013
INCOME (see note 3 in the generic notes)		
Other revenue	\$ 162	\$ 118
TOTAL INCOME (LOSS)	162	118
EXPENSES (see notes – Fund Specific Information)		
Management fees	20	11
Administration fees	3	1
Board of Directors fees	1	1
Board of Governors costs	3	3
GST/HST	3	1
TOTAL EXPENSES	30	17
Less expenses reimbursed by manager	(3)	(3)
TOTAL EXPENSES NET OF REIMBURSEMENT	27	14
NET INVESTMENT INCOME (LOSS)	135	104
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Capital gains received from underlying funds	70	–
Net realized gain (loss) on investments	122	27
Change in unrealized gain (loss) on investments	906	460
NET GAIN (LOSS) ON INVESTMENTS	1 098	487
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS	\$ 1 233	\$ 591
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS		
SERIES A	\$ 139	\$ 77
ADVISOR SERIES	\$ 1	\$ 1
SERIES H	\$ 7	\$ –
SERIES D	\$ 12	\$ 1
SERIES F	\$ 45	\$ 10
SERIES I	\$ –	\$ –
SERIES O	\$ 1 029	\$ 502
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS PER MUTUAL FUND SHARE		
SERIES A	\$ 1.69	\$ 0.98
ADVISOR SERIES	\$ 1.67	\$ 0.98
SERIES H	\$ 1.85	\$ 0.70
SERIES D	\$ 1.63	\$ 0.98
SERIES F	\$ 1.89	\$ 0.96
SERIES I	\$ 1.89	\$ 0.79
SERIES O	\$ 1.97	\$ 1.24

* Series H and Series I launched July 2012.



Statements of Changes in Net Assets (in \$000s)

For the periods ended March 31 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 773	\$ 44	\$ 3	\$ –	\$ 1	\$ –	\$ 29	\$ 3
INCREASE (DECREASE) FROM OPERATIONS	139	77	1	1	7	–	12	1
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	614	693	12	2	200	1	451	25
Proceeds from reinvestment of distributions	17	7	–	–	–	–	1	–
Payments on redemption of mutual fund shares	(239)	(41)	–	–	(207)	–	(35)	–
TOTAL MUTUAL FUND SHARE TRANSACTIONS	392	659	12	2	(7)	1	417	25
Distributions from net income	(17)	(7)	–	–	–	–	(1)	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	(17)	(7)	–	–	–	–	(1)	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	514	729	13	3	–	1	428	26
NET ASSETS – END OF PERIOD	\$ 1 287	\$ 773	\$ 16	\$ 3	\$ 1	\$ 1	\$ 457	\$ 29

For the periods ended March 31 (see note 2 in the generic notes)*	Series F		Series I		Series O		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 251	\$ –	\$ 1	\$ –	\$ 5 730	\$ 2 829	\$ 6 788	\$ 2 876
INCREASE (DECREASE) FROM OPERATIONS	45	10	–	–	1 029	502	1 233	591
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	143	275	–	1	2 407	5 728	3 827	6 725
Proceeds from reinvestment of distributions	–	–	–	–	26	9	44	16
Payments on redemption of mutual fund shares	(178)	(32)	–	–	(1 145)	(3 289)	(1 804)	(3 362)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	(35)	243	–	1	1 288	2 448	2 067	3 379
Distributions from net income	(4)	(2)	–	–	(117)	(49)	(139)	(58)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	(4)	(2)	–	–	(117)	(49)	(139)	(58)
TOTAL INCREASE (DECREASE) IN NET ASSETS	6	251	–	1	2 200	2 901	3 161	3 912
NET ASSETS – END OF PERIOD	\$ 257	\$ 251	\$ 1	\$ 1	\$ 7 930	\$ 5 730	\$ 9 949	\$ 6 788

* Series H and Series I launched July 2012.



March 31, 2014

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

The Fund invests in the RBC Private Canadian Mid-Cap Equity Pool. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk

The Fund is exposed to credit risk from investments in the underlying mutual fund. This underlying fund could invest in debt securities and could enter into over-the-counter derivative contracts.

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 27-month (March 31, 2013 – 15-month) historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	March 31 2014	March 31 2013
S&P/TSX MidCap Index	+ or - 1.0	+ or - 0.9

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

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

The following is a summary of the inputs used as of March 31, 2014 and 2013 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	9 804	–	–	9 804
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	9 804	–	–	9 804
% of total portfolio	100.0	–	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	6 827	–	–	6 827
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	6 827	–	–	6 827
% of total portfolio	100.0	–	–	100.0

For the periods ended March 31, 2014 and 2013, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 7 in the generic notes)

No management fees are payable by the Fund with respect to Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

Management fees of the other series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.75%
Advisor Series	1.75%
Series H	1.65%
Series D	1.00%
Series F	0.75%
Series I	0.60%

Operating expenses (see note 7 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.05%
Advisor Series	0.05%
Series H	0.05%
Series D	0.05%
Series F	0.05%
Series I	0.05%
Series O	0.02%



March 31, 2014

Initial investments (\$000s except mutual fund share amounts)

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

	March 31 2014	March 31 2013
Mutual fund shares held		
Series A	51	50
Advisor Series	51	50
Series H	110	108
Series D	50	50
Series F	51	50
Series I	110	108
Value of all mutual fund shares	\$ 5	\$ 4

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

	2014	2013
Series A		
Opening mutual fund shares	73	4
Issued number of mutual fund shares	54	72
Reinvested number of mutual fund shares	1	1
Redeemed number of mutual fund shares	(21)	(4)
Ending number of mutual fund shares	107	73
Advisor Series		
Opening mutual fund shares	–	–
Issued number of mutual fund shares	1	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	–
Ending number of mutual fund shares	1	–
Series H		
Opening mutual fund shares	–	–
Issued number of mutual fund shares	19	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(19)	–
Ending number of mutual fund shares	–	–
Series D		
Opening mutual fund shares	3	–
Issued number of mutual fund shares	37	3
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(3)	–
Ending number of mutual fund shares	37	3

For the periods ended March 31
(see note 2 in the generic notes)

	2014	2013
Series F		
Opening mutual fund shares	23	–
Issued number of mutual fund shares	14	26
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(16)	(3)
Ending number of mutual fund shares	21	23
Series I		
Opening mutual fund shares	–	–
Issued number of mutual fund shares	–	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	–
Ending number of mutual fund shares	–	–
Series O		
Opening mutual fund shares	531	287
Issued number of mutual fund shares	207	572
Reinvested number of mutual fund shares	2	1
Redeemed number of mutual fund shares	(106)	(329)
Ending number of mutual fund shares	634	531

**Other revenue and capital gains (\$000s)
(see note 3 in the generic notes)**

Other revenue and capital gains from investing in other related investment funds for the periods ended:

	March 31 2014	March 31 2013
RBC Private Canadian Mid-Cap Equity Pool	\$ 162	\$ 118
Total other revenue	\$ 162	\$ 118
Capital gains received from underlying funds	\$ 70	\$ –

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



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC NORTH AMERICAN VALUE CLASS

March 31, 2014

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
6 826 883	RBC North American Value Fund*	\$ 127 338	\$ 144 314	
TOTAL MUTUAL FUND UNITS		<u>127 338</u>	<u>144 314</u>	<u>99.9</u>
TOTAL INVESTMENTS		<u>\$ 127 338</u>	<u>144 314</u>	<u>99.9</u>
OTHER NET ASSETS			137	0.1
NET ASSETS			<u>\$ 144 451</u>	<u>100.0</u>

* Investment in related party (see note 6 in the generic notes).



Statements of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2014	2013
ASSETS		
Investments at fair value	\$ 144 314	\$ 52 461
Cash	517	463
Due from investment dealers	360	–
Subscriptions receivable	502	437
TOTAL ASSETS	145 693	53 361
LIABILITIES		
Due to investment dealers	665	695
Redemptions payable	366	20
Accounts payable and accrued expenses	211	79
TOTAL LIABILITIES	1 242	794
NET ASSETS	\$ 144 451	\$ 52 567

Investments at cost	\$ 127 338	\$ 49 079
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NET ASSETS, END OF PERIOD

SERIES A	\$ 42 608	\$ 16 283
ADVISOR SERIES	\$ 44 962	\$ 18 721
SERIES H	\$ 20 402	\$ 6 629
SERIES D	\$ 3 954	\$ 1 508
SERIES F	\$ 14 620	\$ 5 950
SERIES I	\$ 17 388	\$ 3 475
SERIES O	\$ 517	\$ 1

NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD

SERIES A	\$ 13.67	\$ 11.60
ADVISOR SERIES	\$ 13.67	\$ 11.60
SERIES H	\$ 13.73	\$ 11.61
SERIES D	\$ 13.94	\$ 11.72
SERIES F	\$ 14.02	\$ 11.76
SERIES I	\$ 14.09	\$ 11.78
SERIES O	\$ 14.30	\$ 11.90

**NET ASSET VALUE (TRANSACTIONAL NAV)
PER MUTUAL FUND SHARE, END OF PERIOD**
(see note 3 in the generic notes)

SERIES A	\$ 13.67	\$ 11.60
ADVISOR SERIES	\$ 13.67	\$ 11.60
SERIES H	\$ 13.73	\$ 11.61
SERIES D	\$ 13.94	\$ 11.72
SERIES F	\$ 14.02	\$ 11.76
SERIES I	\$ 14.09	\$ 11.78
SERIES O	\$ 14.30	\$ 11.90

Statements of Operations (in \$000s except per mutual fund share amounts)

For the periods ended March 31 (see note 2 in the generic notes)*	2014	2013
INCOME (see note 3 in the generic notes)		
Interest	\$ 2	\$ 2
Other revenue	–	299
TOTAL INCOME (LOSS)	2	301
EXPENSES (see notes – Fund Specific Information)		
Management fees	1 421	370
Administration fees	99	27
Board of Directors fees	10	5
Board of Governors costs	3	3
GST/HST	177	43
TOTAL EXPENSES	1 710	448
Less expenses reimbursed by manager	–	(3)
TOTAL EXPENSES NET OF REIMBURSEMENT	1 710	445
NET INVESTMENT INCOME (LOSS)	(1 708)	(144)
REALIZED AND UNREALIZED GAIN (LOSS)		
ON INVESTMENTS		
Capital gains received from underlying funds	6 084	1 092
Net realized gain (loss) on investments	442	19
Change in unrealized gain (loss) on investments	13 594	3 215
NET GAIN (LOSS) ON INVESTMENTS	20 120	4 326
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS	\$ 18 412	\$ 4 182
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS		
SERIES A	\$ 5 144	\$ 1 333
ADVISOR SERIES	\$ 6 087	\$ 1 445
SERIES H	\$ 2 397	\$ 389
SERIES D	\$ 470	\$ 120
SERIES F	\$ 2 041	\$ 579
SERIES I	\$ 2 272	\$ 312
SERIES O	\$ 1	\$ 4
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS PER MUTUAL FUND SHARE		
SERIES A	\$ 2.37	\$ 1.89
ADVISOR SERIES	\$ 2.37	\$ 1.89
SERIES H	\$ 2.36	\$ 0.95
SERIES D	\$ 2.50	\$ 1.82
SERIES F	\$ 2.59	\$ 1.99
SERIES I	\$ 2.57	\$ 1.22
SERIES O	\$ 2.03	\$ 3.49

INCREASE (DECREASE) IN NET ASSETS

SERIES A	\$ 2.37	\$ 1.89
ADVISOR SERIES	\$ 2.37	\$ 1.89
SERIES H	\$ 2.36	\$ 0.95
SERIES D	\$ 2.50	\$ 1.82
SERIES F	\$ 2.59	\$ 1.99
SERIES I	\$ 2.57	\$ 1.22
SERIES O	\$ 2.03	\$ 3.49

* Series H and Series I launched July 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

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



Statements of Changes in Net Assets (in \$000s)

For the periods ended March 31 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 16 283	\$ 3 213	\$ 18 721	\$ 3 860	\$ 6 629	\$ –	\$ 1 508	\$ 187
INCREASE (DECREASE) FROM OPERATIONS	5 144	1 333	6 087	1 445	2 397	389	470	120
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	26 036	12 954	28 184	14 597	13 890	6 636	2 700	1 315
Proceeds from reinvestment of distributions	155	91	170	105	58	30	14	9
Payments on redemption of mutual fund shares	(4 852)	(1 216)	(8 024)	(1 176)	(2 509)	(394)	(724)	(114)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	21 339	11 829	20 330	13 526	11 439	6 272	1 990	1 210
Distributions from net income	–	(92)	–	(110)	–	(32)	–	(9)
Distributions from net gains	(158)	–	(176)	–	(63)	–	(14)	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	(158)	(92)	(176)	(110)	(63)	(32)	(14)	(9)
TOTAL INCREASE (DECREASE) IN NET ASSETS	26 325	13 070	26 241	14 861	13 773	6 629	2 446	1 321
NET ASSETS – END OF PERIOD	\$ 42 608	\$ 16 283	\$ 44 962	\$ 18 721	\$ 20 402	\$ 6 629	\$ 3 954	\$ 1 508

For the periods ended March 31 (see note 2 in the generic notes)*	Series F		Series I		Series O		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 5 950	\$ 1 115	\$ 3 475	\$ –	\$ 1	\$ 157	\$ 52 567	\$ 8 532
INCREASE (DECREASE) FROM OPERATIONS	2 041	579	2 272	312	1	4	18 412	4 182
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	10 184	6 199	12 142	3 165	515	–	93 651	44 866
Proceeds from reinvestment of distributions	52	33	55	16	–	–	504	284
Payments on redemption of mutual fund shares	(3 547)	(1 938)	(498)	–	–	(160)	(20 154)	(4 998)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	6 689	4 294	11 699	3 181	515	(160)	74 001	40 152
Distributions from net income	–	(38)	–	(18)	–	–	–	(299)
Distributions from net gains	(60)	–	(58)	–	–	–	(529)	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	(60)	(38)	(58)	(18)	–	–	(529)	(299)
TOTAL INCREASE (DECREASE) IN NET ASSETS	8 670	4 835	13 913	3 475	516	(156)	91 884	44 035
NET ASSETS – END OF PERIOD	\$ 14 620	\$ 5 950	\$ 17 388	\$ 3 475	\$ 517	\$ 1	\$ 144 451	\$ 52 567

* Series H and Series I launched July 2012.



March 31, 2014

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

The Fund invests in the RBC North American Value Fund. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk

The Fund is exposed to credit risk from investments in the underlying mutual fund. This underlying fund could invest in debt securities and could enter into over-the-counter derivative contracts.

Currency risk (% of net assets)

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk from investments in the underlying mutual fund as at:

	March 31 2014	March 31 2013
Currency		
United States dollar	24.6	23.8
Other currencies	–	0.7
Total	24.6	24.5

As at March 31, 2014, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 0.2% (March 31, 2013 – 0.2%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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 27-month (March 31, 2013 – 15-month) historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	March 31 2014	March 31 2013
S&P/TSX Capped Composite Total Return Index	+ or - 0.7	+ or - 0.7

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

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

The following is a summary of the inputs used as of March 31, 2014 and 2013 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	144 314	–	–	144 314
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	144 314	–	–	144 314
% of total portfolio	100.0	–	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	52 461	–	–	52 461
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	52 461	–	–	52 461
% of total portfolio	100.0	–	–	100.0

For the periods ended March 31, 2014 and 2013, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 7 in the generic notes)

No management fees are payable by the Fund with respect to Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

Management fees of the other series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.75%
Advisor Series	1.75%
Series H	1.65%
Series D	1.00%
Series F	0.75%
Series I	0.60%



March 31, 2014

Operating expenses (see note 7 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.13%
Advisor Series	0.13%
Series H	0.05%
Series D	0.08%
Series F	0.08%
Series I	0.05%
Series O	0.02%

Initial investments (\$000s except mutual fund share amounts)

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

	March 31 2014	March 31 2013
Mutual fund shares held		
Series A	51	50
Advisor Series	51	50
Series H	102	101
Series D	51	50
Series F	51	50
Series I	101	100
Series O	48	47
Value of all mutual fund shares	\$ 6	\$ 5

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

	2014	2013
Series A		
Opening mutual fund shares	1 412	307
Issued number of mutual fund shares	2 072	1 210
Reinvested number of mutual fund shares	14	8
Redeemed number of mutual fund shares	(381)	(113)
Ending number of mutual fund shares	3 117	1 412

For the periods ended March 31
(see note 2 in the generic notes)

	2014	2013
Advisor Series		
Opening mutual fund shares	1 624	369
Issued number of mutual fund shares	2 283	1 357
Reinvested number of mutual fund shares	15	9
Redeemed number of mutual fund shares	(632)	(111)
Ending number of mutual fund shares	3 290	1 624
Series H		
Opening mutual fund shares	574	–
Issued number of mutual fund shares	1 107	608
Reinvested number of mutual fund shares	5	3
Redeemed number of mutual fund shares	(200)	(37)
Ending number of mutual fund shares	1 486	574
Series D		
Opening mutual fund shares	129	18
Issued number of mutual fund shares	210	120
Reinvested number of mutual fund shares	1	1
Redeemed number of mutual fund shares	(56)	(10)
Ending number of mutual fund shares	284	129
Series F		
Opening mutual fund shares	509	106
Issued number of mutual fund shares	806	575
Reinvested number of mutual fund shares	5	3
Redeemed number of mutual fund shares	(277)	(175)
Ending number of mutual fund shares	1 043	509
Series I		
Opening mutual fund shares	297	–
Issued number of mutual fund shares	971	296
Reinvested number of mutual fund shares	5	1
Redeemed number of mutual fund shares	(38)	–
Ending number of mutual fund shares	1 235	297
Series O		
Opening mutual fund shares	–	15
Issued number of mutual fund shares	36	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	(15)
Ending number of mutual fund shares	36	–

**Other revenue and capital gains (\$000s)
(see note 3 in the generic notes)**

Other revenue and capital gains from investing in other related investment funds for the periods ended:

	March 31 2014	March 31 2013
RBC North American Value Fund	\$ –	\$ 299
Total other revenue	\$ –	\$ 299
Capital gains received from underlying funds	\$ 6 084	\$ 1 092



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC U.S. DIVIDEND CLASS

March 31, 2014

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
2 253 107	RBC U.S. Dividend Fund*	\$ 43 477	\$ 51 673	
TOTAL MUTUAL FUND UNITS		<u>43 477</u>	<u>51 673</u>	<u>99.9</u>
TOTAL INVESTMENTS		<u>\$ 43 477</u>	<u>51 673</u>	<u>99.9</u>
OTHER NET ASSETS			50	0.1
NET ASSETS			<u>\$ 51 723</u>	<u>100.0</u>

* Investment in related party (see note 6 in the generic notes).



Statements of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2014	2013
ASSETS		
Investments at fair value	\$ 51 673	\$ 23 113
Cash	–	60
Due from investment dealers	125	–
Subscriptions receivable	83	589
TOTAL ASSETS	51 881	23 762
LIABILITIES		
Bank overdraft	40	–
Due to investment dealers	25	530
Redemptions payable	29	–
Accounts payable and accrued expenses	64	25
TOTAL LIABILITIES	158	555
NET ASSETS	\$ 51 723	\$ 23 207

Investments at cost \$ 43 477 \$ 22 170

NET ASSETS, END OF PERIOD

SERIES A	\$ 14 764	\$ 5 683
ADVISOR SERIES	\$ 10 267	\$ 4 572
SERIES H	\$ 1 736	\$ 570
SERIES D	\$ 7 160	\$ 4 219
SERIES F	\$ 13 169	\$ 7 035
SERIES I	\$ 4 627	\$ 1 128

NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD

SERIES A	\$ 13.92	\$ 10.90
ADVISOR SERIES	\$ 13.92	\$ 10.90
SERIES H	\$ 13.97	\$ 10.92
SERIES D	\$ 14.10	\$ 10.94
SERIES F	\$ 14.14	\$ 10.96
SERIES I	\$ 14.19	\$ 10.97

**NET ASSET VALUE (TRANSACTIONAL NAV)
PER MUTUAL FUND SHARE, END OF PERIOD**
(see note 3 in the generic notes)

SERIES A	\$ 13.92	\$ 10.90
ADVISOR SERIES	\$ 13.92	\$ 10.90
SERIES H	\$ 13.97	\$ 10.92
SERIES D	\$ 14.10	\$ 10.94
SERIES F	\$ 14.14	\$ 10.96
SERIES I	\$ 14.19	\$ 10.97

Statements of Operations (in \$000s except per mutual fund share amounts)

For the periods ended March 31 (see note 2 in the generic notes)*	2014	2013
INCOME (see note 3 in the generic notes)		
Interest	\$ (1)	\$ –
Other revenue	805	87
TOTAL INCOME (LOSS)	804	87
EXPENSES (see notes – Fund Specific Information)		
Management fees	451	54
Administration fees	35	6
Board of Directors fees	4	1
Board of Governors costs	3	–
GST/HST	40	7
TOTAL EXPENSES	533	68
Less expenses reimbursed by manager	(3)	–
TOTAL EXPENSES NET OF REIMBURSEMENT	530	68
NET INVESTMENT INCOME (LOSS)	274	19
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Capital gains received from underlying funds	1 059	–
Net realized gain (loss) on investments	625	–
Change in unrealized gain (loss) on investments	7 253	943
NET GAIN (LOSS) ON INVESTMENTS	8 937	943
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS	\$ 9 211	\$ 962
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
SERIES A	\$ 2 265	\$ 304
ADVISOR SERIES	\$ 1 701	\$ 229
SERIES H	\$ 334	\$ 19
SERIES D	\$ 1 447	\$ 287
SERIES F	\$ 2 833	\$ 125
SERIES I	\$ 631	\$ (2)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE		
SERIES A	\$ 3.09	\$ 1.44
ADVISOR SERIES	\$ 3.04	\$ 0.97
SERIES H	\$ 3.06	\$ 0.75
SERIES D	\$ 3.28	\$ 0.96
SERIES F	\$ 3.28	\$ 0.92
SERIES I	\$ 3.21	\$ 0.53

* Fund launched October 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

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



Statements of Changes in Net Assets (in \$000s)

For the periods ended March 31 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 5 683	\$ –	\$ 4 572	\$ –	\$ 570	\$ –	\$ 4 219	\$ –
INCREASE (DECREASE) FROM OPERATIONS	2 265	304	1 701	229	334	19	1 447	287
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	10 303	5 386	6 480	4 421	1 590	551	2 517	3 932
Proceeds from reinvestment of distributions	–	–	–	–	–	–	–	–
Payments on redemption of mutual fund shares	(3 487)	(7)	(2 486)	(78)	(758)	–	(1 023)	–
TOTAL MUTUAL FUND SHARE TRANSACTIONS	6 816	5 379	3 994	4 343	832	551	1 494	3 932
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	–	–	–	–	–	–	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	9 081	5 683	5 695	4 572	1 166	570	2 941	4 219
NET ASSETS – END OF PERIOD	\$ 14 764	\$ 5 683	\$ 10 267	\$ 4 572	\$ 1 736	\$ 570	\$ 7 160	\$ 4 219

For the periods ended March 31 (see note 2 in the generic notes)*	Series F		Series I		Total	
	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 7 035	\$ –	\$ 1 128	\$ –	\$ 23 207	\$ –
INCREASE (DECREASE) FROM OPERATIONS	2 833	125	631	(2)	9 211	962
Early redemption fees	–	–	2	–	2	–
Proceeds from mutual fund shares issued	5 190	6 984	2 942	1 130	29 022	22 404
Proceeds from reinvestment of distributions	–	–	–	–	–	–
Payments on redemption of mutual fund shares	(1 889)	(74)	(76)	–	(9 719)	(159)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	3 301	6 910	2 868	1 130	19 305	22 245
Distributions from net income	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	–	–	–	–	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	6 134	7 035	3 499	1 128	28 516	23 207
NET ASSETS – END OF PERIOD	\$ 13 169	\$ 7 035	\$ 4 627	\$ 1 128	\$ 51 723	\$ 23 207

* Fund launched October 2012.



March 31, 2014

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

The Fund invests in the RBC U.S. Dividend Fund. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk

The Fund is exposed to credit risk from investments in the underlying mutual fund. This underlying fund could invest in debt securities and could enter into over-the-counter derivative contracts.

Currency risk (% of net assets)

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk from investments in the underlying mutual fund as at:

	March 31 2014	March 31 2013
Currency		
United States dollar	99.9	84.7
Total	99.9	84.7

As at March 31, 2014, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currency, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 1.0% (March 31, 2013 – 0.8%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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 17-month historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	March 31 2014
S&P Total Return Index (CAD)	+ or - 0.9

Due to the fact that the Fund was in existence for less than six months prior to March 31, 2013, no comparative disclosure is provided because there is insufficient data, and any resulting calculation of the impact on net assets of the Fund using historical correlation between the Fund's return and a broad-based index could be materially misleading.

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

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

The following is a summary of the inputs used as of March 31, 2014 and 2013 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	51 673	–	–	51 673
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	51 673	–	–	51 673
% of total portfolio	100.0	–	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	23 113	–	–	23 113
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	23 113	–	–	23 113
% of total portfolio	100.0	–	–	100.0

For the periods ended March 31, 2014 and 2013, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 7 in the generic notes)

Management fees paid by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.75%
Advisor Series	1.75%
Series H	1.65%
Series D	1.00%
Series F	0.75%
Series I	0.60%



March 31, 2014

Operating expenses (see note 7 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.13%
Advisor Series	0.13%
Series H	0.05%
Series D	0.08%
Series F	0.08%
Series I	0.05%

Initial investments (\$000s except mutual fund share amounts)

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

	March 31 2014	March 31 2013
Mutual fund shares held		
Series A	–	149 500
Advisor Series	100	100
Series H	100	100
Series D	100	100
Series F	100	100
Series I	100	100
Value of all mutual fund shares	\$ 7	\$ 1 635

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the periods ended March 31
(see note 2 in the generic notes)

	2014	2013
Series A		
Opening mutual fund shares	521	–
Issued number of mutual fund shares	815	522
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(275)	(1)
Ending number of mutual fund shares	1 061	521
Advisor Series		
Opening mutual fund shares	419	–
Issued number of mutual fund shares	536	426
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(218)	(7)
Ending number of mutual fund shares	737	419

For the periods ended March 31
(see note 2 in the generic notes)

	2014	2013
Series H		
Opening mutual fund shares	52	–
Issued number of mutual fund shares	136	52
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(64)	–
Ending number of mutual fund shares	124	52
Series D		
Opening mutual fund shares	386	–
Issued number of mutual fund shares	205	386
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(83)	–
Ending number of mutual fund shares	508	386
Series F		
Opening mutual fund shares	642	–
Issued number of mutual fund shares	431	649
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(142)	(7)
Ending number of mutual fund shares	931	642
Series I		
Opening mutual fund shares	103	–
Issued number of mutual fund shares	229	103
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(6)	–
Ending number of mutual fund shares	326	103

**Other revenue and capital gains (\$000s)
(see note 3 in the generic notes)**

Other revenue and capital gains from investing in other related investment funds for the periods ended:

	March 31 2014	March 31 2013
RBC U.S. Dividend Fund	\$ 805	\$ 87
Total other revenue	\$ 805	\$ 87
Capital gains received from underlying funds	\$ 1 059	\$ –

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



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC U.S. EQUITY CLASS

March 31, 2014

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
1 840 444	RBC Private U.S. Equity Pool*	\$ 16 035	\$ 20 824	
TOTAL MUTUAL FUND UNITS		16 035	20 824	100.6
TOTAL INVESTMENTS		\$ 16 035	20 824	100.6
OTHER NET ASSETS (LIABILITIES)			(133)	(0.6)
NET ASSETS			\$ 20 691	100.0

* Investment in related party (see note 6 in the generic notes).



Statements of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2014	2013
ASSETS		
Investments at fair value	\$ 20 824	\$ 12 664
Cash	15	7
Due from investment dealers	100	–
Subscriptions receivable	38	3
TOTAL ASSETS	20 977	12 674
LIABILITIES		
Redemptions payable	270	7
Accounts payable and accrued expenses	16	9
TOTAL LIABILITIES	286	16
NET ASSETS	\$ 20 691	\$ 12 658

Investments at cost	\$ 16 035	\$ 11 269
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NET ASSETS, END OF PERIOD

SERIES A	\$ 5 938	\$ 3 391
ADVISOR SERIES	\$ 721	\$ 505
SERIES H	\$ 482	\$ 1
SERIES D	\$ 2 869	\$ 1 799
SERIES F	\$ 1 083	\$ 488
SERIES I	\$ 400	\$ 1
SERIES O	\$ 9 198	\$ 6 473

NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD

SERIES A	\$ 14.90	\$ 11.83
ADVISOR SERIES	\$ 14.90	\$ 11.83
SERIES H	\$ 14.98	\$ 11.85
SERIES D	\$ 15.21	\$ 11.96
SERIES F	\$ 15.30	\$ 12.00
SERIES I	\$ 15.37	\$ 12.02
SERIES O	\$ 15.60	\$ 12.13

**NET ASSET VALUE (TRANSACTIONAL NAV)
PER MUTUAL FUND SHARE, END OF PERIOD**
(see note 3 in the generic notes)

SERIES A	\$ 14.90	\$ 11.83
ADVISOR SERIES	\$ 14.90	\$ 11.83
SERIES H	\$ 14.98	\$ 11.85
SERIES D	\$ 15.21	\$ 11.96
SERIES F	\$ 15.30	\$ 12.00
SERIES I	\$ 15.37	\$ 12.02
SERIES O	\$ 15.60	\$ 12.13

Statements of Operations (in \$000s except per mutual fund share amounts)

For the periods ended March 31 (see note 2 in the generic notes)*	2014	2013
INCOME (see note 3 in the generic notes)		
Interest	\$ –	\$ 1
Other revenue	292	204
TOTAL INCOME (LOSS)	292	205
EXPENSES (see notes – Fund Specific Information)		
Management fees	125	53
Administration fees	10	2
Board of Directors fees	2	2
Board of Governors costs	3	3
GST/HST	16	7
TOTAL EXPENSES	156	67
Less expenses reimbursed by manager	(3)	(3)
TOTAL EXPENSES NET OF REIMBURSEMENT	153	64
NET INVESTMENT INCOME (LOSS)	139	141
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized gain (loss) on investments	590	17
Change in unrealized gain (loss) on investments	3 394	1 237
NET GAIN (LOSS) ON INVESTMENTS	3 984	1 254
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS	\$ 4 123	\$ 1 395
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
SERIES A	\$ 1 087	\$ 344
ADVISOR SERIES	\$ 151	\$ 50
SERIES H	\$ 56	\$ –
SERIES D	\$ 591	\$ 213
SERIES F	\$ 151	\$ 48
SERIES I	\$ (5)	\$ –
SERIES O	\$ 2 092	\$ 740
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE		
SERIES A	\$ 3.12	\$ 1.62
ADVISOR SERIES	\$ 3.13	\$ 1.61
SERIES H	\$ 2.94	\$ 1.13
SERIES D	\$ 3.32	\$ 1.67
SERIES F	\$ 3.34	\$ 1.75
SERIES I	\$ 3.08	\$ 1.22
SERIES O	\$ 3.52	\$ 2.03

INCREASE (DECREASE) IN NET ASSETS

SERIES A	\$ 3.12	\$ 1.62
ADVISOR SERIES	\$ 3.13	\$ 1.61
SERIES H	\$ 2.94	\$ 1.13
SERIES D	\$ 3.32	\$ 1.67
SERIES F	\$ 3.34	\$ 1.75
SERIES I	\$ 3.08	\$ 1.22
SERIES O	\$ 3.52	\$ 2.03

* Series H and Series I launched July 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

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



Statements of Changes in Net Assets (in \$000s)

For the periods ended March 31 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 3 391	\$ 384	\$ 505	\$ 77	\$ 1	\$ –	\$ 1 799	\$ 59
INCREASE (DECREASE) FROM OPERATIONS	1 087	344	151	50	56	–	591	213
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	3 204	3 065	161	417	425	1	1 101	1 635
Proceeds from reinvestment of distributions	–	–	–	–	–	–	–	–
Payments on redemption of mutual fund shares	(1 744)	(402)	(96)	(39)	–	–	(622)	(108)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	1 460	2 663	65	378	425	1	479	1 527
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	–	–	–	–	–	–	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	2 547	3 007	216	428	481	1	1 070	1 740
NET ASSETS – END OF PERIOD	\$ 5 938	\$ 3 391	\$ 721	\$ 505	\$ 482	\$ 1	\$ 2 869	\$ 1 799

For the periods ended March 31 (see note 2 in the generic notes)*	Series F		Series I		Series O		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 488	\$ 80	\$ 1	\$ –	\$ 6 473	\$ 2 999	\$ 12 658	\$ 3 599
INCREASE (DECREASE) FROM OPERATIONS	151	48	(5)	–	2 092	740	4 123	1 395
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	519	390	405	1	2 711	3 450	8 526	8 959
Proceeds from reinvestment of distributions	–	–	–	–	–	–	–	–
Payments on redemption of mutual fund shares	(75)	(30)	(1)	–	(2 078)	(716)	(4 616)	(1 295)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	444	360	404	1	633	2 734	3 910	7 664
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	–	–	–	–	–	–	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	595	408	399	1	2 725	3 474	8 033	9 059
NET ASSETS – END OF PERIOD	\$ 1 083	\$ 488	\$ 400	\$ 1	\$ 9 198	\$ 6 473	\$ 20 691	\$ 12 658

* Series H and Series I launched July 2012.



March 31, 2014

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

The Fund invests in the RBC Private U.S. Equity Pool and/or the RBC U.S. Equity Fund. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk

The Fund is exposed to credit risk from investments in underlying mutual funds. These underlying funds could invest in debt securities and could enter into over-the-counter derivative contracts.

Currency risk (% of net assets)

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk from investments in the underlying mutual funds as at:

	March 31 2014	March 31 2013
Currency		
United States dollar	99.7	92.1
Total	99.7	92.1

As at March 31, 2014, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currency, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 1.0% (March 31, 2013 – 0.9%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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 27-month (March 31, 2013 – 15-month) historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	March 31 2014	March 31 2013
S&P 500 Total Return Index (CAD)	+ or - 1.0	+ or - 1.0

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

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

The following is a summary of the inputs used as of March 31, 2014 and 2013 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	20 824	–	–	20 824
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	20 824	–	–	20 824
% of total portfolio	100.0	–	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	12 664	–	–	12 664
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	12 664	–	–	12 664
% of total portfolio	100.0	–	–	100.0

For the periods ended March 31, 2014 and 2013, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 7 in the generic notes)

No management fees are payable by the Fund with respect to Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

Management fees of the other series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.75%
Advisor Series	1.75%
Series H	1.65%
Series D	1.00%
Series F	0.75%
Series I	0.60%



March 31, 2014

Operating expenses (see note 7 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.10%
Advisor Series	0.10%
Series H	0.05%
Series D	0.05%
Series F	0.05%
Series I	0.05%
Series O	0.02%

Initial investments (\$000s except mutual fund share amounts)

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

	March 31 2014	March 31 2013
Mutual fund shares held		
Series A	50	50
Advisor Series	50	50
Series H	97	97
Series D	50	50
Series F	50	50
Series I	96	96
Value of all mutual fund shares	\$ 6	\$ 5

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the periods ended March 31
(see note 2 in the generic notes)

	2014	2013
Series A		
Opening mutual fund shares	287	36
Issued number of mutual fund shares	237	289
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(126)	(38)
Ending number of mutual fund shares	398	287

For the periods ended March 31
(see note 2 in the generic notes)

	2014	2013
Advisor Series		
Opening mutual fund shares	43	7
Issued number of mutual fund shares	12	40
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(7)	(4)
Ending number of mutual fund shares	48	43
Series H		
Opening mutual fund shares	–	–
Issued number of mutual fund shares	32	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	–
Ending number of mutual fund shares	32	–
Series D		
Opening mutual fund shares	150	5
Issued number of mutual fund shares	84	155
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(45)	(10)
Ending number of mutual fund shares	189	150
Series F		
Opening mutual fund shares	41	7
Issued number of mutual fund shares	35	37
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(5)	(3)
Ending number of mutual fund shares	71	41
Series I		
Opening mutual fund shares	–	–
Issued number of mutual fund shares	26	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	–
Ending number of mutual fund shares	26	–
Series O		
Opening mutual fund shares	534	278
Issued number of mutual fund shares	204	322
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(148)	(66)
Ending number of mutual fund shares	590	534

**Other revenue and capital gains (\$000s)
(see note 3 in the generic notes)**

Other revenue and capital gains from investing in other related investment funds for the periods ended:

	March 31 2014	March 31 2013
RBC Private U.S. Equity Pool	\$ 292	\$ 204
Total other revenue	\$ 292	\$ 204
Capital gains received from underlying funds	\$ –	\$ –



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
PHILLIPS, HAGER & NORTH
U.S. MULTI-STYLE ALL-CAP EQUITY CLASS

March 31, 2014

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
1 524 302	Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund*	\$ 19 626	\$ 23 017	
TOTAL MUTUAL FUND UNITS		19 626	23 017	99.9
TOTAL INVESTMENTS		<u>\$ 19 626</u>	<u>23 017</u>	99.9
OTHER NET ASSETS			12	0.1
NET ASSETS			<u>\$ 23 029</u>	100.0

* Investment in related party (see note 6 in the generic notes).



Statements of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2014	2013
ASSETS		
Investments at fair value	\$ 23 017	\$ 11 671
Cash	68	13
Due from investment dealers	25	–
Subscriptions receivable	13	15
TOTAL ASSETS	23 123	11 699
LIABILITIES		
Due to investment dealers	60	15
Redemptions payable	5	7
Accounts payable and accrued expenses	29	14
TOTAL LIABILITIES	94	36
NET ASSETS	\$ 23 029	\$ 11 663

Investments at cost	\$ 19 626	\$ 10 899
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NET ASSETS, END OF PERIOD

SERIES A	\$ 8 886	\$ 4 480
ADVISOR SERIES	\$ 224	\$ 124
SERIES H	\$ 987	\$ 444
SERIES D	\$ 9 496	\$ 5 428
SERIES F	\$ 2 615	\$ 901
SERIES I	\$ 264	\$ 229
SERIES O	\$ 557	\$ 57

NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD

SERIES A	\$ 15.00	\$ 11.87
ADVISOR SERIES	\$ 15.01	\$ 11.87
SERIES H	\$ 15.06	\$ 11.88
SERIES D	\$ 15.29	\$ 11.99
SERIES F	\$ 15.38	\$ 12.04
SERIES I	\$ 15.43	\$ 12.05
SERIES O	\$ 15.66	\$ 12.16

**NET ASSET VALUE (TRANSACTIONAL NAV)
PER MUTUAL FUND SHARE, END OF PERIOD**
(see note 3 in the generic notes)

SERIES A	\$ 15.00	\$ 11.87
ADVISOR SERIES	\$ 15.01	\$ 11.87
SERIES H	\$ 15.06	\$ 11.88
SERIES D	\$ 15.29	\$ 11.99
SERIES F	\$ 15.38	\$ 12.04
SERIES I	\$ 15.43	\$ 12.05
SERIES O	\$ 15.66	\$ 12.16

Statements of Operations (in \$000s except per mutual fund share amounts)

For the periods ended March 31 (see note 2 in the generic notes)*	2014	2013
INCOME (see note 3 in the generic notes)		
Interest	\$ –	\$ 1
Other revenue	262	136
TOTAL INCOME (LOSS)	262	137
EXPENSES (see notes – Fund Specific Information)		
Management fees	218	83
Administration fees	8	5
Board of Directors fees	2	1
Board of Governors costs	3	3
GST/HST	23	9
TOTAL EXPENSES	254	101
Less expenses reimbursed by manager	(3)	(3)
TOTAL EXPENSES NET OF REIMBURSEMENT	251	98
NET INVESTMENT INCOME (LOSS)	11	39
REALIZED AND UNREALIZED GAIN (LOSS)		
ON INVESTMENTS		
Capital gains received from underlying funds	1 814	543
Net realized gain (loss) on investments	161	9
Change in unrealized gain (loss) on investments	2 619	745
NET GAIN (LOSS) ON INVESTMENTS	4 594	1 297
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS	\$ 4 605	\$ 1 336
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS		
SERIES A	\$ 1 672	\$ 454
ADVISOR SERIES	\$ 46	\$ 7
SERIES H	\$ 209	\$ 43
SERIES D	\$ 1 959	\$ 697
SERIES F	\$ 568	\$ 88
SERIES I	\$ 68	\$ 27
SERIES O	\$ 83	\$ 20
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS PER MUTUAL FUND SHARE		
SERIES A	\$ 3.47	\$ 2.28
ADVISOR SERIES	\$ 3.48	\$ 3.75
SERIES H	\$ 3.51	\$ 1.30
SERIES D	\$ 3.66	\$ 2.08
SERIES F	\$ 3.64	\$ 2.30
SERIES I	\$ 3.80	\$ 1.19
SERIES O	\$ 3.77	\$ 3.46

INCREASE (DECREASE) IN NET ASSETS

SERIES A	\$ 3.47	\$ 2.28
ADVISOR SERIES	\$ 3.48	\$ 3.75
SERIES H	\$ 3.51	\$ 1.30
SERIES D	\$ 3.66	\$ 2.08
SERIES F	\$ 3.64	\$ 2.30
SERIES I	\$ 3.80	\$ 1.19
SERIES O	\$ 3.77	\$ 3.46

* Series H and Series I launched July 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

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



Statements of Changes in Net Assets (in \$000s)

For the periods ended March 31 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 4 480	\$ 614	\$ 124	\$ 239	\$ 444	\$ –	\$ 5 428	\$ 122
INCREASE (DECREASE) FROM OPERATIONS	1 672	454	46	7	209	43	1 959	697
Early redemption fees	–	–	–	–	–	–	1	–
Proceeds from mutual fund shares issued	4 055	3 972	188	98	570	401	2 727	4 907
Proceeds from reinvestment of distributions	104	–	3	–	10	–	123	–
Payments on redemption of mutual fund shares	(1 320)	(560)	(134)	(220)	(231)	–	(612)	(298)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	2 839	3 412	57	(122)	349	401	2 239	4 609
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	(105)	–	(3)	–	(15)	–	(130)	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	(105)	–	(3)	–	(15)	–	(130)	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	4 406	3 866	100	(115)	543	444	4 068	5 306
NET ASSETS – END OF PERIOD	\$ 8 886	\$ 4 480	\$ 224	\$ 124	\$ 987	\$ 444	\$ 9 496	\$ 5 428

For the periods ended March 31 (see note 2 in the generic notes)*	Series F		Series I		Series O		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 901	\$ 1	\$ 229	\$ –	\$ 57	\$ 173	\$ 11 663	\$ 1 149
INCREASE (DECREASE) FROM OPERATIONS	568	88	68	27	83	20	4 605	1 336
Early redemption fees	–	–	–	–	–	–	1	–
Proceeds from mutual fund shares issued	1 296	1 018	–	202	428	113	9 264	10 711
Proceeds from reinvestment of distributions	2	–	5	–	1	–	248	–
Payments on redemption of mutual fund shares	(130)	(206)	(33)	–	(11)	(249)	(2 471)	(1 533)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	1 168	812	(28)	202	418	(136)	7 042	9 178
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	(22)	–	(5)	–	(1)	–	(281)	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	(22)	–	(5)	–	(1)	–	(281)	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	1 714	900	35	229	500	(116)	11 366	10 514
NET ASSETS – END OF PERIOD	\$ 2 615	\$ 901	\$ 264	\$ 229	\$ 557	\$ 57	\$ 23 029	\$ 11 663

* Series H and Series I launched July 2012.



March 31, 2014

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

The Fund invests in the Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk

The Fund is exposed to credit risk from investments in the underlying mutual fund. This underlying fund could invest in debt securities and could enter into over-the-counter derivative contracts.

Currency risk (% of net assets)

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk from investments in the underlying mutual fund as at:

	March 31 2014	March 31 2013
Currency		
United States dollar	99.9	99.7
Total	99.9	99.7

As at March 31, 2014, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currency, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 1.0% (March 31, 2013 – 1.0%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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 27-month (March 31, 2013 – 15-month) historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	March 31 2014	March 31 2013
Russell 3000 Total Return Index (CAD)	+ or - 1.0	+ or - 0.9

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

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

The following is a summary of the inputs used as of March 31, 2014 and 2013 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	23 017	–	–	23 017
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	23 017	–	–	23 017
% of total portfolio	100.0	–	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	11 671	–	–	11 671
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	11 671	–	–	11 671
% of total portfolio	100.0	–	–	100.0

For the periods ended March 31, 2014 and 2013, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 7 in the generic notes)

No management fees are payable by the Fund with respect to Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

Management fees of the other series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.75%
Advisor Series	1.75%
Series H	1.60%
Series D	1.00%
Series F	0.75%
Series I	0.60%



March 31, 2014

Operating expenses (see note 7 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.05%
Advisor Series	0.05%
Series H	0.05%
Series D	0.05%
Series F	0.05%
Series I	0.05%
Series O	0.02%

Initial investments (\$000s except mutual fund share amounts)

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

	March 31 2014	March 31 2013
Mutual fund shares held		
Series A	51	50
Advisor Series	51	50
Series H	99	97
Series D	51	50
Series F	51	50
Series I	99	96
Series O	49	48
Value of all mutual fund shares	\$ 7	\$ 5

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the periods ended March 31 (see note 2 in the generic notes)	2014	2013
Series A		
Opening mutual fund shares	377	58
Issued number of mutual fund shares	306	372
Reinvested number of mutual fund shares	9	–
Redeemed number of mutual fund shares	(100)	(53)
Ending number of mutual fund shares	592	377

For the periods ended March 31 (see note 2 in the generic notes)	2014	2013
Advisor Series		
Opening mutual fund shares	10	22
Issued number of mutual fund shares	16	9
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(11)	(21)
Ending number of mutual fund shares	15	10
Series H		
Opening mutual fund shares	37	–
Issued number of mutual fund shares	47	37
Reinvested number of mutual fund shares	1	–
Redeemed number of mutual fund shares	(19)	–
Ending number of mutual fund shares	66	37
Series D		
Opening mutual fund shares	453	11
Issued number of mutual fund shares	203	470
Reinvested number of mutual fund shares	10	–
Redeemed number of mutual fund shares	(45)	(28)
Ending number of mutual fund shares	621	453
Series F		
Opening mutual fund shares	75	–
Issued number of mutual fund shares	104	94
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(9)	(19)
Ending number of mutual fund shares	170	75
Series I		
Opening mutual fund shares	19	–
Issued number of mutual fund shares	–	19
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(2)	–
Ending number of mutual fund shares	17	19
Series O		
Opening mutual fund shares	5	16
Issued number of mutual fund shares	32	11
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(1)	(22)
Ending number of mutual fund shares	36	5

**Other revenue and capital gains (\$000s)
(see note 3 in the generic notes)**

Other revenue and capital gains from investing in other related investment funds for the periods ended:

	March 31 2014	March 31 2013
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	\$ 262	\$ 136
Total other revenue	\$ 262	\$ 136
Capital gains received from underlying funds	\$ 1 814	\$ 543



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
PHILLIPS, HAGER & NORTH OVERSEAS EQUITY CLASS

March 31, 2014

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
2 540 328	Phillips, Hager & North Overseas Equity Fund*	\$ 24 554	\$ 30 143	
TOTAL MUTUAL FUND UNITS		24 554	30 143	100.0
TOTAL INVESTMENTS		<u>\$ 24 554</u>	30 143	100.0
OTHER NET ASSETS			15	–
NET ASSETS			<u>\$ 30 158</u>	100.0

* Investment in related party (see note 6 in the generic notes).



Statements of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2014	2013
ASSETS		
Investments at fair value	\$ 30 143	\$ 16 947
Cash	206	27
Due from investment dealers	40	–
Subscriptions receivable	15	34
TOTAL ASSETS	30 404	17 008
LIABILITIES		
Due to investment dealers	170	30
Redemptions payable	45	–
Accounts payable and accrued expenses	31	17
TOTAL LIABILITIES	246	47
NET ASSETS	\$ 30 158	\$ 16 961
Investments at cost	\$ 24 554	\$ 16 229
NET ASSETS, END OF PERIOD		
SERIES A	\$ 8 054	\$ 2 840
ADVISOR SERIES	\$ 298	\$ 242
SERIES H	\$ 504	\$ 1
SERIES D	\$ 14 655	\$ 9 531
SERIES F	\$ 1 450	\$ 1 345
SERIES I	\$ 724	\$ 392
SERIES O	\$ 4 473	\$ 2 610
NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD		
SERIES A	\$ 14.46	\$ 11.47
ADVISOR SERIES	\$ 14.48	\$ 11.47
SERIES H	\$ 14.53	\$ 11.49
SERIES D	\$ 14.74	\$ 11.58
SERIES F	\$ 14.83	\$ 11.63
SERIES I	\$ 14.88	\$ 11.64
SERIES O	\$ 15.16	\$ 11.77
NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD (see note 3 in the generic notes)		
SERIES A	\$ 14.46	\$ 11.47
ADVISOR SERIES	\$ 14.48	\$ 11.47
SERIES H	\$ 14.53	\$ 11.49
SERIES D	\$ 14.74	\$ 11.58
SERIES F	\$ 14.83	\$ 11.63
SERIES I	\$ 14.88	\$ 11.64
SERIES O	\$ 15.16	\$ 11.77

Statements of Operations (in \$000s except per mutual fund share amounts)

For the periods ended March 31 (see note 2 in the generic notes)*	2014	2013
INCOME (see note 3 in the generic notes)		
Other revenue	\$ 724	\$ 367
TOTAL INCOME (LOSS)	724	367
EXPENSES (see notes – Fund Specific Information)		
Management fees	244	85
Administration fees	12	4
Board of Directors fees	2	2
Board of Governors costs	3	3
GST/HST	22	10
TOTAL EXPENSES	283	104
Less expenses reimbursed by manager	(3)	(3)
TOTAL EXPENSES NET OF REIMBURSEMENT	280	101
NET INVESTMENT INCOME (LOSS)	444	266
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized gain (loss) on investments	247	(13)
Change in unrealized gain (loss) on investments	4 871	690
NET GAIN (LOSS) ON INVESTMENTS	5 118	677
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
	\$ 5 562	\$ 943
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
SERIES A	\$ 1 094	\$ 129
ADVISOR SERIES	\$ 57	\$ 8
SERIES H	\$ 72	\$ –
SERIES D	\$ 2 924	\$ 603
SERIES F	\$ 377	\$ 82
SERIES I	\$ 112	\$ 21
SERIES O	\$ 926	\$ 100
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE		
SERIES A	\$ 2.99	\$ 1.07
ADVISOR SERIES	\$ 3.14	\$ 0.83
SERIES H	\$ 2.89	\$ 0.75
SERIES D	\$ 3.22	\$ 1.10
SERIES F	\$ 3.31	\$ 1.36
SERIES I	\$ 3.28	\$ 0.60
SERIES O	\$ 3.45	\$ 1.72

* Series H and Series I launched July 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

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



Statements of Changes in Net Assets (in \$000s)

For the periods ended March 31 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 2 840	\$ 263	\$ 242	\$ 9	\$ 1	\$ –	\$ 9 531	\$ 108
INCREASE (DECREASE) FROM OPERATIONS	1 094	129	57	8	72	–	2 924	603
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	5 040	2 694	313	306	440	1	3 358	9 014
Proceeds from reinvestment of distributions	–	–	–	–	–	–	–	–
Payments on redemption of mutual fund shares	(920)	(246)	(314)	(81)	(9)	–	(1 158)	(194)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	4 120	2 448	(1)	225	431	1	2 200	8 820
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	–	–	–	–	–	–	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	5 214	2 577	56	233	503	1	5 124	9 423
NET ASSETS – END OF PERIOD	\$ 8 054	\$ 2 840	\$ 298	\$ 242	\$ 504	\$ 1	\$ 14 655	\$ 9 531

For the periods ended March 31 (see note 2 in the generic notes)*	Series F		Series I		Series O		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 1 345	\$ 44	\$ 392	\$ –	\$ 2 610	\$ 1 326	\$ 16 961	\$ 1 750
INCREASE (DECREASE) FROM OPERATIONS	377	82	112	21	926	100	5 562	943
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	513	1 630	222	371	1 861	2 357	11 747	16 373
Proceeds from reinvestment of distributions	–	–	–	–	–	–	–	–
Payments on redemption of mutual fund shares	(785)	(411)	(2)	–	(924)	(1 173)	(4 112)	(2 105)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	(272)	1 219	220	371	937	1 184	7 635	14 268
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	–	–	–	–	–	–	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	105	1 301	332	392	1 863	1 284	13 197	15 211
NET ASSETS – END OF PERIOD	\$ 1 450	\$ 1 345	\$ 724	\$ 392	\$ 4 473	\$ 2 610	\$ 30 158	\$ 16 961

* Series H and Series I launched July 2012.



March 31, 2014

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

The Fund invests in the Phillips, Hager & North Overseas Equity Fund. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk

The Fund is exposed to credit risk from investments in the underlying mutual fund. This underlying fund could invest in debt securities and could enter into over-the-counter derivative contracts.

Currency risk (% of net assets)

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk from investments in the underlying mutual fund as at:

Currency	March 31 2014	March 31 2013
Euro	31.1	29.5
Pound sterling	19.2	13.6
Swiss franc	17.8	13.9
Japanese yen	12.6	16.4
United States dollar	10.5	8.1
Hong Kong dollar	3.3	5.9
Norwegian krone	1.6	–
Australian dollar	1.0	3.0
Swedish krona	1.0	–
Singapore dollar	0.6	4.2
South Korean won	0.5	0.5
Brazilian real	–	1.2
Indian rupee	–	0.3
Other currencies	0.5	–
Total	99.7	96.6

As at March 31, 2014, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 1.0% (March 31, 2013 – 1.0%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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 27-month (March 31, 2013 – 15-month) historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	March 31 2014	March 31 2013
MSCI EAFE Total Return Net Index (CAD)	+ or - 0.9	+ or - 0.9

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

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

The following is a summary of the inputs used as of March 31, 2014 and 2013 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	30 143	–	–	30 143
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	30 143	–	–	30 143
% of total portfolio	100.0	–	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	16 947	–	–	16 947
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	16 947	–	–	16 947
% of total portfolio	100.0	–	–	100.0

For the periods ended March 31, 2014 and 2013, there were no transfers of financial instruments between Level 1 and Level 2.



March 31, 2014

Management fees (see note 7 in the generic notes)

No management fees are payable by the Fund with respect to Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

Management fees of the other series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.85%
Advisor Series	1.85%
Series H	1.75%
Series D	1.10%
Series F	0.85%
Series I	0.75%

Operating expenses (see note 7 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.07%
Advisor Series	0.07%
Series H	0.07%
Series D	0.07%
Series F	0.07%
Series I	0.07%
Series O	0.02%

Initial investments (\$000s except mutual fund share amounts)

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

	March 31 2014	March 31 2013
Mutual fund shares held		
Series A	50	50
Advisor Series	50	50
Series H	98	98
Series D	50	50
Series F	50	50
Series I	97	97
Value of all mutual fund shares	\$ 6	\$ 5

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the periods ended March 31
(see note 2 in the generic notes)

	2014	2013
Series A		
Opening mutual fund shares	248	24
Issued number of mutual fund shares	380	246
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(71)	(22)
Ending number of mutual fund shares	557	248
Advisor Series		
Opening mutual fund shares	21	1
Issued number of mutual fund shares	26	27
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(26)	(7)
Ending number of mutual fund shares	21	21
Series H		
Opening mutual fund shares	–	–
Issued number of mutual fund shares	36	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(1)	–
Ending number of mutual fund shares	35	–
Series D		
Opening mutual fund shares	823	10
Issued number of mutual fund shares	260	830
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(89)	(17)
Ending number of mutual fund shares	994	823
Series F		
Opening mutual fund shares	116	4
Issued number of mutual fund shares	40	149
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(58)	(37)
Ending number of mutual fund shares	98	116
Series I		
Opening mutual fund shares	34	–
Issued number of mutual fund shares	15	34
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	–
Ending number of mutual fund shares	49	34
Series O		
Opening mutual fund shares	222	122
Issued number of mutual fund shares	138	211
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(65)	(111)
Ending number of mutual fund shares	295	222

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



March 31, 2014

Other revenue and capital gains (\$000s)
(see note 3 in the generic notes)

Other revenue and capital gains from investing in other related investment funds for the periods ended:

	March 31 2014	March 31 2013
Phillips, Hager & North Overseas Equity Fund	\$ 724	\$ 367
Total other revenue	\$ 724	\$ 367
Capital gains received from underlying funds	\$ –	\$ –

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



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC EMERGING MARKETS EQUITY CLASS

March 31, 2014

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
3 178 392	RBC Emerging Markets Equity Fund*	\$ 34 260	\$ 38 941	
TOTAL MUTUAL FUND UNITS		34 260	38 941	100.1
TOTAL INVESTMENTS		\$ 34 260	38 941	100.1
OTHER NET ASSETS (LIABILITIES)			(47)	(0.1)
NET ASSETS			\$ 38 894	100.0

* Investment in related party (see note 6 in the generic notes).



Statements of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2014	2013
ASSETS		
Investments at fair value	\$ 38 941	\$ 26 609
Due from investment dealers	55	40
Subscriptions receivable	124	32
TOTAL ASSETS	39 120	26 681
LIABILITIES		
Bank overdraft	1	59
Due to investment dealers	80	–
Redemptions payable	127	19
Accounts payable and accrued expenses	18	8
TOTAL LIABILITIES	226	86
NET ASSETS	\$ 38 894	\$ 26 595
Investments at cost	\$ 34 260	\$ 24 087
NET ASSETS, END OF PERIOD		
SERIES A	\$ 4 465	\$ 3 003
ADVISOR SERIES	\$ 528	\$ 221
SERIES H	\$ 460	\$ 207
SERIES D	\$ 821	\$ 944
SERIES F	\$ 5 446	\$ 1 411
SERIES I	\$ 2 619	\$ 451
SERIES O	\$ 24 555	\$ 20 358
NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD		
SERIES A	\$ 12.61	\$ 11.85
ADVISOR SERIES	\$ 12.61	\$ 11.86
SERIES H	\$ 12.66	\$ 11.87
SERIES D	\$ 12.89	\$ 12.00
SERIES F	\$ 12.96	\$ 12.03
SERIES I	\$ 12.97	\$ 12.04
SERIES O	\$ 13.22	\$ 12.16
NET ASSET VALUE (TRANSACTIONAL NAV) PER MUTUAL FUND SHARE, END OF PERIOD (see note 3 in the generic notes)		
SERIES A	\$ 12.61	\$ 11.85
ADVISOR SERIES	\$ 12.61	\$ 11.86
SERIES H	\$ 12.66	\$ 11.87
SERIES D	\$ 12.89	\$ 12.00
SERIES F	\$ 12.96	\$ 12.03
SERIES I	\$ 12.97	\$ 12.04
SERIES O	\$ 13.22	\$ 12.16

Statements of Operations (in \$000s except per mutual fund share amounts)

For the periods ended March 31 (see note 2 in the generic notes)*	2014	2013
INCOME (see note 3 in the generic notes)		
Other revenue	\$ 709	\$ 335
TOTAL INCOME (LOSS)	709	335
EXPENSES (see notes – Fund Specific Information)		
Management fees	120	36
Administration fees	15	3
Board of Directors fees	3	3
Board of Governors costs	3	3
GST/HST	15	4
TOTAL EXPENSES	156	49
Less expenses reimbursed by manager	(3)	(3)
TOTAL EXPENSES NET OF REIMBURSEMENT	153	46
NET INVESTMENT INCOME (LOSS)	556	289
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized gain (loss) on investments	197	39
Change in unrealized gain (loss) on investments	2 159	2 219
NET GAIN (LOSS) ON INVESTMENTS	2 356	2 258
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS	\$ 2 912	\$ 2 547
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
SERIES A	\$ 280	\$ 207
ADVISOR SERIES	\$ 34	\$ 9
SERIES H	\$ 30	\$ (3)
SERIES D	\$ 60	\$ 82
SERIES F	\$ 365	\$ 56
SERIES I	\$ 145	\$ 49
SERIES O	\$ 1 998	\$ 2 147
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER MUTUAL FUND SHARE		
SERIES A	\$ 0.89	\$ 1.47
ADVISOR SERIES	\$ 0.87	\$ 1.19
SERIES H	\$ 0.93	\$ 0.72
SERIES D	\$ 1.05	\$ 1.54
SERIES F	\$ 1.03	\$ 1.67
SERIES I	\$ 1.01	\$ 0.98
SERIES O	\$ 1.20	\$ 1.84

* Series H and Series I launched July 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

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



Statements of Changes in Net Assets (in \$000s)

For the periods ended March 31 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 3 003	\$ 365	\$ 221	\$ 1	\$ 207	\$ –	\$ 944	\$ 110
INCREASE (DECREASE) FROM OPERATIONS	280	207	34	9	30	(3)	60	82
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	2 155	2 593	458	214	226	210	357	985
Proceeds from reinvestment of distributions	–	–	–	–	–	–	–	–
Payments on redemption of mutual fund shares	(973)	(162)	(185)	(3)	(3)	–	(540)	(233)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	1 182	2 431	273	211	223	210	(183)	752
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	–	–	–	–	–	–	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	1 462	2 638	307	220	253	207	(123)	834
NET ASSETS – END OF PERIOD	\$ 4 465	\$ 3 003	\$ 528	\$ 221	\$ 460	\$ 207	\$ 821	\$ 944

For the periods ended March 31 (see note 2 in the generic notes)*	Series F		Series I		Series O		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 1 411	\$ 2	\$ 451	\$ –	\$ 20 358	\$ 7 536	\$ 26 595	\$ 8 014
INCREASE (DECREASE) FROM OPERATIONS	365	56	145	49	1 998	2 147	2 912	2 547
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	4 319	1 603	2 123	402	5 533	11 856	15 171	17 863
Proceeds from reinvestment of distributions	–	–	–	–	–	–	–	–
Payments on redemption of mutual fund shares	(649)	(250)	(100)	–	(3 334)	(1 181)	(5 784)	(1 829)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	3 670	1 353	2 023	402	2 199	10 675	9 387	16 034
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	–	–	–	–	–	–	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	4 035	1 409	2 168	451	4 197	12 822	12 299	18 581
NET ASSETS – END OF PERIOD	\$ 5 446	\$ 1 411	\$ 2 619	\$ 451	\$ 24 555	\$ 20 358	\$ 38 894	\$ 26 595

* Series H and Series I launched July 2012.



March 31, 2014

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

The Fund invests in the RBC Emerging Markets Equity Fund. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Credit risk

The Fund is exposed to credit risk from investments in the underlying mutual fund. This underlying fund could invest in debt securities and could enter into over-the-counter derivative contracts.

Currency risk (% of net assets)

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk from investments in the underlying mutual fund as at:

Currency	March 31 2014	March 31 2013
Hong Kong dollar	16.7	16.9
South Korean won	11.5	11.4
Indian rupee	11.5	7.7
United States dollar	11.3	16.5
South African rand	10.5	9.1
Taiwan dollar	9.4	7.1
Malaysian ringgit	4.6	2.5
Pound sterling	4.1	3.9
Brazilian real	3.5	4.9
Chilean peso	3.5	4.7
Mexican peso	2.4	3.3
Indonesian rupiah	2.3	3.0
Thailand baht	2.2	2.4
Turkish new lira	2.1	2.6
Philippine peso	1.7	2.2
Polish zloty	1.5	0.6
Nigeria naira	0.7	1.0
UAE Dirham	0.1	–
Total	99.6	99.8

As at March 31, 2014, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 1.0% (March 31, 2013 – 1.0%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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 27-month (March 31, 2013 – 15-month) historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	March 31 2014	March 31 2013
MSCI Emerging Markets Total Return Net Index (CAD)	+ or - 0.8	+ or - 0.7

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

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

The following is a summary of the inputs used as of March 31, 2014 and 2013 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	38 941	–	–	38 941
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	38 941	–	–	38 941
% of total portfolio	100.0	–	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	26 609	–	–	26 609
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	26 609	–	–	26 609
% of total portfolio	100.0	–	–	100.0

For the periods ended March 31, 2014 and 2013, there were no transfers of financial instruments between Level 1 and Level 2.



March 31, 2014

Management fees (see note 7 in the generic notes)

No management fees are payable by the Fund with respect to Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

Management fees of the other series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.85%
Advisor Series	1.85%
Series H	1.70%
Series D	1.00%
Series F	0.75%
Series I	0.70%

Operating expenses (see note 7 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.10%
Advisor Series	0.10%
Series H	0.10%
Series D	0.10%
Series F	0.10%
Series I	0.10%
Series O	0.02%

Initial investments (\$000s except mutual fund share amounts)

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

	March 31 2014	March 31 2013
Mutual fund shares held		
Series A	50	50
Advisor Series	50	50
Series H	98	98
Series D	50	50
Series F	50	50
Series I	97	97
Value of all mutual fund shares	\$ 5	\$ 5

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

For the periods ended March 31
(see note 2 in the generic notes)

	2014	2013
Series A		
Opening mutual fund shares	253	34
Issued number of mutual fund shares	183	233
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(82)	(14)
Ending number of mutual fund shares	354	253
Advisor Series		
Opening mutual fund shares	19	–
Issued number of mutual fund shares	38	19
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(15)	–
Ending number of mutual fund shares	42	19
Series H		
Opening mutual fund shares	17	–
Issued number of mutual fund shares	19	17
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	–
Ending number of mutual fund shares	36	17
Series D		
Opening mutual fund shares	79	10
Issued number of mutual fund shares	30	89
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(45)	(20)
Ending number of mutual fund shares	64	79
Series F		
Opening mutual fund shares	117	–
Issued number of mutual fund shares	356	139
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(53)	(22)
Ending number of mutual fund shares	420	117
Series I		
Opening mutual fund shares	37	–
Issued number of mutual fund shares	173	37
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(8)	–
Ending number of mutual fund shares	202	37
Series O		
Opening mutual fund shares	1 674	695
Issued number of mutual fund shares	454	1 083
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(271)	(104)
Ending number of mutual fund shares	1 857	1 674

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



March 31, 2014

Other revenue and capital gains (\$000s)
(see note 3 in the generic notes)

Other revenue and capital gains from investing in other related investment funds for the periods ended:

	March 31 2014	March 31 2013
RBC Emerging Markets Equity Fund	\$ 709	\$ 335
Total other revenue	\$ 709	\$ 335
Capital gains received from underlying funds	\$ –	\$ –

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



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC GLOBAL RESOURCES CLASS

March 31, 2014

Number of Units	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
40 323	RBC Global Resources Fund*	\$ 1 315	\$ 1 481	
TOTAL MUTUAL FUND UNITS		1 315	1 481	98.1
TOTAL INVESTMENTS		<u>\$ 1 315</u>	1 481	98.1
OTHER NET ASSETS			29	1.9
NET ASSETS			<u>\$ 1 510</u>	100.0

* Investment in related party (see note 6 in the generic notes).



Statements of Net Assets (in \$000s except per mutual fund share amounts)

March 31 (see note 2 in the generic notes)	2014	2013
ASSETS		
Investments at fair value	\$ 1 481	\$ 927
Cash	13	12
Subscriptions receivable	28	–
TOTAL ASSETS	1 522	939
LIABILITIES		
Due to investment dealers	10	10
Redemptions payable	1	–
Accounts payable and accrued expenses	1	1
TOTAL LIABILITIES	12	11
NET ASSETS	\$ 1 510	\$ 928
Investments at cost	\$ 1 315	\$ 937
NET ASSETS, END OF PERIOD		
SERIES A	\$ 671	\$ 461
ADVISOR SERIES	\$ 79	\$ 37
SERIES H	\$ 1	\$ 1
SERIES D	\$ 149	\$ 98
SERIES F	\$ 62	\$ 15
SERIES I	\$ 221	\$ 1
SERIES O	\$ 327	\$ 315
NET ASSETS PER MUTUAL FUND SHARE, END OF PERIOD		
SERIES A	\$ 10.02	\$ 8.88
ADVISOR SERIES	\$ 10.02	\$ 8.88
SERIES H	\$ 10.09	\$ 8.90
SERIES D	\$ 10.25	\$ 8.99
SERIES F	\$ 10.32	\$ 9.02
SERIES I	\$ 10.39	\$ 9.07
SERIES O	\$ 10.53	\$ 9.12
NET ASSET VALUE (TRANSACTIONAL NAV)		
PER MUTUAL FUND SHARE, END OF PERIOD		
(see note 3 in the generic notes)		
SERIES A	\$ 10.02	\$ 8.88
ADVISOR SERIES	\$ 10.02	\$ 8.88
SERIES H	\$ 10.09	\$ 8.90
SERIES D	\$ 10.25	\$ 8.99
SERIES F	\$ 10.32	\$ 9.02
SERIES I	\$ 10.39	\$ 9.07
SERIES O	\$ 10.53	\$ 9.12

Statements of Operations (in \$000s except per mutual fund share amounts)

For the periods ended March 31 (see note 2 in the generic notes)*	2014	2013
EXPENSES (see notes – Fund Specific Information)		
Management fees	\$ 13	\$ 11
Administration fees	1	1
Board of Governors costs	3	3
GST/HST	1	1
TOTAL EXPENSES	18	16
Less expenses reimbursed by manager	(3)	(3)
TOTAL EXPENSES NET OF REIMBURSEMENT	15	13
NET INVESTMENT INCOME (LOSS)	(15)	(13)
REALIZED AND UNREALIZED GAIN (LOSS)		
ON INVESTMENTS		
Net realized gain (loss) on investments	1	(86)
Change in unrealized gain (loss) on investments	176	7
NET GAIN (LOSS) ON INVESTMENTS	177	(79)
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS	\$ 162	\$ (92)
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS		
SERIES A	\$ 75	\$ 6
ADVISOR SERIES	\$ 7	\$ (1)
SERIES H	\$ –	\$ –
SERIES D	\$ 10	\$ (1)
SERIES F	\$ 7	\$ (118)
SERIES I	\$ 20	\$ 20
SERIES O	\$ 43	\$ 2
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS PER MUTUAL FUND SHARE		
SERIES A	\$ 1.25	\$ (0.83)
ADVISOR SERIES	\$ 1.21	\$ (0.87)
SERIES H	\$ 1.30	\$ (0.57)
SERIES D	\$ 1.37	\$ (0.75)
SERIES F	\$ 1.34	\$ (0.58)
SERIES I	\$ 1.19	\$ (0.36)
SERIES O	\$ 1.51	\$ (0.63)

* Series H and Series I launched July 2012.

Approved by the Board of Directors of RBC Corporate Class Inc.

Doug Coulter
Director

Frank Lippa
Director

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



Statements of Changes in Net Assets (in \$000s)

For the periods ended March 31 (see note 2 in the generic notes)*	Series A		Advisor Series		Series H		Series D	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 461	\$ 57	\$ 37	\$ 8	\$ 1	\$ –	\$ 98	\$ 31
INCREASE (DECREASE) FROM OPERATIONS	75	6	7	(1)	–	–	10	(1)
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	320	433	42	38	–	1	135	79
Proceeds from reinvestment of distributions	–	–	–	–	–	–	–	–
Payments on redemption of mutual fund shares	(185)	(35)	(7)	(8)	–	–	(94)	(11)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	135	398	35	30	–	1	41	68
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	–	–	–	–	–	–	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	210	404	42	29	–	1	51	67
NET ASSETS – END OF PERIOD	\$ 671	\$ 461	\$ 79	\$ 37	\$ 1	\$ 1	\$ 149	\$ 98

For the periods ended March 31 (see note 2 in the generic notes)*	Series F		Series I		Series O		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 15	\$ 63	\$ 1	\$ –	\$ 315	\$ 144	\$ 928	\$ 303
INCREASE (DECREASE) FROM OPERATIONS	7	(118)	20	20	43	2	162	(92)
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from mutual fund shares issued	40	1 258	200	998	–	169	737	2 976
Proceeds from reinvestment of distributions	–	–	–	–	–	–	–	–
Payments on redemption of mutual fund shares	–	(1 188)	–	(1 017)	(31)	–	(317)	(2 259)
TOTAL MUTUAL FUND SHARE TRANSACTIONS	40	70	200	(19)	(31)	169	420	717
Distributions from net income	–	–	–	–	–	–	–	–
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS	–	–	–	–	–	–	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	47	(48)	220	1	12	171	582	625
NET ASSETS – END OF PERIOD	\$ 62	\$ 15	\$ 221	\$ 1	\$ 327	\$ 315	\$ 1 510	\$ 928

* Series H and Series I launched July 2012.



March 31, 2014

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

The Fund invests in the RBC Global Resources Fund. The Fund's exposure to financial instrument risk is based on the underlying mutual fund asset mix.

Currency risk (% of net assets)

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk from investments in the underlying mutual fund as at:

	March 31 2014	March 31 2013
Currency		
United States dollar	48.6	40.8
Pound sterling	6.5	3.4
Euro	1.6	1.2
Swedish krona	0.6	0.5
Australian dollar	0.5	–
Danish krone	–	0.6
Other currencies	–	0.6
Total	57.8	47.1

As at March 31, 2014, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 0.6% (March 31, 2013 – 0.5%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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 27-month (March 31, 2013 – 15-month) historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	March 31 2014	March 31 2013
MSCI World Total Return Net Index (CAD)	+ or - 0.9	+ or - 0.9

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

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

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

The following is a summary of the inputs used as of March 31, 2014 and 2013 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	1 481	–	–	1 481
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	1 481	–	–	1 481
% of total portfolio	100.0	–	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	927	–	–	927
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	927	–	–	927
% of total portfolio	100.0	–	–	100.0

For the periods ended March 31, 2014 and 2013, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 7 in the generic notes)

No management fees are payable by the Fund with respect to Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

Management fees of the other series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	1.85%
Advisor Series	1.85%
Series H	1.75%
Series D	1.00%
Series F	0.75%
Series I	0.60%



March 31, 2014

Operating expenses (see note 7 in the generic notes)

Administration fees payable by each series of the Fund are calculated at the following annual percentages, before GST/HST, of the daily net asset value of each series of the Fund.

Series A	0.18%
Advisor Series	0.18%
Series H	0.13%
Series D	0.13%
Series F	0.13%
Series I	0.13%
Series O	0.02%

Initial investments (\$000s except mutual fund share amounts)

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

	March 31 2014	March 31 2013
Mutual fund shares held		
Series A	50	50
Advisor Series	50	50
Series H	121	121
Series D	50	50
Series F	50	50
Series I	121	121
Series O	15 000	15 000
Value of all mutual fund shares	\$ 162	\$ 141

Shareholders' equity (000s)

The shareholders' equity of the Fund includes amounts representing mutual fund shares, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the transactional NAV per mutual fund share.

	2014	2013
Series A		
Opening mutual fund shares	52	6
Issued number of mutual fund shares	35	50
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(20)	(4)
Ending number of mutual fund shares	67	52

For the periods ended March 31
(see note 2 in the generic notes)

	2014	2013
Advisor Series		
Opening mutual fund shares	4	1
Issued number of mutual fund shares	5	4
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(1)	(1)
Ending number of mutual fund shares	8	4
Series H		
Opening mutual fund shares	–	–
Issued number of mutual fund shares	–	–
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	–
Ending number of mutual fund shares	–	–
Series D		
Opening mutual fund shares	11	3
Issued number of mutual fund shares	15	9
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(11)	(1)
Ending number of mutual fund shares	15	11
Series F		
Opening mutual fund shares	2	7
Issued number of mutual fund shares	4	134
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	(139)
Ending number of mutual fund shares	6	2
Series I		
Opening mutual fund shares	–	–
Issued number of mutual fund shares	21	117
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	–	(117)
Ending number of mutual fund shares	21	–
Series O		
Opening mutual fund shares	35	15
Issued number of mutual fund shares	(1)	20
Reinvested number of mutual fund shares	–	–
Redeemed number of mutual fund shares	(3)	–
Ending number of mutual fund shares	31	35



1. The Funds

The mutual funds (“Fund” or “Funds”) are classes of mutual fund shares of RBC Corporate Class Inc. (the “Corporation”). The Corporation is a mutual fund corporation incorporated under the laws of Canada by articles of incorporation dated July 8, 2011. RBC GAM is the manager and portfolio advisor of the Funds.

The Funds may issue an unlimited number of mutual fund shares in some or all of Series A, Advisor Series, Advisor Series T5, Series T5, Series H, Series D, Series F, Series FT5, Series I and Series O.

Series A and Series T5 mutual fund shares have no sales charges and are available to all investors. Series T5 shareholders receive regular monthly distributions.

Advisor Series and Advisor T5 Series mutual fund shares are available to all investors with an initial sales charge or low-load sales charge option. Under the initial sales charge option, investors pay a sales commission ranging from 0% to 5% of the amount invested. Under the low-load sales charge option, investors do not pay a commission. Advisor T5 Series shareholders receive regular monthly distributions, but a sales charge of 2.0% will be charged if you redeem your mutual fund shares within two years of buying them. The charge is based on the original cost of your mutual fund shares and how long you held them. We deduct the charge from the value of the mutual fund shares you redeem.

Series H mutual fund shares have no sales charges, have lower fees than Series A mutual fund shares and are only available to investors who invest and maintain the required minimum balance.

Series D mutual fund shares have no sales charges and have lower fees than Series A mutual fund shares. Series D mutual fund shares are only available to investors who have accounts with RBC Direct Investing Inc. or Phillips, Hager & North Investment Funds Ltd.

Series F and Series FT5 mutual fund shares have no sales charges and have lower fees than Series A mutual fund shares. Series F mutual fund shares are only available to investors who have accounts with dealers who have signed a fee-based agreement with RBC GAM. Series FT5 shareholders receive regular monthly distributions.

Series I mutual fund shares have no sales charges, have lower fees than Series F mutual fund shares 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 mutual fund shares have no management fees. Series O shareholders pay a negotiated fee directly to RBC GAM.

2. Financial year/period

The information provided in these financial statements and notes thereto is for the 12-month period ended or as at March 31, 2014 and 2013. In the year a Fund or series is established, “period” represents the period from inception to March 31 of that fiscal year.

3. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”), 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 period. Actual results may differ from estimates. The significant accounting policies of the Funds are as follows:

Valuation of Investments The valuation methods used to calculate the daily net asset value to transact units of the Funds (“transactional NAV”), as described in the Funds’ Annual Information Form, are not identical to the GAAP accounting policies used to determine the financial statement net assets (“net assets”) described below. The primary difference between net assets and transactional NAV relates to valuation of actively traded securities at bid prices for net assets and at last sale prices for transactional NAV.

In accordance with the Chartered Professional Accountants of Canada Handbook Section 3862, *Financial Instruments – Disclosures*, the Funds’ financial instruments are measured at fair value using a three-tier hierarchy based on inputs used to value the Funds’ investments and derivatives. 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); 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.



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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:

Mutual Fund Share Valuation – Mutual fund shares or limited partnership units of Funds are valued at their respective transactional NAV per mutual fund share received from fund companies on the relevant valuation dates.

Valuation of Series A different net asset value is calculated for each series of mutual fund shares of a Fund. The net asset value of a particular series of mutual fund shares 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. The period change in the difference between fair value and average cost of securities represents unrealized gains and losses. The basis of determining the cost of portfolio assets, and realized and unrealized gains and losses on investments, is average cost.

Income Recognition Interest income is recognized on an accrual basis. “Other revenue” includes income earned by a Fund from investments in underlying funds.

Increase (Decrease) in Net Assets from Operations Per Mutual Fund Share Increase (decrease) in net assets from operations per mutual fund share in the Statements of Operations represents the increase (decrease) in net assets from operations by series, divided by the average mutual fund shares 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 mutual fund shares if the shareholder redeems or switches out mutual fund shares within seven days of purchasing or previously switching into a Fund.

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 advisors, 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.

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 mutual fund shares. 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.

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 Net Assets. The fair value of fixed-income and debt securities includes a consideration of the credit worthiness 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. RBC GAM monitors each Fund’s credit exposure and counterparty ratings daily.



March 31, 2014

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 Canadian dollars is affected by changes in the value of the Canadian dollar or a Fund's functional currency, in relation to the value of the currency in which the investment is denominated. When the value of the Canadian dollar falls in relation to foreign currencies, then the value of foreign investments rises. When the value of the Canadian dollar rises, the value of 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 Corporation qualifies as a mutual fund corporation under the *Income Tax Act* (Canada) and is subject to tax on the amount of its taxable income in each taxation year, ending March 31.

Each Fund represents a class of mutual fund shares of the Corporation. All classes of the mutual fund shares of the Corporation are combined as a single legal entity for tax purposes in computing the net income (loss) and net capital gains (losses). Net losses of one class may be used to offset net gains of another class to reduce the net income or net gain of the Corporation as a whole.

Taxable dividends received from taxable Canadian corporations are subject to a tax of 33%. Such taxes are fully refundable upon payment of taxable dividends to its shareholders on a basis of \$1 for every \$3 of dividends paid. Any such tax paid is reported as an amount receivable until recovered through the payment to shareholders of dividends

out of net investment income. Interest income and foreign dividends, net of applicable expense, are taxed at full corporate rates applicable to mutual fund corporations with credits, subject to certain limitations for foreign taxes paid. All tax on net realized taxable capital gains is refundable when the gains are distributed to shareholders as capital gains dividends or through redemption of shares at the request of shareholders. Income taxes, if any, are allocated to the classes of shares of the Corporation on a fair and reasonable basis.

Temporary differences between the tax basis of assets and liabilities and their carrying amounts may be either taxable or deductible. Taxable temporary differences give rise to future income tax liabilities and deductible temporary differences give rise to future income tax assets. When the fair value of investments is greater than its tax basis, a future income tax liability arises and the future tax liability is offset by refundable taxes generated by future payments of capital gains dividends. When the fair value of investments is less than its tax basis, a future income tax asset arises and due to the uncertainty of such future income tax assets ultimately being realized, a full valuation allowance is applied to offset the asset. Any unused capital and non-capital losses represent future tax assets to the Funds for which a full valuation allowance has been established such that no net benefit has been recorded by the Funds.

For the taxation year ended March 31, 2014, the Corporation has no capital losses and non-capital losses to carry forward.

6. Administrative and other related-party transactions

Manager and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio advisor 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. No management fees are paid by the Funds with respect to Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

The Funds pay a fixed administration fee to RBC GAM. 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 semi-annual 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 Board of Directors of the Corporation, the Board of Governors (“BoG”) of the Funds and the trustees of the Corporate Class Trust (the holders of the Common Shares of the Corporation), 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 mutual fund shares 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 shareholders.

Certain Funds may invest directly or indirectly in units of other funds managed by RBC GAM or its affiliates.

Affiliates of RBC GAM that provide services to the Funds in the course of their normal businesses are discussed below.

Distributors

RBC GAM, RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are principal distributors of, or distribute certain series of mutual fund shares of, the Funds. Dealers receive an ongoing commission based on the total value of their clients’ Series A, Advisor Series, Series H and Series D mutual fund shares.

Custodian

RBC Investor Services Trust (“RBC IS”) is the custodian and holds the assets of the Funds.

Registrars

RBC IS and RBC GAM are the registrars of the Funds and keep records of who owns the mutual fund shares of the Funds.

Brokerage

The Funds have established standard brokerage agreements at market rates with related-party brokerages.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Funds relied on the standing instructions from the BoG in its capacity as 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 BoG 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.



7. Future accounting changes

International Financial Reporting Standards

The Funds will be required to adopt the International Financial Reporting Standards (“IFRS”) beginning in their fiscal 2015 year. In preparation to meet the requirements, RBC GAM has taken the following steps in managing the transition to IFRS:

- (a) established a committee for the development and implementation of a transition plan and to provide oversight of the transition to IFRS;
- (b) commenced activities to identify key issues and the likely impacts resulting from the adoption of IFRS; and
- (c) initiated analysis to reconfigure accounting systems used by the Funds.

The key elements of the plan currently include the disclosures of the quantitative impact, if any, in the comparative 2014 financial statements and the preparation of the 2015 financial statements in accordance with IFRS.

Since IFRS standards continue to evolve, the major qualitative impacts based on standards approved to date are the addition of a cash flow statement and the impact of classification of puttable instruments as a liability or as an equity.

Regardless of the financial statement impacts, RBC GAM has presently determined that there will be no quantitative impact to the transactional NAV of each series as a result of the changeover to IFRS.



March 31, 2014

The advisory Board of Governors of the RBC Funds was established in 1994 specifically to provide advice to the fund manager regarding conflicts of interest in mutual fund management.

On December 1, 2006, the Board of Governors and RBC Global Asset Management Inc. completed the regulatory requirements necessary to allow the RBC Funds to be the first to take full advantage of the benefits of independent fund governance provided by National Instrument 81-107. Building on its long history of leadership in fund governance, RBC Global Asset Management Inc. established the Board of Governors as the independent review committee of the RBC Funds. All of the members of the Board of Governors are independent of RBC Global Asset Management Inc. and RBC Financial Group.

In its capacity as the independent review committee, the Board of Governors provides input on conflict of interest matters in respect of RBC Global Asset Management Inc. and the RBC Corporate Class Funds. At least once per year, the Board of Governors reviews and assesses the adequacy and effectiveness of the fund manager's policies and procedures relating to conflict of interest matters.

The Board of Governors is responsible for reviewing and assessing the independence of its members, the compensation of its members, and the effectiveness of the Board of Governors, its subcommittees and its members. In order to effectively manage its workload, the Board of Governors has three subcommittees: the Financial Advisory Committee, the Investment Conflicts Committee and the Governance Committee.

The Board of Governors has also been asked by RBC Global Asset Management Inc. to maintain its important role of providing advice on other issues relating to the management of the RBC Corporate Class Funds. This includes the role of the Financial Advisory Committee of the Board of Governors to provide advice concerning financial reporting, the audit process and financial internal controls.

The annual report of the Board of Governors describing its activities as the independent review committee of the RBC Corporate Class Funds is available on the website at www.rbcgam.com/funds and on SEDAR at www.sedar.com.

If you have any questions or comments about the Board of Governors or its committees, please let us know by contacting Melanie Adams, Secretary to the Board of Governors, at the address below.

Lloyd R. McGinnis, OC, PEng
Chair of the Board of Governors

Board of Governors
Attention: Melanie Adams
RBC Global Asset Management Inc.
P.O. Box 7500, Station A
Toronto, Ontario M5W 1P9

Board of Governors

Lloyd R. McGinnis
Chair of the Board of Governors
Director, Airport Site Development
Winnipeg Airports Authority

Michael G. Thorley^{1,4}
Vice Chair of the Board of Governors
Retired Lawyer
Toronto, Ontario

Selwyn B. Kossuth^{1,3}
Financial Consultant
Mississauga, Ontario

Charles F. Macfarlane^{1,3}
Corporate Director
Toronto, Ontario

Linda S. Petch^{1,3}
Principal
Linda S. Petch Governance Services
Victoria, British Columbia

Élaine Cousineau Phénix⁵
President
Phénix Capital Inc.
Montreal, Quebec

Mary C. Ritchie^{2,3}
President
Richford Holdings Ltd.
Edmonton, Alberta

Joseph P. Shannon⁶
President
Atlantic Corporation
Port Hawkesbury, Nova Scotia

James W. Yuel⁶
Chair
PIC Investment Group Inc.
Saskatoon, Saskatchewan

- ¹ Member of the Financial Advisory Committee
- ² Chair of the Financial Advisory Committee
- ³ Member of the Investment Conflicts Committee
- ⁴ Chair of the Investment Conflicts Committee
- ⁵ Chair of the Governance Committee
- ⁶ Member of the Governance Committee



FIXED-INCOME FUND

RBC BOND LP

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

The Board of Directors of RBC Corporate Class GP Inc. approved this annual management report of fund performance on May 9, 2014.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/funds or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



March 31, 2014

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term total returns consisting of income and moderate capital growth through exposure primarily to high-quality fixed-income securities issued by Canadian governments and corporations. The Fund may also invest in similar securities outside of Canada.

To achieve its investment objective, the Fund enters into one or more forward contracts to gain exposure to the performance of the RBC Bond Trust (the "reference fund"). The Fund may also invest in fixed-income securities or units of the reference fund. The return of the Fund will depend on the return of the reference fund. The portfolio manager of the reference fund uses a disciplined approach to assess opportunities linked to the overall direction of interest rates in Canada, the U.S. and other major economies; expected changes in interest-rate spreads between different segments of the bond market; and anticipated changes in interest-rate spreads associated with a change in individual credit ratings or quality perceptions.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund's overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund's net asset value declined to \$28 million as of March 31, 2014, from \$35 million as of March 31, 2013. The change was due to net redemptions.

Over the past year, the Fund's Series O shares rose 1.3%, which outperformed the 0.8% rise in the benchmark. The Fund's return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for information on the returns.

Bond yields remained at extremely depressed levels in April 2013, as the U.S. Federal Reserve ("Fed") continued with extraordinarily loose monetary policies aimed at keeping longer term borrowing costs down to support the economy. However, negative sentiment toward fixed-income investments took hold in May, causing Canadian bond indexes to decline and leading in 2013 to the first calendar-year loss for the Canadian benchmark bond index since 1999. The Fed's signal that economic conditions may have improved enough to warrant scaling back US\$85 billion in monthly bond purchases led to the surge in yields and decline in bond prices. Bank of Canada Governor Stephen Poloz indicated that borrowing costs will remain relatively low as concern

about extremely low inflation offset worries about consumer-debt levels. The allure of Government of Canada bonds diminished as concern dissipated over the stability of the Eurozone and U.S. political dysfunction, increasing demand for higher-income corporate bonds.

The Fund's returns were aided by above-benchmark allocations to provincial and corporate bonds, as well as greater overall exposure to better-performing short-term securities. Provincial bonds and corporate bonds boosted returns because of the extra yield they offer relative to federal bonds, while short-term bonds fared better than longer-term securities amid expectations that the Fed would begin to rein in ultra-loose U.S. monetary policy. Another decision that added to returns was to have exposure to the U.S. dollar, which climbed during the period.

A small allocation to emerging-market debt had a negative effect on the Fund's returns. Emerging-market bonds are especially sensitive to rising Treasury yields, which can threaten countries that rely too heavily on inexpensive dollar loans to fuel domestic economic expansions.

Recent Developments

The Fed has been lightening up on bond purchases in 2014, and global bond yields should rise slowly led by Treasuries. The expectation of higher yields rests on the assumption of better global economic growth, which would allow central banks to reduce efforts to hold down yields. The portfolio manager will be adjusting the portfolio's holdings in an attempt to minimize losses tied to interest rate sensitivity while taking advantage of opportunities caused by fixed-income price swings to accumulate attractively priced assets.

The portfolio manager will maintain an overweight position in non-government bonds, and may use currency trades to bolster returns. From the perspective of long-term investors, rising interest rates allow savings to grow and periodic interest payments to be reinvested at higher yields. The portfolio manager believes that this strategy should enable investors to build wealth and meet retirement needs, while offering a degree of protection to balanced portfolios during volatile markets.

As set out above, the Fund enters into forward agreements to gain exposure to the investment returns of the reference fund, which returns are treated as capital gains instead of income for tax purposes (the "tax treatment").

The Canadian government's 2013 federal budget included provisions to eliminate the capital-gains tax treatment associated with such forward agreements as of December 31, 2014. In response to this change in tax treatment, RBC GAM capped further investments in the RBC Corporate Class Funds, which hold units of the Fund, effective November 12, 2013, and has announced that, effective September 12, 2014, the Fund will terminate upon the termination of those RBC Corporate Class Funds.



March 31, 2014

Related-Party Transactions

Manager, Portfolio Advisor and Principal Distributor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, portfolio advisor and principal distributor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations and provides investment advice and portfolio management services to the Fund. Unitholders pay a negotiated fee directly to RBC GAM as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

Registrar

RBC IS is the registrar of the Fund and keeps records of who owns the units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



March 31, 2014

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Underlying Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/Period
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	
Series 0												
Mar. 31, 2014	10.14	–	–	0.13	(0.04)	0.09	–	–	–	–	–	10.27
Mar. 31, 2013³	10.00[†]	–	–	0.13	0.06	0.19	–	–	–	–	–	10.14

¹ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From October 31, 2012.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series 0							
Mar. 31, 2014	10.27	27 623	2 689	0.03	0.03	1 203.57	–
Mar. 31, 2013⁴	10.14	34 569	3 410	0.02	0.02	474.34	–

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From October 31, 2012.

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund.

Series 0 – no management fees are paid by the Fund in respect of Series 0 units. Series 0 unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.



March 31, 2014

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns for Series 0 of the Fund and for each of the periods indicated ended on March 31, 2014, compared with the following benchmark:

FTSE TMX Canada Universe Bond Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series 0 ¹	1.3	—	—	—	1.9
Benchmark	0.8	—	—	—	1.0

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark index.

¹ Inception date October 31, 2012.

INDEX DESCRIPTION

FTSE TMX Canada Universe Bond Index This index is designed as a broad measure of the Canadian investment-grade fixed-income market and includes bonds with maturities of at least one year. FTSE TMX Canada Universe Bond Index formerly known as DEX Universe Bond Index.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2014

Investment Mix

	% of Net Asset Value
Corporate Bonds	43.0
Provincial/Municipal Bonds	37.9
Federal Bonds	9.7
United States	3.6
Cash/Other	5.8

Top 25 Holdings*

	% of Net Asset Value
Long Positions	
Province of Ontario 2.100% Sep 8 18	6.7
Province of Ontario 2.850% Jun 2 23	5.7
Province of Ontario 3.150% Jun 2 22	2.8
Province of Ontario 5.600% Jun 2 35	2.7
Cash & Cash Equivalents	2.7
RBC High Yield Bond Fund	2.5
Province of Quebec 3.500% Dec 1 22	2.4
Province of Ontario 4.200% Jun 2 20	2.3
Province of Ontario 4.600% Jun 2 39	2.2
Province of Ontario 1.900% Sep 8 17	1.7
Province of Ontario 4.650% Jun 2 41	1.6
Province of Ontario 3.500% Jun 2 43	1.6
Province of Ontario 6.500% Mar 8 29	1.6
Government of Canada 4.000% Jun 1 41	1.5
Province of Quebec 5.000% Dec 1 41	1.4
Province of Ontario 4.400% Jun 2 19	1.4
Canada Housing Trust No. 1 2.350% Sep 15 23	1.3
Canada Housing Trust No. 1 2.650% Mar 15 22	1.3
Province of Quebec 5.000% Dec 1 38	1.2
Royal Bank of Canada 2.770% Dec 11 18	1.1
Province of Quebec 3.000% Sep 1 23	1.1
BlueBay Emerging Markets Corporate Bond Fund	1.1
Government of Canada 3.500% Dec 1 45	1.0
Canadian Imperial Bank of Commerce 2.350% Oct 18 17	1.0
Total	49.9

Short Positions

United States 10-Year Note Future, June 2014	3.0
Total	3.0

* The Fund obtains exposure to the RBC Bond Trust by entering into one or more forward contracts. The above are the Top 25 holdings of the RBC Bond Trust.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.

The Simplified Prospectus and other information about the reference fund are available on SEDAR website at www.sedar.com.



FIXED-INCOME FUND

**PHILLIPS, HAGER & NORTH
TOTAL RETURN BOND LP**

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

The Board of Directors of RBC Corporate Class GP Inc. approved this annual management report of fund performance on May 9, 2014.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/funds or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



March 31, 2014

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide stability of capital through exposure primarily to a well-diversified portfolio of fixed-income securities issued by Canadian governments and corporations.

To achieve its investment objective, the Fund enters into one or more forward contracts to gain exposure to the performance of the Phillips, Hager & North Total Return Bond Trust (the "reference fund"). The Fund may also invest in fixed-income securities or units of the reference fund. The return of the Fund will depend on the return of the reference fund. The portfolio manager of the reference fund invests primarily in medium- to high-quality corporate bonds and government bonds of Canadian issuers and may also invest in securities of U.S. and other foreign issuers. The reference fund may also invest in Canadian asset-backed commercial paper to enhance its return. The average term to maturity of the portfolio is managed within strict guidelines, and typically falls between seven and 12 years.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund's overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund's net asset value declined to \$224 million as of March 31, 2014, from \$408 million as of March 31, 2013. The change was due to net redemptions.

Over the past year, the Fund's Series O shares rose 1.2%, which outperformed the 0.8% rise in the benchmark. The Fund's return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for information on the returns.

The portfolio manager was active in adjusting the Fund's holdings to reflect changes in interest rates over the period, lowering exposure to an increase in rates when yields were at their lowest and increasing exposure as yields climbed. The Fund was generally positioned to reflect the portfolio manager's expectation of an overall rise in rates.

Interest-rate strategies added value over the year. The Fund's overweight position in investment-grade corporate bonds and security selection in corporate bonds added value, as corporate yields rose less than those on benchmark securities over the fiscal year. The Fund's position in high-yield bonds, which increased to 4% of the Fund over the year, also added value, as these bonds performed well.

The Fund held a significant overweight position in provincial bonds, whose yields relative to other fixed-income securities had become especially attractive over the past two years. Yields on provincial bonds fell on a relative basis during the period, adding to performance.

Recent Developments

The dramatic rise in interest rates in the summer of 2013 brought them to levels that the portfolio manager believes more closely reflect the economic environment.

The portfolio manager now believes that interest rates and the economy are more closely aligned, and has therefore positioned the Fund to be slightly less sensitive than the benchmark to the negative effect of rising interest rates. The Fund's overweight positions in corporate bonds and provincial bonds are still in place, as the portfolio manager expects them to perform relatively well given that the economy continues to expand at a modest pace.

As set out above, the Fund enters into forward agreements to gain exposure to the investment returns of the reference fund, which returns are treated as capital gains instead of income for tax purposes (the "tax treatment").

The Canadian government's 2013 federal budget included provisions to eliminate the capital-gains tax treatment associated with such forward agreements as of December 31, 2014. In response to this change in tax treatment, RBC GAM capped further investments in the RBC Corporate Class Funds, which hold units of the Fund, effective November 12, 2013, and has announced that, effective September 12, 2014, the Fund will terminate upon the termination of those RBC Corporate Class Funds.



March 31, 2014

Related-Party Transactions

Manager, Portfolio Advisor and Principal Distributor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, portfolio advisor and principal distributor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations and provides investment advice and portfolio management services to the Fund. Unitholders pay a negotiated fee directly to RBC GAM as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

Registrar

RBC IS is the registrar of the Fund and keeps records of who owns the units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



March 31, 2014

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Underlying Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRRFP are made using Net Asset Value.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Series 0												
Mar. 31, 2014	10.45	–	–	0.07	(0.02)	0.05	–	–	–	–	–	10.58
Mar. 31, 2013	10.03	–	–	0.34	0.02	0.36	–	–	–	–	–	10.44
Mar. 31, 2012 ³	10.00 [†]	–	(0.01)	0.04	0.01	0.04	–	–	–	–	–	10.03

¹ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From January 1, 2012.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series 0							
Mar. 31, 2014	10.57	224 438	21 214	0.02	0.02	1 210.55	–
Mar. 31, 2013	10.45	407 030	38 998	0.02	0.02	1 201.46	–
Mar. 31, 2012 ⁴	10.03	137 626	13 720	0.02	0.02	192.10	–

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From January 1, 2012.

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund.

Series 0 – no management fees are paid by the Fund in respect of Series 0 units. Series 0 unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.



March 31, 2014

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns for Series 0 of the Fund and for each of the periods indicated ended on March 31, 2014, compared with the following benchmark:

FTSE TMX Canada Universe Bond Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series 0 ¹	1.2	—	—	—	2.5
Benchmark	0.8	—	—	—	1.0

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark index.

¹ Inception date January 1, 2012.

INDEX DESCRIPTION

FTSE TMX Canada Universe Bond Index This index is designed as a broad measure of the Canadian investment-grade fixed-income market and includes bonds with maturities of at least one year. FTSE TMX Canada Universe Bond Index formerly known as DEX Universe Bond Index.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2014

Investment Mix

	% of Net Asset Value
Corporate Bonds	43.9
Provincial/Municipal Bonds	33.7
Federal Bonds	5.5
United States	2.3
Cash/Other	14.6

Top 25 Holdings*

	% of Net Asset Value
Cash & Cash Equivalents	8.1
Province of Ontario 4.000% Jun 2 21	4.7
Phillips, Hager & North High Yield Bond Fund	4.1
Province of Ontario 7.600% Jun 2 27	3.7
Province of Ontario 8.100% Sep 8 23	2.8
Province of Ontario 6.500% Mar 8 29	2.3
Canada Housing Trust No. 1 3.800% Jun 15 21	2.1
Canada Housing Trust No. 1 4.100% Dec 15 18	2.1
Province of Ontario 4.650% Jun 2 41	2.0
Province of Ontario 4.600% Jun 2 39	1.9
Royal Bank of Canada 2.580% Apr 13 17	1.9
Canadian Imperial Bank of Commerce 1.750% Jun 1 16	1.9
Bank of Nova Scotia 2.100% Nov 8 16	1.7
Province of Ontario 5.850% Mar 8 33	1.7
Province of Ontario 3.500% Jun 2 24	1.4
Province of Ontario 3.150% Jun 2 22	1.4
Ontario Electricity Financial Corp. 8.250% Jun 22 26	1.3
Province of Quebec 8.500% Apr 1 26	1.3
Bank of Montreal 3.490% Jun 10 16	1.2
Province of Ontario 5.600% Jun 2 35	1.2
HSBC Bank Canada 2.572% Nov 23 15	1.2
Province of Ontario 8.500% Dec 2 25	1.1
Cards II Trust 1.984% Jan 15 16	1.1
Province of Ontario 6.200% Jun 2 31	1.0
Province of Ontario 3.500% Jun 2 43	1.0
Top 25 Holdings	54.2

* The Fund obtains exposure to the Phillips, Hager & North Total Return Bond Trust by entering into one or more forward contracts. The above are the Top 25 holdings of the Phillips, Hager & North Total Return Bond Trust.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.

The Simplified Prospectus and other information about the reference fund are available on SEDAR website at www.sedar.com.



FIXED-INCOME FUND

RBC HIGH YIELD BOND LP

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

The Board of Directors of RBC Corporate Class GP Inc. approved this annual management report of fund performance on May 9, 2014.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

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March 31, 2014

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide a high level of income with the potential for modest capital growth through exposure primarily to higher yielding corporate debt securities issued by Canadian and U.S. corporations.

To achieve its investment objective, the Fund enters into one or more forward contracts to gain exposure to the performance of the RBC High Yield Bond Trust (the "reference fund"). The Fund may also invest in fixed-income securities or units of the reference fund. The return of the Fund will depend on the return of the reference fund. The portfolio manager of the reference fund invests primarily in debt securities rated from BBB to B by Standard & Poor's or an equivalent credit-rating company. The portfolio manager employs a value-focused philosophy, striving to invest in quality companies having stable to improving credit profiles, which are considered undervalued.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund's overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund's net asset value declined to \$292 million as of March 31, 2014, from \$386 million as of March 31, 2013. The change was due to net redemptions.

Over the past year, the Fund's Series O shares rose 5.9%, which outperformed the 0.8% rise in the benchmark. The Fund's return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for information on the returns.

In general, assets such as higher-risk, higher-yielding bonds continued to outperform government fixed income and higher-rated corporate bonds, which were held back primarily by concerns that the U.S. Federal Reserve's ("the Fed") retreat from an extremely loose monetary policy known as quantitative easing ("QE") would lead to rising government yields. The high-yield bond market continued to benefit on a relative basis from low default risk, rising mutual-fund investments, fairly strong corporate earnings and balance sheets, and demand for extra income provided by higher-yielding corporate bonds in a low-yield environment.

In May, with government yields near all-time lows, the prospect of an earlier-than-expected end to QE caused bond yields to rise sharply and the price of both government and corporate bonds to fall. Later, volatility in the Treasury market dropped, and high-yield

bonds resumed their outperformance. By December investors had fully factored in expectations of a reduction in QE, and when the Fed actually began to scale back its asset purchases later that month there was little change in government yields. Early in 2014, fears that economic growth would slow in emerging markets, notably China, caused higher-risk assets to decline as investors sought the perceived safety of U.S. government bonds. Other geopolitical events, including Russia's seizure of Crimea from Ukraine, also prompted investors to place more of a premium on safe-haven assets.

The Fund's cash levels were higher than usual in April 2013, and as bond prices started to fall in May and June, the portfolio manager sold some higher-quality Canadian investment-grade bonds and used the proceeds to buy lower-rated U.S. corporate bonds that had fallen in price. The Fund benefited from this step after prices of high-yield bonds recovered. The rise in prices relative to government bonds prompted the portfolio manager to again allow cash levels to rise above usual levels. Toward the end of the fiscal year, geopolitical concerns and rising valuations prompted the portfolio manager to take a slightly more conservative approach by favouring higher-quality U.S. high-yield bonds. These investments lowered cash levels to more usual levels.

Recent Developments

In early April, the premium that investors were receiving on bonds perceived to carry higher risks (the "credit spread") stood at a five-year low. The portfolio manager's outlook, while generally positive, is tempered by the fact that credit spreads offer less room for gains than they did 12 months ago, and that there may be headwinds in the form of rising Treasury rates as U.S. economic growth picks up. For now, the portfolio manager expects to continue adding safer higher-quality, shorter-term high-yield bonds, and to keep cash balances at levels sufficient to allow the Fund to take advantage of any market declines.

As set out above, the Fund enters into forward agreements to gain exposure to the investment returns of the reference fund, which returns are treated as capital gains instead of income for tax purposes (the "tax treatment").

The Canadian government's 2013 federal budget included provisions to eliminate the capital-gains tax treatment associated with such forward agreements as of December 31, 2014. In response to this change in tax treatment, RBC GAM capped further investments in the RBC Corporate Class Funds, which hold units of the Fund, effective November 12, 2013, and has announced that, effective September 12, 2014, the Fund will terminate upon the termination of those RBC Corporate Class Funds.



March 31, 2014

Related-Party Transactions

Manager, Portfolio Advisor and Principal Distributor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, portfolio advisor and principal distributor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations and provides investment advice and portfolio management services to the Fund. Unitholders pay a negotiated fee directly to RBC GAM as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

Registrar

RBC IS is the registrar of the Fund and keeps records of who owns the units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



March 31, 2014

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Underlying Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRF are made using Net Asset Value.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Series 0												
Mar. 31, 2014	11.10	–	–	0.62	0.01	0.63	–	–	–	–	–	11.76
Mar. 31, 2013	10.17	–	–	0.88	0.01	0.89	–	–	–	–	–	11.08
Mar. 31, 2012 ³	10.00 [†]	–	(0.01)	0.10	0.03	0.12	–	–	–	–	–	10.17

¹ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From January 1, 2012.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series 0							
Mar. 31, 2014	11.75	291 948	24 835	0.02	0.02	1 207.94	–
Mar. 31, 2013	11.10	385 621	34 797	0.02	0.02	1 196.78	–
Mar. 31, 2012 ⁴	10.17	126 986	12 486	0.02	0.02	203.54	–

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From January 1, 2012.

Management Fees

RBC GAM is the manager and portfolio advisor of the Fund.

Series 0 – no management fees are paid by the Fund in respect of Series 0 units. Series 0 unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.



March 31, 2014

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns for Series 0 of the Fund and for each of the periods indicated ended on March 31, 2014, compared with the following benchmark:

FTSE TMX Canada Universe Bond Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series 0 ¹	5.9	—	—	—	7.4
Benchmark	0.8	—	—	—	1.0

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark index.

¹ Inception date January 1, 2012.

INDEX DESCRIPTION

FTSE TMX Canada Universe Bond Index This index is designed as a broad measure of the Canadian investment-grade fixed-income market and includes bonds with maturities of at least one year. FTSE TMX Canada Universe Bond Index formerly known as DEX Universe Bond Index.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2014

Investment Mix

	% of Net Asset Value
United States	69.4
Canada	16.1
Luxembourg	2.8
Japan	1.1
Spain	1.1
United Kingdom	1.1
Cash/Other	8.4

Top 25 Holdings*

	% of Net Asset Value
Cash & Cash Equivalents	3.8
Ford Credit Canada Ltd. 7.500% Aug 18 15	2.8
Sprint Nextel Corp. 9.000% Nov 15 18	2.1
DISH DBS Corp. 7.875% Sep 1 19	2.0
Ball Corp. 5.750% May 15 21	1.9
Videotron Ltd. 6.875% Jul 15 21	1.7
NRG Energy Inc. 7.875% May 15 21	1.7
Rite Aid Corp. 8.000% Aug 15 20	1.6
Concho Resources Inc. 7.000% Jan 15 21	1.6
Smithfield Foods Inc. 6.625% Aug 15 22	1.5
T-Mobile USA Inc. 6.625% Apr 1 23	1.5
Continental Resources Inc. 7.125% Apr 1 21	1.5
ArcelorMittal USD 9.850% Jun 1 19	1.4
Reynolds Group Issuer Inc. 6.875% Feb 15 21	1.4
Lamar Media Corp. 5.375% Jan 15 24	1.4
Standard Pacific Corp. 8.375% Jan 15 21	1.3
HDTFS Inc. 6.250% Oct 15 22	1.3
Quebecor Media Inc. 7.375% Jan 15 21	1.3
Beazer Homes USA Inc. 6.625% Apr 15 18	1.3
Sonic Automotive Inc. 7.000% Jul 15 22	1.2
Toll Brothers Finance Corp. 5.875% Feb 15 22	1.2
Denbury Resources Inc. 8.250% Feb 15 20	1.2
Ingles Markets Inc. 5.750% Jun 15 23	1.2
Intelsat Jackson Holdings S.A. USD 7.250% Apr 1 19	1.2
Tenet Healthcare Corp. 6.000% Oct 1 20	1.2
Top 25 Holdings	40.3

* The Fund obtains exposure to the RBC High Yield Bond Trust by entering into one or more forward contracts. The above are the Top 25 holdings of the RBC High Yield Bond Trust.

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.

The Simplified Prospectus and other information about the reference fund are available on SEDAR website at www.sedar.com.



March 31, 2014

The accompanying financial statements have been prepared by RBC Global Asset Management Inc. ("RBC GAM") as manager of the RBC Underlying Funds (the "Funds") and approved by the Board of Directors of RBC Corporate Class GP Inc. 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 accordance with accounting principles generally accepted in Canada (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.

Although the Board of Directors of RBC Corporate Class GP Inc. is solely responsible for approving the financial statements and overseeing management's financial reporting responsibilities along with RBC GAM, the Financial Advisory Committee of the Board of Governors provides advice to RBC GAM concerning financial reporting, the audit process and internal controls. Please see *The Role of the Board of Governors* at the end of this report.

Deloitte LLP, Independent Chartered Professional Accountants, Chartered Accountants, have performed an independent audit of the financial statements in accordance with Canadian generally accepted auditing standards. Their report is set out on the next page

John S. Montalbano, CFA
Chief Executive Officer
RBC Global Asset Management Inc.

May 9, 2014

Frank Lippa, CPA, CA
Chief Financial Officer and Chief Operating Officer
RBC Global Asset Management Inc.



March 31, 2014

To the Unitholders of:

RBC Bond LP

Phillips, Hager & North Total Return Bond LP

RBC High Yield Bond LP

(collectively referred to as the "Funds")

We have audited the accompanying financial statements of each of the Funds, which comprise the statement of investment portfolio as at March 31, 2014, the statements of net assets as at March 31, 2014 and 2013 and the statements of operations and changes in net assets for the years or periods (since establishment of the Funds) then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as at March 31, 2014 and 2013 and the results of their operations and changes in their net assets for the years or periods (since establishment of the Funds) then ended in accordance with Canadian generally accepted accounting principles.

Chartered Professional Accountants, Chartered Accountants,
Licensed Public Accountants
May 9, 2014
Toronto, Ontario



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC BOND LP

March 31, 2014

Holdings	Security	Cost	Fair Value	% of Net Assets
CANADIAN EQUITIES				
Consumer Discretionary				
22 816	Canadian Tire Corp. Ltd., Class A	\$ 2 299	\$ 2 378	
		2 299	2 378	8.6
Energy				
75 579	Cenovus Energy Inc.	2 302	2 416	
62 725	Suncor Energy Inc.	2 299	2 422	
		4 601	4 838	17.5
Financials				
31 325	Bank of Montreal	2 288	2 317	
52 386	Brookfield Asset Management Inc., Class A	2 319	2 359	
59 082	Sun Life Financial Inc.	2 299	2 262	
		6 906	6 938	25.1
Materials				
66 179	Agnico Eagle Mines Ltd.	2 298	2 212	
110 933	Barrick Gold Corp.	2 299	2 183	
449 595	Kinross Gold Corp.	2 302	2 050	
		6 899	6 445	23.3
Telecommunication Services				
48 334	BCE Inc.	2 299	2 302	
51 888	Rogers Communications Inc., Class B	2 294	2 376	
58 567	TELUS Corp.	2 299	2 321	
		6 892	6 999	25.4
TOTAL INVESTMENTS		27 597	27 598	99.9
UNREALIZED GAIN (LOSS) ON FORWARD CONTRACTS (SCHEDULE A)				
		–	(3)	–
TOTAL PORTFOLIO		\$ 27 597	27 595	99.9
OTHER NET ASSETS			28	0.1
NET ASSETS		\$ 27 623		100.0

SCHEDULE A

Forward Contracts

As part of its investment strategy, the Fund has entered into a forward agreement under which it will swap its portfolio of Canadian securities in return for exposure to an investment in units of the reference fund. As a consequence of this forward contract, the Fund will forgo any benefits of an increase in the value of the Canadian securities.

Notional Number of Units	Reference Fund	Expiration Date	Counterparty	Counterparty Rating	Contracted Value	Unrealized Gain (Loss)
2 686 254	RBC Bond Trust*	24-Apr-14	Canadian Imperial Bank of Commerce	AA-	\$ 27 587	\$ (3)

* Investment in related party (see note 6 in the generic notes).

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



Statements of Net Assets (in \$000s except per unit amounts)

March 31 (see note 2 in the generic notes)	2014	2013
ASSETS		
Investments at fair value	\$ 27 598	\$ 33 997
Cash	28	496
Subscriptions receivable	–	195
Unrealized gain on forward contracts	–	482
TOTAL ASSETS	27 626	35 170
LIABILITIES		
Redemptions payable	–	600
Unrealized loss on forward contracts	3	–
Accounts payable and accrued expenses	–	1
TOTAL LIABILITIES	3	601
NET ASSETS	\$ 27 623	\$ 34 569
Investments at cost	\$ 27 597	\$ 34 375
NET ASSETS, END OF PERIOD		
SERIES 0	\$ 27 623	\$ 34 569
NET ASSETS PER UNIT, END OF PERIOD		
SERIES 0	\$ 10.27	\$ 10.14
NET ASSET VALUE (TRANSACTIONAL NAV)		
PER UNIT, END OF PERIOD		
(see note 3 in the generic notes)		
SERIES 0	\$ 10.27	\$ 10.14

Statements of Operations (in \$000s except per unit amounts)

For the periods ended March 31 (see note 2 in the generic notes)*	2014	2013
EXPENSES (see notes – Fund Specific Information)		
Administration fees	\$ 4	\$ 3
Board of Governors costs	3	–
TOTAL EXPENSES	7	3
NET INVESTMENT INCOME (LOSS)	(7)	(3)
REALIZED AND UNREALIZED GAIN (LOSS)		
ON INVESTMENTS		
Net realized gain (loss) on investments	372	286
Change in unrealized gain (loss) on investments	379	(378)
Change in unrealized gain (loss) in value of forward contracts	(485)	482
NET GAIN (LOSS) ON INVESTMENTS	266	390
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$ 259	\$ 387
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
SERIES 0	\$ 259	\$ 387
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER UNIT		
SERIES 0	\$ 0.09	\$ 0.19

* Fund launched October 2012.

Approved by the Board of Directors of RBC Corporate Class GP Inc.

Doug Coulter
Director

Frank Lipa
Director

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



Statements of Changes in Net Assets *(in \$000s)*

For the periods ended March 31 (see note 2 in the generic notes)*	Series 0	
	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 34 569	\$ –
INCREASE (DECREASE) FROM OPERATIONS	259	387
Early redemption fees	–	–
Proceeds from units issued	790	35 232
Proceeds from reinvestment of distributions	–	–
Payments on redemption of units	(7 995)	(1 050)
TOTAL UNIT TRANSACTIONS	(7 205)	34 182
Distributions from net income	–	–
Distributions from net gains	–	–
Distributions from capital	–	–
TOTAL DISTRIBUTIONS	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	(6 946)	34 569
NET ASSETS – END OF PERIOD	\$ 27 623	\$ 34 569

* Fund launched October 2012.



March 31, 2014

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

The Fund's exposure to financial instrument risk is based on the RBC Bond Trust as the Fund enters into a forward contract which indirectly attempts to replicate the return of the RBC Bond Trust.

Credit risk (%)

The table below summarizes the RBC Bond Trust's exposure to credit risk grouped by credit ratings as at:

Rating	March 31 2014	March 31 2013
AAA	9.3	10.1
AA	50.6	47.4
A	20.0	25.7
BBB	15.2	13.9
BB	3.4	1.4
B	1.3	1.3
CCC	0.1	0.1
Unrated	0.1	0.1
Total	100.0	100.0

Interest rate risk (%)

The table below summarizes the RBC Bond Trust's exposure to interest rate risk by remaining term to maturity from investments in mutual fund units as at:

Term to maturity	March 31 2014	March 31 2013
Less than 1 year	0.6	0.6
1 – 5 years	40.9	40.5
5 – 10 years	32.1	29.3
> 10 years	26.4	29.6
Total	100.0	100.0

As at March 31, 2014, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 6.5% (March 31, 2013 – 6.7%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Currency risk (% of net assets)

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk as at:

Currency	March 31 2014	March 31 2013
United States dollar	4.9	–
Other currencies	0.7	–
Total	5.6	–

As at March 31, 2014, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 0.1%. In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of March 31, 2014 and 2013 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	27 598	–	–	27 598
Mutual fund units	–	–	–	–
Fixed-income				
and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	(3)	–	(3)
Total financial instruments	27 598	(3)	–	27 595
% of total portfolio	100.0	–	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	33 997	–	–	33 997
Mutual fund units	–	–	–	–
Fixed-income				
and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	482	–	482
Derivatives – liabilities	–	–	–	–
Total financial instruments	33 997	482	–	34 479
% of total portfolio	98.6	1.4	–	100.0

For the periods ended March 31, 2014 and 2013, there were no transfers of financial instruments between Level 1 and Level 2.



March 31, 2014

Management fees (see note 6 in the generic notes)

No management fees are payable by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

Operating expenses (see note 6 in the generic notes)

The administration fee payable by Series O of the Fund is calculated at the following annual percentage, before GST/HST, of the daily net asset value of Series O of the Fund.

Series O	0.02%
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Unitholders' equity (000s)

The unitholders' equity of the Fund includes amounts representing units, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of units available for issue. Units are purchased and redeemed at the transactional NAV per unit.

For the periods ended March 31 (see note 2 in the generic notes)	2014	2013
Series O		
Opening units	3 410	–
Issued number of units	77	3 514
Reinvested number of units	–	–
Redeemed number of units	(798)	(104)
Ending number of units	2 689	3 410



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
PHILLIPS, HAGER & NORTH TOTAL RETURN BOND LP

March 31, 2014

Holdings	Security	Cost	Fair Value	% of Net Assets
CANADIAN EQUITIES				
Consumer Discretionary				
166 847	Canadian Tire Corp. Ltd., Class A	\$ 16 846	\$ 17 390	
		16 846	17 390	7.7
Energy				
352 847	Canadian Natural Resources Ltd.	14 718	14 947	
619 899	Cenovus Energy Inc.	18 932	19 818	
289 198	Imperial Oil Ltd.	14 718	14 879	
513 925	Suncor Energy Inc.	18 843	19 844	
		67 211	69 488	30.9
Financials				
56 222	Bank of Montreal	4 095	4 158	
94 022	Brookfield Asset Management Inc., Class A	4 184	4 234	
687 724	Manulife Financial Corporation	14 717	14 662	
490 576	Power Corporation of Canada	14 717	14 825	
485 841	Sun Life Financial Inc.	18 843	18 598	
		56 556	56 477	25.2
Health Care				
101 653	Valeant Pharmaceuticals International Inc.	14 717	14 784	
		14 717	14 784	6.6

Holdings	Security	Cost	Fair Value	% of Net Assets
Materials				
118 778	Agnico Eagle Mines Ltd.	\$ 4 125	\$ 3 971	
912 152	Barrick Gold Corp.	18 843	17 951	
3 698 397	Kinross Gold Corp.	18 849	16 865	
		41 817	38 787	17.3
Telecommunication Services				
396 165	BCE Inc.	18 842	18 865	
93 303	Rogers Communications Inc., Class B	4 125	4 272	
105 116	TELUS Corp.	4 126	4 166	
		27 093	27 303	12.2
TOTAL INVESTMENTS				
		224 240	224 229	99.9
UNREALIZED GAIN ON FORWARD CONTRACTS (SCHEDULE A)				
		–	166	0.1
TOTAL PORTFOLIO				
		\$ 224 240	224 395	100.0
OTHER NET ASSETS				
			43	–
NET ASSETS				
			\$ 224 438	100.0

SCHEDULE A

Forward Contracts

As part of its investment strategy, the Fund has entered into a forward agreement under which it will swap its portfolio of Canadian securities in return for exposure to an investment in units of the reference fund. As a consequence of this forward contract, the Fund will forgo any benefits of an increase in the value of the Canadian securities.

Notional Number of Units	Reference Fund	Expiration Date	Counterparty	Counterparty Rating	Contracted Value	Unrealized Gain (Loss)
4 750 179	PH&N Total Return Bond Trust*	24-Apr-14	Canadian Imperial Bank of Commerce	AA-	\$ 49 514	\$ (4)
16 751 456	PH&N Total Return Bond Trust*	24-Apr-14	Toronto-Dominion Bank	AA-	174 610	170
Total						\$ 166

* Investment in related party (see note 6 in the generic notes).



Statements of Net Assets (in \$000s except per unit amounts)

March 31 (see note 2 in the generic notes)	2014	2013
ASSETS		
Investments at fair value	\$ 224 229	\$ 408 624
Cash	47	176
Due from investment dealers	–	6 100
Subscriptions receivable	–	270
Unrealized gain on forward contracts	166	–
TOTAL ASSETS	224 442	415 170
LIABILITIES		
Redemptions payable	–	6 500
Unrealized loss on forward contracts	–	1 634
Accounts payable and accrued expenses	4	6
TOTAL LIABILITIES	4	8 140
NET ASSETS	\$ 224 438	\$ 407 030
Investments at cost	\$ 224 240	\$ 406 254
NET ASSETS, END OF PERIOD		
SERIES 0	\$ 224 438	\$ 407 030
NET ASSETS PER UNIT, END OF PERIOD		
SERIES 0	\$ 10.58	\$ 10.44
NET ASSET VALUE (TRANSACTIONAL NAV)		
PER UNIT, END OF PERIOD		
(see note 3 in the generic notes)		
SERIES 0	\$ 10.57	\$ 10.45

Statements of Operations (in \$000s except per unit amounts)

For the periods ended March 31 (see note 2 in the generic notes)	2014	2013
EXPENSES (see notes – Fund Specific Information)		
Administration fees	\$ 60	\$ 59
Board of Governors costs	3	3
TOTAL EXPENSES	63	62
NET INVESTMENT INCOME (LOSS)	(63)	(62)
REALIZED AND UNREALIZED GAIN (LOSS)		
ON INVESTMENTS		
Net realized gain (loss) on investments	2 077	9 811
Change in unrealized gain (loss) on investments	(2 381)	1 902
Change in unrealized gain (loss) in value of forward contracts	1 800	(1 189)
NET GAIN (LOSS) ON INVESTMENTS	1 496	10 524
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS	\$ 1 433	\$ 10 462
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS		
SERIES 0	\$ 1 433	\$ 10 462
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS PER UNIT		
SERIES 0	\$ 0.05	\$ 0.36

Approved by the Board of Directors of RBC Corporate Class GP Inc.

Doug Coulter
Director

Frank Lipa
Director

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



Statements of Changes in Net Assets *(in \$000s)*

For the periods ended March 31 (see note 2 in the generic notes)	Series 0	
	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 407 030	\$ 137 623
INCREASE (DECREASE) FROM OPERATIONS	1 433	10 462
Early redemption fees	–	–
Proceeds from units issued	565	272 151
Proceeds from reinvestment of distributions	–	–
Payments on redemption of units	(184 590)	(13 206)
TOTAL UNIT TRANSACTIONS	(184 025)	258 945
Distributions from net income	–	–
Distributions from net gains	–	–
Distributions from capital	–	–
TOTAL DISTRIBUTIONS	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	(182 592)	269 407
NET ASSETS – END OF PERIOD	\$ 224 438	\$ 407 030

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



March 31, 2014

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

The Fund's exposure to financial instrument risk is based on the Phillips, Hager & North Total Return Bond Trust as the Fund enters into a forward contract which indirectly attempts to replicate the return of the Phillips, Hager & North Total Return Bond Trust.

Credit risk (%)

The table below summarizes the Phillips, Hager & North Total Return Bond Trust's exposure to credit risk grouped by credit ratings as at:

Rating	March 31 2014	March 31 2013
AAA	12.0	12.8
AA	49.2	49.6
A	20.4	25.9
BBB	14.2	9.0
BB	1.1	1.0
B	3.0	1.6
Unrated	0.1	0.1
Total	100.0	100.0

Interest rate risk (%)

The table below summarizes the Phillips, Hager & North Total Return Bond Trust's exposure to interest rate risk by remaining term to maturity from investments in mutual fund units as at:

Term to maturity	March 31 2014	March 31 2013
Less than 1 year	2.7	6.1
1 – 5 years	31.7	32.6
5 – 10 years	30.8	17.7
> 10 years	34.8	43.6
Total	100.0	100.0

As at March 31, 2014, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 6.3% (March 31, 2013 – 6.1%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of March 31, 2014 and 2013 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	224 229	–	–	224 229
Mutual fund units	–	–	–	–
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	166	–	166
Derivatives – liabilities	–	–	–	–
Total financial instruments	224 229	166	–	224 395
% of total portfolio	99.9	0.1	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	408 624	–	–	408 624
Mutual fund units	–	–	–	–
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	(1 634)	–	(1 634)
Total financial instruments	408 624	(1 634)	–	406 990
% of total portfolio	100.4	(0.4)	–	100.0

For the periods ended March 31, 2014 and 2013, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 6 in the generic notes)

No management fees are payable by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

Operating expenses (see note 6 in the generic notes)

The administration fee payable by Series O of the Fund is calculated at the following annual percentage, before GST/HST, of the daily net asset value of Series O of the Fund.

Series O	0.02%
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March 31, 2014

Unitholders' equity (000s)

The unitholders' equity of the Fund includes amounts representing units, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of units available for issue. Units are purchased and redeemed at the transactional NAV per unit.

For the periods ended March 31
(see note 2 in the generic notes)

	2014	2013
Series 0		
Opening units	38 998	13 720
Issued number of units	53	26 548
Reinvested number of units	–	–
Redeemed number of units	(17 837)	(1 270)
Ending number of units	21 214	38 998

**Other revenue and capital gains (\$000s)
(see note 3 in the generic notes)**

Other revenue and capital gains from investing in other related investment funds for the periods ended:

	March 31 2014	March 31 2013
Phillips, Hager & North High Yield Bond Fund	\$ 659	\$ –
Total other revenue	\$ 659	\$ –
Capital gains received from underlying funds	\$ –	\$ –

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



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC HIGH YIELD BOND LP

March 31, 2014

Holdings	Security	Cost	Fair Value	% of Net Assets
CANADIAN EQUITIES				
Consumer Discretionary				
240 753	Canadian Tire Corp. Ltd., Class A	\$ 24 256	\$ 25 094	
		<u>24 256</u>	<u>25 094</u>	8.6
Energy				
446 670	Canadian Natural Resources Ltd.	18 630	18 921	
797 277	Cenovus Energy Inc.	24 359	25 489	
366 025	Imperial Oil Ltd.	18 631	18 832	
661 695	Suncor Energy Inc.	24 256	25 548	
		<u>85 876</u>	<u>88 790</u>	30.4
Financials				
76 653	Bank of Montreal	5 583	5 669	
128 192	Brookfield Asset Management Inc., Class A	5 704	5 772	
870 592	Manulife Financial Corporation	18 631	18 561	
621 230	Power Corporation of Canada	18 631	18 774	
625 493	Sun Life Financial Inc.	24 256	23 944	
		<u>72 805</u>	<u>72 720</u>	24.9
Health Care				
128 550	Valeant Pharmaceuticals International Inc.	18 631	18 696	
		<u>18 631</u>	<u>18 696</u>	6.4

Holdings	Security	Cost	Fair Value	% of Net Assets
Materials				
161 943	Agnico Eagle Mines Ltd.	\$ 5 624	\$ 5 414	
1 175 863	Barrick Gold Corp.	24 255	23 141	
4 767 692	Kinross Gold Corp.	24 264	21 741	
		<u>54 143</u>	<u>50 296</u>	17.2
Telecommunication Services				
509 895	BCE Inc.	24 256	24 281	
127 309	Rogers Communications Inc., Class B	5 628	5 829	
143 317	TELUS Corp.	5 625	5 680	
		<u>35 509</u>	<u>35 790</u>	12.3
		<u>291 220</u>	<u>291 386</u>	99.8
TOTAL INVESTMENTS				
UNREALIZED GAIN ON FORWARD CONTRACTS (SCHEDULE A)				
			532	0.2
TOTAL PORTFOLIO				
		<u>\$ 291 220</u>	<u>291 918</u>	100.0
OTHER NET ASSETS				
			30	-
NET ASSETS				
			<u>\$ 291 948</u>	100.0

SCHEDULE A

Forward Contracts

As part of its investment strategy, the Fund has entered into a forward agreement under which it will swap its portfolio of Canadian securities in return for exposure to an investment in units of the reference fund. As a consequence of this forward contract, the Fund will forgo any benefits of an increase in the value of the Canadian securities.

Notional Number of Units	Reference Fund	Expiration Date	Counterparty	Counterparty Rating	Contracted Value	Unrealized Gain (Loss)
6 332 349	RBC High Yield Bond Trust*	24-Apr-14	Canadian Imperial Bank of Commerce	AA-	\$ 67 508	\$ 81
20 971 058	RBC High Yield Bond Trust*	24-Apr-14	Toronto-Dominion Bank	AA-	223 568	451
Total						<u>\$ 532</u>

* Investment in related party (see note 6 in the generic notes).



Statements of Net Assets (in \$000s except per unit amounts)

March 31 (see note 2 in the generic notes)	2014	2013
ASSETS		
Investments at fair value	\$ 291 386	\$ 387 143
Cash	35	41
Unrealized gain on forward contracts	532	–
TOTAL ASSETS	291 953	387 184
LIABILITIES		
Unrealized loss on forward contracts	–	1 557
Accounts payable and accrued expenses	5	6
TOTAL LIABILITIES	5	1 563
NET ASSETS	\$ 291 948	\$ 385 621
Investments at cost	\$ 291 220	\$ 385 237
NET ASSETS, END OF PERIOD		
SERIES 0	\$ 291 948	\$ 385 621
NET ASSETS PER UNIT, END OF PERIOD		
SERIES 0	\$ 11.76	\$ 11.08
NET ASSET VALUE (TRANSACTIONAL NAV)		
PER UNIT, END OF PERIOD		
(see note 3 in the generic notes)		
SERIES 0	\$ 11.75	\$ 11.10

Statements of Operations (in \$000s except per unit amounts)

For the periods ended March 31 (see note 2 in the generic notes)	2014	2013
INCOME (see note 3 in the generic notes)		
Interest	\$ (1)	\$ –
TOTAL INCOME (LOSS)	(1)	–
EXPENSES (see notes – Fund Specific Information)		
Administration fees	64	55
Board of Governors costs	3	3
TOTAL EXPENSES	67	58
NET INVESTMENT INCOME (LOSS)	(68)	(58)
REALIZED AND UNREALIZED GAIN (LOSS)		
ON INVESTMENTS		
Net realized gain (loss) on investments	17 616	22 227
Change in unrealized gain (loss) on investments	(1 740)	1 072
Change in unrealized gain (loss) in value of forward contracts	2 089	(890)
NET GAIN (LOSS) ON INVESTMENTS	17 965	22 409
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS	\$ 17 897	\$ 22 351
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS		
SERIES 0	\$ 17 897	\$ 22 351
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS PER UNIT		
SERIES 0	\$ 0.63	\$ 0.89

Approved by the Board of Directors of RBC Corporate Class GP Inc.

Doug Coulter
Director

Frank Lipa
Director

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



Statements of Changes in Net Assets *(in \$000s)*

For the periods ended March 31 (see note 2 in the generic notes)	Series 0	
	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 385 621	\$ 126 983
INCREASE (DECREASE) FROM OPERATIONS	17 897	22 351
Early redemption fees	–	–
Proceeds from units issued	825	244 607
Proceeds from reinvestment of distributions	–	–
Payments on redemption of units	(112 395)	(8 320)
TOTAL UNIT TRANSACTIONS	(111 570)	236 287
Distributions from net income	–	–
Distributions from net gains	–	–
Distributions from capital	–	–
TOTAL DISTRIBUTIONS	–	–
TOTAL INCREASE (DECREASE) IN NET ASSETS	(93 673)	258 638
NET ASSETS – END OF PERIOD	\$ 291 948	\$ 385 621

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



March 31, 2014

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

The Fund's exposure to financial instrument risk is based on the RBC High Yield Bond Trust as the Fund enters into a forward contract which indirectly attempts to replicate the return of the RBC High Yield Bond Trust.

Credit risk (%)

The table below summarizes the RBC High Yield Bond Trust's exposure to credit risk grouped by credit ratings as at:

Rating	March 31 2014	March 31 2013
A	0.5	1.2
BBB	10.6	16.5
BB	46.7	40.5
B	40.6	40.4
CCC	1.6	1.4
Total	100.0	100.0

Interest rate risk (%)

The table below summarizes the RBC High Yield Bond Trust's exposure to interest rate risk by remaining term to maturity from investments in mutual fund units as at:

Term to maturity	March 31 2014	March 31 2013
Less than 1 year	–	0.1
1 – 5 years	20.9	25.8
5 – 10 years	79.1	71.2
> 10 years	–	2.9
Total	100.0	100.0

As at March 31, 2014, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 3.8% (March 31, 2013 – 3.5%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of March 31, 2014 and 2013 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	291 386	–	–	291 386
Mutual fund units	–	–	–	–
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	532	–	532
Derivatives – liabilities	–	–	–	–
Total financial instruments	291 386	532	–	291 918
% of total portfolio	99.8	0.2	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	387 143	–	–	387 143
Mutual fund units	–	–	–	–
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	(1 557)	–	(1 557)
Total financial instruments	387 143	(1 557)	–	385 586
% of total portfolio	100.4	(0.4)	–	100.0

For the periods ended March 31, 2014 and 2013, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 6 in the generic notes)

No management fees are payable by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

Operating expenses (see note 6 in the generic notes)

The administration fee payable by Series O of the Fund is calculated at the following annual percentage, before GST/HST, of the daily net asset value of Series O of the Fund.

Series O	0.02%
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March 31, 2014

Unitholders' equity (000s)

The unitholders' equity of the Fund includes amounts representing units, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of units available for issue. Units are purchased and redeemed at the transactional NAV per unit.

For the periods ended March 31
(see note 2 in the generic notes)

	2014	2013
Series 0		
Opening units	34 797	12 486
Issued number of units	74	23 062
Reinvested number of units	–	–
Redeemed number of units	(10 036)	(751)
Ending number of units	24 835	34 797



1. The Funds

The mutual funds (“Fund” or “Funds”) are limited partnerships formed under the laws of the Province of Ontario and governed by a Limited Partnership Agreement. RBC GAM is the manager and portfolio advisor of the Funds.

The Funds may issue an unlimited number of Series O units.

Series O units have no management fees. Series O unitholders pay a negotiated fee directly to RBC GAM.

The Canadian government’s 2013 federal budget included provisions to eliminate the capital gains tax treatment associated with forward agreements as of December 31, 2014. In response to this change in tax treatment, RBC GAM capped further investments in the RBC Corporate Class Funds, which hold units of the Funds, effective November 12, 2013, and has announced that, effective September 12, 2014, the Funds will terminate upon the termination of those RBC Corporate Class Funds.

2. Financial year/period

The information provided in these financial statements and notes thereto is for the 12-month period ended or as at March 31, 2014 and 2013. In the year a Fund or series is established, “period” represents the period from inception to March 31 of that fiscal year.

3. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”), 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 period. Actual results may differ from estimates. The significant accounting policies of the Funds are as follows:

Valuation of Investments The valuation methods used to calculate the daily net asset value to transact units of the Funds (“transactional NAV”), as described in the Funds’ Annual Information Form, are not identical to the GAAP accounting policies used to determine the financial statement net assets (“net assets”) described below. The primary difference between net assets and transactional NAV relates to valuation of actively traded securities at bid prices for net assets and at last sale prices for transactional NAV.

In accordance with the Chartered Professional Accountants of Canada Handbook Section 3862, *Financial Instruments – Disclosures*, the Funds’ financial instruments are measured at fair value using a three-tier hierarchy based on inputs used to value the Funds’ investments and derivatives. 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); 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 are valued at the closing bid price recorded by the security exchange on which the security is principally traded.

Forward Contracts – The Funds have entered into forward agreements in order to earn the economic return of the reference funds. The value of the forward contract is calculated by subtracting the fair value of the total investments of the Fund from the fair value of the notional units of the reference fund on the valuation date. Any gain or loss at the close of business on each valuation date is recorded in the Statements of Operations. The net receivable/payable on forward contracts is recorded separately in the Statements of Net Assets.

Mutual Fund Unit Valuation – Units of Funds are valued at their respective transactional NAV per unit received from fund companies on the relevant valuation dates.

Fair Valuation of Investments (including unlisted securities) – If the valuation methods described above are not appropriate, RBC GAM will estimate the fair value of an investment using established fair valuation procedures, such as consideration of public information, broker quotes, valuation models, fundamental analysis, matrix pricing, discounts from market prices of similar securities or discounts applied due to restrictions on the disposition of securities, and external fair value service providers.



March 31, 2014

Valuation of Series 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. The period change in the difference between fair value and average cost of securities represents unrealized gains and losses. The basis of determining the cost of portfolio assets, and realized and unrealized gains and losses on investments, is average cost.

Income Recognition Dividend income is recognized on the ex-dividend date and interest income is recognized on an accrual basis.

Increase (Decrease) in Net Assets from Operations Per Unit Increase (decrease) in net assets from operations per unit in the Statements of Operations represents the increase (decrease) in net assets from operations 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.

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 advisors, 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.

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.

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 Net Assets. The fair value of fixed-income and debt securities includes a consideration of the credit worthiness 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. RBC GAM monitors each Fund's credit exposure and counterparty ratings daily.

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 Canadian dollars is affected by changes in the value of the Canadian dollar or a Fund's functional currency, in relation to the value of the currency in which the investment is denominated. When the value of the Canadian



March 31, 2014

dollar falls in relation to foreign currencies, then the value of foreign investments rises. When the value of the Canadian dollar rises, the value of 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 Fund is a limited partnership and will not be subject to income tax on its income or gains. Instead, the income or loss, and any net capital gains or capital losses of a Fund will be computed as if the Fund were a separate person and each investor in the Fund will be treated as earning its share of the income, loss, capital gains and capital losses of the Fund for the fiscal year, whether or not the investor receives any distributions from the Fund. Accordingly, an investor will be treated as earning its share of any dividends from taxable Canadian corporations, capital gains or losses, and foreign source income on which foreign tax has been paid, as well as any other types of income or losses realized by the Fund.

6. Administrative and other related-party transactions

General Partner, Manager, Portfolio Advisor and Principal Distributor

The general partner of the Funds is RBC Corporate Class GP Inc. (the "General Partner"), which is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank"). Under the Limited Partnership Agreement, the General Partner is entitled to 0.01% of the net income of a Fund (up to a maximum of \$3,000 per year) and 0.01% of the net loss of a Fund. The General Partner of the Funds has delegated the responsibility for the direction of all day-to-day business, operations and affairs of the Funds to RBC GAM pursuant to a Master Management Agreement.

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank and is the manager, portfolio advisor and principal distributor of the Funds. RBC GAM is responsible for the Funds' day-to-day operations, holds title to the Funds' property on behalf of its unitholders, and provides investment advice and portfolio management services to the Funds. RBC GAM is paid a management fee by the Funds as

compensation for its services. No management fees are paid by the Funds with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

The Funds pay a fixed administration fee to RBC GAM. 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 semi-annual 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 Board of Governors ("BoG") 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 directly or indirectly in units of other funds managed by RBC GAM or its affiliates.

Affiliates of RBC GAM that provide services to the Funds in the course of their normal businesses are discussed below.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Funds.

Registrar

RBC IS is the registrar of the Funds and keeps records of who owns the units of the Funds.

Brokerage

The Funds have established standard brokerage agreements at market rates with related-party brokerages.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Funds relied on the standing instructions from the BoG in its capacity as 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 BoG 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.



March 31, 2014

The advisory Board of Governors of the RBC Funds was established in 1994 specifically to provide advice to the fund manager regarding conflicts of interest in mutual fund management.

On December 1, 2006, the Board of Governors and RBC Global Asset Management Inc. completed the regulatory requirements necessary to allow the RBC Funds to be the first to take full advantage of the benefits of independent fund governance provided by National Instrument 81-107. Building on its long history of leadership in fund governance, RBC Global Asset Management Inc. established the Board of Governors as the independent review committee of the RBC Funds. All of the members of the Board of Governors are independent of RBC Global Asset Management Inc. and RBC Financial Group.

In its capacity as the independent review committee, the Board of Governors provides input on conflict of interest matters in respect of RBC Global Asset Management Inc. and the RBC Underlying Funds. At least once per year, the Board of Governors reviews and assesses the adequacy and effectiveness of the fund manager's policies and procedures relating to conflict of interest matters.

The Board of Governors is responsible for reviewing and assessing the independence of its members, the compensation of its members, and the effectiveness of the Board of Governors, its subcommittees and its members. In order to effectively manage its workload, the Board of Governors has three subcommittees: the Financial Advisory Committee, the Investment Conflicts Committee and the Governance Committee.

The Board of Governors has also been asked by RBC Global Asset Management Inc. to maintain its important role of providing advice on other issues relating to the management of the RBC Underlying Funds. This includes the role of the Financial Advisory Committee of the Board of Governors to provide advice concerning financial reporting, the audit process and financial internal controls.

The annual report of the Board of Governors describing its activities as the independent review committee of the RBC Corporate Class Funds and RBC Underlying Funds is available on the website at www.rbcgam.com/funds and on SEDAR at www.sedar.com.

If you have any questions or comments about the Board of Governors or its committees, please let us know by contacting Melanie Adams, Secretary to the Board of Governors, at the address below.

Lloyd R. McGinnis, OC, PEng

Chair of the Board of Governors

Board of Governors

Attention: Melanie Adams
RBC Global Asset Management Inc.
P.O. Box 7500, Station A
Toronto, Ontario M5W 1P9

Board of Governors

Lloyd R. McGinnis

Chair of the Board of Governors

Director, Airport Site Development
Winnipeg Airports Authority

Michael G. Thorley^{1,4}

Vice Chair of the Board of Governors

Retired Lawyer
Toronto, Ontario

Selwyn B. Kossuth^{1,3}

Financial Consultant
Mississauga, Ontario

Charles F. Macfarlane^{1,3}

Corporate Director
Toronto, Ontario

Linda S. Petch^{1,3}

Principal
Linda S. Petch Governance Services
Victoria, British Columbia

Élaine Cousineau Phénix⁵

President
Phénix Capital Inc.
Montreal, Quebec

Mary C. Ritchie^{2,3}

President
Richford Holdings Ltd.
Edmonton, Alberta

Joseph P. Shannon⁶

President
Atlantic Corporation
Port Hawkesbury, Nova Scotia

James W. Yuel⁶

Chair
PIC Investment Group Inc.
Saskatoon, Saskatchewan

- ¹ Member of the Financial Advisory Committee
- ² Chair of the Financial Advisory Committee
- ³ Member of the Investment Conflicts Committee
- ⁴ Chair of the Investment Conflicts Committee
- ⁵ Chair of the Governance Committee
- ⁶ Member of the Governance Committee



FIXED-INCOME TRUST

RBC BOND TRUST

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on June 17, 2014.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/funds or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



March 31, 2014

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide long-term total returns consisting of income and moderate capital growth by investing primarily in high-quality fixed-income securities issued by Canadian governments and corporations. The Fund may also provide exposure to similar securities outside of Canada.

To achieve the investment objective of the Fund, the portfolio manager uses a disciplined approach to assess opportunities linked to the overall direction of interest rates in Canada, the U.S. and other major economies; expected changes in interest-rate spreads between different segments of the bond market; and anticipated changes in interest-rate spreads associated with a change in individual credit ratings or quality perceptions.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund's overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund's net asset value declined to \$28 million as of March 31, 2014, from \$35 million as of March 31, 2013. The change was due to net redemptions.

Over the past year, the Fund's Series O shares rose 1.8%, which outperformed the 0.8% rise in the benchmark. The Fund's return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for information on the returns.

Bond yields remained at extremely depressed levels in April 2013, as the U.S. Federal Reserve ("Fed") continued with extraordinarily loose monetary policies aimed at keeping longer term borrowing costs down to support the economy. However, negative sentiment toward fixed-income investments took hold in May, causing Canadian bond indexes to decline and leading in 2013 to the first calendar-year loss for the Canadian benchmark bond index since 1999. The Fed's signal that economic conditions may have improved enough to warrant scaling back US\$85 billion in monthly bond purchases led to the surge in yields and decline in bond prices. Bank of Canada Governor Stephen Poloz indicated that borrowing costs will remain relatively low as concern about extremely low inflation offset worries about consumer-debt levels. The allure of Government of Canada bonds diminished as concern dissipated over the stability of the Eurozone and U.S. political dysfunction, increasing demand for higher-income corporate bonds.

The Fund's returns were aided by above-benchmark allocations to provincial and corporate bonds, as well as greater overall exposure to better-performing short-term securities. Provincial bonds and corporate bonds boosted returns because of the extra yield they offer relative to federal bonds, while short-term bonds fared better than longer-term securities amid expectations that the Fed would begin to rein in ultra-loose U.S. monetary policy. Another decision that added to returns was to have exposure to the U.S. dollar, which climbed during the period.

A small allocation to emerging-market debt had a negative effect on the Fund's returns. Emerging-market bonds are especially sensitive to rising Treasury yields, which can threaten countries that rely too heavily on inexpensive dollar loans to fuel domestic economic expansions.

Recent Developments

The Fed has been lightening up on bond purchases in 2014, and global bond yields should rise slowly led by Treasuries. The expectation of higher yields rests on the assumption of better global economic growth, which would allow central banks to reduce efforts to hold down yields. The portfolio manager will be adjusting the portfolio's holdings in an attempt to minimize losses tied to interest rate sensitivity while taking advantage of opportunities caused by fixed-income price swings to accumulate attractively priced assets.

The portfolio manager will maintain an overweight position in non-government bonds, and may use currency trades to bolster returns. From the perspective of long-term investors, rising interest rates allow savings to grow and periodic interest payments to be reinvested at higher yields. The portfolio manager believes that this strategy should enable investors to build wealth and meet retirement needs, while offering a degree of protection to balanced portfolios during volatile markets.

Effective September 12, 2014, the Fund will be terminated.

Related-Party Transactions

Manager, Trustee, Portfolio Advisor and Principal Distributor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee, portfolio advisor and principal distributor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, holds title to the Fund's property on behalf of its unitholders, and provides investment advice and portfolio management services to the Fund. Unitholders pay a negotiated fee directly to RBC GAM as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.



March 31, 2014

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

Registrar

RBC IS is the registrar of the Fund and keeps records of who owns the units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



March 31, 2014

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/Period	
		Total	Total	Realized	Unrealized	Total	From	From	From	Return			
		Revenue (Loss)	Expenses	Gains (Losses)	Gains (Losses)		Income (Excluding Dividends)	Dividends	Capital Gains	of Capital			
Series 0													
Mar. 31, 2014	10.10	0.38	–	(0.07)	(0.18)	0.13	–	–	–	–	–	–	10.27
Mar. 31, 2013³	10.00[†]	0.15	–	0.01	0.03	0.19	(0.06)	–	–	–	–	(0.06)	10.09

¹ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From October 31, 2012.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series 0							
Mar. 31, 2014	10.28	27 584	2 686	0.04	0.04	18.38	–
Mar. 31, 2013⁴	10.10	34 467	3 415	0.03	0.03	5.66	–

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From October 31, 2012.

Management Fees

RBC GAM is the manager, trustee and portfolio advisor of the Fund.

Series 0 – no management fees are paid by the Fund in respect of Series 0 units. Series 0 unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.



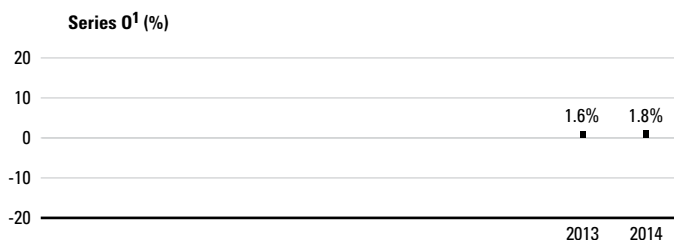
March 31, 2014

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns for Series 0 of the Fund and for each of the periods indicated ended on March 31, 2014, compared with the following benchmark:

FTSE TMX Canada Universe Bond Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series 0 ¹	1.8	—	—	—	2.4
Benchmark	0.8	—	—	—	1.0

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark index.

¹ Inception date October 31, 2012.

INDEX DESCRIPTION

FTSE TMX Canada Universe Bond Index This index is designed as a broad measure of the Canadian investment-grade fixed-income market and includes bonds with maturities of at least one year. FTSE TMX Canada Universe Bond Index formerly known as DEX Universe Bond Index.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2014

Investment Mix

	% of Net Asset Value
Corporate Bonds	43.0
Provincial/Municipal Bonds	37.9
Federal Bonds	9.7
United States	3.6
Cash/Other	5.8

Top 25 Holdings

	% of Net Asset Value
Long Positions	
Province of Ontario 2.100% Sep 8 18	6.7
Province of Ontario 2.850% Jun 2 23	5.7
Province of Ontario 3.150% Jun 2 22	2.8
Province of Ontario 5.600% Jun 2 35	2.7
Cash & Cash Equivalents	2.7
RBC High Yield Bond Fund	2.5
Province of Quebec 3.500% Dec 1 22	2.4
Province of Ontario 4.200% Jun 2 20	2.3
Province of Ontario 4.600% Jun 2 39	2.2
Province of Ontario 1.900% Sep 8 17	1.7
Province of Ontario 4.650% Jun 2 41	1.6
Province of Ontario 3.500% Jun 2 43	1.6
Province of Ontario 6.500% Mar 8 29	1.6
Government of Canada 4.000% Jun 1 41	1.5
Province of Quebec 5.000% Dec 1 41	1.4
Province of Ontario 4.400% Jun 2 19	1.4
Canada Housing Trust No. 1 2.350% Sep 15 23	1.3
Canada Housing Trust No. 1 2.650% Mar 15 22	1.3
Province of Quebec 5.000% Dec 1 38	1.2
Royal Bank of Canada 2.770% Dec 11 18	1.1
Province of Quebec 3.000% Sep 1 23	1.1
BlueBay Emerging Markets Corporate Bond Fund	1.1
Government of Canada 3.500% Dec 1 45	1.0
Canadian Imperial Bank of Commerce 2.350% Oct 18 17	1.0
Total	49.9

Short Positions

United States 10-Year Note Future, June 2014	3.0
Total	3.0

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.



FIXED-INCOME TRUST

**PHILLIPS, HAGER & NORTH
TOTAL RETURN BOND TRUST**

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on June 17, 2014.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/funds or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to generate interest income and provide stability of capital by investing primarily in a well-diversified portfolio of fixed-income securities issued by Canadian governments and corporations.

To achieve its investment objective, the Fund invests primarily in medium- to high-quality corporate bonds and government bonds of Canadian issuers and may also invest in securities of U.S. and other foreign issuers. The Fund may also invest in Canadian asset-backed commercial paper to enhance its return. The average term to maturity of the portfolio is managed within strict guidelines, and typically falls between seven and 12 years.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund's overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund's net asset value declined to \$224 million as of March 31, 2014, from \$408 million as of March 31, 2013. The change was due to net redemptions.

Over the past year, the Fund's Series O shares rose 1.7%, which outperformed the 0.8% rise in the benchmark. The Fund's return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights for the management expense ratios and the Past Performance section for the information on returns.

The portfolio manager was active in adjusting the Fund's holdings to reflect changes in interest rates over the period, lowering exposure to an increase in rates when yields were at their lowest and increasing exposure as yields climbed. The Fund was generally positioned to reflect the portfolio manager's expectation of an overall rise in rates.

Interest-rate strategies added value over the year. The Fund's overweight position in investment-grade corporate bonds and security selection in corporate bonds added value, as corporate yields rose less than those on benchmark securities over the fiscal year. The Fund's position in high-yield bonds, which increased to 4% of the Fund over the year, also added value, as these bonds performed well.

The Fund held a significant overweight position in provincial bonds, whose yields relative to other fixed-income securities had become especially attractive over the past two years. Yields on provincial bonds fell on a relative basis during the period, adding to performance.

Recent Developments

The dramatic rise in interest rates in the summer of 2013 brought them to levels that the portfolio manager believes more closely reflects the economic environment.

The portfolio manager now believes that interest rates and the economy are more closely aligned, and has therefore positioned the Fund to be slightly less sensitive than the benchmark to the negative effect of rising interest rates. The Fund's overweight positions in corporate bonds and provincial bonds are still in place, as the portfolio manager expects them to perform relatively well given that the economy continues to expand at a modest pace.

Effective September 12, 2014, the Fund will be terminated.

Related-Party Transactions

Manager, Trustee, Portfolio Advisor and Principal Distributor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee, portfolio advisor and principal distributor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, holds title to the Fund's property on behalf of its unitholders, and provides investment advice and portfolio management services to the Fund. Unitholders pay a negotiated fee directly to RBC GAM as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.

Registrar

RBC IS is the registrar of the Fund and keeps records of who owns the units of the Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



March 31, 2014

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Series 0												
Mar. 31, 2014	10.26	0.37	—	(0.21)	(0.07)	0.09	—	—	—	—	—	10.43
Mar. 31, 2013	10.03	0.37	—	0.04	0.02	0.43	(0.25)	—	—	—	(0.25)	10.25
Mar. 31, 2012 ³	10.00 [†]	0.09	—	—	(0.06)	0.03	—	—	—	—	—	10.03

¹ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From January 1, 2012.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series 0							
Mar. 31, 2014	10.44	224 165	21 502	0.02	0.02	294.89	—
Mar. 31, 2013	10.26	407 500	39 730	0.02	0.02	272.53	—
Mar. 31, 2012 ⁴	10.04	137 659	13 708	0.02	0.02	32.02	—

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From January 1, 2012.

Management Fees

RBC GAM is the manager, trustee and portfolio advisor of the Fund.

Series 0 – no management fees are paid by the Fund in respect of Series 0 units. Series 0 unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.



March 31, 2014

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns for Series 0 of the Fund and for each of the periods indicated ended on March 31, 2014, compared with the following benchmark:

FTSE TMX Canada Universe Bond Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series 0 ¹	1.7	—	—	—	3.0
Benchmark	0.8	—	—	—	1.0

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark index.

¹ Inception date January 1, 2012.

INDEX DESCRIPTION

FTSE TMX Canada Universe Bond Index This index is designed as a broad measure of the Canadian investment-grade fixed-income market and includes bonds with maturities of at least one year. FTSE TMX Canada Universe Bond Index formerly known as DEX Universe Bond Index.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2014

Investment Mix

	% of Net Asset Value
Corporate Bonds	43.9
Provincial/Municipal Bonds	33.7
Federal Bonds	5.5
United States	2.3
Cash/Other	14.6

Top 25 Holdings

	% of Net Asset Value
Cash & Cash Equivalents	8.1
Province of Ontario 4.000% Jun 2 21	4.7
Phillips, Hager & North High Yield Bond Fund	4.1
Province of Ontario 7.600% Jun 2 27	3.7
Province of Ontario 8.100% Sep 8 23	2.8
Province of Ontario 6.500% Mar 8 29	2.3
Canada Housing Trust No. 1 3.800% Jun 15 21	2.1
Canada Housing Trust No. 1 4.100% Dec 15 18	2.1
Province of Ontario 4.650% Jun 2 41	2.0
Province of Ontario 4.600% Jun 2 39	1.9
Royal Bank of Canada 2.580% Apr 13 17	1.9
Canadian Imperial Bank of Commerce 1.750% Jun 1 16	1.9
Bank of Nova Scotia 2.100% Nov 8 16	1.7
Province of Ontario 5.850% Mar 8 33	1.7
Province of Ontario 3.500% Jun 2 24	1.4
Province of Ontario 3.150% Jun 2 22	1.4
Ontario Electricity Financial Corp. 8.250% Jun 22 26	1.3
Province of Quebec 8.500% Apr 1 26	1.3
Bank of Montreal 3.490% Jun 10 16	1.2
Province of Ontario 5.600% Jun 2 35	1.2
HSBC Bank Canada 2.572% Nov 23 15	1.2
Province of Ontario 8.500% Dec 2 25	1.1
Cards II Trust 1.984% Jan 15 16	1.1
Province of Ontario 6.200% Jun 2 31	1.0
Province of Ontario 3.500% Jun 2 43	1.0
Top 25 Holdings	54.2

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.



FIXED-INCOME TRUST

RBC HIGH YIELD BOND TRUST

March 31, 2014

Portfolio Manager RBC Global Asset Management Inc. ("RBC GAM")

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on June 17, 2014.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the Fund. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the financial statements at your request, and at no cost, by calling 1-800-463-FUND (3863), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/funds or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



March 31, 2014

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The Fund seeks to provide a high level of income with the potential for modest capital growth by investing primarily in higher yielding corporate debt securities issued by Canadian and U.S. corporations.

To achieve its investment objective, the Fund invests primarily in debt securities rated from BBB to B by Standard & Poor's or an equivalent credit-rating company. The portfolio manager employs a value-focused philosophy, striving to invest in quality companies having stable to improving credit profiles, which are considered undervalued.

Risk

There were no significant changes to the investment objective and strategies that affected the Fund's overall level of risk during the reporting period. The risks of investing in the Fund and the suitability of the Fund for investors remain as discussed in the Simplified Prospectus.

Results of Operations

The Fund's net asset value declined to \$292 million of March 31, 2014, from \$386 million as of March 31, 2013. The change was due to net redemptions.

Over the past year, the Fund's Series O shares rose 6.4%, which outperformed the 0.8% rise in the benchmark. The Fund's return is after the deduction of fees and expenses, while the benchmark return does not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for information on the returns.

In general, assets such as higher-risk, higher-yielding bonds continued to outperform government fixed income and higher-rated corporate bonds, which were held back primarily by concerns that the U.S. Federal Reserve's ("the Fed") retreat from an extremely loose monetary policy known as quantitative easing ("QE") would lead to rising government yields. The high-yield bond market continued to benefit on a relative basis from low default risk, rising mutual-fund investments, fairly strong corporate earnings and balance sheets, and demand for extra income provided by higher-yielding corporate bonds in a low-yield environment.

In May, with government yields near all-time lows, the prospect of an earlier-than-expected end to QE caused bond yields to rise sharply and the price of both government and corporate bonds to fall. Later, volatility in the Treasury market dropped, and high-yield bonds resumed their outperformance. By December investors had fully factored in expectations of a reduction in QE, and when the Fed actually began to scale back its asset purchases later that month there was little change in government yields. Early in 2014, fears that economic growth would slow in emerging markets, notably

China, caused higher-risk assets to decline as investors sought the perceived safety of U.S. government bonds. Other geopolitical events, including Russia's seizure of Crimea from Ukraine, also prompted investors to place more of a premium on safe-haven assets.

The Fund's cash levels were higher than normal in April 2013, and as bond prices started to fall in May and June, the portfolio manager sold some higher-quality Canadian investment-grade bonds and used the proceeds to buy lower-rated U.S. corporate bonds that had fallen in price. The Fund benefited from this step after prices of high-yield bonds recovered. The rise in prices relative to government bonds prompted the portfolio manager to again allow cash levels to rise above normal levels. Toward the end of the fiscal year, geopolitical concerns and rising valuations prompted the portfolio manager to take a slightly more conservative approach by favouring higher-quality U.S. high-yield bonds. These investments lowered cash levels to more normal levels.

Recent Developments

In early April, the premium that investors were receiving on bonds perceived to carry higher risks (the "credit spread") stood at a five-year low. The portfolio manager's outlook, while generally positive, is tempered by the fact that credit spreads offer less room for gains than they did 12 months ago, and that there may be headwinds in the form of rising Treasury rates as U.S. economic growth picks up. For now, the portfolio manager expects to continue adding safer higher-quality, shorter-term high-yield bonds to the Fund, and to keep cash balances at levels sufficient to allow the Fund to take advantage of any market declines.

Effective September 12, 2014, the Fund will be terminated.

Related-Party Transactions

Manager, Trustee, Portfolio Advisor and Principal Distributor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee, portfolio advisor and principal distributor of the Fund. RBC GAM is responsible for the Fund's day-to-day operations, holds title to the Fund's property on behalf of its unitholders, and provides investment advice and portfolio management services to the Fund. Unitholders pay a negotiated fee directly to RBC GAM as compensation for its services. The Fund pays a fixed administration fee to RBC GAM, which, in turn, pays certain operating expenses of the Fund.

Affiliates of RBC GAM that provide services to the Fund in the course of their normal businesses are discussed below.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Fund.



March 31, 2014

Registrar

RBC IS is the registrar of the Fund and keeps records of who owns the units of the Fund.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the Board of Governors ("BoG") in its capacity as 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 BoG 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 Fund, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Fund. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.



March 31, 2014

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years or for the periods since inception. This information is derived from the Fund's audited annual financial statements. "Net Assets" are calculated in accordance with Canadian generally accepted accounting principles, which are used to prepare the financial statements (see table below). "Net Asset Value" is derived from the valuation method disclosed in the RBC Funds Annual Information Form and is used for transactional purposes (see Ratios and Supplemental Data). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/Period
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	
Series 0												
Mar. 31, 2014	10.60	0.66	—	(0.43)	0.40	0.63	(0.58)	—	—	—	(0.58)	10.66
Mar. 31, 2013	10.17	0.65	—	(0.08)	0.35	0.92	(0.56)	—	—	—	(0.56)	10.57
Mar. 31, 2012 ³	10.00 [†]	0.14	—	0.05	(0.15)	0.04	—	—	—	—	—	10.17

¹ Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

² Distributions are reinvested in additional units of the Fund or paid in cash.

³ From January 1, 2012.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Series 0							
Mar. 31, 2014	10.69	290 940	27 303	0.02	0.02	56.70	—
Mar. 31, 2013	10.60	385 177	36 435	0.02	0.02	64.24	—
Mar. 31, 2012 ⁴	10.18	127 013	12 475	0.02	0.02	9.65	—

¹ The management expense ratio ("MER") is based on expenses for the stated period, excluding commissions and other portfolio transaction costs, and is expressed as an annualized percentage of the daily average net asset value during the period. RBC GAM may, at its discretion and without notice to unitholders, waive or absorb certain operating expenses. MER includes the waiver or absorption by RBC GAM of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by RBC GAM.

² The Fund's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

³ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

⁴ From January 1, 2012.

Management Fees

RBC GAM is the manager, trustee and portfolio advisor of the Fund.

Series 0 – no management fees are paid by the Fund in respect of Series 0 units. Series 0 unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.



March 31, 2014

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional units of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the Fund may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns for Series 0 of the Fund and for each of the periods indicated ended on March 31, 2014, compared with the following benchmark:

FTSE TMX Canada Universe Bond Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series 0 ¹	6.4	—	—	—	8.0
Benchmark	0.8	—	—	—	1.0

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark index.

¹ Inception date January 1, 2012.

INDEX DESCRIPTION

FTSE TMX Canada Universe Bond Index This index is designed as a broad measure of the Canadian investment-grade fixed-income market and includes bonds with maturities of at least one year. FTSE TMX Canada Universe Bond Index formerly known as DEX Universe Bond Index.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)
As at March 31, 2014

Investment Mix

	% of Net Asset Value
United States	69.4
Canada	16.1
Luxembourg	2.8
Japan	1.1
Spain	1.1
United Kingdom	1.1
Cash/Other	8.4

Top 25 Holdings

	% of Net Asset Value
Cash & Cash Equivalents	3.8
Ford Credit Canada Ltd. 7.500% Aug 18 15	2.8
Sprint Nextel Corp. 9.000% Nov 15 18	2.1
DISH DBS Corp. 7.875% Sep 1 19	2.0
Ball Corp. 5.750% May 15 21	1.9
Videotron Ltd. 6.875% Jul 15 21	1.7
NRG Energy Inc. 7.875% May 15 21	1.7
Rite Aid Corp. 8.000% Aug 15 20	1.6
Concho Resources Inc. 7.000% Jan 15 21	1.6
Smithfield Foods Inc. 6.625% Aug 15 22	1.5
T-Mobile USA Inc. 6.625% Apr 1 23	1.5
Continental Resources Inc. 7.125% Apr 1 21	1.5
ArcelorMittal USD 9.850% Jun 1 19	1.4
Reynolds Group Issuer Inc. 6.875% Feb 15 21	1.4
Lamar Media Corp. 5.375% Jan 15 24	1.4
Standard Pacific Corp. 8.375% Jan 15 21	1.3
HDTFS Inc. 6.250% Oct 15 22	1.3
Quebecor Media Inc. 7.375% Jan 15 21	1.3
Beazer Homes USA Inc. 6.625% Apr 15 18	1.3
Sonic Automotive Inc. 7.000% Jul 15 22	1.2
Toll Brothers Finance Corp. 5.875% Feb 15 22	1.2
Denbury Resources Inc. 8.250% Feb 15 20	1.2
Ingles Markets Inc. 5.750% Jun 15 23	1.2
Intelsat Jackson Holdings S.A. USD 7.250% Apr 1 19	1.2
Tenet Healthcare Corp. 6.000% Oct 1 20	1.2
Top 25 Holdings	40.3

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of the Fund and a quarterly update is available at www.rbcgam.com/funds.



March 31, 2014

The accompanying financial statements have been prepared by RBC Global Asset Management Inc. ("RBC GAM") as manager of the RBC 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 accordance with accounting principles generally accepted in Canada (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.

Although the Board of Directors of RBC GAM is solely responsible for approving the financial statements and overseeing management's financial reporting responsibilities, the Financial Advisory Committee of the Board of Governors provides advice to RBC GAM concerning financial reporting, the audit process and internal controls. Please see *The Role of the Board of Governors* at the end of this report.

Deloitte LLP, Independent Chartered Professional Accountants, Chartered Accountants, have performed an independent audit of the financial statements in accordance with Canadian generally accepted auditing standards. Their report is set out on the next page

John S. Montalbano, CFA
Chief Executive Officer
RBC Global Asset Management Inc.

June 17, 2014

Frank Lippa, CPA, CA
Chief Financial Officer and Chief Operating Officer
RBC Global Asset Management Inc.



March 31, 2014

To the Unitholders of:

RBC Bond Trust

Phillips, Hager & North Total Return Bond Trust

RBC High Yield Bond Trust

(collectively referred to as the "Funds")

We have audited the accompanying financial statements of each of the Funds, which comprise the statement of investment portfolio as at March 31, 2014, the statements of net assets as at March 31, 2014 and 2013 and the statements of operations and changes in net assets for the years or periods (since establishment of the Funds) then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as at March 31, 2014 and 2013 and the results of their operations and changes in their net assets for the years or periods (since establishment of the Funds) then ended in accordance with Canadian generally accepted accounting principles.

Chartered Professional Accountants, Chartered Accountants,
Licensed Public Accountants

June 17, 2014

Toronto, Ontario



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)

RBC BOND TRUST

March 31, 2014

Holdings	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
26 771	BlueBay Emerging Markets Corporate Bond Fund*	\$ 290	\$ 292	
26 311	RBC Emerging Markets Bond Fund*	271	279	
63 599	RBC High Yield Bond Fund*	696	694	
TOTAL MUTUAL FUND UNITS		1 257	1 265	4.6

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
BONDS						
CANADIAN BONDS						
CORPORATE						
\$ 75	407 International Inc.	3.870	24-Nov-17	\$ 80	\$ 79	
50	407 International Inc.	5.750	14-Feb-36	61	58	
25	407 International Inc.	4.450	15-Nov-41	27	26	
50	Alimentation Couche Tard Inc.	2.861	01-Nov-17	50	50	
25	AltaGas Ltd.	4.600	15-Jan-18	27	27	
50	AltaGas Ltd.	3.720	28-Sep-21	51	51	
25	AltaLink LP	3.668	06-Nov-23	25	25	
100	Bank of Montreal	2.960	02-Aug-16	103	103	
175	Bank of Montreal	2.390	12-Jul-17	176	177	
155	Bank of Montreal	2.240	11-Dec-17	153	156	
200	Bank of Montreal	2.430	04-Mar-19	200	200	
25	Bank of Montreal	5.100	21-Apr-21	27	27	
25	Bank of Montreal	6.170	28-Mar-23	29	29	
25	Bank of Montreal	4.609	10-Sep-25	28	28	
210	Bank of Nova Scotia	2.740	01-Dec-16	216	215	
275	Bank of Nova Scotia	2.598	27-Feb-17	279	280	
160	Bank of Nova Scotia	2.370	11-Jan-18	160	161	
150	Bank of Nova Scotia	2.242	22-Mar-18	150	150	
200	Bank of Nova Scotia	2.462	14-Mar-19	200	200	
100	Bank of Nova Scotia	3.270	11-Jan-21	103	102	
75	Bank of Nova Scotia	6.650	22-Jan-21	85	81	
30	bcIMC Realty Corp.	2.650	29-Jun-17	31	31	
50	bcIMC Realty Corp.	2.960	07-Mar-19	51	51	
85	Bell Aliant Regional Communications LP	6.290	17-Feb-15	92	88	
100	Bell Aliant Regional Communications LP	5.410	26-Sep-16	109	108	
50	Bell Canada	3.600	02-Dec-15	52	52	
175	Bell Canada	4.400	16-Mar-18	189	188	
50	Bell Canada	3.500	10-Sep-18	50	52	
25	Bell Canada	3.250	17-Jun-20	25	25	
50	Bell Canada	4.950	19-May-21	56	56	
50	Bell Canada	3.350	22-Mar-23	50	48	
100	Bell Canada	6.100	16-Mar-35	122	118	
25	BMW Canada Inc.	2.640	10-Aug-15	25	25	
25	Brookfield Renewable Power Inc.	6.132	30-Nov-16	28	27	
50	Brookfield Renewable Power Inc.	5.140	13-Oct-20	56	55	
55	Caisse Centrale Desjardins	2.281	17-Oct-16	55	56	
75	Caisse Centrale Desjardins	3.502	05-Oct-17	79	78	
20	Caisse Centrale Desjardins	2.795	19-Nov-18	20	20	
25	Canadian Credit Card Trust	1.596	24-Sep-15	25	25	
150	Canadian Imperial Bank of Commerce	1.750	01-Jun-16	150	150	
145	Canadian Imperial Bank of Commerce	2.650	08-Nov-16	148	148	
280	Canadian Imperial Bank of Commerce	2.350	18-Oct-17	280	283	

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



March 31, 2014

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
CORPORATE (cont.)						
\$ 200	Canadian Imperial Bank of Commerce	2.220	07-Mar-18	\$ 199	\$ 200	
25	Canadian Pacific Railway Ltd.	5.100	14-Jan-22	28	28	
25	Canadian Pacific Railway Ltd.	6.450	17-Nov-39	31	31	
25	Canadian Tire Corp. Ltd.	4.950	01-Jun-15	27	26	
80	Canadian Western Bank	3.049	18-Jan-17	82	82	
25	Canadian Western Bank	2.531	22-Mar-18	25	25	
25	Capital Desjardins Inc.	5.187	05-May-20	29	28	
100	Capital Power LP	4.600	01-Dec-15	104	104	
50	Cards II Trust	1.984	15-Jan-16	51	50	
40	Cards II Trust	3.333	15-May-16	42	41	
25	CU Inc.	5.563	26-May-28	31	30	
25	Daimler Canada Finance Inc.	3.280	15-Sep-16	26	26	
50	Emera Inc.	2.960	13-Dec-16	51	51	
25	Emera Inc.	4.830	02-Dec-19	28	27	
50	Enbridge Gas Distribution Inc.	5.210	25-Feb-36	61	57	
75	Enbridge Inc.	5.170	19-May-16	83	80	
25	Enbridge Income Fund Holdings Inc.	5.250	22-Dec-14	26	26	
50	Enbridge Income Fund Holdings Inc.	2.920	14-Dec-17	50	51	
25	Encana Corp.	5.800	18-Jan-18	29	28	
25	EnerCare Solutions Inc.	4.300	30-Nov-17	25	26	
25	EPCOR Utilities Inc.	5.800	31-Jan-18	29	28	
55	Fairfax Financial Holdings Ltd.	6.400	25-May-21	60	61	
25	Ford Auto Securitization Trust	2.347	15-Apr-17	25	25	
125	Ford Credit Canada Ltd.	4.875	08-Feb-17	134	134	
50	Ford Credit Canada Ltd.	3.320	19-Dec-17	50	51	
50	GE Capital Canada Funding Co.	5.100	01-Jun-16	55	54	
50	GE Capital Canada Funding Co.	5.530	17-Aug-17	57	56	
100	GE Capital Canada Funding Co.	5.680	10-Sep-19	117	116	
25	GE Capital Canada Funding Co.	5.730	22-Oct-37	31	30	
50	Genworth MI Canada Inc.	4.590	15-Dec-15	52	52	
65	Genworth MI Canada Inc.	5.680	15-Jun-20	72	73	
50	George Weston Ltd.	3.780	25-Oct-16	52	52	
50	Great-West Lifeco Finance Delaware LP	5.691	21-Jun-67	55	55	
25	Great-West Lifeco Inc.	6.140	21-Mar-18	29	29	
50	Great-West Lifeco Inc.	4.650	13-Aug-20	56	55	
50	Great-West Lifeco Inc.	6.740	24-Nov-31	63	64	
50	Greater Toronto Airports Authority	5.960	20-Nov-19	61	59	
75	Greater Toronto Airports Authority	6.980	15-Oct-32	107	101	
100	Greater Toronto Airports Authority	6.470	02-Feb-34	137	129	
50	Greater Toronto Airports Authority	5.630	07-Jun-40	64	60	
50	HSBC Bank Canada	2.901	13-Jan-17	51	51	
155	HSBC Bank Canada	3.558	04-Oct-17	164	163	
30	HSBC Bank Canada	2.938	14-Jan-20	30	30	
25	HSBC Bank Canada	4.800	10-Apr-22	27	27	
105	Hydro One Inc.	5.360	20-May-36	128	121	
25	Industrial Alliance Insurance Financial Services Inc.	4.750	14-Dec-21	27	27	
25	Inter Pipeline Ltd.	4.967	02-Feb-21	28	28	
25	Loblaw Companies Ltd.	3.748	12-Mar-19	25	26	
25	Loblaw Companies Ltd.	5.220	18-Jun-20	29	28	
25	Loblaw Companies Ltd.	6.450	09-Feb-28	28	29	
50	Loblaw Companies Ltd.	6.050	09-Jun-34	56	57	
75	Loblaw Companies Ltd.	5.900	18-Jan-36	82	84	
80	Manulife Bank of Canada	2.383	17-Oct-16	80	81	
35	Manulife Financial Corporation	5.505	26-Jun-18	39	39	
50	Master Credit Card Trust	3.502	21-May-16	53	52	
110	Master Credit Card Trust	2.626	21-Jan-17	113	112	
25	Molson Coors Capital Finance ULC	5.000	22-Sep-15	27	26	

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



March 31, 2014

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
CORPORATE (cont.)						
\$ 75	National Bank of Canada	4.030	26-May-15	\$ 79	\$ 77	
75	National Bank of Canada	3.580	26-Apr-16	79	78	
125	National Bank of Canada	2.702	15-Dec-16	128	128	
50	National Bank of Canada	2.689	21-Aug-17	51	51	
25	National Bank of Canada	4.700	02-Nov-20	27	26	
25	NAV Canada	4.397	18-Feb-21	28	28	
25	NBC Capital Trust	5.329	30-Jun-56	27	27	
50	Nova Scotia Power Inc.	5.610	15-Jun-40	62	59	
25	Nova Scotia Power Inc.	4.150	06-Mar-42	26	24	
35	Pembina Pipeline Corp.	4.890	29-Mar-21	39	39	
75	Penske Truck Leasing Canada Inc.	3.650	01-Feb-18	77	77	
50	RBC Capital Trust*	4.870	31-Dec-15	54	53	
50	Reliance LP	4.574	15-Mar-17	50	52	
25	Rogers Communications Inc.	5.800	26-May-16	28	27	
50	Rogers Communications Inc.	5.380	04-Nov-19	57	56	
35	Rogers Communications Inc.	4.700	29-Sep-20	38	38	
75	Rogers Communications Inc.	5.340	22-Mar-21	86	84	
100	Rogers Communications Inc.	6.110	25-Aug-40	117	115	
25	Royal Bank of Canada*	3.030	26-Jul-16	26	26	
110	Royal Bank of Canada*	2.680	08-Dec-16	112	112	
210	Royal Bank of Canada*	2.580	13-Apr-17	213	214	
190	Royal Bank of Canada*	2.364	21-Sep-17	192	192	
125	Royal Bank of Canada*	2.260	12-Mar-18	125	125	
120	Royal Bank of Canada*	2.890	11-Oct-18	120	123	
300	Royal Bank of Canada*	2.770	11-Dec-18	300	305	
75	Royal Bank of Canada*	2.980	07-May-19	77	77	
25	Scotiabank Capital Trust	7.802	30-Jun-08	32	31	
75	Shaw Communications Inc.	5.700	02-Mar-17	83	82	
65	Shaw Communications Inc.	5.650	01-Oct-19	73	73	
50	Shaw Communications Inc.	6.750	09-Nov-39	55	60	
40	Sun Life Financial Inc.	5.700	02-Jul-19	46	46	
110	Sun Life Financial Inc.	4.800	23-Nov-35	116	115	
25	Sun Life Financial Inc.	5.400	29-May-42	26	27	
50	Suncor Energy Inc.	5.390	26-Mar-37	59	55	
25	TELUS Corp.	5.950	15-Apr-15	27	26	
50	TELUS Corp.	3.650	25-May-16	53	52	
75	TELUS Corp.	5.050	23-Jul-20	85	83	
25	TELUS Corp.	3.350	15-Mar-23	25	24	
50	TELUS Corp.	4.400	01-Apr-43	50	47	
50	Teranet Holdings LP	3.531	16-Dec-15	52	51	
25	Teranet Holdings LP	4.807	16-Dec-20	28	27	
50	Teranet Holdings LP	5.754	17-Dec-40	55	55	
50	Terasen Gas Inc.	5.900	26-Feb-35	65	61	
20	The Manufacturers Life Insurance Co.	2.926	29-Nov-23	20	20	
75	Thomson Reuters Corp.	6.000	31-Mar-16	84	81	
25	Thomson Reuters Corp.	4.350	30-Sep-20	27	27	
250	Toronto-Dominion Bank	4.779	14-Dec-16	272	268	
245	Toronto-Dominion Bank	2.171	02-Apr-18	245	245	
100	Toronto-Dominion Bank	2.447	02-Apr-19	100	100	
50	TransCanada PipeLines Ltd.	4.650	03-Oct-16	55	54	
25	TransCanada PipeLines Ltd.	3.690	19-Jul-23	25	25	
50	TransCanada PipeLines Ltd.	5.650	20-Jun-29	61	58	
40	TransCanada PipeLines Ltd.	4.550	15-Nov-41	43	41	
25	Union Gas Ltd.	5.350	27-Apr-18	29	28	
50	Union Gas Ltd.	5.200	23-Jul-40	61	57	
30	Viterra Inc.	6.406	16-Feb-21	33	33	
30	VW Credit Canada Inc.	3.600	01-Feb-16	31	31	

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



March 31, 2014

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
CORPORATE (cont.)						
\$ 100	Wells Fargo Canada Corp.	2.774	09-Feb-17	\$ 102	\$ 102	
75	Wells Fargo Canada Corp.	2.780	15-Nov-18	75	76	
100	Wells Fargo Canada Corp.	2.944	25-Jul-19	101	102	
100	Wells Fargo Canada Corp.	3.040	29-Jan-21	100	100	
25	Westcoast Energy Inc.	3.883	28-Oct-21	27	26	
50	Westcoast Energy Inc.	3.120	05-Dec-22	50	48	
50	Westcoast Energy Inc.	6.750	15-Dec-27	67	62	
				12 000	11 903	43.2
FEDERAL						
208	Canada Housing Trust No. 1	3.350	15-Dec-20	227	220	
355	Canada Housing Trust No. 1	2.650	15-Mar-22	366	355	
380	Canada Housing Trust No. 1	2.350	15-Sep-23	374	365	
150	Government of Canada	2.750	01-Jun-22	156	156	
200	Government of Canada	1.500	01-Jun-23	183	186	
347	Government of Canada	4.000	01-Jun-41	435	412	
260	Government of Canada	3.500	01-Dec-45	314	287	
				2 055	1 981	7.2
PROVINCIAL/MUNICIPAL						
146	Province of British Columbia	5.700	18-Jun-29	194	183	
74	Province of New Brunswick	4.500	02-Jun-20	84	82	
24	Province of New Brunswick	4.800	03-Jun-41	29	27	
21	Province of Nova Scotia	6.600	01-Dec-31	30	29	
470	Province of Ontario	1.900	08-Sep-17	471	474	
1 850	Province of Ontario	2.100	08-Sep-18	1 853	1 857	
350	Province of Ontario	4.400	02-Jun-19	396	387	
570	Province of Ontario	4.200	02-Jun-20	640	625	
770	Province of Ontario	3.150	02-Jun-22	794	780	
1 625	Province of Ontario	2.850	02-Jun-23	1 594	1 587	
250	Province of Ontario	3.500	02-Jun-24	255	255	
330	Province of Ontario	6.500	08-Mar-29	465	438	
600	Province of Ontario	5.600	02-Jun-35	787	751	
555	Province of Ontario	4.600	02-Jun-39	660	616	
400	Province of Ontario	4.650	02-Jun-41	490	450	
475	Province of Ontario	3.500	02-Jun-43	478	442	
20	Province of Ontario	3.450	02-Jun-45	19	18	
640	Province of Quebec	3.500	01-Dec-22	671	658	
300	Province of Quebec	3.000	01-Sep-23	295	294	
120	Province of Quebec	5.750	01-Dec-36	157	151	
290	Province of Quebec	5.000	01-Dec-38	352	333	
340	Province of Quebec	5.000	01-Dec-41	426	394	
175	Province of Quebec	4.250	01-Dec-43	193	181	
				11 333	11 012	39.9
TOTAL CANADIAN BONDS				25 388	24 896	90.3

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



March 31, 2014

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
FOREIGN BONDS						
UNITED STATES						
\$ 100	Ball Corp.	5.750	15-May-21	\$ 108	\$ 118	
100	Concho Resources Inc.	7.000	15-Jan-21	110	122	
50	Fidelity National Information Services Inc.	5.000	15-Mar-22	53	58	
50	HCA Inc.	7.250	15-Sep-20	55	60	
100	Range Resources Corp.	6.750	01-Aug-20	109	119	
				435	477	1.7
TOTAL FOREIGN BONDS						
				435	477	1.7
TOTAL BONDS						
				25 823	25 373	92.0
SHORT-TERM INVESTMENTS†						
				834	834	3.0
TOTAL INVESTMENTS						
				27 914	27 472	99.6
UNREALIZED GAIN ON FUTURES CONTRACTS (SCHEDULE A)						
				–	8	–
UNREALIZED GAIN (LOSS) ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE B)						
				–	(27)	(0.1)
TOTAL PORTFOLIO						
				\$ 27 914	27 453	99.5
OTHER NET ASSETS						
					131	0.5
NET ASSETS						
					\$ 27 584	100.0

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

† Short-term investments, which may be made up of treasury bills, commercial paper, term deposits and discount notes, earn interest at rates ranging from 0.92% to 0.95% and mature between April 1, 2014 and May 22, 2014.

SCHEDULE A

Futures Contracts

Number of Contracts	Contracted Value	Unrealized Gain (Loss)
(6)	United States 10-Year Note Future, June 2014	
	Contracts at USD 124.41 per contract	\$ (827) \$ 6
(2)	United States 5-Year Note Future, June 2014	
	Contracts at USD 119.73 per contract	(265) 2
TOTAL FUTURES	\$ (1 092)	\$ 8

\$50 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 (Loss)
Bought USD 1 Sold CAD 1 @ 0.9056	02-Apr-14	\$ –
Bought CAD 599 Sold USD 563 @ 1.0632	03-Apr-14	(22)
Bought USD 149 Sold CAD 165 @ 1.1084	03-Apr-14	–
Bought RUB 410 Sold CAD 13 @ 0.0310	04-Apr-14	–
Bought RUB 447 Sold CAD 14 @ 0.0310	04-Apr-14	–
Bought RUB 912 Sold CAD 28 @ 0.0312	04-Apr-14	–
Bought CAD 117 Sold USD 107 @ 1.0979	07-Apr-14	(1)
Bought CAD 29 Sold MXN 352 @ 0.0833	07-Apr-14	–
Bought CAD 6 Sold USD 5 @ 1.1088	07-Apr-14	–
Bought KRW 26 535 Sold CAD 27 @ 0.0010	07-Apr-14	–
Bought KRW 26 850 Sold CAD 28 @ 0.0010	07-Apr-14	–
Bought MXN 344 Sold CAD 28 @ 0.0818	07-Apr-14	1
Bought MXN 352 Sold CAD 28 @ 0.0806	07-Apr-14	1
Bought USD 10 Sold CAD 11 @ 1.1221	07-Apr-14	–
Bought USD 27 Sold CAD 30 @ 1.1107	09-Apr-14	–
Bought USD 50 Sold CAD 55 @ 1.1039	09-Apr-14	–
Bought USD 69 Sold CAD 77 @ 1.1205	09-Apr-14	(1)
Bought CAD 121 Sold USD 111 @ 1.0893	15-Apr-14	(2)
Bought USD 30 Sold CAD 34 @ 1.1181	17-Apr-14	–
Bought CAD 83 Sold USD 75 @ 1.1054	21-Apr-14	–
Bought PLN 78 Sold CAD 28 @ 0.3635	23-Apr-14	–
Bought CAD 16 Sold USD 14 @ 1.1183	25-Apr-14	–
Bought USD 19 Sold CAD 21 @ 1.1184	28-Apr-14	–
Bought USD 44 Sold CAD 49 @ 1.1184	29-Apr-14	(1)
Bought MXN 143 Sold CAD 12 @ 0.0850	30-Apr-14	–
Bought MXN 329 Sold CAD 27 @ 0.0831	30-Apr-14	–
Bought USD 11 Sold CAD 12 @ 1.1003	30-Apr-14	–
Bought USD 22 Sold CAD 24 @ 1.0963	30-Apr-14	–
Bought CAD 25 Sold USD 22 @ 1.1198	2-May-14	–

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



March 31, 2014

SCHEDULE B (cont.)

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Gain (Loss)
Bought CAD 63 Sold USD 57 @ 1.1136	08-May-14	\$ –
Bought CAD 51 Sold USD 46 @ 1.1070	20-May-14	–
Bought CAD 65 Sold USD 59 @ 1.1090	28-May-14	–
Bought USD 185 Sold CAD 207 @ 1.1162	29-May-14	(1)
Bought USD 92 Sold CAD 102 @ 1.1160	29-May-14	(1)
Bought CAD 20 Sold USD 18 @ 1.1148	30-May-14	–
Bought CAD 3 Sold USD 3 @ 1.1186	16-Jun-14	–
Bought USD 167 Sold CAD 186 @ 1.1117	16-Jun-14	(1)
Bought CAD 8 Sold USD 7 @ 1.1167	19-Jun-14	–
Bought CAD 58 Sold USD 52 @ 1.1233	03-Jul-14	1
TOTAL FOREIGN EXCHANGE		\$ (27)

All counterparties have a credit rating of at least A.



Statements of Net Assets (in \$000s except per unit amounts)

March 31 (see note 2 in the generic notes)	2014	2013
ASSETS		
Investments at fair value	\$ 27 472	\$ 34 364
Cash	3	9
Due from investment dealers	110	292
Unrealized gain on futures contracts	8	–
Unrealized gain on foreign exchange contracts	–	2
Dividends receivable, interest accrued and other assets	227	298
TOTAL ASSETS	27 820	34 965
LIABILITIES		
Due to investment dealers	202	492
Unrealized loss on futures contracts	–	5
Futures contracts margin payable	7	–
Unrealized loss on foreign exchange contracts	27	–
Accounts payable and accrued expenses	–	1
TOTAL LIABILITIES	236	498
NET ASSETS	\$ 27 584	\$ 34 467
Investments at cost	\$ 27 914	\$ 34 310
NET ASSETS, END OF PERIOD		
SERIES 0	\$ 27 584	\$ 34 467
NET ASSETS PER UNIT, END OF PERIOD		
SERIES 0	\$ 10.27	\$ 10.09
NET ASSET VALUE (TRANSACTIONAL NAV)		
PER UNIT, END OF PERIOD		
(see note 3 in the generic notes)		
SERIES 0	\$ 10.28	\$ 10.10

Statements of Operations (in \$000s except per unit amounts)

For the periods ended March 31 (see note 2 in the generic notes)*	2014	2013
INCOME (see note 3 in the generic notes)		
Interest	\$ 983	\$ 294
Net gain (loss) from futures contracts	59	(1)
Other revenue	83	36
Securities lending revenue (see note 6 in the generic notes)	1	–
TOTAL INCOME (LOSS)	1 126	329
EXPENSES (see notes – Fund Specific Information)		
Administration fees	4	4
Board of Governors costs	3	–
GST/HST	1	–
TOTAL EXPENSES	8	4
NET INVESTMENT INCOME (LOSS)	1 118	325
REALIZED AND UNREALIZED GAIN (LOSS)		
ON INVESTMENTS		
Capital gains received from underlying funds	3	10
Net realized gain (loss) on investments	(218)	(1)
Net gain (loss) on foreign currencies and other net assets	14	9
Change in unrealized gain (loss) on investments	(525)	56
NET GAIN (LOSS) ON INVESTMENTS	(726)	74
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS	\$ 392	\$ 399
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS		
SERIES 0	\$ 392	\$ 399
INCREASE (DECREASE) IN NET ASSETS		
FROM OPERATIONS PER UNIT		
SERIES 0	\$ 0.13	\$ 0.19

* Fund launched October 2012.

Approved by the Board of Directors of RBC Global Asset Management Inc.

John S. Montalbano
Director

Doug Coulter
Director

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



Statements of Changes in Net Assets *(in \$000s)*

For the periods ended March 31 (see note 2 in the generic notes)*	Series 0	
	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 34 467	\$ –
INCREASE (DECREASE) FROM OPERATIONS	392	399
Early redemption fees	–	–
Proceeds from units issued	–	34 068
Proceeds from reinvestment of distributions	–	112
Payments on redemption of units	(7 275)	–
TOTAL UNIT TRANSACTIONS	(7 275)	34 180
Distributions from net income	–	(112)
Distributions from net gains	–	–
Distributions from capital	–	–
TOTAL DISTRIBUTIONS	–	(112)
TOTAL INCREASE (DECREASE) IN NET ASSETS	(6 883)	34 467
NET ASSETS – END OF PERIOD	\$ 27 584	\$ 34 467

* Fund launched October 2012.



March 31, 2014

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

Credit risk (%)

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

Rating	March 31 2014	March 31 2013
AAA	9.3	10.1
AA	50.6	47.4
A	20.0	25.7
BBB	15.2	13.9
BB	3.4	1.4
B	1.3	1.3
CCC	0.1	0.1
Unrated	0.1	0.1
Total	100.0	100.0

Interest rate risk (%)

The table below summarizes the underlying fund's exposure to interest rate risk by remaining term to maturity from investments in mutual fund units as at:

Term to maturity	March 31 2014	March 31 2013
Less than 1 year	0.6	0.6
1 – 5 years	40.9	40.5
5 – 10 years	32.1	29.3
> 10 years	26.4	29.6
Total	100.0	100.0

As at March 31, 2014, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 6.5% (March 31, 2013 – 6.7%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Currency risk (% of net assets)

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk as at:

Currency	March 31 2014	March 31 2013
United States dollar	4.9	–
Other currencies	0.7	–
Total	5.6	–

As at March 31, 2014, if the Canadian dollar had strengthened or weakened by 1% in relation to the above currencies, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 0.1%. In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of March 31, 2014 and 2013 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	1 265	–	–	1 265
Fixed-income and debt securities	–	25 373	–	25 373
Short-term investments	–	834	–	834
Derivatives – assets	8	–	–	8
Derivatives – liabilities	–	(27)	–	(27)
Total financial instruments	1 273	26 180	–	27 453
% of total portfolio	4.6	95.4	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	1 627	–	–	1 627
Fixed-income and debt securities	–	31 278	–	31 278
Short-term investments	–	1 459	–	1 459
Derivatives – assets	–	2	–	2
Derivatives – liabilities	(5)	–	–	(5)
Total financial instruments	1 622	32 739	–	34 361
% of total portfolio	4.7	95.3	–	100.0

For the periods ended March 31, 2014 and 2013, there were no transfers of financial instruments between Level 1 and Level 2.



March 31, 2014

Management fees (see note 7 in the generic notes)

No management fees are payable by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

Operating expenses (see note 7 in the generic notes)

The administration fee payable by Series O of the Fund is calculated at the following annual percentage, before GST/HST, of the daily net asset value of Series O of the Fund.

Series O	0.02%
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Taxes (\$000s) (see note 5 in the generic notes)

The non-capital and capital losses as at March 31, 2014, for the Fund were approximately:

Capital losses	\$	–
Non-capital losses	\$	300

Unitholders' equity (000s)

The unitholders' equity of the Fund includes amounts representing units, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of units available for issue. Units are purchased and redeemed at the transactional NAV per unit.

For the periods ended March 31
(see note 2 in the generic notes)

	2014	2013
Series O		
Opening units	3 415	–
Issued number of units	(1)	3 404
Reinvested number of units	–	11
Redeemed number of units	(728)	–
Ending number of units	2 686	3 415

**Securities lending revenue (\$000s)
(see note 6 in the generic notes)**

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

	March 31 2014	March 31 2013
Fair value of securities loaned	\$ 1 458	\$ 1 048
Fair value of collateral received	\$ 1 487	\$ 1 069

**Other revenue and capital gains (\$000s)
(see note 3 in the generic notes)**

Other revenue and capital gains from investing in other related investment funds for the periods ended:

	March 31 2014	March 31 2013
BlueBay Emerging Markets		
Corporate Bond Fund	\$ 16	\$ 7
RBC Emerging Markets Bond Fund	22	7
RBC High Yield Bond Fund	45	22
Total other revenue	\$ 83	\$ 36
Capital gains received from underlying funds	\$ 3	\$ 10



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
PHILLIPS, HAGER & NORTH TOTAL RETURN BOND TRUST

March 31, 2014

Holdings	Security	Cost	Fair Value	% of Net Assets
MUTUAL FUND UNITS				
785 560	Phillips, Hager & North High Yield Bond Fund*	\$ 9 174	\$ 9 266	
TOTAL MUTUAL FUND UNITS		9 174	9 266	4.1

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
AUSTRALIA BONDS						
\$ 510	BHP Billiton Finance Ltd. CAD	3.230	15-May-23	\$ 510	\$ 495	
685	Brookfield Infrastructure Finance Pty Ltd. CAD	3.455	10-Oct-17	685	700	
TOTAL AUSTRALIA BONDS				1 195	1 195	0.5

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
CANADIAN BONDS						
CORPORATE						
250	Algonquin Power Co.	4.650	15-Feb-22	250	258	
482	Alliance Pipeline LP	7.181	30-Jun-23	575	571	
339	Alliance Pipeline LP	5.546	31-Dec-23	378	373	
137	Alliance Pipeline LP	6.765	31-Dec-25	166	161	
366	Alliance Pipeline LP	7.217	31-Dec-25	456	440	
135	AltaGas Ltd.	4.400	15-Mar-24	135	140	
270	AltaLink Investments LP	5.207	16-Dec-16	295	290	
526	AltaLink Investments LP	3.674	05-Jun-19	528	545	
530	AltaLink Investments LP	3.265	05-Jun-20	530	524	
335	AltaLink LP	3.621	17-Sep-20	335	350	
985	AltaLink LP	3.668	06-Nov-23	981	1 001	
260	AltaLink LP	5.381	26-Mar-40	333	304	
86	Arrow Lakes Power	5.516	05-Apr-41	97	95	
397	Bank of Montreal	3.103	10-Mar-16	409	408	
2 614	Bank of Montreal	3.490	10-Jun-16	2 723	2 715	
1 225	Bank of Montreal	2.390	12-Jul-17	1 244	1 241	
1 474	Bank of Nova Scotia	2.250	08-May-15	1 489	1 488	
3 766	Bank of Nova Scotia	2.100	08-Nov-16	3 774	3 791	
625	Bank of Nova Scotia	2.740	01-Dec-16	636	639	
1 655	Bank of Nova Scotia	4.100	08-Jun-17	1 765	1 765	
115	Bank of Nova Scotia	2.370	11-Jan-18	116	116	
620	Bank of Nova Scotia	2.462	14-Mar-19	620	619	
405	bcIMC Realty Corp.	3.510	29-Jun-22	412	410	
705	Bell Aliant Regional Communications LP	6.290	17-Feb-15	772	731	
280	Bell Aliant Regional Communications LP	3.540	12-Jun-20	280	284	
300	Bell Canada	4.400	16-Mar-18	324	322	
471	Bell Canada	3.250	17-Jun-20	469	476	
494	Bell Canada	3.350	22-Mar-23	488	479	
245	Bell Canada	7.300	23-Feb-32	321	317	
760	Bow Centre Street LP	3.797	13-Jun-23	760	747	
625	Brookfield Asset Management Inc.	5.040	08-Mar-24	632	659	
575	Brookfield Asset Management Inc.	4.820	28-Jan-26	575	583	
795	Brookfield Asset Management Inc.	5.950	14-Jun-35	777	844	
30	British Columbia Ferry Services Inc.	4.702	23-Oct-43	30	32	
338	BRP Finance ULC	4.790	07-Feb-22	348	358	
745	Caisse Centrale Desjardins	2.795	19-Nov-18	745	756	
1 310	Canadian Credit Card Trust	1.596	24-Sep-15	1 310	1 310	
1 245	Canadian Imperial Bank of Commerce	3.100	02-Mar-15	1 281	1 265	
410	Canadian Imperial Bank of Commerce	3.400	14-Jan-16	425	423	
4 142	Canadian Imperial Bank of Commerce	1.750	01-Jun-16	4 126	4 149	

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



March 31, 2014

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
CORPORATE (cont.)						
\$ 643	Canadian Imperial Bank of Commerce	2.650	08-Nov-16	\$ 652	\$ 657	
75	Canadian Utilities Ltd.	9.400	01-May-23	116	108	
2 496	Cards II Trust	1.984	15-Jan-16	2 504	2 513	
110	Cards II Trust	3.333	15-May-16	114	114	
900	Caterpillar Financial Services Ltd.	2.200	01-Jun-15	905	907	
335	Caterpillar Financial Services Ltd.	2.120	25-Nov-16	335	337	
240	Centre Street Trust	3.690	14-Jun-21	240	235	
400	Choice Properties Real Estate Investment Trust	3.498	08-Feb-21	400	402	
140	Choice Properties Real Estate Investment Trust	4.293	08-Feb-24	140	141	
410	Crombie Real Estate Investment Trust	3.986	31-Oct-18	410	423	
175	Crombie Real Estate Investment Trust	3.962	01-Jun-21	176	175	
1 815	CU Inc.	6.145	22-Nov-17	2 195	2 071	
395	CU Inc.	6.800	13-Aug-19	500	478	
385	CU Inc.	5.896	20-Nov-34	498	469	
496	CU Inc.	5.556	30-Oct-37	631	588	
170	CU Inc.	5.580	26-May-38	216	203	
257	CU Inc.	6.500	07-Mar-39	370	343	
385	Dollarama Inc.	3.095	05-Nov-18	385	390	
587	Eagle Credit Card Trust	2.849	17-Oct-18	587	599	
1 285	Emera Inc.	4.100	20-Oct-14	1 342	1 303	
975	Emera Inc.	2.960	13-Dec-16	992	999	
260	Enbridge Gas Distribution Inc.	4.040	23-Nov-20	276	280	
90	Enbridge Gas Distribution Inc.	6.160	16-Dec-33	120	113	
100	Enbridge Inc.	5.000	09-Aug-16	111	107	
335	Enbridge Inc.	1.714	13-Mar-17	335	335	
1 285	Enbridge Inc.	4.770	02-Sep-19	1 448	1 416	
470	Enbridge Inc.	4.530	09-Mar-20	525	512	
385	Enbridge Inc.	4.260	01-Feb-21	413	412	
100	Enbridge Inc.	3.160	11-Mar-21	101	100	
385	Enbridge Inc.	3.940	30-Jun-23	385	393	
290	Enbridge Inc.	4.570	11-Mar-44	290	293	
255	Enbridge Income Fund Holdings Inc.	2.920	14-Dec-17	255	259	
680	Enbridge Pipelines Inc.	8.200	15-Feb-24	979	933	
225	Enbridge Pipelines Inc.	5.350	10-Nov-39	282	261	
230	Encana Corp.	5.800	18-Jan-18	257	257	
425	Enersource Corp.	4.521	29-Apr-21	470	463	
80	Enersource Corp.	5.297	29-Apr-41	100	91	
850	Enmax Corp.	6.150	19-Jun-18	970	957	
330	First Capital Realty Inc.	4.790	30-Aug-24	339	343	
305	Gaz Metropolitan Inc.	5.450	12-Jul-21	367	354	
1 365	Genesis Trust II	2.295	15-Feb-17	1 365	1 381	
550	Golden Credit Card Trust	3.824	15-May-15	579	565	
1 601	Golden Credit Card Trust	3.510	15-May-16	1 673	1 663	
230	Greater Toronto Airports Authority	7.100	04-Jun-31	320	309	
1 296	Hollis Receivables Term Trust II	2.235	26-Sep-16	1 296	1 311	
235	Horizon Holdings Inc.	3.033	25-Jul-22	235	229	
2 547	HSBC Bank Canada	2.572	23-Nov-15	2 573	2 586	
255	Hydro One Inc.	4.640	03-Mar-16	277	270	
361	Hydro One Inc.	2.780	09-Oct-18	361	369	
405	Hydro One Inc.	6.030	03-Mar-39	517	514	
100	Inter Pipeline Ltd.	3.839	30-Jul-18	104	105	
475	John Deere Canada Funding Inc.	2.300	17-Jan-18	474	477	
195	John Deere Canada Funding Inc.	2.650	16-Jul-18	195	198	
1 220	Loblaw Companies Ltd.	4.860	12-Sep-23	1 227	1 305	
330	Loblaw Companies Ltd.	6.500	22-Jan-29	372	391	
415	Lower Mattagami Energy LP	2.228	23-Oct-17	415	417	
400	Maple Leaf Sports & Entertainment Ltd.	4.940	30-Jun-23	400	403	

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



March 31, 2014

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
CORPORATE (cont.)						
\$ 620	Molson Coors Capital Finance ULC	5.000	22-Sep-15	\$ 670	\$ 649	
310	National Bank of Canada	4.030	26-May-15	328	319	
210	National Bank of Canada	2.050	11-Jan-16	210	212	
507	North Battleford Power LP	4.958	31-Dec-32	507	538	
329	Nova Scotia Power Inc.	6.950	25-Aug-33	469	438	
385	OMERS Realty Corp.	3.203	24-Jul-20	385	395	
375	OMERS Realty Corp.	2.971	05-Apr-21	375	375	
135	Pembina Pipeline Corp.	4.890	29-Mar-21	151	149	
360	Pembina Pipeline Corp.	4.750	30-Apr-43	359	360	
85	RioCan Real Estate Investment Trust	3.620	01-Jun-20	85	86	
75	RioCan Real Estate Investment Trust	3.716	13-Dec-21	74	75	
60	RioCan Real Estate Investment Trust	3.725	18-Apr-23	57	58	
190	Rogers Communications Inc.	2.800	13-Mar-19	190	190	
565	Rogers Communications Inc.	5.340	22-Mar-21	633	632	
500	Rogers Communications Inc.	4.000	13-Mar-24	499	498	
585	Rogers Communications Inc.	6.680	04-Nov-39	702	720	
90	Royal Bank of Canada*	2.070	17-Jun-16	90	91	
1 947	Royal Bank of Canada*	2.680	08-Dec-16	1 977	1 989	
917	Royal Bank of Canada*	3.660	25-Jan-17	966	962	
4 227	Royal Bank of Canada*	2.580	13-Apr-17	4 274	4 309	
685	Royal Bank of Canada*	2.364	21-Sep-17	685	692	
933	Royal Bank of Canada*	2.260	12-Mar-18	933	935	
75	Royal Bank of Canada*	2.820	12-Jul-18	76	77	
100	Royal Bank of Canada*	2.890	11-Oct-18	102	102	
783	Royal Bank of Canada*	2.770	11-Dec-18	783	795	
441	SEC LP and Arci Ltd.	5.188	29-Aug-33	441	453	
165	Shaw Communications Inc.	5.500	07-Dec-20	187	186	
948	Shaw Communications Inc.	6.750	09-Nov-39	1 009	1 136	
65	Sobeys Inc.	3.520	08-Aug-18	65	67	
845	Sobeys Inc.	4.700	08-Aug-23	842	884	
20	Sun Life Financial Inc.	5.590	30-Jan-23	21	22	
455	TELUS Corp.	3.600	26-Jan-21	454	467	
285	TELUS Corp.	3.350	01-Apr-24	273	273	
1 265	Teranet Holdings LP	4.807	16-Dec-20	1 383	1 379	
375	Teranet Holdings LP	5.754	17-Dec-40	409	410	
105	Terasen Gas Inc.	6.500	01-May-34	135	136	
80	Terasen Gas Inc.	6.000	02-Oct-37	108	100	
5	Terasen Gas Inc.	6.550	24-Feb-39	7	7	
765	Thomson Reuters Corp.	6.000	31-Mar-16	866	824	
790	Thomson Reuters Corp.	3.369	23-May-19	790	807	
992	Thomson Reuters Corp.	4.350	30-Sep-20	1 063	1 057	
635	Tim Hortons Inc.	4.200	01-Jun-17	659	674	
530	Tim Hortons Inc.	2.850	01-Apr-19	530	531	
440	Tim Hortons Inc.	4.520	01-Dec-23	441	457	
185	TMX Group Ltd.	1.975	03-Oct-16	186	186	
580	TMX Group Ltd.	3.253	03-Oct-18	580	596	
345	TMX Group Ltd.	4.461	03-Oct-23	345	359	
570	Toronto Hydro Corp.	2.910	10-Apr-23	570	551	
878	Toronto-Dominion Bank	2.433	15-Aug-17	876	891	
645	Toronto-Dominion Bank	2.171	02-Apr-18	645	645	
160	TransAlta Corp.	6.450	29-May-14	172	161	
365	TransCanada PipeLines Ltd.	3.650	15-Nov-21	372	380	
700	TransCanada PipeLines Ltd.	7.340	18-Jul-28	974	941	
100	Union Gas Ltd.	8.750	03-Aug-18	133	125	
300	Union Gas Ltd.	4.850	25-Apr-22	347	334	
440	Union Gas Ltd.	3.790	10-Jul-23	440	451	
60	Union Gas Ltd.	8.650	10-Nov-25	90	86	

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



March 31, 2014

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
CORPORATE (cont.)						
\$ 870	Wells Fargo Canada Corp.	3.040	29-Jan-21	\$ 870	\$ 871	
630	West Edmonton Mall Property Inc.	4.056	13-Feb-24	630	630	
15	West Edmonton Mall Property Inc.	4.309	13-Feb-24	15	15	
45	Westcoast Energy Inc.	4.570	02-Jul-20	48	49	
800	Westcoast Energy Inc.	3.883	28-Oct-21	854	828	
610	Winnipeg Airport Authority Inc.	4.569	20-Nov-19	688	666	
210	Winnipeg Airport Authority Inc.	3.039	14-Apr-23	210	201	
				100 332	100 288	44.7
FEDERAL						
4 319	Canada Housing Trust No. 1	4.100	15-Dec-18	4 783	4 743	
1 917	Canada Housing Trust No. 1	3.350	15-Dec-20	1 996	2 035	
4 400	Canada Housing Trust No. 1	3.800	15-Jun-21	4 799	4 787	
163	Canada Housing Trust No. 1	2.650	15-Mar-22	161	163	
584	Government of Canada	3.500	01-Jun-20	640	639	
200	Government of Canada	1.500	01-Jun-23	185	186	
680	Government of Canada	2.500	01-Jun-24	683	682	
281	Government of Canada	4.000	01-Jun-41	329	334	
1 250	Government of Canada	3.500	01-Dec-45	1 387	1 387	
				14 963	14 956	6.7
PROVINCIAL/MUNICIPAL						
88	Municipal Finance Authority of British Columbia	3.350	01-Jun-22	88	90	
2 053	Ontario Electricity Financial Corp.	8.250	22-Jun-26	3 019	3 015	
173	Province of New Brunswick	2.850	02-Jun-23	172	167	
801	Province of New Brunswick	4.800	03-Jun-41	972	905	
426	Province of New Brunswick	3.550	03-Jun-43	413	392	
9 691	Province of Ontario	4.000	02-Jun-21	10 483	10 466	
3 007	Province of Ontario	3.150	02-Jun-22	3 010	3 043	
4 528	Province of Ontario	8.100	08-Sep-23	6 540	6 340	
3 015	Province of Ontario	3.500	02-Jun-24	3 021	3 070	
1 698	Province of Ontario	8.500	02-Dec-25	2 682	2 520	
5 775	Province of Ontario	7.600	02-Jun-27	8 721	8 254	
3 865	Province of Ontario	6.500	08-Mar-29	5 132	5 124	
1 742	Province of Ontario	6.200	02-Jun-31	2 399	2 276	
2 950	Province of Ontario	5.850	08-Mar-33	3 768	3 752	
2 070	Province of Ontario	5.600	02-Jun-35	2 653	2 590	
558	Province of Ontario	4.700	02-Jun-37	597	627	
3 905	Province of Ontario	4.600	02-Jun-39	4 650	4 334	
3 908	Province of Ontario	4.650	02-Jun-41	4 480	4 393	
2 296	Province of Ontario	3.500	02-Jun-43	2 150	2 135	
1 340	Province of Ontario	3.450	02-Jun-45	1 227	1 235	
2 334	Province of Ontario Residual Strip	0.000	02-Jun-41	924	792	
157	Province of Quebec	9.375	16-Jan-23	239	232	
1 992	Province of Quebec	8.500	01-Apr-26	2 941	2 934	
1 539	Province of Quebec	6.250	01-Jun-32	2 125	2 003	
1 302	Province of Quebec	5.750	01-Dec-36	1 735	1 635	
947	Province of Quebec	5.000	01-Dec-41	1 076	1 096	
1 668	Province of Quebec Residual Strip	0.000	01-Dec-41	625	531	
614	TransLink	3.800	02-Nov-20	660	649	
				76 502	74 600	33.3
TOTAL CANADIAN BONDS						
				191 797	189 844	84.7
UNITED KINGDOM BONDS						
1 675	National Grid Electricity Transmission Plc. CAD	2.730	20-Sep-17	1 688	1 704	
TOTAL UNITED KINGDOM BONDS						
				1 688	1 704	0.8

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



March 31, 2014

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
UNITED STATES BONDS						
\$ 185	Anheuser-Busch InBev Finance Inc. CAD	3.375	25-Jan-23	\$ 184	\$ 184	
1 375	AT&T Inc. CAD	3.825	25-Nov-20	1 380	1 425	
280	JPMorgan Chase & Co. CAD	3.190	05-Mar-21	280	279	
TOTAL UNITED STATES BONDS				1 844	1 888	0.8
TOTAL BONDS				196 524	194 631	86.8
SHORT-TERM INVESTMENTS†						
2 000	Brookfield Asset Management Inc., Class A			1 998	1 998	
650	Darwin Receivables Trust - Senior Notes			648	648	
6 500	HSBC Bank Canada			6 494	6 494	
5 950	King Street Funding Trust			5 947	5 947	
1 300	Merit Trust - Senior Notes			1 296	1 296	
725	Prime Trust - Senior Notes			723	723	
400	Reliant Trust			399	399	
1 100	SAFE Trust - Series 1996-1			1 097	1 097	
TOTAL SHORT-TERM INVESTMENTS				18 602	18 602	8.3
TOTAL INVESTMENTS				\$ 224 300	222 499	99.2
OTHER NET ASSETS					1 666	0.8
NET ASSETS					\$ 224 165	100.0

* Investment in related party (see note 7 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 1.12% to 1.40% and mature between April 2, 2014 and July 2, 2014.



Statements of Net Assets (in \$000s except per unit amounts)

March 31 (see note 2 in the generic notes)	2014	2013
ASSETS		
Investments at fair value	\$ 222 499	\$ 399 850
Cash	25	93
Due from investment dealers	8 020	26 237
Dividends receivable, interest accrued and other assets	2 079	3 684
TOTAL ASSETS	232 623	429 864
LIABILITIES		
Due to investment dealers	8 454	16 256
Redemptions payable	–	6 100
Accounts payable and accrued expenses	4	8
TOTAL LIABILITIES	8 458	22 364
NET ASSETS	\$ 224 165	\$ 407 500
Investments at cost	\$ 224 300	\$ 399 583
NET ASSETS, END OF PERIOD		
SERIES 0	\$ 224 165	\$ 407 500
NET ASSETS PER UNIT, END OF PERIOD		
SERIES 0	\$ 10.43	\$ 10.25
NET ASSET VALUE (TRANSACTIONAL NAV) PER UNIT, END OF PERIOD (see note 3 in the generic notes)		
SERIES 0	\$ 10.44	\$ 10.26

Statements of Operations (in \$000s except per unit amounts)

For the periods ended March 31 (see note 2 in the generic notes)	2014	2013
INCOME (see note 3 in the generic notes)		
Interest	\$ 10 082	\$ 9 932
Other revenue	659	607
TOTAL INCOME (LOSS)	10 741	10 539
EXPENSES (see notes – Fund Specific Information)		
Administration fees	58	59
Board of Governors costs	3	3
GST/HST	8	8
TOTAL EXPENSES	69	70
NET INVESTMENT INCOME (LOSS)	10 672	10 469
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Capital gains received from underlying funds	–	131
Net realized gain (loss) on investments	(6 287)	1 141
Net gain (loss) on foreign currencies and other net assets	(2)	–
Change in unrealized gain (loss) on investments	(2 068)	709
NET GAIN (LOSS) ON INVESTMENTS	(8 357)	1 981
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$ 2 315	\$ 12 450
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS SERIES 0		
	\$ 2 315	\$ 12 450
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER UNIT SERIES 0		
	\$ 0.09	\$ 0.43

Approved by the Board of Directors of RBC Global Asset Management Inc.

John S. Montalbano
Director

Doug Coulter
Director

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



Statements of Changes in Net Assets (in \$000s)

For the periods ended March 31 (see note 2 in the generic notes)	Series 0	
	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 407 500	\$ 137 500
INCREASE (DECREASE) FROM OPERATIONS	2 315	12 450
Early redemption fees	–	–
Proceeds from units issued	–	269 450
Proceeds from reinvestment of distributions	–	9 167
Payments on redemption of units	(185 650)	(11 900)
TOTAL UNIT TRANSACTIONS	(185 650)	266 717
Distributions from net income	–	(9 167)
Distributions from net gains	–	–
Distributions from capital	–	–
TOTAL DISTRIBUTIONS	–	(9 167)
TOTAL INCREASE (DECREASE) IN NET ASSETS	(183 335)	270 000
NET ASSETS – END OF PERIOD	\$ 224 165	\$ 407 500

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



March 31, 2014

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

Credit risk (%)

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

Rating	March 31 2014	March 31 2013
AAA	12.0	12.8
AA	49.2	49.6
A	20.4	25.9
BBB	14.2	9.0
BB	1.1	1.0
B	3.0	1.6
Unrated	0.1	0.1
Total	100.0	100.0

Interest rate risk (%)

The table below summarizes the underlying fund's exposure to interest rate risk by remaining term to maturity from investments in mutual fund units as at:

Term to maturity	March 31 2014	March 31 2013
Less than 1 year	2.7	6.1
1 – 5 years	31.7	32.6
5 – 10 years	30.8	17.7
> 10 years	34.8	43.6
Total	100.0	100.0

As at March 31, 2014, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 6.3% (March 31, 2013 – 6.1%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of March 31, 2014 and 2013 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	9 266	–	–	9 266
Fixed-income and debt securities	–	194 631	–	194 631
Short-term investments	–	18 602	–	18 602
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	9 266	213 233	–	222 499
% of total portfolio	4.2	95.8	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	12 367	–	–	12 367
Fixed-income and debt securities	–	316 873	–	316 873
Short-term investments	–	70 610	–	70 610
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	12 367	387 483	–	399 850
% of total portfolio	3.1	96.9	–	100.0

For the periods ended March 31, 2014 and 2013, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 7 in the generic notes)

No management fees are payable by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

Operating expenses (see note 7 in the generic notes)

The administration fee payable by Series O of the Fund is calculated at the following annual percentage, before GST/HST, of the daily net asset value of Series O of the Fund.

Series O	0.02%
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March 31, 2014

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

The non-capital and capital losses as at March 31, 2014 for the Fund were approximately:

Capital losses	\$	–
Non-capital losses	\$	3 900

Unitholders' equity (000s)

The unitholders' equity of the Fund includes amounts representing units, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of units available for issue. Units are purchased and redeemed at the transactional NAV per unit.

For the periods ended March 31
(see note 2 in the generic notes)

	2014	2013
Series 0		
Opening units	39 730	13 708
Issued number of units	–	26 284
Reinvested number of units	–	900
Redeemed number of units	(18 228)	(1 162)
Ending number of units	21 502	39 730



STATEMENT OF INVESTMENT PORTFOLIO (in \$000s)
RBC HIGH YIELD BOND TRUST

March 31, 2014

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
BONDS						
Australia						
\$ 750	FMG Resources (August 2006) Pty Ltd. USD	8.250	01-Nov-19	\$ 842	\$ 912	
750	FMG Resources (August 2006) Pty Ltd. USD	6.875	01-Apr-22	896	893	
				1 738	1 805	0.6
Canada						
1 500	Air Canada USD	6.750	01-Oct-19	1 676	1 787	
2 800	Baytex Energy Corp.	6.625	19-Jul-22	2 923	2 945	
1 250	Bombardier Inc. USD	7.750	15-Mar-20	1 416	1 549	
1 000	Bombardier Inc. USD	6.125	15-Jan-23	1 052	1 117	
3 000	Corus Entertainment Inc.	4.250	11-Feb-20	3 000	2 932	
1 000	EnerCare Solutions Inc.	4.600	03-Feb-20	999	1 043	
2 500	Fairfax Financial Holdings Ltd.	7.500	19-Aug-19	2 834	2 904	
100	Fairfax Financial Holdings Ltd.	6.400	25-May-21	105	111	
7 500	Ford Credit Canada Ltd.	7.500	18-Aug-15	8 267	8 034	
1 750	Great Canadian Gaming Corp.	6.625	25-Jul-22	1 780	1 859	
1 250	Great-West Lifeco Finance Delaware LP	5.691	21-Jun-67	1 330	1 380	
1 000	HudBay Minerals Inc. USD	9.500	01-Oct-20	1 012	1 183	
2 000	Mattamy Group Corp.	6.875	15-Nov-20	2 009	2 017	
1 500	New Gold Inc. USD	7.000	15-Apr-20	1 546	1 745	
1 445	Newalta Corp.	7.750	14-Nov-19	1 569	1 565	
500	Newalta Corp.	5.875	01-Apr-21	500	511	
3 500	Quebecor Media Inc.	7.375	15-Jan-21	3 687	3 807	
1 000	Reliance LP	5.187	15-Mar-19	1 000	1 067	
1 750	Trinidad Drilling Ltd. USD	7.875	15-Jan-19	1 887	2 070	
2 000	Vermilion Energy Inc.	6.500	10-Feb-16	2 118	2 061	
4 450	Videotron Ltd.	6.875	15-Jul-21	4 851	4 911	
				45 561	46 598	16.0
Japan						
3 000	SoftBank Corp. USD	4.500	15-Apr-20	3 133	3 300	
				3 133	3 300	1.1
Luxembourg						
3 000	ArcelorMittal USD	9.850	01-Jun-19	3 726	4 199	
3 000	Intelsat Jackson Holdings S.A. USD	7.250	01-Apr-19	3 168	3 565	
				6 894	7 764	2.7
Singapore						
2 500	Flextronics International Ltd. USD	4.625	15-Feb-20	2 569	2 788	
				2 569	2 788	1.0
Spain						
3 000	Gestamp Funding Luxembourg S.A. USD	5.625	31-May-20	3 129	3 441	
				3 129	3 441	1.2
United Kingdom						
2 000	Ineos Finance Plc. USD	8.375	15-Feb-19	2 271	2 443	
980	Ineos Finance Plc. USD	7.500	01-May-20	1 143	1 189	
				3 414	3 632	1.2

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



March 31, 2014

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
United States						
\$ 750	Access Midstream Partners LP	4.875	15-May-23	\$ 755	\$ 835	
250	AMC Entertainment Inc.	9.750	01-Dec-20	319	318	
1 000	AMC Entertainment Inc.	5.875	15-Feb-22	1 108	1 125	
250	American Axle & Manufacturing Holdings, Inc.	5.125	15-Feb-19	261	288	
550	American Axle & Manufacturing Holdings, Inc.	7.750	15-Nov-19	626	702	
2 000	Ameristar Casinos Inc.	7.500	15-Apr-21	2 124	2 393	
1 250	Antero Resources Finance Corp.	5.375	01-Nov-21	1 364	1 402	
4 650	Ball Corp.	5.750	15-May-21	5 000	5 487	
3 150	Beazer Homes USA Inc.	6.625	15-Apr-18	3 303	3 743	
2 000	Berry Plastics Corp.	9.750	15-Jan-21	2 276	2 567	
979	Brunswick Corp.	4.625	15-May-21	968	1 058	
2 500	Calpine Corp.	6.000	15-Jan-22	2 675	2 902	
2 000	Carmike Cinemas Inc.	7.375	15-May-19	2 182	2 413	
1 400	CCO Holdings LLC	7.375	01-Jun-20	1 541	1 693	
1 600	CCO Holdings LLC	6.500	30-Apr-21	1 703	1 875	
1 545	Cedar Fair LP	9.125	01-Aug-18	1 748	1 824	
900	Chaparral Energy Inc.	8.250	01-Sep-21	1 017	1 094	
2 250	Choice Hotels International Inc.	5.750	01-Jul-22	2 419	2 636	
500	Cinemark USA Inc.	4.875	01-Jun-23	513	531	
1 012	Clearwater Paper Corp.	7.125	01-Nov-18	1 130	1 191	
2 250	Community Health Systems Inc.	5.125	15-Aug-18	2 294	2 612	
750	Community Health Systems Inc.	5.125	01-Aug-21	855	850	
3 750	Concho Resources Inc.	7.000	15-Jan-21	4 119	4 570	
3 500	Continental Resources Inc.	7.125	01-Apr-21	4 145	4 377	
2 500	CSC Holdings LLC	6.750	15-Nov-21	2 719	3 088	
3 025	D.R. Horton Inc.	5.750	15-Aug-23	3 212	3 536	
2 500	Delphi Corp.	6.125	15-May-21	2 773	3 074	
3 000	Denbury Resources Inc.	8.250	15-Feb-20	3 352	3 606	
570	Denbury Resources Inc.	6.375	15-Aug-21	645	673	
4 500	DISH DBS Corp.	7.875	01-Sep-19	5 153	5 882	
1 000	Frontier Communications Corp.	8.500	15-Apr-20	1 104	1 285	
1 000	Frontier Communications Corp.	7.125	15-Jan-23	1 048	1 147	
2 250	Gibson Energy Inc.	7.000	15-Jul-20	2 219	2 413	
585	Graphic Packaging International Inc.	7.875	01-Oct-18	663	692	
3 000	Great-West Life & Annuity Insurance Co.	7.153	16-May-46	3 073	3 465	
2 500	Hawk Acquisition Sub Inc.	4.250	15-Oct-20	2 546	2 719	
1 375	HCA Inc.	7.250	15-Sep-20	1 602	1 643	
2 525	HCA Inc.	5.875	15-Mar-22	2 724	3 007	
3 250	HDTFS Inc.	6.250	15-Oct-22	3 410	3 844	
1 500	Hilton Worldwide Finance Corp.	5.625	15-Oct-21	1 573	1 733	
3 250	Ingles Markets Inc.	5.750	15-Jun-23	3 377	3 606	
1 500	Kinder Morgan Inc.	5.625	15-Nov-23	1 626	1 640	
3 500	Lamar Media Corp.	5.375	15-Jan-24	3 867	3 966	
800	Lear Corp.	5.375	15-Mar-24	895	900	
750	Levi Strauss & Co.	7.625	15-May-20	850	901	
2 250	Micron Technology Inc.	5.875	15-Feb-22	2 571	2 605	
1 525	Mobile Mini Inc.	7.875	01-Dec-20	1 805	1 873	
2 500	NCR Corp.	5.000	15-Jul-22	2 523	2 767	
125	NCR Escrow Corp.	5.875	15-Dec-21	133	145	
4 000	NRG Energy Inc.	7.875	15-May-21	4 286	4 864	
500	Oasis Petroleum Inc.	6.875	15-Mar-22	517	598	
925	Oshkosh Corp.	5.375	01-Mar-22	1 042	1 040	
1 325	Owens-Brockway Glass Container Inc.	7.375	15-May-16	1 500	1 622	
2 000	Prestige Brands Inc.	5.375	15-Dec-21	2 130	2 263	
1 500	Qwest Corp.	6.500	01-Jun-17	1 707	1 876	
2 650	Qwest Corp.	6.750	01-Dec-21	3 051	3 271	
2 000	Range Resources Corp.	6.750	01-Aug-20	2 179	2 388	

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



March 31, 2014

Par Value	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
United States (cont.)						
\$ 600	Range Resources Corp.	5.750	01-Jun-21	\$ 666	\$ 710	
1 000	Regal Entertainment Group	5.750	15-Mar-22	1 146	1 139	
1 000	Reynolds Group Issuer Inc.	9.000	15-Apr-19	1 112	1 183	
3 500	Reynolds Group Issuer Inc.	6.875	15-Feb-21	3 880	4 178	
3 750	Rite Aid Corp.	8.000	15-Aug-20	4 267	4 601	
350	SandRidge Energy Inc.	7.500	15-Mar-21	396	413	
2 000	Seagate HDD Cayman USD	7.000	01-Nov-21	2 315	2 473	
500	Seagate HDD Cayman USD	4.750	01-Jun-23	509	546	
2 500	Service Corp. International	7.625	01-Oct-18	2 880	3 188	
675	Service Corp International	5.375	15-Jan-22	683	755	
3 750	Smithfield Foods Inc.	6.625	15-Aug-22	3 977	4 477	
2 975	Sonic Automotive Inc.	7.000	15-Jul-22	3 246	3 626	
625	Sonic Automotive Inc.	5.000	15-May-23	637	678	
750	Spirit Aerosystems Inc.	6.750	15-Dec-20	812	889	
1 750	Sprint Corp.	7.875	15-Sep-23	1 839	2 128	
4 500	Sprint Nextel Corp.	9.000	15-Nov-18	5 681	6 081	
3 000	Standard Pacific Corp.	8.375	15-Jan-21	3 621	3 921	
1 425	Stater Bros. Holdings Inc.	7.375	15-Nov-18	1 536	1 662	
1 000	T-Mobile USA Inc.	6.731	28-Apr-22	1 073	1 184	
3 750	T-Mobile USA Inc.	6.625	01-Apr-23	3 915	4 394	
340	T-Mobile USA Inc.	6.500	15-Jan-24	355	394	
1 193	Targa Resources Partners LP	6.875	01-Feb-21	1 378	1 414	
212	Targa Resources Partners LP	6.375	01-Aug-22	243	249	
2 500	Tempur Sealy International Inc.	6.875	15-Dec-20	2 620	3 023	
3 000	Tenet Healthcare Corp.	6.000	01-Oct-20	3 260	3 548	
500	Tenet Healthcare Corp.	8.125	01-Apr-22	567	618	
487	The AES Corp.	8.000	15-Oct-17	558	637	
3 000	The AES Corp.	5.500	15-Mar-24	3 324	3 291	
3 050	Toll Brothers Finance Corp.	5.875	15-Feb-22	3 288	3 607	
3 000	Unit Corp.	6.625	15-May-21	3 231	3 515	
2 825	United Rentals North America Inc.	5.750	15-Jul-18	2 930	3 341	
1 000	United Rentals North America Inc.	7.625	15-Apr-22	1 173	1 239	
1 500	Whiting Petroleum Corp.	5.750	15-Mar-21	1 556	1 782	
750	Windstream Holdings Inc.	7.750	01-Oct-21	811	891	
2 500	Wynn Las Vegas LLC Corp.	7.750	15-Aug-20	2 778	3 074	
				188 583	205 467	70.6
	TOTAL BONDS			255 021	274 795	94.4
	SHORT-TERM INVESTMENTS*			8 628	8 628	3.0
	TOTAL INVESTMENTS			263 649	283 423	97.4
	UNREALIZED GAIN ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE A)			—	191	0.1
	TOTAL PORTFOLIO			\$ 263 649	283 614	97.5
	OTHER NET ASSETS				7 326	2.5
	NET ASSETS				\$ 290 940	100.0

* Short-term investments, which may be made up of treasury bills, commercial paper, term deposits and discount notes, earn interest at rates ranging from 0.90% to 1.12% and mature between April 1, 2014 and May 22, 2014.



March 31, 2014

SCHEDULE A

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Gain (Loss)
Bought USD 297 Sold CAD 327 @ 1.1021	01-Apr-14	\$ 1
Bought CAD 243 Sold USD 220 @ 1.1065	03-Apr-14	–
Bought CAD 352 Sold USD 318 @ 1.1083	03-Apr-14	1
Bought CAD 441 Sold USD 400 @ 1.1022	03-Apr-14	(1)
Bought CAD 9 372 Sold USD 8 815 @ 1.0632	03-Apr-14	(372)
Bought USD 600 Sold CAD 665 @ 1.1083	03-Apr-14	(2)
Bought CAD 5 524 Sold USD 5 157 @ 1.0712	04-Apr-14	(177)
Bought CAD 222 Sold USD 200 @ 1.1102	07-Apr-14	1
Bought CAD 348 Sold USD 311 @ 1.1189	07-Apr-14	4
Bought CAD 776 Sold USD 700 @ 1.1088	07-Apr-14	2
Bought USD 378 Sold CAD 419 @ 1.1079	07-Apr-14	(1)
Bought USD 5 102 Sold CAD 5 602 @ 1.0979	07-Apr-14	39
Bought USD 575 Sold CAD 635 @ 1.1050	07-Apr-14	–
Bought USD 988 Sold CAD 1 108 @ 1.1214	07-Apr-14	(15)
Bought CAD 1 868 Sold USD 1 680 @ 1.1118	08-Apr-14	11
Bought CAD 5 395 Sold USD 4 915 @ 1.0977	10-Apr-14	(37)
Bought USD 1 100 Sold CAD 1 207 @ 1.0975	14-Apr-14	9
Bought CAD 1 032 Sold USD 926 @ 1.1143	15-Apr-14	8
Bought CAD 11 752 Sold USD 10 702 @ 1.0981	15-Apr-14	(82)
Bought CAD 334 Sold USD 300 @ 1.1130	15-Apr-14	2
Bought CAD 444 Sold USD 400 @ 1.1093	15-Apr-14	1
Bought USD 4 323 Sold CAD 4 709 @ 1.0893	15-Apr-14	71
Bought CAD 1 645 Sold USD 1 500 @ 1.0965	17-Apr-14	(14)
Bought CAD 5 681 Sold USD 5 217 @ 1.0889	17-Apr-14	(88)
Bought CAD 694 Sold USD 635 @ 1.0924	17-Apr-14	(8)
Bought USD 905 Sold CAD 1 008 @ 1.1143	17-Apr-14	(8)
Bought CAD 6 251 Sold USD 5 655 @ 1.1054	21-Apr-14	(3)
Bought CAD 200 Sold USD 180 @ 1.1092	22-Apr-14	1
Bought CAD 277 Sold USD 250 @ 1.1099	22-Apr-14	1
Bought CAD 5 557 Sold USD 4 969 @ 1.1183	25-Apr-14	61
Bought CAD 528 Sold USD 475 @ 1.1116	25-Apr-14	3
Bought USD 3 125 Sold CAD 3 444 @ 1.1020	25-Apr-14	12
Bought CAD 1 622 Sold USD 1 450 @ 1.1184	29-Apr-14	18
Bought CAD 6 652 Sold USD 6 000 @ 1.1087	30-Apr-14	16
Bought CAD 19 511 Sold USD 17 468 @ 1.1170	01-May-14	190
Bought CAD 2 335 Sold USD 2 085 @ 1.1198	02-May-14	28
Bought CAD 11 040 Sold USD 10 000 @ 1.1040	06-May-14	(22)
Bought CAD 8 330 Sold USD 7 508 @ 1.1095	07-May-14	24
Bought CAD 3 851 Sold USD 3 458 @ 1.1136	08-May-14	25
Bought CAD 334 Sold USD 300 @ 1.1149	08-May-14	3
Bought CAD 493 Sold USD 440 @ 1.1200	08-May-14	6
Bought USD 793 Sold CAD 870 @ 1.0976	08-May-14	7
Bought CAD 441 Sold USD 400 @ 1.1024	09-May-14	(2)
Bought CAD 5 184 Sold USD 4 660 @ 1.1124	09-May-14	28
Bought USD 4 300 Sold CAD 4 770 @ 1.1094	09-May-14	(13)
Bought CAD 8 347 Sold USD 7 505 @ 1.1122	12-May-14	43
Bought CAD 10 657 Sold USD 9 623 @ 1.1074	13-May-14	9
Bought CAD 11 023 Sold USD 10 000 @ 1.1023	15-May-14	(42)
Bought CAD 1 487 Sold USD 1 343 @ 1.1072	16-May-14	1
Bought CAD 1 632 Sold USD 1 460 @ 1.1177	16-May-14	16
Bought CAD 16 020 Sold USD 14 439 @ 1.1095	16-May-14	42
Bought CAD 221 Sold USD 200 @ 1.1070	20-May-14	–
Bought CAD 11 044 Sold USD 10 000 @ 1.1044	21-May-14	(22)

SCHEDULE A (cont.)

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Gain (Loss)
Bought CAD 7 347 Sold USD 6 630 @ 1.1081	22-May-14	\$ 10
Bought CAD 627 Sold USD 564 @ 1.1110	27-May-14	2
Bought CAD 11 018 Sold USD 9 935 @ 1.1090	28-May-14	21
Bought USD 1 288 Sold CAD 1 440 @ 1.1179	29-May-14	(14)
Bought USD 445 Sold CAD 499 @ 1.1204	29-May-14	(6)
Bought USD 833 Sold CAD 927 @ 1.1127	29-May-14	(5)
Bought USD 927 Sold CAD 1 037 @ 1.1183	29-May-14	(11)
Bought CAD 14 515 Sold USD 13 020 @ 1.1148	30-May-14	103
Bought USD 850 Sold CAD 952 @ 1.1204	30-May-14	(11)
Bought CAD 7 816 Sold USD 7 000 @ 1.1166	02-Jun-14	67
Bought CAD 2 733 Sold USD 2 470 @ 1.1066	10-Jun-14	(2)
Bought CAD 11 127 Sold USD 10 000 @ 1.1127	12-Jun-14	54
Bought CAD 3 075 Sold USD 2 792 @ 1.1015	12-Jun-14	(16)
Bought CAD 8 298 Sold USD 7 456 @ 1.1129	13-Jun-14	42
Bought CAD 5 701 Sold USD 5 130 @ 1.1113	17-Jun-14	20
Bought CAD 427 Sold USD 380 @ 1.1231	18-Jun-14	6
Bought USD 500 Sold CAD 554 @ 1.1082	18-Jun-14	–
Bought CAD 1 283 Sold USD 1 149 @ 1.1167	19-Jun-14	11
Bought CAD 2 679 Sold USD 2 410 @ 1.1116	20-Jun-14	10
Bought CAD 2 745 Sold USD 2 450 @ 1.1203	24-Jun-14	31
Bought CAD 4 192 Sold USD 3 749 @ 1.1182	25-Jun-14	40
Bought CAD 667 Sold USD 600 @ 1.1119	02-Jul-14	2
Bought CAD 4 493 Sold USD 4 000 @ 1.1233	03-Jul-14	62
TOTAL FOREIGN EXCHANGE		\$ 191

All counterparties have a credit rating of at least A.

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



Statements of Net Assets (in \$000s except per unit amounts)

March 31 (see note 2 in the generic notes)	2014	2013
ASSETS		
Investments at fair value	\$ 283 423	\$ 378 393
Cash	12	9
Due from investment dealers	3 732	504
Unrealized gain on foreign exchange contracts	191	21
Dividends receivable, interest accrued and other assets	4 885	6 805
TOTAL ASSETS	292 243	385 732
LIABILITIES		
Due to investment dealers	1 298	548
Accounts payable and accrued expenses	5	7
TOTAL LIABILITIES	1 303	555
NET ASSETS	\$ 290 940	\$ 385 177
Investments at cost	\$ 263 649	\$ 370 370
NET ASSETS, END OF PERIOD		
SERIES 0	\$ 290 940	\$ 385 177
NET ASSETS PER UNIT, END OF PERIOD		
SERIES 0	\$ 10.66	\$ 10.57
NET ASSET VALUE (TRANSACTIONAL NAV) PER UNIT, END OF PERIOD (see note 3 in the generic notes)		
SERIES 0	\$ 10.69	\$ 10.60

Statements of Operations (in \$000s except per unit amounts)

For the periods ended March 31 (see note 2 in the generic notes)	2014	2013
INCOME (see note 3 in the generic notes)		
Interest	\$ 19 966	\$ 16 801
Securities lending revenue (see note 6 in the generic notes)	3	–
TOTAL INCOME (LOSS)	19 969	16 801
EXPENSES (see notes – Fund Specific Information)		
Administration fees	64	54
Board of Governors costs	3	3
GST/HST	8	7
TOTAL EXPENSES	75	64
NET INVESTMENT INCOME (LOSS)	19 894	16 737
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized gain (loss) on investments	6 711	1 036
Net gain (loss) on foreign currencies and other net assets	(19 513)	(3 092)
Change in unrealized gain (loss) on investments	11 921	8 955
NET GAIN (LOSS) ON INVESTMENTS	(881)	6 899
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		
	\$ 19 013	\$ 23 636
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS SERIES 0		
	\$ 19 013	\$ 23 636
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER UNIT SERIES 0		
	\$ 0.63	\$ 0.92

Approved by the Board of Directors of RBC Global Asset Management Inc.

John S. Montalbano
Director

Doug Coulter
Director

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



Statements of Changes in Net Assets *(in \$000s)*

For the periods ended March 31 (see note 2 in the generic notes)	Series 0	
	2014	2013
NET ASSETS – BEGINNING OF PERIOD	\$ 385 177	\$ 126 536
INCREASE (DECREASE) FROM OPERATIONS	19 013	23 636
Early redemption fees	–	–
Proceeds from units issued	–	242 955
Proceeds from reinvestment of distributions	15 677	17 660
Payments on redemption of units	(113 250)	(7 950)
TOTAL UNIT TRANSACTIONS	(97 573)	252 665
Distributions from net income	(15 677)	(17 660)
Distributions from net gains	–	–
Distributions from capital	–	–
TOTAL DISTRIBUTIONS	(15 677)	(17 660)
TOTAL INCREASE (DECREASE) IN NET ASSETS	(94 237)	258 641
NET ASSETS – END OF PERIOD	\$ 290 940	\$ 385 177

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



March 31, 2014

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

Credit risk (%)

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

Rating	March 31 2014	March 31 2013
A	0.5	1.2
BBB	10.6	16.5
BB	46.7	40.5
B	40.6	40.4
CCC	1.6	1.4
Total	100.0	100.0

Interest rate risk (%)

The table below summarizes the underlying fund's exposure to interest rate risk by remaining term to maturity from investments in mutual fund units as at:

Term to maturity	March 31 2014	March 31 2013
Less than 1 year	–	0.1
1 – 5 years	20.9	25.8
5 – 10 years	79.1	71.2
> 10 years	–	2.9
Total	100.0	100.0

As at March 31, 2014, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's net assets may have decreased or increased, respectively, by approximately 3.8% (March 31, 2013 – 3.5%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of March 31, 2014 and 2013 in the valuation of the Fund's financial instruments carried at fair value.

March 31, 2014	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	–	–	–	–
Fixed-income and debt securities	–	274 795	–	274 795
Short-term investments	–	8 628	–	8 628
Derivatives – assets	–	191	–	191
Derivatives – liabilities	–	–	–	–
Total financial instruments	–	283 614	–	283 614
% of total portfolio	–	100.0	–	100.0

March 31, 2013	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Mutual fund units	–	–	–	–
Fixed-income and debt securities	–	354 868	–	354 868
Short-term investments	–	23 525	–	23 525
Derivatives – assets	–	21	–	21
Derivatives – liabilities	–	–	–	–
Total financial instruments	–	378 414	–	378 414
% of total portfolio	–	100.0	–	100.0

For the periods ended March 31, 2014 and 2013, there were no transfers of financial instruments between Level 1 and Level 2.

Management fees (see note 7 in the generic notes)

No management fees are payable by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

Operating expenses (see note 7 in the generic notes)

The administration fee payable by Series O of the Fund is calculated at the following annual percentage, before GST/HST, of the daily net asset value of Series O of the Fund.

Series O	0.02%
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March 31, 2014

Unitholders' equity (000s)

The unitholders' equity of the Fund includes amounts representing units, undistributed net income (loss), realized gain (loss) on investments and unrealized gain (loss) on investments. There is no limitation on the number of units available for issue. Units are purchased and redeemed at the transactional NAV per unit.

For the periods ended March 31
(see note 2 in the generic notes)

	2014	2013
Series 0		
Opening units	36 435	12 475
Issued number of units	–	23 013
Reinvested number of units	1 508	1 695
Redeemed number of units	(10 640)	(748)
Ending number of units	27 303	36 435

**Securities lending revenue (\$000s)
(see note 6 in the generic notes)**

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

	March 31 2014	March 31 2013
Fair value of securities loaned	\$ 545	\$ –
Fair value of collateral received	\$ 556	\$ –

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



1. The Funds

The mutual funds (“Fund” or “Funds”) are open-ended mutual fund trusts governed by the laws of the Province of Ontario and governed by a Master Declaration of Trust. RBC GAM is the manager, trustee and portfolio advisor of the Funds.

The Funds may issue an unlimited number of Series O units.

Series O units have no management fees. Series O unitholders pay a negotiated fee directly to RBC GAM.

Effective September 12, 2014, the Funds will be terminated.

2. Financial year/period

The information provided in these financial statements and notes thereto is for the 12-month period ended or as at March 31, 2014 and 2013. In the year a Fund or series is established, “period” represents the period from inception to March 31 of that fiscal year.

3. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”), 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 period. Actual results may differ from estimates. The significant accounting policies of the Funds are as follows:

Valuation of Investments The valuation methods used to calculate the daily net asset value to transact units of the Funds (“transactional NAV”), as described in the Funds’ Annual Information Form, are not identical to the GAAP accounting policies used to determine the financial statement net assets (“net assets”) described below. The primary difference between net assets and transactional NAV relates to valuation of actively traded securities at bid prices for net assets and at last sale prices for transactional NAV.

In accordance with the Chartered Professional Accountants of Canada Handbook Section 3862, *Financial Instruments – Disclosures*, the Funds’ financial instruments are measured at fair value using a three-tier hierarchy based on inputs used to value the Funds’ investments and derivatives. 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); 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:

Fixed-Income and Debt Securities – Bonds, mortgage-backed securities, loans and debentures are valued at the closing bid price quoted by major dealers in such securities.

Short-Term Investments – Short-term investments are valued at their cost including applicable foreign exchange translations. This value, together with accrued interest, approximates fair value using closing bid prices.

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 gain or loss at the close of business on each valuation date is recorded in the Statements of Operations. The net receivable/payable on forward contracts is recorded separately in the Statements of Net Assets. Realized gain (loss) on foreign exchange contracts is included in “Net gain (loss) on foreign currencies and other net assets” in the Statements of Operations.

Mutual Fund Unit Valuation – Units of Funds are valued at their respective transactional NAV per unit received from fund companies on the relevant valuation dates.

Fair Valuation of Investments (including unlisted securities) – If the valuation methods described above are not appropriate, RBC GAM will estimate the fair value of an investment using established fair valuation procedures, such as consideration of public information, broker quotes, valuation models, fundamental analysis, matrix pricing, discounts from market prices of similar securities or discounts applied due to restrictions on the disposition of securities, and external fair value service providers.



Foreign Exchange The value of investments and other assets and liabilities in foreign currencies is translated into Canadian dollars 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 Operations.

Valuation of Series 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 Operations for the period. The period change in the difference between fair value and average cost of securities represents unrealized gains and losses. The basis of determining the cost of portfolio assets, and realized and unrealized gains and losses on investments, is average cost.

Income Recognition Interest income is recognized on an accrual basis. “Other revenue” includes income earned by a Fund from investments in underlying funds.

Increase (Decrease) in Net Assets from Operations Per Unit Increase (decrease) in net assets from operations per unit in the Statements of Operations represents the increase (decrease) in net assets from operations 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.

Foreign Currencies The following is a list of abbreviations used in the Statement of Investment Portfolio:

CAD – Canadian Dollar	PLN – Polish zloty
KRW – South Korean Won	RUB – Russian Rouble
MXN – Mexican Peso	USD – United States Dollar

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 advisors, 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.

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.

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 Net Assets. The fair value of fixed-income and debt securities includes a consideration of the credit worthiness 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.

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 Canadian dollars is affected by changes in the value of the Canadian dollar or a Fund's functional currency, in relation to the value of the currency in which the investment is denominated. When the value of the Canadian dollar falls in relation to foreign currencies, then the value of foreign investments rises. When the value of the Canadian dollar rises, the value of 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

In general, the Funds are subject to income tax, however, no income tax is payable on net income and/or capital gains which are distributed to unitholders. As the Fund will distribute all of its income, there is no provision for taxes in the financial statements. Non-capital losses may be carried forward to reduce future taxable income for up to 20 years. The Funds have no capital or non-capital losses to carry forward.

6. Securities lending

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 Operations 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.

7. Administrative and other related-party transactions

Manager, Trustee, Portfolio Advisor and Principal Distributor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee, portfolio advisor and principal distributor of the Funds. RBC GAM is responsible for the Funds' day-to-day operations, holds title to the Funds' property on behalf of its unitholders, and provides investment advice and portfolio management services to the Funds. RBC GAM is paid a management fee by the Funds as compensation for its services. No management fees are paid by the Funds with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

The Funds pay a fixed administration fee to RBC GAM. 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 semi-annual 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 Board of Governors ("BoG") 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



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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.

Affiliates of RBC GAM that provide services to the funds in the course of their normal businesses are discussed below.

Custodian

RBC IS is the custodian and holds the assets of the Funds.

Registrar

RBC IS is the registrar of the Funds and keeps records of who owns the units of the Funds.

Brokerage

The Funds have established standard brokerage agreements at market rates with related-party brokerages.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Funds relied on the standing instructions from the BoG in its capacity as 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 BoG 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.



March 31, 2014

The advisory Board of Governors of the RBC Funds was established in 1994 specifically to provide advice to the fund manager regarding conflicts of interest in mutual fund management.

On December 1, 2006, the Board of Governors and RBC Global Asset Management Inc. completed the regulatory requirements necessary to allow the RBC Funds to be the first to take full advantage of the benefits of independent fund governance provided by National Instrument 81-107. Building on its long history of leadership in fund governance, RBC Global Asset Management Inc. established the Board of Governors as the independent review committee of the RBC Funds. All of the members of the Board of Governors are independent of RBC Global Asset Management Inc. and RBC Financial Group.

In its capacity as the independent review committee, the Board of Governors provides input on conflict of interest matters in respect of RBC Global Asset Management Inc. and the RBC Funds. At least once per year, the Board of Governors reviews and assesses the adequacy and effectiveness of the fund manager's policies and procedures relating to conflict of interest matters.

The Board of Governors is responsible for reviewing and assessing the independence of its members, the compensation of its members, and the effectiveness of the Board of Governors, its subcommittees and its members. In order to effectively manage its workload, the Board of Governors has three subcommittees: the Financial Advisory Committee, the Investment Conflicts Committee and the Governance Committee.

The Board of Governors has also been asked by RBC Global Asset Management Inc. to maintain its important role of providing advice on other issues relating to the management of the RBC Funds. This includes the role of the Financial Advisory Committee of the Board of Governors to provide advice concerning financial reporting, the audit process and financial internal controls.

The annual report of the Board of Governors describing its activities as the independent review committee of the RBC Funds is available on the website at www.rbcgam.com/funds and on SEDAR at www.sedar.com.

If you have any questions or comments about the Board of Governors or its committees, please let us know by contacting Melanie Adams, Secretary to the Board of Governors, at the address below.

Lloyd R. McGinnis, OC, PEng
Chair of the Board of Governors

Board of Governors
Attention: Melanie Adams
RBC Global Asset Management Inc.
P.O. Box 7500, Station A
Toronto, Ontario M5W 1P9

Board of Governors

Lloyd R. McGinnis
Chair of the Board of Governors
Director, Airport Site Development
Winnipeg Airports Authority

Michael G. Thorley^{1,4}
Vice Chair of the Board of Governors
Retired Lawyer
Toronto, Ontario

Selwyn B. Kossuth^{1,3}
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Mississauga, Ontario

Charles F. Macfarlane^{1,3}
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Toronto, Ontario

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Linda S. Petch Governance Services
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Montreal, Quebec

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Richford Holdings Ltd.
Edmonton, Alberta

Joseph P. Shannon⁶
President
Atlantic Corporation
Port Hawkesbury, Nova Scotia

James W. Yuel⁶
Chair
PIC Investment Group Inc.
Saskatoon, Saskatchewan

- ¹ Member of the Financial Advisory Committee
- ² Chair of the Financial Advisory Committee
- ³ Member of the Investment Conflicts Committee
- ⁴ Chair of the Investment Conflicts Committee
- ⁵ Chair of the Governance Committee
- ⁶ Member of the Governance Committee



If you have questions regarding RBC Corporate Class Funds, you can contact us using the following options:

By Phone

Investors: **1-800-463-FUND (3863)**
Dealers: **1-800-662-0652**

On the Internet

Visit our website at: **www.rbcgam.com/funds**
Email us at: **funds.investments@rbc.com**

By Mail

Head office:

RBC Global Asset Management Inc.
155 Wellington Street West
Suite 2200
Toronto, Ontario
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For general mutual fund enquiries, write to:

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P.O. Box 7500, Station A
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**RBC Global
Asset Management**