



Dear Investor:

The members of your independent review committee are proud to serve the interests of the securityholders of the RBC Corporate Class Funds (the “Funds”) managed by RBC Global Asset Management Inc. (the “manager”).

Securities regulators have given independent review committees the important role of reviewing mutual fund conflict of interest matters identified and referred by the manager. In determining whether to provide their approval or recommendation, independent review committees must determine whether the manager’s proposed action achieves a fair and reasonable result for the Funds.

In 2015, we met with the manager on a quarterly basis and received the manager’s reports of compliance with its conflict of interest policies and procedures. In September 2015, we conducted a review of the manager’s policies and procedures to confirm they continue to be adequate and effective in respect of the Funds.

In November 2015, we assessed our effectiveness as a committee and the effectiveness and contribution of each of our members. In addition, as part of our requirements, we also reviewed the compensation and independence of our members. Through industry information and ongoing education, we continue to strive to maintain high standards and best practices in mutual fund governance.

We are pleased to provide this annual report to securityholders of the Funds.

Lloyd R. McGinnis, OC, PEng

Chair of the Independent Review Committee



March 31, 2016

Members of the Independent Review Committee (“IRC”)

Members of the Independent Review Committee (“IRC”)		Length of Service
Name	Residence	First appointed¹
Lloyd R. McGinnis Chair of the IRC	Winnipeg, Manitoba	July 1994
Michael G. Thorley Vice Chair of the IRC	Toronto, Ontario	July 1994
Paul K. Bates	Millgrove, Ontario	December 2014
Selwyn B. Kossuth	Mississauga, Ontario	October 1995
Charles F. Macfarlane	Toronto, Ontario	September 2006
Linda S. Petch	Victoria, British Columbia	May 2006
Elaine C. Phénix	Montreal, Québec	December 1999
Mary C. Ritchie	Edmonton, Alberta	March 2002
Joseph P. Shannon	Port Hawkesbury, Nova Scotia	February 1998

¹ Each IRC member, except Mr. Paul Bates, has been a member of the IRC (formerly known as the Board of Governors) for the RBC Funds, RBC ETFs and the RBC Private Pools since its inception on December 1, 2006. Mr. Paul Bates became a member of the IRC as of December 1, 2014. The former Board of Governors became the independent review committee for the PH&N Funds as of January 1, 2011. Michael G. Thorley, Selwyn B. Kossuth, Linda S. Petch and Mary C. Ritchie were members of the former independent review committee of the PH&N Funds from May 1, 2008 to December 31, 2010.

Effective December 1, 2015, Mr. Michael Thorley, Mr. Selwyn Kossuth and Mr. Joseph Shannon retired from the IRC. The IRC also serves as the independent review committee of other funds managed by RBC Global Asset Management Inc.

Holdings of Securities

(a) Funds

As at March 31, 2016, the percentage of shares of each series of the Funds (as set out in Schedule A) beneficially owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed 10 per cent.

(b) Manager

As at March 31, 2016, no member of the IRC beneficially owned, directly or indirectly, any class or series of voting or equity securities of the manager.

(c) Service providers

Royal Bank of Canada and its affiliates and associates are service providers to the Funds and the manager. As at March 31, 2016, the percentage of securities of each class of voting or equity securities of Royal Bank of Canada and other service providers beneficially owned, directly or indirectly, in aggregate, by all members of the IRC was less than 0.01 per cent.

Compensation and Indemnities

The aggregate compensation paid by the Funds to the IRC in its capacity as the independent review committee of the Funds for the period ended March 31, 2016 was \$46 924. This amount was allocated among the Funds.

No indemnities were paid to the IRC by the Funds during the period.



Compensation and Indemnities (continued)

At least annually, the IRC reviews its compensation giving consideration to the following:

1. the best interests of the Funds;
2. that each Fund must pay its reasonable allocation of the compensation of the IRC from the assets of the Fund;
3. that compensation paid to the IRC by each Fund should fairly and reasonably reflect the general and specific benefits accruing to the Fund;
4. the number, nature and complexity of the Funds for which the IRC acts;
5. the nature and extent of the workload of each member of the IRC;
6. surveys of independent review committee compensation; and
7. whether the compensation will allow the IRC to attract and retain qualified candidates.

Conflict of Interest Matters

The manager is required to refer to the IRC its proposed actions, and its related policies and procedures, for situations in which the manager or a related party has or could be perceived to have an interest that may conflict with its ability to act in the best interests of a Fund. For example, the manager may have to forgo what might otherwise be a benefit to itself or a related party, or incur a cost, in order to act in accordance with its responsibilities to the Funds.

Approvals pursuant to Standing Instructions

The manager relied on approvals and standing instructions of the IRC in the period in relation to the following activities. In each case, the standing instructions required the manager to comply with its related policy and procedure and to report periodically to the IRC.

1. Allowing the Funds to purchase or hold securities of the related issuer, Royal Bank of Canada
2. Allowing the Funds to purchase securities of an issuer, for which a related party, such as RBC Dominion Securities Inc., acted as an underwriter, in an offering of the securities or at any time during the restricted period following the completion of the offering
3. Allowing the Funds to purchase or sell equity and debt securities from or to a related dealer when the related dealer is acting as principal
4. Allowing the purchase or sale of securities and mortgages between Funds, or between the Funds and other investment funds or accounts managed by the manager or an affiliate (referred to as inter-fund trades and cross-trades) and allowing the Fund to receive or deliver securities rather than cash on the purchase or redemption of Fund units or shares (referred to as *in specie* transactions) by another Fund or an investment fund or account managed by the manager or an affiliate

Positive Recommendations pursuant to Standing Instructions

The manager received positive recommendations and relied on standing instructions with respect to the conflict of interest matters addressed by the following policies. In each case, the standing instructions required the manager to comply with its related policy and procedure and to report periodically to the IRC.

1. Personal Trading Policy, which restricts most personal trading by certain individuals employed by the manager but allows those individuals to trade in certain securities for their own account subject to controls
2. Fund Expense Policy, including related-party expenses, which allows the manager to charge expenses to the Funds, to allocate expenses between the manager and the Funds and to allocate expenses among the Funds and other funds managed by the manager or an affiliate, including expenses charged by related parties for services provided to the manager and the Funds
3. Client Brokerage Commissions Policy, which allows the manager to obtain order execution for the Funds as well as certain additional goods and services (generally, research) for the benefit of its clients, including the Funds, using brokerage commissions paid by the Funds
4. Trading Policies, including broker selection and trade allocations, which allow the manager to trade on behalf of multiple clients, including the Funds, and to select brokers to execute the trades, including related-party brokers, and require the manager to allocate trades fairly among clients, including the Funds, particularly where demand for a security exceeds supply
5. Fund Valuation Policy, which directs how a Fund's securities will be valued in order to obtain a fair and accurate net asset value of the Fund
6. Net Asset Value Error Correction Policy, which directs the circumstances and manner in which the manager will correct purchases and redemptions of Fund units or shares made based on an incorrect net asset value, including making payments to make the Fund whole and adjusting unitholder or shareholder accounts



Conflict of Interest Matters (continued)

7. Proxy Voting Policy, which allows the manager to exercise a Fund's proxies although the manager, a client or an affiliate of the manager may have an interest in the outcome of the vote
8. Excessive Trading Policy, which sets out the steps the manager will take to monitor, detect and deter excessive trading by unitholders or shareholders in units or shares of the Funds
9. Large Securityholder Policy, which sets out the steps the manager will take to manage the impact of large transactions by unitholders or shareholders in units or shares of the Funds
10. Payments, Gifts and Entertainment Policy, which sets out the steps the manager and certain of its employees will take to monitor and limit attempts to influence those employees while allowing them to accept some gifts or entertainment offered in the spirit of business courtesy or relationship management
11. Uncapping of Funds Policy, which sets out the steps the manager will take to ensure that existing unitholders or shareholders are not disadvantaged when the manager resumes distribution of a capped Fund
12. Changing Sub-advisors or Service Providers Policy, which allows the manager to replace an independent third-party service provider to a Fund (other than a Fund's auditor) with a related-party service provider, subject to controls
13. Reputation Risk Reporting Policy, which sets out the steps the manager will take to manage reputation risk in relation to its investment activities
14. Securities Lending Policy, which sets out the requirements for the Manager to effect securities lending activities on behalf of the Funds (with RBC Investor Services Trust acting as lending agent)
15. Funds-of-Funds Policy, which sets out the framework for investment decisions for funds that invest in other underlying Funds



March 31, 2016

SCHEDULE A

CORPORATE CLASS FUNDS

Fixed-Income Funds

RBC Short Term Income Class
RBC \$U.S. Short Term Income Class
BlueBay Global Convertible Bond Class (Canada)
BlueBay \$U.S. Global Convertible Bond Class (Canada)

Balanced Funds

Phillips, Hager & North Monthly Income Class
RBC Balanced Growth & Income Class

Canadian Equity Funds

RBC Canadian Dividend Class
RBC Canadian Equity Class
RBC QUBE Low Volatility Canadian Equity Class
Phillips, Hager & North Canadian Equity Value Class
RBC Canadian Equity Income Class
RBC Canadian Mid-Cap Equity Class

North American Equity Funds

RBC North American Value Class

U.S. Equity Funds

RBC U.S. Dividend Class
RBC U.S. Equity Class
RBC QUBE Low Volatility U.S. Equity Class
RBC U.S. Equity Value Class
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Class
RBC U.S. Mid-Cap Value Equity Class
RBC U.S. Small-Cap Core Equity Class

International Equity Funds

RBC International Equity Class
Phillips, Hager & North Overseas Equity Class
RBC European Equity Class
RBC Emerging Markets Equity Class

Global Equity Funds

RBC Global Equity Class
RBC QUBE Low Volatility Global Equity Class
RBC Global Resources Class