



BALANCED FUND

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

March 31, 2018

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 June 13, 2018.

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/reports 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 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.

Effective October 25, 2017, RBC GAM adopted the risk classification methodology under National Instrument 81-102 – *Investment Funds* (the "new risk classification methodology") in respect of the RBC Corporate Class Funds. Pursuant to the new risk classification methodology, certain RBC Corporate Class Funds' risk ratings were changed. RBC GAM reviews each fund's risk rating on an annual basis or if there has been a material change to a fund's investment objectives or investment strategies. Any changes to a fund's risk rating are the result of RBC GAM's annual review and the adoption of the new risk classification methodology.

There were no changes to the Fund's risk rating during the reporting period.

Results of Operations

The Fund's net asset value fell to \$102 million as of March 31, 2018, from \$122 million as of March 31, 2017. The decrease was due to net redemptions.

Over the past year, the Fund's Series A shares lost 0.6%, which underperformed the 2.3% rise in the benchmark. The broad-based index 1 rose 1.4% and the broad-based index 2 rose 1.7%. The Fund's return is after the deduction of fees and expenses, while the benchmark and broad-based index returns do 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 any other series, which may vary because of differences in management fees and expenses.

The Canadian equity market experienced heightened volatility over the 12-month period. The benchmark index climbed significantly during the latter half of 2017 as rising oil prices, robust economic growth and a stronger Canadian dollar carried the index to an all-time high at the start of 2018. Canadian stocks then fell along with the global equity markets beginning in early February. In Canada, the market negatives related to concerns about rising yields, uncertainty surrounding renegotiation of the North American Free Trade Agreement and increased U.S. protectionism.

In the fixed-income portion of the Fund, returns were bolstered by the portfolio manager's success in actively managing assets around relative changes in short- and long-term interest rates. Exposure to real-return bonds, whose values are linked to the pace of inflation, and U.S. Treasury bonds also boosted relative performance. Provincial and corporate bonds continued to perform well during the period, and – in a sign of investor willingness to take risks in a low-interest-rate environment – the extra yield provided by these securities relative to benchmark federal bonds fell to the lowest since the financial crisis.

In equities, the Fund's overweight position in Dollarama was the biggest contributor to returns. The Utilities sector aided performance, with contributions from holdings in Brookfield Infrastructure and Fortis. In the Energy sector, positions in Crescent Point, Cenovus and Enbridge Inc. held back the Fund's returns. The Financials sector also weighed on the Fund's performance, with a position in Element Fleet Management having a large negative impact during the period.

Recent Developments

Earnings expectations and investor optimism are high as global synchronized growth continues in developed and emerging markets. Credit markets support economic growth as interest rates remain low internationally. More recently, protectionist trade moves by U.S. President Trump have shaken markets, and increasing international retaliation is likely if the administration continues to engage in more restrictive trade policy. An escalation of protectionist policy could accelerate inflation and likely stunt global growth.



Related-Party Transactions

Manager and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager and portfolio manager 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. Both the management fee and fixed administration fee are calculated and accrued daily as a percentage of the net asset value of each series of mutual fund shares of the Fund.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the Fund, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when shareholders switch between series of funds denominated in different currencies. The Fund also maintains bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the 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. RBC IS earns a fee as the custodian, which is paid by the manager from the fixed administration fee paid by 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. The registrars earn a fee, which is paid by the manager from the fixed administration fee paid by the Fund.

Other Related-Party Transactions

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

Related-Party Trading Activities

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

Inter-Fund Trading

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

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other 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, 2018

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. For financial years beginning on or after April 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to April 1, 2014, financial highlight information is derived from financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). "Net Assets," for the periods prior to April 1, 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

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, 2018	11.82	0.47	(0.22)	–	(0.28)	(0.03)	–	(0.07)	–	–	(0.07)	11.68
Mar. 31, 2017	10.87	0.38	(0.22)	(0.10)	1.13	1.19	–	(0.20)	–	–	(0.20)	11.82
Mar. 31, 2016	11.52	0.56	(0.21)	(0.41)	(0.47)	(0.53)	–	(0.27)	–	–	(0.27)	10.87
Mar. 31, 2015	11.15	0.57	(0.22)	0.59	(0.59)	0.35	–	(0.13)	–	–	(0.13)	11.52
Mar. 31, 2014	10.43	0.53	(0.07)	0.18	0.42	1.06	–	(0.12)	–	–	(0.12)	11.15
Advisor Series												
Mar. 31, 2018	11.79	0.47	(0.22)	–	(0.32)	(0.07)	–	(0.07)	–	–	(0.07)	11.65
Mar. 31, 2017	10.84	0.38	(0.22)	(0.10)	1.10	1.16	–	(0.20)	–	–	(0.20)	11.79
Mar. 31, 2016	11.50	0.56	(0.21)	(0.40)	(0.47)	(0.52)	–	(0.27)	–	–	(0.27)	10.84
Mar. 31, 2015	11.13	0.57	(0.22)	0.59	(0.59)	0.35	–	(0.13)	–	–	(0.13)	11.50
Mar. 31, 2014	10.43	0.53	(0.07)	0.18	0.42	1.06	–	(0.13)	–	–	(0.13)	11.13
Advisor T5 Series												
Mar. 31, 2018	10.14	0.39	(0.18)	–	(0.26)	(0.05)	–	(0.09)	–	(0.41)	(0.50)	9.58
Mar. 31, 2017	9.62	0.33	(0.18)	(0.09)	0.95	1.01	–	(0.18)	–	(0.30)	(0.48)	10.14
Mar. 31, 2016	10.48	0.50	(0.18)	(0.36)	(0.41)	(0.45)	–	(0.20)	–	(0.31)	(0.51)	9.62
Mar. 31, 2015	10.51	0.55	(0.20)	0.56	(0.57)	0.34	–	(0.17)	–	(0.34)	(0.51)	10.48
Mar. 31, 2014	10.26	0.53	(0.02)	0.18	0.42	1.11	–	(0.18)	–	(0.33)	(0.51)	10.51
Series T5												
Mar. 31, 2018	10.11	0.39	(0.19)	–	(0.26)	(0.06)	–	(0.09)	–	(0.41)	(0.50)	9.55
Mar. 31, 2017	9.61	0.33	(0.19)	(0.09)	0.97	1.02	–	(0.18)	–	(0.30)	(0.48)	10.11
Mar. 31, 2016	10.47	0.50	(0.19)	(0.36)	(0.42)	(0.47)	–	(0.20)	–	(0.31)	(0.51)	9.61
Mar. 31, 2015	10.51	0.54	(0.20)	0.56	(0.56)	0.34	–	(0.17)	–	(0.34)	(0.51)	10.47
Mar. 31, 2014	10.26	0.52	(0.03)	0.17	0.41	1.07	–	(0.18)	–	(0.33)	(0.51)	10.51
Series H												
Mar. 31, 2018	11.80	0.47	(0.20)	–	(0.30)	(0.03)	–	(0.09)	–	–	(0.09)	11.66
Mar. 31, 2017	10.90	0.38	(0.20)	(0.10)	1.11	1.19	–	(0.26)	–	–	(0.26)	11.80
Mar. 31, 2016	11.57	0.56	(0.19)	(0.40)	(0.46)	(0.49)	–	(0.30)	–	–	(0.30)	10.90
Mar. 31, 2015	11.17	0.57	(0.20)	0.59	(0.59)	0.37	–	(0.12)	–	–	(0.12)	11.57
Mar. 31, 2014	10.44	0.51	(0.04)	0.17	0.41	1.05	–	(0.12)	–	–	(0.12)	11.17



March 31, 2018

FINANCIAL HIGHLIGHTS (cont.)

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

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 D												
Mar. 31, 2018	12.11	0.48	(0.12)	–	(0.31)	0.05	–	(0.17)	–	–	(0.17)	11.96
Mar. 31, 2017	11.11	0.39	(0.12)	(0.11)	1.12	1.28	–	(0.27)	–	–	(0.27)	12.11
Mar. 31, 2016	11.76	0.58	(0.12)	(0.42)	(0.49)	(0.45)	–	(0.36)	–	–	(0.36)	11.11
Mar. 31, 2015	11.29	0.59	(0.12)	0.60	(0.61)	0.46	–	(0.13)	–	–	(0.13)	11.76
Mar. 31, 2014	10.47	0.53	(0.03)	0.18	0.42	1.10	–	(0.12)	–	–	(0.12)	11.29
Series F												
Mar. 31, 2018	12.16	0.49	(0.10)	–	(0.39)	–	–	(0.19)	–	–	(0.19)	12.02
Mar. 31, 2017	11.15	0.41	(0.09)	(0.11)	0.98	1.19	–	(0.30)	–	–	(0.30)	12.16
Mar. 31, 2016	11.82	0.58	(0.09)	(0.42)	(0.48)	(0.41)	–	(0.40)	–	–	(0.40)	11.15
Mar. 31, 2015	11.29	0.55	(0.09)	0.57	(0.57)	0.46	–	(0.11)	–	–	(0.11)	11.82
Mar. 31, 2014	10.48	0.54	(0.01)	0.18	0.43	1.14	–	(0.16)	–	–	(0.16)	11.29
Series FT5												
Mar. 31, 2018	10.64	0.41	(0.08)	–	(0.27)	0.06	–	(0.10)	–	(0.43)	(0.53)	10.17
Mar. 31, 2017	9.99	0.35	(0.08)	(0.10)	0.90	1.07	–	(0.19)	–	(0.31)	(0.50)	10.64
Mar. 31, 2016	10.76	0.52	(0.08)	(0.37)	(0.43)	(0.36)	–	(0.19)	–	(0.33)	(0.52)	9.99
Mar. 31, 2015	10.67	0.52	(0.09)	0.54	(0.54)	0.43	–	(0.17)	–	(0.35)	(0.52)	10.76
Mar. 31, 2014	10.31	0.54	–	0.18	0.43	1.15	–	(0.18)	–	(0.33)	(0.51)	10.67

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.

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, 2018	11.68	26 744	2 290	1.95	1.95	–	0.10
Mar. 31, 2017	11.82	42 477	3 594	1.95	1.95	2.14	0.17
Mar. 31, 2016	10.87	61 964	5 699	1.96	1.96	5.53	0.24
Mar. 31, 2015	11.52	85 328	7 405	1.95	1.96	7.11	0.24
Mar. 31, 2014	11.15	40 638	3 646	1.97	1.97	12.61	0.27
Advisor Series							
Mar. 31, 2018	11.65	8 088	694	1.94	1.94	–	0.10
Mar. 31, 2017	11.79	9 214	782	1.94	1.94	2.14	0.17
Mar. 31, 2016	10.84	11 200	1 033	1.97	1.97	5.53	0.24
Mar. 31, 2015	11.50	16 884	1 468	1.96	1.97	7.11	0.24
Mar. 31, 2014	11.13	9 781	879	1.98	1.98	12.61	0.27
Advisor T5 Series							
Mar. 31, 2018	9.58	5 110	533	1.91	1.91	–	0.10
Mar. 31, 2017	10.14	6 665	657	1.91	1.91	2.14	0.17
Mar. 31, 2016	9.62	9 442	981	1.91	1.91	5.53	0.24
Mar. 31, 2015	10.48	15 519	1 481	1.89	1.90	7.11	0.24
Mar. 31, 2014	10.51	14 118	1 343	1.90	1.90	12.61	0.27



March 31, 2018

FINANCIAL HIGHLIGHTS (cont.)

Ratios and Supplemental Data (cont.)

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 T5							
Mar. 31, 2018	9.55	6 508	681	1.96	1.96	–	0.10
Mar. 31, 2017	10.11	9 828	972	1.97	1.97	2.14	0.17
Mar. 31, 2016	9.61	14 142	1 472	1.97	1.97	5.53	0.24
Mar. 31, 2015	10.47	19 876	1 899	1.95	1.96	7.11	0.24
Mar. 31, 2014	10.51	16 365	1 558	1.95	1.95	12.61	0.27
Series H							
Mar. 31, 2018	11.66	13 753	1 180	1.77	1.77	–	0.10
Mar. 31, 2017	11.80	17 218	1 459	1.78	1.78	2.14	0.17
Mar. 31, 2016	10.90	17 889	1 642	1.79	1.79	5.53	0.24
Mar. 31, 2015	11.57	35 658	3 083	1.78	1.79	7.11	0.24
Mar. 31, 2014	11.17	15 757	1 411	1.81	1.81	12.61	0.27
Series D							
Mar. 31, 2018	11.96	9 526	796	1.08	1.08	–	0.10
Mar. 31, 2017	12.11	10 417	861	1.09	1.09	2.14	0.17
Mar. 31, 2016	11.11	9 577	862	1.11	1.11	5.53	0.24
Mar. 31, 2015	11.76	8 007	681	1.10	1.11	7.11	0.24
Mar. 31, 2014	11.29	4 535	402	1.10	1.10	12.61	0.27
Series F							
Mar. 31, 2018	12.02	25 858	2 151	0.84	0.84	–	0.10
Mar. 31, 2017	12.16	18 704	1 539	0.84	0.84	2.14	0.17
Mar. 31, 2016	11.15	4 026	361	0.85	0.85	5.53	0.24
Mar. 31, 2015	11.82	5 464	462	0.84	0.85	7.11	0.24
Mar. 31, 2014	11.29	1 084	96	0.84	0.84	12.61	0.27
Series FT5							
Mar. 31, 2018	10.17	6 540	643	0.83	0.83	–	0.10
Mar. 31, 2017	10.64	7 036	661	0.83	0.83	2.14	0.17
Mar. 31, 2016	9.99	3 513	352	0.85	0.85	5.53	0.24
Mar. 31, 2015	10.76	4 558	424	0.84	0.85	7.11	0.24
Mar. 31, 2014	10.67	1 212	114	0.86	0.86	12.61	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.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager and portfolio manager of the Fund. Management fees of each series of the Fund are calculated at 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	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%

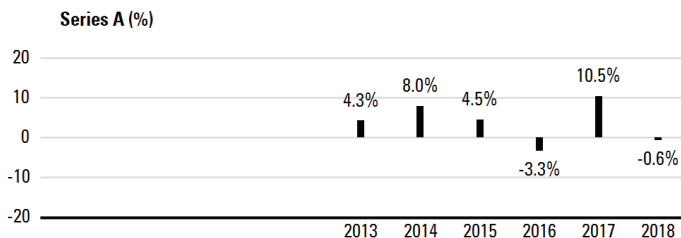
* Includes all costs related to management, investment advisory services, general administration and profit.

PAST PERFORMANCE

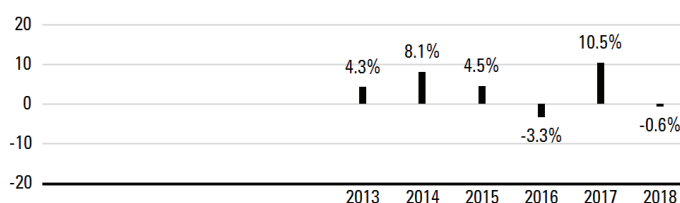
The performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional shares of the Fund and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional 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 (%)

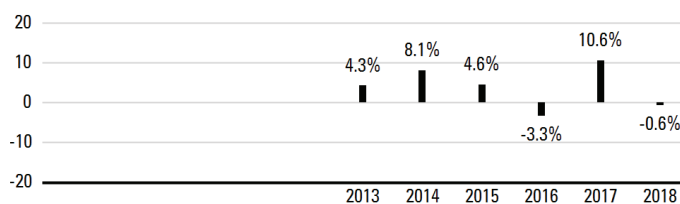
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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



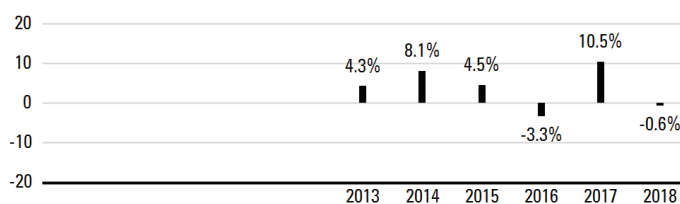
Advisor Series (%)



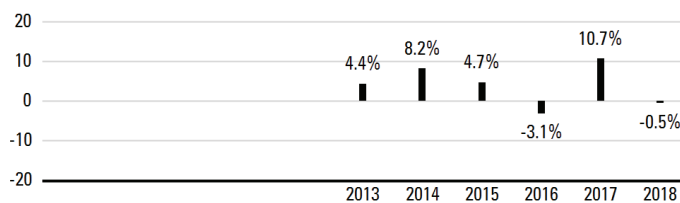
Advisor T5 Series (%)



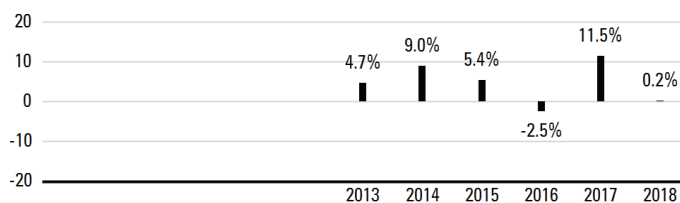
Series T5 (%)



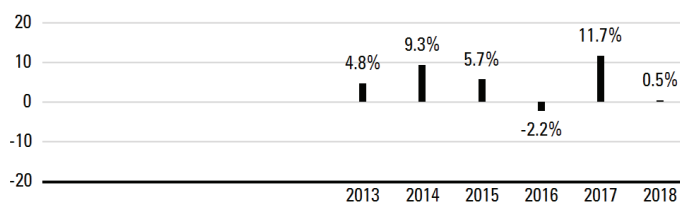
Series H (%)



Series D (%)



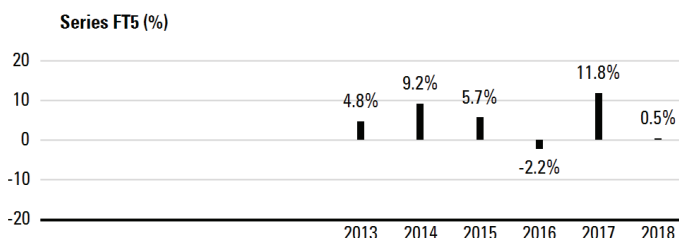
Series F (%)





March 31, 2018

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, 2018, 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 indexes are as follows:

- Broad-based index 1 – FTSE TMX Canada Universe Bond Index
- Broad-based index 2 – S&P/TSX Capped Composite Total Return Index

In January 2018, the S&P/TSX Capped Composite Total Return Index was added as a second broad-based index to more closely reflect the Fund's composition. The existing 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	-0.6	2.0	3.7	–	4.2
Benchmark	2.3	3.4	5.1	–	5.3
Broad-based index 1	1.4	1.2	2.9	–	2.9
Broad-based index 2	1.7	4.1	6.9	–	7.2
Advisor Series	-0.6	2.0	3.7	–	4.2
Benchmark	2.3	3.4	5.1	–	5.3
Broad-based index 1	1.4	1.2	2.9	–	2.9
Broad-based index 2	1.7	4.1	6.9	–	7.2
Advisor T5 Series	-0.6	2.1	3.8	–	4.3
Benchmark	2.3	3.4	5.1	–	5.3
Broad-based index 1	1.4	1.2	2.9	–	2.9
Broad-based index 2	1.7	4.1	6.9	–	7.2
Series T5	-0.6	2.0	3.7	–	4.2
Benchmark	2.3	3.4	5.1	–	5.3
Broad-based index 1	1.4	1.2	2.9	–	2.9
Broad-based index 2	1.7	4.1	6.9	–	7.2
Series H	-0.5	2.2	3.9	–	4.4
Benchmark	2.3	3.4	5.1	–	5.3
Broad-based index 1	1.4	1.2	2.9	–	2.9
Broad-based index 2	1.7	4.1	6.9	–	7.2

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
Series D	0.2	2.9	4.6	–	5.1
Benchmark	2.3	3.4	5.1	–	5.3
Broad-based index 1	1.4	1.2	2.9	–	2.9
Broad-based index 2	1.7	4.1	6.9	–	7.2
Series F	0.5	3.2	4.9	–	5.4
Benchmark	2.3	3.4	5.1	–	5.3
Broad-based index 1	1.4	1.2	2.9	–	2.9
Broad-based index 2	1.7	4.1	6.9	–	7.2
Series FT5	0.5	3.2	4.9	–	5.4
Benchmark	2.3	3.4	5.1	–	5.3
Broad-based index 1	1.4	1.2	2.9	–	2.9
Broad-based index 2	1.7	4.1	6.9	–	7.2

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 indexes.

Series A, Advisor Series, Advisor T5 Series, Series T5, Series H, Series D, Series F and Series FT5 mutual fund shares have been available for sale to shareholders since October 31, 2012. Series H mutual fund shares have been capped and are no longer available for purchase by new investors effective June 30, 2016.

Inception dates are not provided for series that have been in existence for more than 10 years.

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.

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.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at March 31, 2018

Investment Mix

	% of Net Asset Value
Canadian Equities	48.8
Bonds	33.8
Investment Funds	9.8
Preferred Equities	5.3
Cash/Other	2.3



March 31, 2018

SUMMARY OF INVESTMENT PORTFOLIO (cont.)

(after consideration of derivative products, if any)

As at March 31, 2018

Top 25 Holdings*

	% of Net Asset Value
RBC High Yield Bond Fund	5.6
Phillips, Hager & North High Yield Bond Fund	4.3
Royal Bank of Canada	4.0
Toronto-Dominion Bank	4.0
Bank of Nova Scotia	3.1
Enbridge Inc.	2.7
Brookfield Asset Management Inc., Class A	2.0
Cash & Cash Equivalents	2.0
Canadian Imperial Bank of Commerce	1.6
Canadian National Railway Co.	1.6
Manulife Financial Corporation	1.5
Bank of Montreal	1.4
Suncor Energy Inc.	1.4
Canada Housing Trust No. 1 1.250% Jun 15 2021	1.2
Government of Canada 3.250% Jun 1 2021	1.2
Government of Canada 1.750% Mar 1 2023	1.2
Province of Ontario 3.500% Jun 2 2043	1.2
Shaw Communications Inc., Class B	1.1
Alimentation Couche-Tard Inc.	1.1
Waste Connections Inc.	1.0
Fortis Inc.	1.0
Government of Canada 2.750% Dec 1 2048	1.0
Canada Housing Trust No. 1 1.750% Jun 15 2022	1.0
Province of Ontario 5.600% Jun 2 2035	1.0
Keyera Corp.	0.9
Top 25 Holdings	48.1

* 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.