



CANADIAN EQUITY FUND

## RBC CANADIAN DIVIDEND FUND

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June 30, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this interim management report of fund performance on August 9, 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.

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*This interim management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete interim financial statements or 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](http://www.rbcgam.com/reports) or SEDAR at [www.sedar.com](http://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 achieve long-term returns consisting of regular dividend income and modest long-term capital growth.

The Fund invests primarily in common and preferred shares of major Canadian companies with above-average dividend yields, as well as income trusts. Stocks that qualify as investments will generally carry above-average dividend yields and offer the potential for increased payouts. The Fund may also invest in foreign securities with similar attributes.

### Results of Operations

The Fund's net asset value was \$18.9 billion as of June 30, 2018.

Over the past six months, the Fund's Series A units lost 0.3%. The Fund's return is after the deduction of fees and expenses. 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 stock market posted modest gains in the first half of 2018, led by strength in the Energy and Information Technology sectors. However, domestic economic growth slowed and concern about trade protectionism intensified as the period progressed, leading the Bank of Canada to take a more cautious approach toward raising interest rates. The combination of rising borrowing costs, a weaker housing market and uncertainty about the future of the North American Free Trade Agreement conspired to dampen Canadian economic growth. Late in the period, President Trump imposed tariffs on Canadian steel and aluminum. Against this backdrop, equities have struggled to make the kind of headway that came so easily last year.

In the first half of 2018, the Fund benefited from an underweight position in BCE. Interest-rate-sensitive sectors such as Telecommunication Services and Utilities have underperformed this year amid higher bond yields. Conversely, an underweight position in the Canadian Information Technology sector held back returns. The Fund did not own top performer Constellation Software, which has grown through acquisitions.

Canadian energy producers continue to deal with price discounts on domestic production due to a lack of distribution pathways for both crude oil and natural gas. The Fund's exposure to the Energy sector was positive for the Fund's returns through holdings such as Imperial Oil, Canadian Natural Resources and Husky Energy. However, an overweight position in PrairieSky Royalty held back returns after first-quarter results came in below expectations.

### Recent Developments

Equities fluctuated significantly during the first half of the year as rapid corporate-profit growth was offset by contracting price-to-earnings ratios. Expanding valuations have been a significant source of gains for stocks during this long bull market, but sustained earnings growth will be critical to drive stocks higher from here. Earnings have indeed been growing rapidly, helped in part by the U.S. tax cuts. The positive trend in earnings is expected to persist, and the portfolio manager's research suggests a reasonable outcome is for stocks to deliver positive returns this year and next. The portfolio manager acknowledges, however, that any deterioration in the outlook for earnings would leave markets vulnerable to correction given currently demanding valuations.

### Related-Party Transactions

#### *Manager, Trustee and Portfolio Manager*

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager 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, 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 units of the Fund. RBC GAM, as trustee, earns a fee, which is paid by the manager from the fixed administration fee paid by 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 unitholders 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 principal distributors of, or may distribute certain series of units of, the Fund. Dealers may receive an ongoing commission based on the total value of their clients' investment in certain series of units of the Fund.



### **Registrars**

RBC GAM, RBC IS or Royal Bank (or a combination thereof) are the registrars of the Fund and keep records of who owns units of the Fund. The registrars earn a fee, which is paid by the manager from the fixed administration fee paid by the Fund.

### **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.

### **Securities Lending Agent**

To the extent the Fund may engage in securities lending transactions, RBC IS may act as the Fund's securities lending agent. Any revenue earned on such securities lending is split between the Fund and the securities lending agent.

### **Brokers and Dealers**

The Fund has established standard brokerage and dealing agreements at market rates with related parties. These related-party commissions were \$656,000 (2017 – \$307,000) or 25% (2017 – 14%) of the total transaction costs paid for this 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.



## 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 six months (noted by June 30, 2018), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited interim financial statements and audited annual financial statements. For financial years beginning on or after January 1, 2014, financial highlight information is derived from financial statements prepared in compliance with International Financial Reporting Standards ("IFRS"). For financial years prior to January 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 2014, are calculated in accordance with GAAP, and "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. There is no significant difference between "Net Assets" and "Net Asset Value" under IFRS.

### Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				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		
<b>Series A</b>												
<b>June 30, 2018</b>	<b>72.96</b>	<b>1.17</b>	<b>(0.61)</b>	<b>1.08</b>	<b>(2.02)</b>	<b>(0.38)</b>	–	<b>(0.36)</b>	–	–	<b>(0.36)</b>	<b>72.36</b>
Dec. 31, 2017	68.49	2.11	(1.23)	1.88	2.35	5.11	–	(0.71)	–	–	(0.71)	72.96
Dec. 31, 2016	58.12	2.09	(1.10)	2.03	8.06	11.08	–	(0.86)	–	–	(0.86)	68.49
Dec. 31, 2015	63.36	2.01	(1.09)	1.54	(6.95)	(4.49)	–	(0.68)	–	–	(0.68)	58.12
Dec. 31, 2014	57.70	1.81	(1.09)	2.87	3.48	7.07	–	(0.60)	(0.72)	–	(1.32)	63.36
Dec. 31, 2013	49.64	1.69	(0.94)	1.12	6.82	8.69	–	(0.60)	–	–	(0.60)	57.68
<b>Advisor Series</b>												
<b>June 30, 2018</b>	<b>73.41</b>	<b>1.18</b>	<b>(0.62)</b>	<b>1.09</b>	<b>(1.94)</b>	<b>(0.29)</b>	–	<b>(0.36)</b>	–	–	<b>(0.36)</b>	<b>72.80</b>
Dec. 31, 2017	68.91	2.13	(1.24)	1.89	2.39	5.17	–	(0.71)	–	–	(0.71)	73.41
Dec. 31, 2016	58.47	2.11	(1.10)	2.04	8.24	11.29	–	(0.86)	–	–	(0.86)	68.91
Dec. 31, 2015	63.74	2.02	(1.09)	1.55	(6.99)	(4.51)	–	(0.68)	–	–	(0.68)	58.47
Dec. 31, 2014	58.04	1.82	(1.10)	2.88	3.50	7.10	–	(0.60)	(0.72)	–	(1.32)	63.74
Dec. 31, 2013	49.93	1.70	(0.94)	1.12	6.86	8.74	–	(0.62)	–	–	(0.62)	58.03
<b>Advisor T5 Series</b>												
<b>June 30, 2018</b>	<b>65.01</b>	<b>1.18</b>	<b>(0.62)</b>	<b>1.09</b>	<b>(2.12)</b>	<b>(0.47)</b>	–	<b>(0.32)</b>	–	<b>(1.31)</b>	<b>(1.63)</b>	<b>63.11</b>
Dec. 31, 2017	63.53	2.13	(1.24)	1.89	2.02	4.80	–	(0.61)	–	(2.56)	(3.17)	65.01
Dec. 31, 2016	55.78	2.11	(1.10)	2.04	8.37	11.42	–	(0.92)	–	(1.87)	(2.79)	63.53
Dec. 31, 2015	63.42	2.02	(1.09)	1.55	(6.99)	(4.51)	–	(0.70)	–	(2.47)	(3.17)	55.78
Dec. 31, 2014 <sup>3</sup>	64.74 <sup>†</sup>	1.82	(1.10)	2.88	3.50	7.10	–	(0.24)	(0.65)	(0.46)	(1.35)	63.42
<b>Series T5</b>												
<b>June 30, 2018</b>	<b>60.61</b>	<b>0.96</b>	<b>(0.51)</b>	<b>0.89</b>	<b>(1.50)</b>	<b>(0.16)</b>	–	<b>(0.31)</b>	–	<b>(1.20)</b>	<b>(1.51)</b>	<b>58.85</b>
Dec. 31, 2017	59.23	1.79	(1.06)	1.60	2.15	4.48	–	(0.60)	–	(2.36)	(2.96)	60.61
Dec. 31, 2016	52.00	1.84	(0.98)	1.78	7.31	9.95	–	(0.88)	–	(1.72)	(2.60)	59.23
Dec. 31, 2015	59.08	1.84	(1.00)	1.41	(6.35)	(4.10)	–	(0.75)	–	(2.20)	(2.95)	52.00
Dec. 31, 2014	55.24	1.70	(1.05)	2.69	3.26	6.60	–	(0.62)	(0.75)	(1.39)	(2.76)	59.08
Dec. 31, 2013	49.30	1.64	(0.96)	1.08	6.61	8.37	–	(0.65)	–	(1.82)	(2.47)	55.23
<b>Series T8</b>												
<b>June 30, 2018</b>	<b>10.65</b>	<b>0.17</b>	<b>(0.09)</b>	<b>0.16</b>	<b>(0.30)</b>	<b>(0.06)</b>	–	<b>(0.05)</b>	–	<b>(0.37)</b>	<b>(0.42)</b>	<b>10.17</b>
Dec. 31, 2017	10.73	0.32	(0.19)	0.29	0.36	0.78	–	(0.11)	–	(0.75)	(0.86)	10.65
Dec. 31, 2016	9.70	0.34	(0.18)	0.33	1.28	1.77	–	(0.16)	–	(0.61)	(0.77)	10.73
Dec. 31, 2015	11.39	0.35	(0.19)	0.27	(1.21)	(0.78)	–	(0.15)	–	(0.76)	(0.91)	9.70
Dec. 31, 2014	10.97	0.33	(0.20)	0.53	0.64	1.30	–	(0.14)	(0.12)	(0.62)	(0.88)	11.39
Dec. 31, 2013	10.08	0.33	(0.18)	0.22	1.34	1.71	–	(0.15)	–	(0.66)	(0.81)	10.97



**FINANCIAL HIGHLIGHTS (cont.)**

**Change in Net Assets Per Unit (\$) (cont.)**

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations <sup>1</sup>					Annual Distributions <sup>2</sup>				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
<b>Series D</b>												
<b>June 30, 2018</b>	<b>73.06</b>	<b>1.17</b>	<b>(0.36)</b>	<b>1.08</b>	<b>(1.85)</b>	<b>0.04</b>	–	<b>(0.61)</b>	–	–	<b>(0.61)</b>	<b>72.46</b>
Dec. 31, 2017	68.55	2.12	(0.73)	1.89	2.40	5.68	–	(1.17)	–	–	(1.17)	73.06
Dec. 31, 2016	58.20	2.10	(0.70)	2.03	8.23	11.66	–	(1.29)	–	–	(1.29)	68.55
Dec. 31, 2015	63.44	2.02	(0.75)	1.54	(6.96)	(4.15)	–	(1.01)	–	–	(1.01)	58.20
Dec. 31, 2014	57.76	1.81	(0.75)	2.87	3.48	7.41	–	(0.93)	(0.72)	–	(1.65)	63.44
Dec. 31, 2013	49.70	1.69	(0.64)	1.12	6.83	9.00	–	(0.91)	–	–	(0.91)	57.75
<b>Series F</b>												
<b>June 30, 2018</b>	<b>75.17</b>	<b>1.20</b>	<b>(0.27)</b>	<b>1.12</b>	<b>(1.35)</b>	<b>0.70</b>	–	<b>(0.73)</b>	–	–	<b>(0.73)</b>	<b>74.55</b>
Dec. 31, 2017	70.54	2.18	(0.56)	1.94	2.89	6.45	–	(1.41)	–	–	(1.41)	75.17
Dec. 31, 2016	59.89	2.18	(0.54)	2.11	9.27	13.02	–	(1.52)	–	–	(1.52)	70.54
Dec. 31, 2015	65.27	2.07	(0.59)	1.59	(7.17)	(4.10)	–	(1.22)	–	–	(1.22)	59.89
Dec. 31, 2014	59.40	1.86	(0.60)	2.95	3.58	7.79	–	(1.11)	(0.72)	–	(1.83)	65.27
Dec. 31, 2013	51.09	1.74	(0.51)	1.15	7.03	9.41	–	(1.07)	–	–	(1.07)	59.38
<b>Series FT5</b>												
<b>June 30, 2018</b>	<b>68.50</b>	<b>1.09</b>	<b>(0.24)</b>	<b>1.01</b>	<b>(1.13)</b>	<b>0.73</b>	–	<b>(0.62)</b>	–	<b>(1.10)</b>	<b>(1.72)</b>	<b>66.86</b>
Dec. 31, 2017	66.25	2.00	(0.52)	1.79	3.11	6.38	–	(1.19)	–	(2.12)	(3.31)	68.50
Dec. 31, 2016	57.63	2.07	(0.52)	2.00	8.99	12.54	–	(1.43)	–	(1.45)	(2.88)	66.25
Dec. 31, 2015	64.90	2.02	(0.55)	1.55	(6.98)	(3.96)	–	(1.29)	–	(1.96)	(3.25)	57.63
Dec. 31, 2014 <sup>3</sup>	66.32 <sup>†</sup>	0.74	(0.24)	1.17	1.42	3.09	–	(0.32)	(1.35)	–	(1.67)	64.90
<b>Series FT8</b>												
<b>June 30, 2018</b>	<b>10.78</b>	<b>0.17</b>	<b>(0.04)</b>	<b>0.16</b>	<b>(0.24)</b>	<b>0.05</b>	–	<b>(0.10)</b>	–	<b>(0.33)</b>	<b>(0.43)</b>	<b>10.35</b>
Dec. 31, 2017	10.75	0.32	(0.09)	0.29	0.42	0.94	–	(0.21)	–	(0.65)	(0.86)	10.78
Dec. 31, 2016 <sup>4</sup>	10.06 <sup>†</sup>	0.17	(0.04)	0.17	0.80	1.10	–	(0.11)	–	(0.31)	(0.42)	10.75
<b>Series I</b>												
<b>June 30, 2018</b>	<b>73.82</b>	<b>1.18</b>	<b>(0.18)</b>	<b>1.10</b>	<b>(1.91)</b>	<b>0.19</b>	–	<b>(0.81)</b>	–	–	<b>(0.81)</b>	<b>73.21</b>
Dec. 31, 2017	69.27	2.14	(0.36)	1.91	2.35	6.04	–	(1.58)	–	–	(1.58)	73.82
Dec. 31, 2016	58.80	2.08	(0.31)	2.01	8.29	12.07	–	(1.69)	–	–	(1.69)	69.27
Dec. 31, 2015	64.10	2.04	(0.32)	1.56	(7.04)	(3.76)	–	(1.45)	–	–	(1.45)	58.80
Dec. 31, 2014	58.37	1.83	(0.32)	2.90	3.52	7.93	–	(1.40)	(0.72)	–	(2.12)	64.10
Dec. 31, 2013	50.24	1.71	(0.28)	1.13	6.91	9.47	–	(1.31)	–	–	(1.31)	58.35
<b>Series O</b>												
<b>June 30, 2018</b>	<b>74.41</b>	<b>1.19</b>	<b>(0.01)</b>	<b>1.10</b>	<b>(1.64)</b>	<b>0.64</b>	–	<b>(0.99)</b>	–	–	<b>(0.99)</b>	<b>73.80</b>
Dec. 31, 2017	69.84	2.16	(0.02)	1.92	2.48	6.54	–	(1.95)	–	–	(1.95)	74.41
Dec. 31, 2016	59.33	2.14	(0.01)	2.07	8.36	12.56	–	(2.08)	–	–	(2.08)	69.84
Dec. 31, 2015	64.68	2.06	(0.01)	1.57	(7.11)	(3.49)	–	(1.78)	–	–	(1.78)	59.33
Dec. 31, 2014	58.91	1.85	(0.01)	2.93	3.55	8.32	–	(1.73)	(0.72)	–	(2.45)	64.68
Dec. 31, 2013	50.70	1.73	(0.01)	1.14	6.97	9.83	–	(1.59)	–	–	(1.59)	58.89

<sup>1</sup> 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.

<sup>2</sup> Distributions are reinvested in additional units of the Fund or paid in cash.

<sup>3</sup> From August 11, 2014.

<sup>4</sup> From July 4, 2016.

<sup>†</sup> Initial offering net asset value per unit.



**FINANCIAL HIGHLIGHTS (cont.)**

**Ratios and Supplemental Data**

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series A</b>							
<b>June 30, 2018</b>	<b>72.36</b>	<b>9 916 937</b>	<b>137 053</b>	<b>1.76</b>	<b>1.76</b>	<b>15.19</b>	<b>0.03</b>
Dec. 31, 2017	72.96	10 700 074	146 666	1.76	1.76	14.26	0.03
Dec. 31, 2016	68.49	10 743 946	156 870	1.76	1.76	13.16	0.03
Dec. 31, 2015	58.12	10 062 888	173 144	1.76	1.76	12.92	0.02
Dec. 31, 2014	63.36	11 865 196	187 269	1.76	1.76	17.39	0.03
Dec. 31, 2013	57.70	10 897 203	188 857	1.79	1.79	19.11	0.04
<b>Advisor Series</b>							
<b>June 30, 2018</b>	<b>72.80</b>	<b>189 084</b>	<b>2 597</b>	<b>1.76</b>	<b>1.76</b>	<b>15.19</b>	<b>0.03</b>
Dec. 31, 2017	73.41	195 933	2 669	1.76	1.76	14.26	0.03
Dec. 31, 2016	68.91	185 720	2 695	1.76	1.76	13.16	0.03
Dec. 31, 2015	58.47	155 684	2 663	1.76	1.76	12.92	0.02
Dec. 31, 2014	63.74	176 324	2 766	1.76	1.76	17.39	0.03
Dec. 31, 2013	58.04	154 034	2 654	1.77	1.77	19.11	0.04
<b>Advisor T5 Series</b>							
<b>June 30, 2018</b>	<b>63.11</b>	<b>2 497</b>	<b>40</b>	<b>1.80</b>	<b>1.80</b>	<b>15.19</b>	<b>0.03</b>
Dec. 31, 2017	65.01	2 646	41	1.79	1.79	14.26	0.03
Dec. 31, 2016	63.53	2 252	35	1.79	1.79	13.16	0.03
Dec. 31, 2015	55.78	1 406	25	1.84	1.84	12.92	0.02
Dec. 31, 2014 <sup>4</sup>	63.42	44	1	1.81	1.81	17.39	0.03
<b>Series T5</b>							
<b>June 30, 2018</b>	<b>58.85</b>	<b>15 246</b>	<b>259</b>	<b>1.77</b>	<b>1.77</b>	<b>15.19</b>	<b>0.03</b>
Dec. 31, 2017	60.61	14 650	242	1.78	1.78	14.26	0.03
Dec. 31, 2016	59.23	10 695	181	1.78	1.78	13.16	0.03
Dec. 31, 2015	52.00	7 177	138	1.78	1.78	12.92	0.02
Dec. 31, 2014	59.08	5 579	94	1.79	1.79	17.39	0.03
Dec. 31, 2013	55.24	1 753	32	1.83	1.83	19.11	0.04
<b>Series T8</b>							
<b>June 30, 2018</b>	<b>10.17</b>	<b>108 366</b>	<b>10 651</b>	<b>1.78</b>	<b>1.78</b>	<b>15.19</b>	<b>0.03</b>
Dec. 31, 2017	10.65	114 561	10 760	1.78	1.78	14.26	0.03
Dec. 31, 2016	10.73	104 268	9 714	1.79	1.79	13.16	0.03
Dec. 31, 2015	9.70	96 352	9 931	1.78	1.78	12.92	0.02
Dec. 31, 2014	11.39	106 907	9 383	1.77	1.77	17.39	0.03
Dec. 31, 2013	10.97	74 547	6 796	1.76	1.76	19.11	0.04
<b>Series D</b>							
<b>June 30, 2018</b>	<b>72.46</b>	<b>699 614</b>	<b>9 656</b>	<b>1.05</b>	<b>1.05</b>	<b>15.19</b>	<b>0.03</b>
Dec. 31, 2017	73.06	707 172	9 680	1.05	1.05	14.26	0.03
Dec. 31, 2016	68.55	633 384	9 240	1.12 <sup>5</sup>	1.12	13.16	0.03
Dec. 31, 2015	58.20	519 006	8 918	1.21	1.21	12.92	0.02
Dec. 31, 2014	63.44	546 615	8 616	1.21	1.21	17.39	0.03
Dec. 31, 2013	57.76	437 312	7 571	1.21	1.21	19.11	0.04
<b>Series F</b>							
<b>June 30, 2018</b>	<b>74.55</b>	<b>1 580 949</b>	<b>21 207</b>	<b>0.76</b>	<b>0.76</b>	<b>15.19</b>	<b>0.03</b>
Dec. 31, 2017	75.17	1 235 540	16 438	0.77	0.77	14.26	0.03
Dec. 31, 2016	70.54	591 601	8 387	0.83 <sup>5</sup>	0.83	13.16	0.03
Dec. 31, 2015	59.89	218 825	3 654	0.93	0.93	12.92	0.02
Dec. 31, 2014	65.27	190 361	2 916	0.94	0.94	17.39	0.03
Dec. 31, 2013	59.40	142 427	2 398	0.94	0.94	19.11	0.04



**FINANCIAL HIGHLIGHTS (cont.)**

**Ratios and Supplemental Data (cont.)**

As at	Net Asset Value Per Unit (\$)	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) <sup>1</sup>	MER Before Absorption (%) <sup>1</sup>	Portfolio Turnover Rate (%) <sup>2</sup>	Trading Expense Ratio (%) <sup>3</sup>
<b>Series FT5</b>							
<b>June 30, 2018</b>	<b>66.86</b>	<b>12 527</b>	<b>187</b>	<b>0.75</b>	<b>0.75</b>	<b>15.19</b>	<b>0.03</b>
Dec. 31, 2017	68.50	9 749	142	0.78	0.78	14.26	0.03
Dec. 31, 2016	66.25	1 970	30	0.84 <sup>5</sup>	0.84	13.16	0.03
Dec. 31, 2015	57.63	488	8	0.89	0.89	12.92	0.02
Dec. 31, 2014 <sup>4</sup>	64.90	213	3	0.96	0.96	17.39	0.03
<b>Series FT8</b>							
<b>June 30, 2018</b>	<b>10.35</b>	<b>11 185</b>	<b>1 081</b>	<b>0.75</b>	<b>0.75</b>	<b>15.19</b>	<b>0.03</b>
Dec. 31, 2017	10.78	10 143	941	0.78	0.78	14.26	0.03
Dec. 31, 2016 <sup>6</sup>	10.75	6 268	583	0.84	0.84	13.16	0.03
<b>Series I</b>							
<b>June 30, 2018</b>	<b>73.21</b>	<b>32 155</b>	<b>439</b>	<b>0.50</b>	<b>0.50</b>	<b>15.19</b>	<b>0.03</b>
Dec. 31, 2017	73.82	32 709	443	0.50	0.50	14.26	0.03
Dec. 31, 2016	69.27	36 235	523	0.51	0.51	13.16	0.03
Dec. 31, 2015	58.80	136 884	2 328	0.51	0.51	12.92	0.02
Dec. 31, 2014	64.10	317 544	4 954	0.51	0.51	17.39	0.03
Dec. 31, 2013	58.37	311 810	5 342	0.52	0.52	19.11	0.04
<b>Series O</b>							
<b>June 30, 2018</b>	<b>73.80</b>	<b>6 298 226</b>	<b>85 346</b>	<b>0.02</b>	<b>0.02</b>	<b>15.19</b>	<b>0.03</b>
Dec. 31, 2017	74.41	5 805 031	78 018	0.02	0.02	14.26	0.03
Dec. 31, 2016	69.84	5 210 089	74 600	0.02	0.02	13.16	0.03
Dec. 31, 2015	59.33	5 329 892	89 835	0.02	0.02	12.92	0.02
Dec. 31, 2014	64.68	4 813 115	74 409	0.02	0.02	17.39	0.03
Dec. 31, 2013	58.91	4 532 810	76 947	0.02	0.02	19.11	0.04

<sup>1</sup> 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.

<sup>2</sup> 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. The portfolio turnover rate is not applicable to money market funds.

<sup>3</sup> 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.

<sup>4</sup> From August 11, 2014.

<sup>5</sup> Effective June 30, 2016, the management fees were changed in respect of Series D, Series F and Series FT5 units of the Fund. If the changes to the management fees would have been in effect throughout 2016, the adjusted MER for each series of the Fund would be: Series D – 1.05%, Series F – 0.77% and Series FT5 – 0.79%.

<sup>6</sup> From July 4, 2016.



**FINANCIAL HIGHLIGHTS (cont.)**

**Management Fees**

RBC GAM is the manager, trustee 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	1.50%	67%	33%
Advisor Series	1.50%	67%	33%
Advisor T5 Series	1.50%	67%	33%
Series T5	1.50%	67%	33%
Series T8	1.50%	67%	33%
Series D	0.85%	25%	75%
Series F	0.60%	–	100%
Series FT5	0.60%	–	100%
Series FT8	0.60%	–	100%
Series I	0.44%	–	100%

Series O – no management fees are paid by the Fund with respect to Series O units. Series O unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

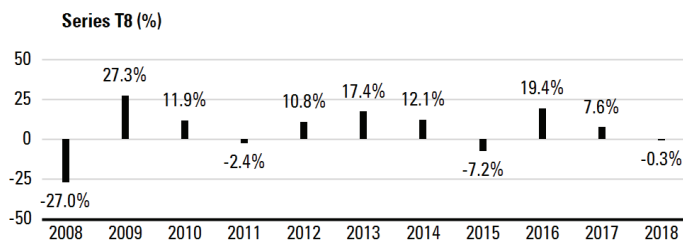
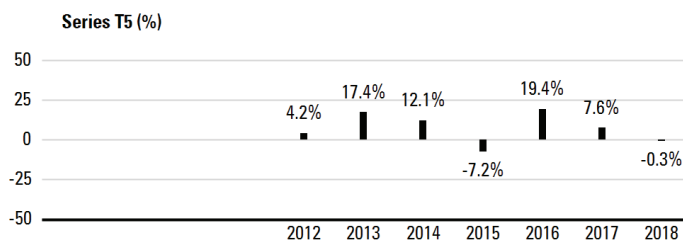
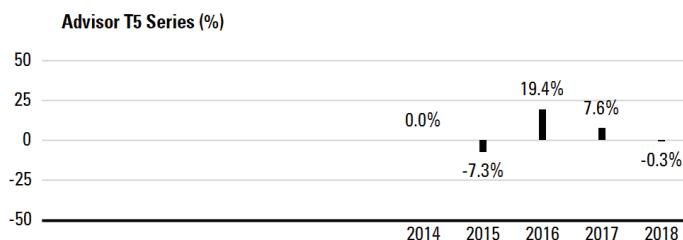
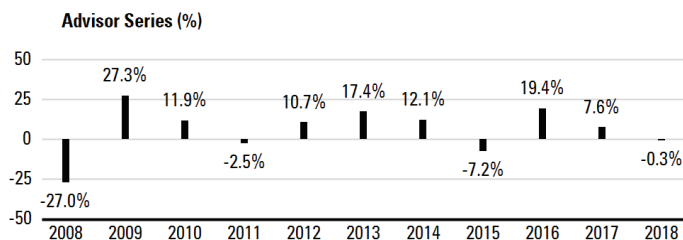
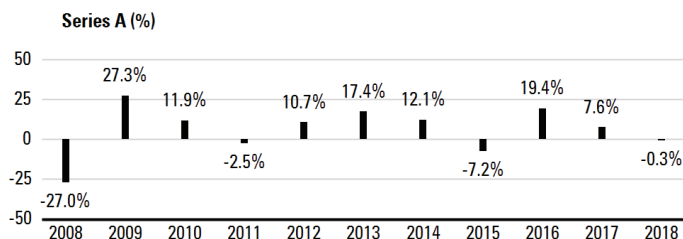
\* Includes all costs related to management, trustee, investment advisory services, general administration and profit.

**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 (%)**

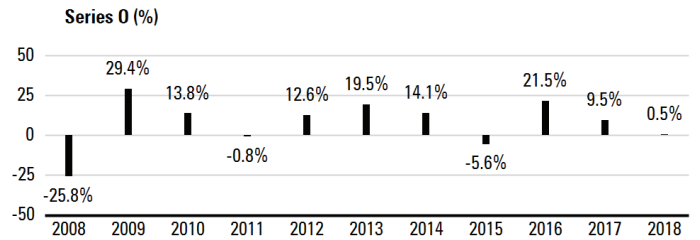
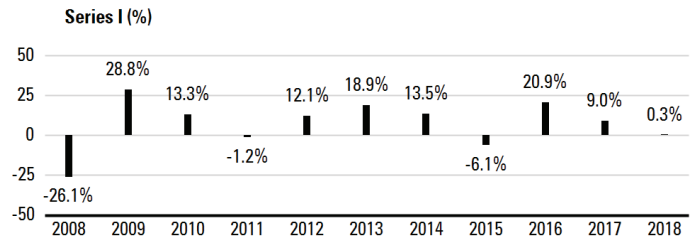
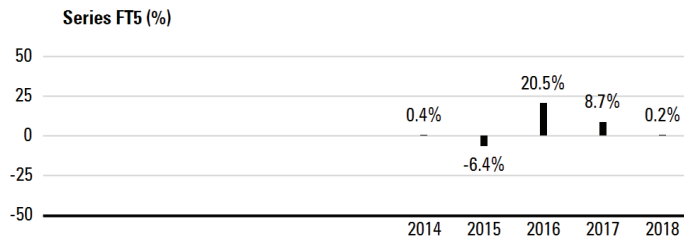
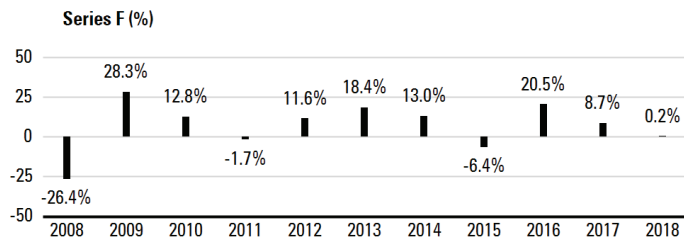
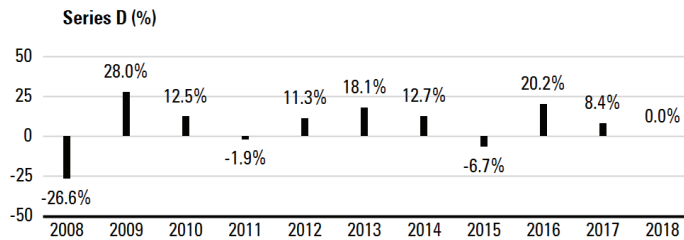
The bar chart indicates the Fund's performance for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end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







PAST PERFORMANCE (cont.)



Series FT8 units have been available for sale to unitholders since July 4, 2016, Advisor T5 Series and Series FT5 units since August 11, 2014, and Series T5 units since September 24, 2012.

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

For the 12-month periods ended December 31 and the six-month period ended June 30, 2018.



## SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2018

### Investment Mix

	% of Net Asset Value
Financials	42.7
Energy	20.3
Industrials	8.9
Utilities	4.8
Telecommunication Services	4.4
Consumer Staples	4.2
Consumer Discretionary	3.4
Materials	3.2
Real Estate	2.3
Health Care	0.7
Bonds	0.4
Cash/Other	4.7

### Top 25 Holdings

	% of Net Asset Value
Royal Bank of Canada	7.6
Toronto-Dominion Bank	7.5
Bank of Nova Scotia	6.1
Canadian National Railway Co.	5.0
Cash & Cash Equivalents	4.4
Enbridge Inc.	4.4
Brookfield Asset Management Inc., Class A	4.0
Bank of Montreal	3.6
TransCanada Corp.	3.0
Canadian Natural Resources Ltd.	2.9
Suncor Energy Inc.	2.9
Manulife Financial Corporation	2.8
Canadian Imperial Bank of Commerce	2.5
Canadian Pacific Railway Ltd.	2.1
Loblaw Companies Ltd.	1.9
TELUS Corp.	1.8
Sun Life Financial Inc.	1.6
Nutrien Ltd.	1.5
Rogers Communications Inc., Class B	1.5
Imperial Oil Ltd.	1.5
Fairfax Financial Holdings Ltd.	1.4
Power Corporation of Canada	1.3
Thomson Corp.	1.3
Pembina Pipeline Corp.	1.2
PrairieSky Royalty Ltd.	1.2
Top 25 Holdings	75.0

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](http://www.rbcgam.com/funds).