



FIXED-INCOME FUND

RBC HIGH YIELD BOND CAPITAL CLASS

September 30, 2013

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

The Board of Directors of RBC Corporate Class Inc. approved this semi-annual management report of fund performance on November 7, 2013.

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 semi-annual management report of fund performance ("MRFP") contains financial highlights but does not contain either the complete semi-annual 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/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 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.

Results of Operations

The Fund’s net asset value was \$311 million as of September 30, 2013.

Over the past six months, the Fund’s Series A shares lost 0.5%. 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 the other series, which may vary because of differences in management fees and expenses.

For much of the six-month period, fixed-income returns were hurt by rising U.S. government-bond yields, as a long period of historically low interest rates came to an end. While demand for income, coupled with strong corporate earnings, had supported the high-yield market, yields on higher-yielding securities began to rise in May, following the trend of government bonds. The overall increase in yields came as policymakers at the U.S. Federal Reserve (“Fed”) signaled that they would reduce monetary stimulus sooner than expected if warranted by faster U.S. economic growth. Once the volatility in government yields subsided, high-yield bond prices recovered somewhat and outperformed government and investment-grade bonds amid a generally favourable macroeconomic environment.

The Fund’s cash levels were higher than normal in early April. As yields started to rise in May and June and bond prices started to fall, the portfolio manager took advantage of the increased volatility by selling some of the Fund’s higher-quality Canadian investment-grade names and used the proceeds to buy lower-rated U.S. corporate bonds which had fallen in price. The portfolio manager believed that the strong fundamentals underpinning the high-yield bond market would reassert themselves and allow lower-quality bonds to outperform government bonds once volatility in the government bond market subsided. This is, in fact, what happened.

Recent Developments

Bond prices have been climbing since the Fed unexpectedly delayed reducing stimulus measures in late September. The reluctance of policymakers to scale back stimulus suggests that they will remain consistent in that regard until the U.S. economy begins to grow faster. However, the low-growth environment should be favourable for corporate bonds as long as company earnings remain strong and corporate-default rates well below historical averages. Yields on high-yield bonds continue to be attractive compared with other fixed-income assets and the portfolio manager continues to look for opportunities to add attractively valued corporate bonds to the Fund.

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 a proposal to eliminate the capital gains tax treatment associated with such forward agreements. Based on grandfathering rules announced by the Department of Finance on July 11, 2013, RBC GAM expects that the 2013 budget proposal will not affect the tax treatment of the forward agreements used by the Fund prior to 2015, provided the forward agreements stay within certain growth limits and settle prior to 2015. During the transition period, the Fund is expected to continue to operate in the same manner as prior to the budget announcement and the forward agreements should continue to receive the same tax treatment they received prior to the budget announcement. In the interim, effective April 2, 2013, RBC GAM capped further investments in the Fund.

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.



September 30, 2013

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 September 30, 2013), and for the past five years or for the periods since inception. This information is derived from the Fund's unaudited semi-annual financial statements and 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												
Sept. 30, 2013	10.89	–	(0.08)	0.15	(0.12)	(0.05)	–	–	–	–	–	10.51
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												
Sept. 30, 2013	10.89	–	(0.08)	0.15	(0.12)	(0.05)	–	–	–	–	–	10.50
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												
Sept. 30, 2013	10.90	–	(0.07)	0.15	(0.12)	(0.04)	–	–	–	–	–	10.53
Mar. 31, 2013 ⁴	10.33 [†]	–	(0.10)	0.01	0.52	0.43	–	–	–	–	–	10.90
Series D												
Sept. 30, 2013	10.94	–	(0.05)	0.15	(0.12)	(0.02)	–	–	–	–	–	10.58
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												
Sept. 30, 2013	10.96	–	(0.05)	0.15	(0.12)	(0.02)	–	–	–	–	–	10.61
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												
Sept. 30, 2013	10.97	–	(0.04)	0.15	(0.12)	(0.01)	–	–	–	–	–	10.63
Mar. 31, 2013 ⁴	10.36 [†]	–	(0.06)	0.01	0.56	0.51	–	–	–	–	–	10.97
Series O												
Sept. 30, 2013	11.07	–	–	0.15	(0.13)	0.02	–	–	–	–	–	10.76
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.



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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							
Sept. 30, 2013	10.51	28 358	2 699	1.46	1.46	26.12	—
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							
Sept. 30, 2013	10.50	40 372	3 844	1.48	1.48	26.12	—
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							
Sept. 30, 2013	10.53	15 896	1 510	1.28	1.28	26.12	—
Mar. 31, 2013 ⁵	10.90	19 458	1 785	1.31	1.31	3.06	—
Series D							
Sept. 30, 2013	10.58	5 165	488	1.03	1.03	26.12	—
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							
Sept. 30, 2013	10.61	20 787	1 960	0.91	0.91	26.12	—
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							
Sept. 30, 2013	10.63	11 720	1 103	0.74	0.74	26.12	—
Mar. 31, 2013 ⁵	10.97	15 732	1 434	0.75	0.75	3.06	—
Series O							
Sept. 30, 2013	10.76	188 370	17 503	0.06	0.06	26.12	—
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.



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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 or interim period.





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PAST PERFORMANCE (cont.)



¹ Inception date January 1, 2012.

² Inception date July 9, 2012.

For the 12-month periods ended March 31 and the six-month period ended September 30, 2013.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at September 30, 2013

Investment Mix

	% of Net Asset Value
United States	66.3
Canada	18.8
Luxembourg	3.1
Japan	1.0
Singapore	0.8
Netherlands	0.7
United Kingdom	0.7
Australia	0.7
Spain	0.3
Cash/Other	7.6

Top 25 Holdings*

	% of Net Asset Value
Cash & Cash Equivalents	6.6
DISH DBS Corp. 7.875% Sep 1 19	1.9
Ball Corp. 5.750% May 15 21	1.9
Videotron Ltd. 6.875% Jul 15 21	1.8
ArcelorMittal USD 9.850% Jun 1 19	1.8
Concho Resources Inc. 7.000% Jan 15 21	1.7
MetroPCS Wireless Inc. 6.625% Apr 1 23	1.7
The AES Corp. 8.000% Oct 15 17	1.7
Rite Aid Corp. 8.000% Aug 15 20	1.6
Smithfield Foods Inc. 6.625% Aug 15 22	1.6
Softbank Corp. USD 4.500% Apr 15 20	1.6
NRG Energy Inc. 7.875% May 15 21	1.6
Quebecor Media Inc. 7.375% Jan 15 21	1.5
Hawk Acquisition Sub Inc. 4.250% Oct 15 20	1.5
Intelsat Jackson Holdings S.A. USD 7.250% Apr 1 19	1.4
Reynolds Group Issuer Inc. 6.875% Feb 15 21	1.4
Qwest Corp. 6.750% Dec 1 21	1.3
Continental Resources Inc. 7.125% Apr 1 21	1.3
Ford Credit Canada Ltd. 7.500% Aug 18 15	1.3
Bombardier Inc. USD 7.750% Mar 15 20	1.3
Access Midstream Partners LP 4.875% May 15 23	1.3
Denbury Resources Inc. 8.250% Feb 15 20	1.2
Prestige Brands Inc. 8.250% Apr 1 18	1.2
Beazer Homes USA Inc. 6.625% Apr 15 18	1.2
HDTFS Inc. 6.250% Oct 15 22	1.2
Top 25 Holdings	42.6

* 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.