



FIXED-INCOME FUND

RBC ADVISOR CANADIAN BOND FUND

June 30, 2015

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 12, 2015.

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 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 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 modest enhancement of long-term returns, consisting of income and modest capital gains, over that of its benchmark before fees and expenses are deducted, while keeping overall risk of underperformance to modest levels.

The Fund invests primarily in fixed-income securities such as bonds, debentures and notes issued by Canadian governments and corporations. The Fund may also invest in AAA-rated securities of selected agencies such as the World Bank whose debt is considered appropriate for conservative investors.

Results of Operations

The Fund's net asset value was \$51 million as of June 30, 2015.

Over the past six months, the Fund's Advisor Series units gained 1.9%. 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 other series, if any, which may vary because of differences in management fees and expenses.

Key market-moving events in the first half of 2015 included: the launch of quantitative easing by the European Central Bank to hold down interest rates; the persistence of lower oil prices; slower-than-expected first-quarter growth; and concern that Greece would leave the Eurozone. The fall in oil prices since last summer prompted the Bank of Canada (the "BOC") Governor Stephen Poloz to make an unexpected decrease in the benchmark interest rate in January, calling the action "insurance" against the negative effects of the rapid drop in oil prices that started last summer. While the BOC's move pushed interest rates in Canada to near unprecedented lows in January, yields rebounded after oil prices stabilized and economic data started to improve.

Yields in North America continued to rise for much of the rest of the period as deflation fears receded. International investors increased their purchases of Canadian bonds due to Canada's top credit rating and the country's relatively high yields. Investors were attracted to the country's stable politics and a lack of bonds available issued by highly rated governments. Oil prices rebounded, helping to stabilize the Canadian dollar, and that also stoked demand.

Provincial bonds led the portfolio's performance amid strong demand from international investors. As a result, the Fund's significant exposure to Ontario securities was a positive for relative performance. The Fund also benefited from exposure to bonds maturing in five to 10 years, which performed well.

Recent Developments

The BOC cut Canada's benchmark interest rate in July for a second time in 2015, reflecting concern that the domestic economy continues to weaken. The portfolio manager's expectation is that interest rates will stay low until BOC Governor Poloz sees evidence that the economy has regained momentum. Meanwhile, the U.S. Federal Reserve has suggested that, while it intends to begin raising its benchmark rate this year, the process will be gradual and will depend on the strength of the economy.

The portfolio manager believes that corporate and provincial bonds are attractive relative to federal-government bonds, and that the additional yield offered by non-federal-government securities should help offset capital losses as yields rise. The Fund plans to maintain overweight positions in both areas.

Related-Party Transactions

Manager, Trustee and Portfolio Advisor

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio advisor 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.

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 distribute certain series of units of, the Fund. Dealers receive an ongoing commission based on the total value of their clients' Advisor Series units.

Custodian

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

Registrar

RBC IS is the registrar of the Fund and keeps records of who owns the units of the Fund.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the Fund relied on the standing instructions from the 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, 2015), 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 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	
Advisor Series												
June 30, 2015	12.04	0.21	(0.06)	0.06	—	0.21	(0.16)	—	—	—	(0.16)	12.12
Dec. 31, 2014	11.47	0.45	(0.11)	0.41	0.25	1.00	(0.33)	—	—	—	(0.33)	12.04
Dec. 31, 2013	12.04	0.44	(0.11)	0.12	(0.68)	(0.23)	(0.35)	—	—	—	(0.35)	11.46
Dec. 31, 2012	12.04	0.44	(0.11)	0.19	(0.19)	0.33	(0.34)	—	—	—	(0.34)	12.04
Dec. 31, 2011	11.44	0.48	(0.10)	0.31	0.29	0.98	(0.38)	—	—	—	(0.38)	12.04
Dec. 31, 2010	11.19	0.50	(0.10)	0.12	0.14	0.66	(0.41)	—	—	—	(0.41)	11.44
Series F												
June 30, 2015	12.26	0.21	(0.04)	0.06	—	0.23	(0.18)	—	—	—	(0.18)	12.34
Dec. 31, 2014	11.67	0.48	(0.07)	0.44	0.27	1.12	(0.37)	—	—	—	(0.37)	12.26
Dec. 31, 2013	12.25	0.45	(0.07)	0.13	(0.70)	(0.19)	(0.39)	—	—	—	(0.39)	11.66
Dec. 31, 2012	12.25	0.45	(0.07)	0.20	(0.19)	0.39	(0.39)	—	—	—	(0.39)	12.25
Dec. 31, 2011	11.63	0.49	(0.07)	0.31	0.29	1.02	(0.41)	—	—	—	(0.41)	12.25
Dec. 31, 2010	11.38	0.51	(0.07)	0.12	0.14	0.70	(0.46)	—	—	—	(0.46)	11.63
Series O												
June 30, 2015	12.39	0.21	—	0.06	—	0.27	(0.22)	—	—	—	(0.22)	12.47
Dec. 31, 2014	11.80	0.35	—	0.32	0.19	0.86	(0.46)	—	—	—	(0.46)	12.39
Dec. 31, 2013	12.36	0.45	—	0.13	(0.71)	(0.13)	(0.44)	—	—	—	(0.44)	11.79
Dec. 31, 2012	12.36	0.46	—	0.20	(0.19)	0.47	(0.46)	—	—	—	(0.46)	12.36
Dec. 31, 2011	11.77	0.49	—	0.31	0.29	1.09	(0.53)	—	—	—	(0.53)	12.36
Dec. 31, 2010	11.52	0.52	—	0.12	0.14	0.78	(0.53)	—	—	—	(0.53)	11.77

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

² Distributions are reinvested in additional units of the Fund or paid in cash.



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 (%) ¹	MER Before Absorption (%) ¹	Portfolio Turnover Rate (%) ²	Trading Expense Ratio (%) ³
Advisor Series							
June 30, 2015	12.12	37 419	3 087	0.92	0.93	20.97	—
Dec. 31, 2014	12.04	36 130	3 000	0.93	0.93	11.87	—
Dec. 31, 2013	11.47	42 079	3 668	0.93	0.93	18.55	—
Dec. 31, 2012	12.06	64 534	5 352	0.94	0.94	26.46	—
Dec. 31, 2011	12.05	70 869	5 879	0.94	0.94	37.92	—
Dec. 31, 2010	11.45	71 808	6 270	0.92	0.92	30.84	—
Series F							
June 30, 2015	12.34	13 107	1 062	0.60	0.61	20.97	—
Dec. 31, 2014	12.26	10 805	881	0.60	0.60	11.87	—
Dec. 31, 2013	11.67	9 669	828	0.61	0.61	18.55	—
Dec. 31, 2012	12.26	13 475	1 099	0.61	0.61	26.46	—
Dec. 31, 2011	12.26	15 498	1 264	0.61	0.61	37.92	—
Dec. 31, 2010	11.64	14 882	1 279	0.59	0.59	30.84	—
Series O							
June 30, 2015	12.47	1	—	0.02	0.03	20.97	—
Dec. 31, 2014	12.39	1	—	0.03	0.03	11.87	—
Dec. 31, 2013	11.80	33 458	2 836	0.02	0.02	18.55	—
Dec. 31, 2012	12.37	32 095	2 595	0.02	0.02	26.46	—
Dec. 31, 2011	12.37	37 776	3 054	0.03	0.03	37.92	—
Dec. 31, 2010	11.78	60 471	5 132	0.02	0.02	30.84	—

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

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

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.

Management Fees

RBC GAM is the manager, trustee and portfolio advisor 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*
Advisor Series	0.80%	31%	69%
Series F	0.50%	—	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.

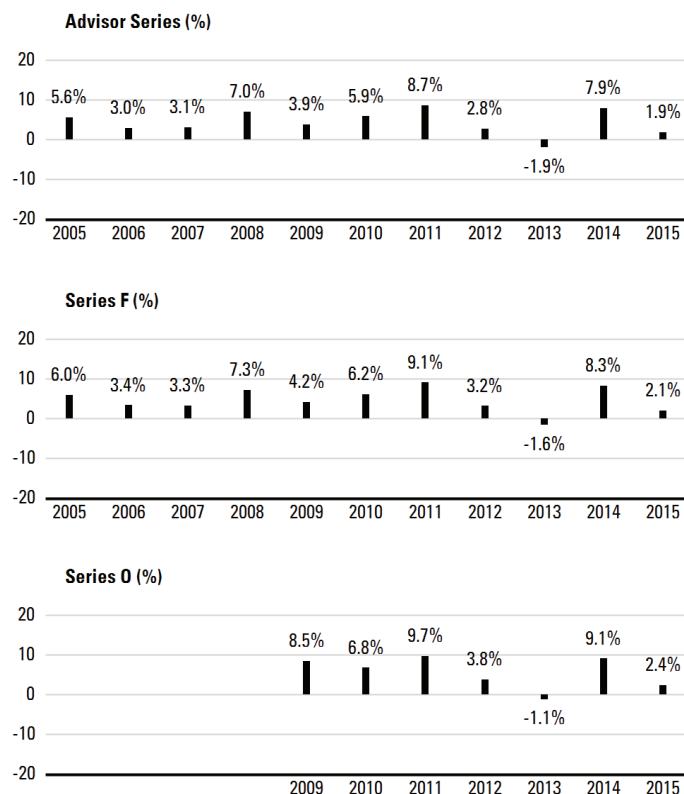


PAST PERFORMANCE

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.



Series O units have been available for sale to unitholders since October 26, 2009.

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, 2015.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at June 30, 2015

Investment Mix

	% of Net Asset Value
Provincial/Municipal Bonds	38.1
Corporate Bonds	35.5
Federal Bonds	25.0
Cash/Other	1.4

Top 25 Holdings

	% of Net Asset Value
Canada Housing Trust No. 1 1.850% Dec 15 16	4.7
Canada Housing Trust No. 1 3.350% Dec 15 20	4.0
Canada Housing Trust No. 1 1.700% Dec 15 17	3.7
Province of Ontario 4.200% Jun 2 20	3.4
Province of Ontario 2.600% Jun 2 25	3.2
Province of Ontario 4.650% Jun 2 41	3.1
Government of Canada 3.500% Dec 1 45	2.9
Province of New Brunswick 5.650% Dec 27 28	2.6
Government of Canada 1.500% Jun 1 23	2.5
Royal Bank of Canada 2.580% Apr 13 17	2.4
Province of Quebec 3.500% Dec 1 22	2.4
TCHC Issuer Trust 4.877% May 11 37	2.4
Province of Manitoba 4.650% Mar 5 40	2.2
Province of Quebec 4.500% Dec 1 17	2.2
Province of Quebec 9.500% Mar 30 23	2.1
Government of Canada 4.000% Jun 1 41	1.9
Province of Quebec 5.000% Dec 1 41	1.8
Province of Ontario 6.500% Mar 8 29	1.7
Province of Nova Scotia 4.900% Jun 1 35	1.6
Province of Quebec 4.500% Dec 1 19	1.6
Province of Ontario 3.150% Jun 2 22	1.5
Canada Housing Trust No. 1 1.950% Jun 15 19	1.4
Government of Canada 1.250% Mar 1 18	1.4
Province of Ontario 4.000% Jun 2 21	1.3
Province of Ontario 2.100% Sep 8 18	1.3
Top 25 Holdings	59.3

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