

RBC Life Insurance Company

RBC GUARANTEED INVESTMENT FUNDS

AUDITED FINANCIAL STATEMENTS

December 31, 2012



RBC Insurance



RBC GUARANTEED INVESTMENT FUNDS

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Independent Auditor's Report

To the unitholders of the RBC Life Insurance Company - RBC Guaranteed Investment Funds

Funds:

RBC Canadian Money Market GIF
RBC Canadian Short-Term Income GIF
RBC Bond GIF
RBC PH&N Total Return Bond GIF
RBC Global Bond GIF
RBC Balanced GIF
RBC PH&N Monthly Income GIF
RBC Global Balanced GIF
RBC Canadian Dividend GIF
RBC Canadian Equity GIF
RBC O'Shaughnessy All Canadian Equity GIF
RBC DS Canadian Focus Fund GIF
RBC North American Growth GIF
RBC U.S. Dividend GIF
RBC U.S. Equity GIF
RBC O'Shaughnessy U.S. Value GIF
RBC U.S. Mid-Cap Equity GIF
RBC Global Dividend Growth GIF
RBC O'Shaughnessy International Equity GIF

Portfolios:

RBC Select Conservative GIP
RBC Select Balanced GIP
RBC Select Growth GIP
RBC Select Aggressive Growth GIP
RBC DS Balanced Global GIP
RBC DS Growth Global GIP
(collectively referred to as the "RBC Guaranteed Investment Funds")

We have audited the accompanying financial statements of each of the RBC Guaranteed Investment Funds, which comprise the statement of net assets as at December 31, 2012, and the statement of operations and statement of changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the RBC Guaranteed Investment Funds as at December 31, 2012, and the results of their operations and the changes in their net assets for the year then ended in accordance with Canadian generally accepted accounting principles.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Financial Highlights and the Top 25 Holdings of the Underlying Fund contained in the financial statements.

The signature "Deloitte LLP" is written in a black, cursive, handwritten style.

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants
April 29, 2013

RBC Canadian Money Market GIF

Statement of Net Assets

As at December 31,	2012	2011
Assets		
Investments in underlying fund at fair value	\$ 7,786,488	\$ 9,451,151
Cash	-	280,486
Accrued income distribution from investments	769	7,500
Prepaid expenses	1,437	1,410
Due from RBC Life Insurance Company	5,819	12,892
	7,794,513	9,753,439
Liabilities		
Bank indebtedness	623	-
Management fee payable	517	595
Insurance fee payable	739	851
Accounts payable and accrued liabilities	28,406	21,739
	30,285	23,185
Net assets	\$ 7,764,228	\$ 9,730,254
Net asset value per unit	\$ 10.99	\$ 10.90

Statement of Operations

For the year ended December 31,	2012	2011
Income		
Distribution from underlying fund	\$ 97,946	\$ 92,691
Realized gain (loss) on sale of investments	-	-
Increase (decrease) in unrealized appreciation of investments	-	-
	97,946	92,691
Expenses		
Management fees	6,258	6,163
Insurance fees	8,940	8,805
Other administrative expenses	18,497	18,139
	33,695	33,107
Net income	\$ 64,251	\$ 59,584
Net income per unit	\$ 0.09	\$ 0.08

Statement of Changes in Net Assets

For the year ended December 31,	2012	2011
Net assets, beginning of the year	\$ 9,730,254	\$ 5,658,599
Premium deposits	6,529,560	11,555,069
Net income	64,251	59,584
	16,324,065	17,273,252
Less		
Withdrawals	8,559,837	7,542,998
	8,559,837	7,542,998
Net assets, end of the year	\$ 7,764,228	\$ 9,730,254
Number of units outstanding	706,682	892,812

The accompanying notes are an integral part of these financial statements.

Financial highlights (unaudited)

For the year/period ended December 31,	2012	2011	2010	2009	2008
The Fund's distribution and Net Asset Value per unit					
Distributions: ²					
From net income	\$ 0.12	\$ 0.12	\$ 0.02	\$ 0.02	\$ 0.16
From realized gains	-	-	-	-	-
Return of capital	-	-	-	-	-
Total annual distributions	\$ 0.12	\$ 0.12	\$ 0.02	\$ 0.02	\$ 0.16
Net Asset Value at December 31	\$ 10.99	\$ 10.90	\$ 10.82	\$ 10.79	\$ 10.77
Ratios and supplemental data					
Net assets (\$ '000)	\$ 7,764	\$ 9,730	\$ 5,659	\$ 7,257	\$ 8,145
Number of units outstanding	706,682	892,812	523,210	672,602	756,577
Management expense ratio ¹	0.42%	0.42%	0.50%	1.00%	1.10%
Portfolio turnover rate of the underlying fund ³	-	-	-	-	-

¹ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the year/period.

² Distributions were reinvested in the Fund.

³ The underlying fund's portfolio turnover rate indicates how actively the fund's portfolio advisor manages its portfolio investments. 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 a 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 a fund.

For the year ended December 31,	2012	2011
Management fees and insurance fees (note 7)		
Annual Management Fee	1.00%	1.00%
Annual Insurance Fee (Limit)	0.10 (0.60) %	0.10 (0.60) %

Other expenses absorbed by the manager (note 8)

Annualized MER cap ¹	0.42%	0.42%
Expense before waiver	\$ 105,093	\$ 104,163
MER before waiver	1.32%	1.32%
Expense after waiver	\$ 33,695	\$ 33,107
MER after waiver	0.42%	0.42%

Sales and redemption of units (note 9)

Opening balance	892,812	523,210
Purchases during the year	596,700	1,064,022
Redemptions during the year	(782,830)	(694,420)
Closing balance	706,682	892,812

Investment in underlying fund at fair value (note 10)

Level 1	\$ 7,786,488	\$ 9,451,151
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Schedule of invested assets

RBC Canadian Money Market Fund, Series O

Number of units	778,649	945,115
Cost	\$ 7,786,488	\$ 9,451,151
Fund owned	1.1185%	1.1716%
Fair value	\$ 7,786,488	\$ 9,451,151
Fair value per unit	\$ 10.00	\$ 10.00

Top 25 holdings of the underlying fund (unaudited)

	% of Assets
Government of Canada Treasury Bills 1.010% Jan 3 13	6.3
Bank of Montreal 1.219% Jan 8 13	3.0
Bay Street Funding Trust - Class A 1.155% Jan 17 13	2.7
Toronto-Dominion Bank 1.250% Jan 3 13	2.6
Bank of Montreal 1.350% Jul 11 13	2.5
HSBC Bank Canada 1.167% Jan 4 13	2.5
HSBC Bank Canada 1.182% Feb 13 13	2.5
King Street Funding Trust 1.170% Jan 14 13	1.9
King Street Funding Trust 1.156% Jan 3 13	1.9
Canadian Imperial Bank of Commerce 1.300% Mar 11 13	1.9
Province of Nova Scotia 1.295% Mar 4 13	1.9
Bank of Montreal 1.231% Jan 18 13	1.9
Canadian Imperial Bank of Commerce 1.400% Apr 12 13	1.8
Bank of Nova Scotia 1.270% Jan 29 13	1.7
Bay Street Funding Trust - Class A 1.191% Mar 8 13	1.7
Canadian Imperial Bank of Commerce 1.280% Feb 27 13	1.7
Bank of Nova Scotia 1.368% Apr 8 13	1.6
Province of Alberta 1.279% Mar 15 13	1.5
Bank of Montreal 1.250% Jan 29 13	1.5
Toronto-Dominion Bank 1.229% Feb 13 13	1.5
Fusion Trust 1.250% Mar 4 13	1.4
Darwin Receivables Trust - Senior Notes 1.300% Jan 11 13	1.3
Bank of Nova Scotia 1.250% May 3 13	1.3
Clarity Trust 1.208% Mar 7 13	1.3
Clarity Trust 1.219% Mar 21 13	1.3
Total % of top 25 holdings	51.2

RBC Canadian Short-Term Income GIF

Statement of Net Assets		
As at December 31,	2012	2011
Assets		
Investments in underlying fund at fair value	\$ 7,427,691	\$ 6,708,165
Cash	11,138	-
Accrued income distribution from investments	-	-
Prepaid expenses	1,437	1,410
Due from RBC Life Insurance Company	847	5,242
	7,441,113	6,714,817
Liabilities		
Bank indebtedness	-	23,382
Management fee payable	4,790	3,841
Insurance fee payable	1,027	823
Accounts payable and accrued liabilities	22,296	17,796
	28,113	45,842
Net assets	\$ 7,413,000	\$ 6,668,975
Net asset value per unit	\$ 11.68	\$ 11.59

Statement of Operations		
For the year ended December 31,	2012	2011
Income		
Distribution from underlying fund	\$ 216,979	\$ 199,085
Realized gain on sale of investments	1,663	406
Increase (decrease) in unrealized appreciation of investments	(61,244)	51,595
	157,398	251,086
Expenses		
Management fees	47,928	40,543
Insurance fees	10,270	8,688
Other administrative expenses	55,762	46,825
	113,960	96,056
Net income	\$ 43,438	\$ 155,030
Net income per unit	\$ 0.08	\$ 0.33

Statement of Changes in Net Assets		
For the year ended December 31,	2012	2011
Net assets, beginning of the year	\$ 6,668,975	\$ 4,614,570
Premium deposits	3,890,879	3,557,977
Net income	43,438	155,030
	10,603,292	8,327,577
Less		
Withdrawals	3,190,292	1,658,602
	3,190,292	1,658,602
Net assets, end of the year	\$ 7,413,000	\$ 6,668,975
Number of units outstanding	634,916	575,569

The accompanying notes are an integral part of these financial statements.

Financial highlights (unaudited)					
For the year/period ended December 31,	2012	2011	2010	2009	2008
The Fund's distribution and Net Asset Value per unit					
Distributions: ²					
From net income	\$ 0.16	\$ 0.18	\$ 0.24	\$ 0.33	\$ 0.39
From realized gains	0.02	-	0.02	-	-
Return of capital	-	-	-	-	-
Total annual distributions	\$ 0.18	\$ 0.18	\$ 0.26	\$ 0.33	\$ 0.39
Net Asset Value at December 31	\$ 11.68	\$ 11.59	\$ 11.25	\$ 11.05	\$ 10.80
Ratios and supplemental data					
Net assets (\$'000)	\$ 7,413	\$ 6,669	\$ 4,615	\$ 3,384	\$ 2,622
Number of units outstanding	634,916	575,569	410,076	306,097	242,882
Management expense ratio ¹	1.82%	1.82%	1.79%	1.75%	1.75%
Portfolio turnover rate of the underlying fund ³	21.62%	50.58%	81.96%	41.06%	51.18%

¹ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the year/period.

² Distributions were reinvested in the Fund.

³ The underlying fund's portfolio turnover rate indicates how actively the fund's portfolio advisor manages its portfolio investments. 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 a 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 a fund.

For the year ended December 31,	2012	2011
Management fees and insurance fees (note 7)		
Annual Management Fee	1.60%	1.60%
Annual Insurance Fee (Limit)	0.15 (0.65) %	0.15 (0.65) %

Other expenses absorbed by the manager (note 8)		
Annualized MER cap ¹	1.82%	1.82%
Expense before waiver	\$ 132,973	\$ 123,819
MER before waiver	2.13%	2.34%
Expense after waiver	\$ 113,960	\$ 96,056
MER after waiver	1.82%	1.82%

Sales and redemption of units (note 9)		
Opening balance	575,569	410,076
Purchases during the year	334,393	311,456
Redemptions during the year	(275,046)	(145,963)
Closing balance	634,916	575,569

Investment in underlying fund at fair value (note 10)		
Level 1	\$ 7,427,691	\$ 6,708,165

Schedule of invested assets		
RBC Canadian Short-Term Income Fund, Series O		
Number of units	676,918	606,454
Cost	\$ 7,448,858	\$ 6,668,089
Fund owned	0.2991%	0.3578%
Fair value	\$ 7,427,691	\$ 6,708,165
Fair value per unit	\$ 10.97	\$ 11.06

Top 25 holdings of the underlying fund (unaudited)	% of Assets
Province of Ontario 1.900% Sep 8 17	3.9
Canada Housing Trust No. 1 2.450% Dec 15 15	3.6
Province of Ontario 3.250% Sep 8 14	3.5
Canadian Imperial Bank of Commerce 2.650% Nov 8 16	2.9
Canada Housing Trust No. 1 2.050% Jun 15 17	2.7
Canada Housing Trust No. 1 2.750% Dec 15 15	2.6
Cash & Cash Equivalents	2.0
Government of Canada 2.000% Jun 1 16	1.9
Province of Ontario 3.150% Sep 8 15	1.9
Government of Canada 2.750% Sep 1 16	1.8
Financement-Québec 3.250% Jun 1 14	1.7
Province of Quebec 4.500% Dec 1 17	1.7
Province of Ontario 3.200% Sep 8 16	1.6
Province of Ontario 4.300% Mar 8 17	1.6
Province of Québec 5.250% Oct 1 13	1.5
Royal Bank of Canada 2.680% Dec 8 16	1.4
Province of Quebec 5.000% Dec 1 15	1.4
Financement-Québec 3.500% Dec 1 16	1.2
Wells Fargo Financial Canada Corp. 3.970% Nov 3 14	1.2
Toronto-Dominion Bank 4.854% Feb 13 13	1.2
Bank of Nova Scotia 2.598% Feb 27 17	1.2
Bank of Montreal 3.930% Apr 27 15	1.2
Bank of Montreal 2.960% Aug 2 16	1.2
Royal Bank of Canada 4.350% Jun 15 20	1.1
Bank of Montreal 2.240% Dec 11 17	1.1
Total % of top 25 holdings	47.1

RBC Bond GIF

Statement of Net Assets

As at December 31,	2012	2011
Assets		
Investments in underlying fund at fair value	\$ 19,669,776	\$ 9,520,594
Cash	62,295	36,205
Accrued income distribution from investments	-	-
Prepaid expenses	1,437	1,410
Due from RBC Life Insurance Company	-	2,820
	19,733,508	9,561,029
Liabilities		
Bank indebtedness	-	-
Management fee payable	12,805	5,847
Insurance fee payable	2,784	1,271
Accounts payable and accrued liabilities	31,421	20,206
	47,010	27,324
Net assets	\$ 19,686,498	\$ 9,533,705
Net asset value per unit	\$ 13.24	\$ 12.84

Statement of Operations

For the year ended December 31,	2012	2011
Income		
Distribution from underlying fund	\$ 565,391	\$ 275,372
Realized gain on sale of investments	196,449	62,439
Increase (decrease) in unrealized appreciation of investments	(70,235)	306,094
	691,605	643,905
Expenses		
Management fees	107,549	52,453
Insurance fees	23,380	11,402
Other administrative expenses	126,078	61,529
	257,007	125,384
Net income	\$ 434,598	\$ 518,521
Net income per unit	\$ 0.40	\$ 0.92

Statement of Changes in Net Assets

For the year ended December 31,	2012	2011
Net assets, beginning of the year	\$ 9,533,705	\$ 6,293,231
Premium deposits	13,497,209	5,054,650
Net income	434,598	518,521
	23,465,512	11,866,402
Less		
Withdrawals	3,779,014	2,332,697
	3,779,014	2,332,697
Net assets, end of the year	\$ 19,686,498	\$ 9,533,705
Number of units outstanding	1,486,425	742,292

The accompanying notes are an integral part of these financial statements.

Financial highlights (unaudited)

For the year/period ended December 31,	2012	2011	2010	2009	2008
The Fund's distribution and Net Asset Value per unit					
Distributions: ²					
From net income	\$ 0.21	\$ 0.20	\$ 0.26	\$ 0.31	\$ 0.31
From realized gains	0.13	-	0.12	-	(0.01)
Return of capital	-	-	-	-	-
Total annual distributions	\$ 0.34	\$ 0.20	\$ 0.38	\$ 0.31	\$ 0.30
Net Asset Value at December 31	\$ 13.24	\$ 12.84	\$ 11.92	\$ 11.28	\$ 10.22
Ratios and supplemental data					
Net assets (\$'000)	\$ 19,686	\$ 9,534	\$ 6,293	\$ 4,541	\$ 4,942
Number of units outstanding	1,486,425	742,292	527,975	402,424	483,824
Management expense ratio ¹	1.83%	1.82%	1.79%	1.75%	1.75%
Portfolio turnover rate of the underlying fund ³	33.88%	49.74%	44.95%	60.39%	49.72%

¹ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the year/period.

² Distributions were reinvested in the Fund.

³ The underlying fund's portfolio turnover rate indicates how actively the fund's portfolio advisor manages its portfolio investments. 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 a 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 a fund.

For the year ended December 31,	2012	2011
Management fees and insurance fees (note 7)		
Annual Management Fee	1.60%	1.60%
Annual Insurance Fee (Limit)	0.15 (0.65) %	0.15 (0.65) %

Other expenses absorbed by the manager (note 8)

Annualized MER cap ¹	1.83%	1.83%
Expense before waiver	\$ 257,007	\$ 151,618
MER before waiver	1.83%	2.21%
Expense after waiver	\$ 257,007	\$ 125,384
MER after waiver	1.83%	1.82%

Sales and redemption of units (note 9)

Opening balance	742,292	527,975
Purchases during the year	1,033,652	407,288
Redemptions during the year	(289,519)	(192,971)
Closing balance	1,486,425	742,292

Investment in underlying fund at fair value (note 10)

Level 1	\$ 19,669,776	\$ 9,520,594
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Schedule of invested assets

RBC Bond Fund, Series O		
Number of units	2,886,374	1,405,565
Cost	\$ 19,253,665	\$ 9,035,249
Fund owned	0.2750%	0.1663%
Fair value	\$ 19,669,776	\$ 9,520,594
Fair value per unit	\$ 6.81	\$ 6.77

Top 25 holdings of the underlying fund (unaudited)

	% of Assets
Cash & Cash Equivalents	3.0
Province of Ontario 4.200% Jun 2 20	3.0
Province of Ontario 4.650% Jun 2 41	2.9
Province of Ontario 1.900% Sep 8 17	2.6
Province of Ontario 3.500% Jun 2 43	2.4
Province of Ontario 6.500% Mar 8 29	2.3
Canada Housing Trust No. 1 3.350% Dec 15 20	2.2
Province of Ontario 4.000% Jun 2 21	2.2
Province of Ontario 3.150% Jun 2 22	2.1
Province of Ontario 4.600% Jun 2 39	1.8
Province of Ontario 4.400% Jun 2 19	1.5
Province of Ontario 4.700% Jun 2 37	1.4
Province of Quebec 5.000% Dec 1 41	1.2
Province of Quebec 3.500% Dec 1 22	1.1
Province of Quebec 5.000% Dec 1 38	1.0
BlueBay Emerging Markets Corporate Bond Fund	1.0
Royal Bank of Canada 3.360% Jan 11 16	0.9
Province of Quebec 6.000% Oct 1 29	0.9
Bank of Nova Scotia 2.598% Feb 27 17	0.9
Royal Bank of Canada 4.350% Jun 15 20	0.9
Toronto-Dominion Bank 4.779% Dec 14 16	0.9
Canada Housing Trust No. 1 2.650% Mar 15 22	0.9
Canadian Imperial Bank of Commerce 4.110% Apr 30 20	0.8
United States 10-Year Note Future, March 2013	-3.6
United States 5-Year Note Future, March 2013	-2.2
Total % of top 25 holdings	32.1

RBC PH&N Total Return Bond GIF

Statement of Net Assets		
As at December 31,	2012	2011
Assets		
Investments in underlying fund at fair value	\$ 12,243,325	\$ 6,925,939
Cash	8,983	404,777
Accrued income distribution from investments	-	-
Prepaid expenses	1,436	1,410
Due from RBC Life Insurance Company	-	3,655
	12,253,744	7,335,781
Liabilities		
Bank indebtedness	-	-
Management fee payable	8,406	4,125
Insurance fee payable	1,777	871
Accounts payable and accrued liabilities	19,176	412,010
	29,359	417,006
Net assets	\$ 12,224,385	\$ 6,918,775
Net asset value per unit	\$ 11.01	\$ 10.72

Statement of Operations		
For the year ended December 31,	2012	2011
Income		
Distribution from underlying fund	\$ 423,167	\$ 133,912
Realized gain on sale of investments	40,992	24,761
Increase in unrealized appreciation of investments	22,974	75,925
	487,133	234,598
Expenses		
Management fees	83,814	18,123
Insurance fees	17,708	3,829
Other administrative expenses	98,236	20,519
	199,758	42,471
Net income	\$ 287,375	\$ 192,127
Net income per unit	\$ 0.29	\$ 0.87

Statement of Changes in Net Assets		
For the year ended December 31,	2012	2011
Net assets, beginning of the year	\$ 6,918,775	\$ 33,626
Premium deposits	8,589,661	6,839,152
Net income	287,375	192,127
	15,795,811	7,064,905
Less		
Withdrawals	3,571,426	146,130
	3,571,426	146,130
Net assets, end of the year	\$ 12,224,385	\$ 6,918,775
Number of units outstanding	1,110,739	645,171

The accompanying notes are an integral part of these financial statements.

Financial highlights (unaudited)

For the year/period ended December 31,	2012	2011	2010	2009	2008
The Fund's distribution and Net Asset Value per unit					
Distributions: ²					
From net income	\$ 0.20	\$ 0.14	\$ 0.06		
From realized gains	0.04	0.04	0.14		
Return of capital	-	-	-		
Total annual distributions	\$ 0.24	\$ 0.18	\$ 0.20	N/A	N/A
Net Asset Value at December 31	\$ 11.01	\$ 10.72	\$ 10.05	N/A	N/A
Ratios and supplemental data					
Net assets (\$'000)	\$ 12,224	\$ 6,919	\$ 34	N/A	N/A
Number of units outstanding	1,110,739	645,171	3,346	N/A	N/A
Management expense ratio ¹	1.87%	1.85%	1.92%	N/A	N/A
Portfolio turnover rate of the underlying fund ³	207.49%	123.09%	136.37%	N/A	N/A

¹ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the year/period.

² Distributions were reinvested in the Fund.

³ The underlying fund's portfolio turnover rate indicates how actively the fund's portfolio advisor manages its portfolio investments. 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 a 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 a fund.

For the year ended December 31,	2012	2011
Management fees and insurance fees (note 7)		
Annual Management Fee	1.60%	1.60%
Annual Insurance Fee (Limit)	0.15 (0.65) %	0.15 (0.65) %

Other expenses absorbed by the manager (note 8)		
Annualized MER cap ¹	1.87%	1.86%
Expense before waiver	\$ 199,758	\$ 79,682
MER before waiver	1.87%	3.48%
Expense after waiver	\$ 199,758	\$ 42,471
MER after waiver	1.87%	1.85%

Sales and redemption of units (note 9)		
Opening balance	645,171	3,346
Purchases during the year	795,005	655,812
Redemptions during the year	(329,437)	(13,987)
Closing balance	1,110,739	645,171

Investment in underlying fund at fair value (note 10)		
Level 1	\$ 12,243,325	\$ 6,925,939

Schedule of invested assets		
PH&N Total Return Bond Fund, Series O		
Number of units	1,052,827	599,316
Cost	\$ 12,144,902	\$ 6,850,488
Fund owned	0.8191%	0.5543%
Fair value	\$ 12,243,325	\$ 6,925,939
Fair value per unit	\$ 11.63	\$ 11.56

Top 25 holdings of the underlying fund (unaudited)	% of Assets
Cash & Cash Equivalents	18.3
Province of Ontario 7.600% Jun 2 27	10.4
Phillips, Hager & North High Yield Bond Fund	3.0
Province of Quebec 6.250% Jun 1 32	2.8
Government of Canada 1.500% Sep 1 17	2.4
Province of Quebec 3.500% Dec 2 22	2.2
Royal Bank of Canada 2.680% Dec 8 16	2.1
Province of Ontario 8.100% Sep 8 23	1.9
Province of Ontario 5.600% Jun 2 35	1.8
Canada Housing Trust No. 1 3.750% Mar 15 20	1.8
Province of Ontario 6.200% Jun 2 31	1.8
Province of Ontario 5.850% Mar 8 33	1.7
Province of Ontario 4.650% Jun 2 41	1.6
Bank of Nova Scotia 6.000% Oct 3 18	1.5
Province of Ontario 4.600% Jun 2 39	1.4
Ontario Electricity Financial Corp. 8.250% Jun 22 26	1.0
Province of Ontario 3.150% Jun 2 22	0.9
Canadian Imperial Bank of Commerce 3.100% Mar 2 15	0.9
Province of Ontario 8.500% Dec 2 25	0.9
American Express Canada Credit Corp. 5.900% Apr 2 13	0.8
Golden Credit Card Trust 3.510% May 15 16	0.8
Royal Bank of Canada 2.580% Apr 13 17	0.7
Merrill Lynch & Co. Inc. CAD 5.290% May 30 22	0.7
Bank of America Corp. CAD 1.818% Jun 1 16	0.7
Bank of Montreal 1.890% Oct 5 15	0.6
Total % of top 25 holdings	62.7

RBC Global Bond GIF

Statement of Net Assets

As at December 31,	2012	2011
Assets		
Investments in underlying fund at fair value	\$ 792,123	\$ 654,284
Cash	-	728
Accrued income distribution from investments	-	-
Prepaid expenses	1,437	1,410
Due from RBC Life Insurance Company	4,102	9,881
	797,662	666,303
Liabilities		
Bank indebtedness	-	-
Management fee payable	645	503
Insurance fee payable	227	177
Accounts payable and accrued liabilities	23,091	18,387
	23,963	19,067
Net assets	\$ 773,699	\$ 647,236
Net asset value per unit	\$ 12.20	\$ 11.59

Statement of Operations

For the year ended December 31,	2012	2011
Income		
Distribution from underlying fund	\$ 22,072	\$ 23,600
Realized gain on sale of investments	35,037	7,474
Increase (decrease) in unrealized appreciation of investments	(1,692)	11,114
	55,417	42,188
Expenses		
Management fees	7,250	6,504
Insurance fees	2,529	2,268
Other administrative expenses	7,025	6,265
	16,804	15,037
Net income	\$ 38,613	\$ 27,151
Net income per unit	\$ 0.61	\$ 0.45

Statement of Changes in Net Assets

For the year ended December 31,	2012	2011
Net assets, beginning of the year	\$ 647,236	\$ 696,828
Premium deposits	256,563	123,307
Net income	38,613	27,151
	942,412	847,286
Less		
Withdrawals	168,713	200,050
	168,713	200,050
Net assets, end of the year	\$ 773,699	\$ 647,236
Number of units outstanding	63,416	55,859

The accompanying notes are an integral part of these financial statements.

Financial highlights (unaudited)

For the year/period ended December 31,	2012	2011	2010	2009	2008
The Fund's distribution and Net Asset Value per unit					
Distributions: ²					
From net income	\$ 0.08	\$ 0.15	\$ 0.14	\$ 0.29	\$ 0.33
From realized gains	0.57	-	0.51	0.03	(0.08)
Return of capital	-	-	-	-	-
Total annual distributions	\$ 0.65	\$ 0.15	\$ 0.65	\$ 0.32	\$ 0.25
Net Asset Value at December 31	\$ 12.20	\$ 11.59	\$ 11.13	\$ 10.85	\$ 10.56
Ratios and supplemental data					
Net assets (\$'000)	\$ 774	\$ 647	\$ 697	\$ 712	\$ 1,591
Number of units outstanding	63,416	55,859	62,618	65,658	150,628
Management expense ratio ¹	2.22%	2.21%	2.17%	2.10%	2.10%
Portfolio turnover rate of the underlying fund ³	104.12%	94.29%	61.64%	42.69%	51.50%

¹ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the year/period.

² Distributions were reinvested in the Fund.

³ The underlying fund's portfolio turnover rate indicates how actively the fund's portfolio advisor manages its portfolio investments. 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 a 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 a fund.

For the year ended December 31,	2012	2011
Management fees and insurance fees (note 7)		
Annual Management Fee	1.80%	1.80%
Annual Insurance Fee (Limit)	0.30 (0.80) %	0.30 (0.80) %

Other expenses absorbed by the manager (note 8)

Annualized MER cap ¹	2.22%	2.22%
Expense before waiver	\$ 66,184	\$ 65,294
MER before waiver	8.77%	9.61%
Expense after waiver	\$ 16,804	\$ 15,037
MER after waiver	2.22%	2.21%

Sales and redemption of units (note 9)

Opening balance	55,859	62,618
Purchases during the year	21,562	10,976
Redemptions during the year	(14,005)	(17,735)
Closing balance	63,416	55,859

Investment in underlying fund at fair value (note 10)

Level 1	\$ 792,123	\$ 654,284
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Schedule of invested assets

RBC Global Bond Fund, Series O		
Number of units	73,402	61,348
Cost	\$ 768,914	\$ 629,383
Fund owned	0.0391%	0.0387%
Fair value	\$ 792,123	\$ 654,284
Fair value per unit	\$ 10.79	\$ 10.67

Top 25 holdings of the underlying fund (unaudited)

	% of Assets
United States Treasury 3.250% Dec 31 16	8.5
Japan Government Twenty Year JPY 1.600% Jun 20 30	5.5
United States Treasury 1.750% Mar 31 14	5.4
Deutsche Bundesrepublik EUR 4.000% Jan 4 18	4.9
Japan 10-Year Bond Future, March 2013	3.0
Buoni Poliennali Del Tesoro EUR 5.500% Nov 1 22	2.7
United Kingdom Gilt GBP 4.250% Dec 7 40	2.6
BlueBay Emerging Markets Corporate Bond Fund	2.5
Japan Finance Organization for Municipalities JPY 1.350% Nov 26 13	2.5
Buoni Poliennali Del Tesoro EUR 2.250% Nov 1 13	2.3
Cash & Cash Equivalents	2.1
Japan Government Twenty Year JPY 2.100% Jun 20 29	1.9
Japan Finance Corporation for Municipal Enterprises JPY 2.000% May 1	1.9
European Investment Bank EUR 2.875% Jul 15 16	1.6
Province of Ontario USD 0.950% May 26 15	1.4
Buoni Poliennali Del Tesoro EUR 5.000% Aug 1 39	1.4
European Investment Bank EUR 1.625% Jan 15 15	1.4
European Union EUR 2.500% Dec 4 15	1.4
Buoni Poliennali Del Tesoro EUR 5.500% Sep 1 22	1.4
Development Bank of Japan JPY 1.750% Mar 17 17	1.4
Government of Canada 2.500% Jun 1 15	1.4
Development Bank of Japan JPY 1.600% Jun 20 14	1.4
Eksportfinans ASA JPY 1.600% Mar 20 14	1.3
Buoni Poliennali Del Tesoro EUR 4.750% Sep 15 16	1.2
Kreditanstalt fuer Wiederaufbau GBP 1.750% Jan 22 16	1.2
Total % of top 25 holdings	62.3

RBC Balanced GIF

Statement of Net Assets

As at December 31,	2012	2011
Assets		
Investments in underlying fund at fair value	\$ 23,361,349	\$ 25,431,071
Cash	2,651	-
Accrued income distribution from investments	-	-
Prepaid expenses	1,437	1,410
Due from RBC Life Insurance Company	-	-
	23,365,437	25,432,481
Liabilities		
Bank indebtedness	-	285,169
Management fee payable	28,635	29,411
Insurance fee payable	6,712	6,894
Accounts payable and accrued liabilities	46,833	43,590
	82,180	365,064
Net assets	\$ 23,283,257	\$ 25,067,417
Net asset value per unit	\$ 10.90	\$ 10.33

Statement of Operations

For the year ended December 31,	2012	2011
Income		
Distribution from underlying fund	\$ 634,855	\$ 2,914
Realized gain on sale of investments	798,266	603,969
Increase (decrease) in unrealized appreciation of investments	470,424	(929,489)
	1,903,545	(322,606)
Expenses		
Management fees	340,217	382,186
Insurance fees	79,737	89,575
Other administrative expenses	221,313	247,683
	641,267	719,444
Net income (loss)	\$ 1,262,278	\$ (1,042,050)
Net income (loss) per unit	\$ 0.56	\$ (0.41)

Statement of Changes in Net Assets

For the year ended December 31,	2012	2011
Net assets, beginning of the year	\$ 25,067,417	\$ 28,544,439
Premium deposits	3,265,413	4,095,316
Net income (loss)	1,262,278	(1,042,050)
	29,595,108	31,597,705
Less		
Withdrawals	6,311,851	6,530,288
	6,311,851	6,530,288
Net assets, end of the year	\$ 23,283,257	\$ 25,067,417
Number of units outstanding	2,136,416	2,425,702

The accompanying notes are an integral part of these financial statements.

Financial highlights (unaudited)

For the year/period ended December 31,	2012	2011	2010	2009	2008
The Fund's distribution and Net Asset Value per unit					
Distributions: ²					
From net income	\$ -	\$ -	\$ -	\$ -	\$ -
From realized gains	0.40	-	-	(0.05)	(0.57)
Return of capital	-	-	-	-	-
Total annual distributions	\$ 0.40	\$ -	\$ -	\$ (0.05)	\$ (0.57)
Net Asset Value at December 31	\$ 10.90	\$ 10.33	\$ 10.75	\$ 9.91	\$ 8.75
Ratios and supplemental data					
Net assets (\$'000)	\$ 23,283	\$ 25,067	\$ 28,544	\$ 23,720	\$ 14,527
Number of units outstanding	2,136,416	2,425,702	2,655,511	2,394,308	1,660,159
Management expense ratio ¹	2.67%	2.66%	2.61%	2.55%	2.55%
Portfolio turnover rate of the underlying fund ³	81.81%	102.06%	82.19%	83.17%	68.60%

¹ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the year/period.

² Distributions were reinvested in the Fund.

³ The underlying fund's portfolio turnover rate indicates how actively the fund's portfolio advisor manages its portfolio investments. 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 a 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 a fund.

For the year ended December 31,	2012	2011
Management fees and insurance fees (note 7)		
Annual Management Fee	2.25%	2.25%
Annual Insurance Fee (Limit)	0.30 (0.80) %	0.30 (0.80) %

Other expenses absorbed by the manager (note 8)

Annualized MER cap ¹	2.67%	2.67%
Expense before waiver	\$ 641,267	\$ 719,444
MER before waiver	2.67%	2.66%
Expense after waiver	\$ 641,267	\$ 719,444
MER after waiver	2.67%	2.66%

Sales and redemption of units (note 9)

Opening balance	2,425,702	2,655,511
Purchases during the year	308,056	385,486
Redemptions during the year	(597,342)	(615,295)
Closing balance	2,136,416	2,425,702

Investment in underlying fund at fair value (note 10)

Level 1	\$ 23,361,349	\$ 25,431,071
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Schedule of invested assets

RBC Balanced Fund, Series O		
Number of units	1,711,517	1,943,796
Cost	\$ 21,055,736	\$ 23,595,882
Fund owned	59.8883%	62.5402%
Fair value	\$ 23,361,349	\$ 25,431,071
Fair value per unit	\$ 13.65	\$ 13.08

Top 25 holdings of the underlying fund (unaudited)

	% of Assets
RBC Emerging Markets Equity Fund	5.4
Cash & Cash Equivalents	2.5
Royal Bank of Canada	2.1
Bank of Nova Scotia	1.8
Toronto-Dominion Bank	1.8
Province of Ontario 4.300% Mar 8 17	1.5
Suncor Energy Inc.	1.4
Province of Ontario 9.500% Jul 13 22	1.4
Province of Ontario 4.650% Jun 2 41	1.3
Government of Canada 2.250% Aug 1 14	1.2
Province of Quebec 4.500% Dec 1 17	1.2
Canadian National Railway Co.	1.1
Enbridge Inc.	1.0
Government of Canada 1.000% Feb 1 15	1.0
Province of Ontario 6.200% Jun 2 31	1.0
Province of Manitoba 6.500% Sep 22 17	1.0
Canada Housing Trust No. 1 3.350% Dec 15 20	0.9
Canadian Natural Resources Ltd.	0.9
Canadian Imperial Bank of Commerce	0.9
Bank of Montreal	0.9
TransCanada Corp.	0.8
Potash Corporation of Saskatchewan Inc.	0.8
Barrick Gold Corp.	0.8
Canada Housing Trust No. 1 3.150% Jun 15 14	0.8
Province of Ontario 4.700% Jun 2 37	0.7
Total % of top 25 holdings	34.2

RBC PH&N Monthly Income GIF

Statement of Net Assets		
As at December 31,	2012	2011
Assets		
Investments in underlying fund at fair value	\$ 27,615,199	\$ 15,583,296
Cash	231,092	8,558
Accrued income distribution from investments	-	-
Prepaid expenses	1,436	1,410
Subscriptions receivable	50,000	-
	27,897,727	15,593,264
Liabilities		
Bank indebtedness	-	-
Management fee payable	31,757	17,019
Insurance fee payable	7,622	4,085
Accounts payable and accrued liabilities	27,281	16,403
	66,660	37,507
Net assets	\$ 27,831,067	\$ 15,555,757
Net asset value per unit	\$ 10.75	\$ 10.07

Statement of Operations		
For the year ended December 31,	2012	2011
Income		
Distribution from underlying fund	\$ 1,005,605	\$ 433,216
Realized loss on sale of investments	(10,848)	(14,888)
Increase (decrease) in unrealized appreciation of investments	941,931	(374,355)
	1,936,688	43,973
Expenses		
Management fees	286,972	115,159
Insurance fees	68,873	27,638
Other administrative expenses	191,087	76,495
	546,932	219,292
Net income (loss)	\$ 1,389,756	\$ (175,319)
Net income (loss) per unit	\$ 0.70	\$ (0.21)

Statement of Changes in Net Assets		
For the year ended December 31,	2012	2011
Net assets, beginning of the year	\$ 15,555,757	\$ 637,065
Premium deposits	14,379,950	16,081,932
Net income (loss)	1,389,756	(175,319)
	31,325,463	16,543,678
Less		
Withdrawals	3,494,396	987,921
	3,494,396	987,921
Net assets, end of the year	\$ 27,831,067	\$ 15,555,757
Number of units outstanding	2,589,104	1,544,216

The accompanying notes are an integral part of these financial statements.

Financial highlights (unaudited)		
For the year/period ended December 31,	2012	2011
The Fund's distribution and Net Asset Value per unit		
Distributions: ²		
From net income	\$ 0.06	\$ 0.08
From realized gains	0.09	0.04
Return of capital	0.03	0.01
Total annual distributions	\$ 0.18	\$ 0.13
Net Asset Value at December 31	\$ 10.75	\$ 10.07
Ratios and supplemental data		
Net assets (\$ '000)	\$ 27,831	\$ 15,556
Number of units outstanding	2,589,104	1,544,216
Management expense ratio ¹	2.65%	2.62%
Portfolio turnover rate of the underlying fund ³	192.25%	206.93%

¹ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the year/period.

² Distributions were reinvested in the Fund.

³ The underlying fund's portfolio turnover rate indicates how actively the fund's portfolio advisor manages its portfolio investments. 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 a 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 a fund.

For the year ended December 31,	2012	2011
Management fees and insurance fees (note 7)		
Annual Management Fee	2.20%	2.20%
Annual Insurance Fee (Limit)	0.30 (0.80) %	0.30 (0.80) %

Other expenses absorbed by the manager (note 8)		
Annualized MER cap ¹	2.65%	2.62%
Expense before waiver	\$ 546,932	\$ 219,292
MER before waiver	2.65%	2.62%
Expense after waiver	\$ 546,932	\$ 219,292
MER after waiver	2.65%	2.62%

Sales and redemption of units (note 9)		
Opening balance	1,544,216	62,958
Purchases during the year	1,381,206	1,579,504
Redemptions during the year	(336,318)	(98,246)
Closing balance	2,589,104	1,544,216

Investment in underlying fund at fair value (note 10)		
Level 1	\$ 27,615,199	\$ 15,583,296

Schedule of invested assets		
PH&N Monthly Income Fund, Series O		
Number of units	2,500,992	1,473,277
Cost	\$ 27,042,835	\$ 15,952,863
Fund owned	1.6070%	1.2303%
Fair value	\$ 27,615,199	\$ 15,583,296
Fair value per unit	\$ 11.04	\$ 10.58

Top 25 holdings of the underlying fund (unaudited)	% of Assets
Canada Housing Trust No. 1 3.950% Jun 15 13	8.2
RBC High Yield Bond Fund	5.3
Phillips, Hager & North High Yield Bond Fund	4.2
Toronto-Dominion Bank	4.0
Bank of Nova Scotia	2.8
Province of Ontario 7.600% Jun 2 27	2.7
Cash & Cash Equivalents	2.2
National Bank of Canada	2.2
Enbridge Inc.	2.1
TELUS Corp., Class A	2.0
Royal Bank of Canada	2.0
TransCanada Corp.	1.6
BCE Inc.	1.3
Power Corporation of Canada	1.3
Government of Canada 1.500% Sep 1 17	1.3
Province of Ontario 6.500% Mar 8 29	1.2
ARC Resources Ltd.	1.2
Brookfield Infrastructure Partners LP	1.2
Cenovus Energy Inc.	1.1
Canadian National Railway Co.	1.1
Goldcorp Inc.	1.0
Husky Energy Inc.	1.0
Rogers Communications Inc., Class B	1.0
Toromont Industries Ltd.	1.0
Province of Quebec 3.500% Dec 1 22	1.0
Total % of top 25 holdings	54.0

RBC Global Balanced GIF

Statement of Net Assets

As at December 31,	2012	2011
Assets		
Investments in underlying fund at fair value	\$ 1,325,707	\$ 1,142,812
Cash	-	600
Accrued income distribution from investments	-	-
Prepaid expenses	1,437	1,410
Due from RBC Life Insurance Company	3,707	9,457
	1,330,851	1,154,279
Liabilities		
Bank indebtedness	-	-
Management fee payable	1,656	1,309
Insurance fee payable	377	298
Accounts payable and accrued liabilities	17,489	14,080
	19,522	15,687
Net assets	\$ 1,311,329	\$ 1,138,592
Net asset value per unit	\$ 10.89	\$ 10.14

Statement of Operations

For the year ended December 31,	2012	2011
Income		
Distribution from underlying fund	\$ 398	\$ 4
Realized gain on sale of investments	17,809	9,132
Increase (decrease) in unrealized appreciation of investments	105,465	(26,734)
	123,672	(17,598)
Expenses		
Management fees	17,966	13,185
Insurance fees	4,083	2,996
Other administrative expenses	11,347	8,324
	33,396	24,505
Net income (loss)	\$ 90,276	\$ (42,103)
Net income (loss) per unit	\$ 0.76	\$ (0.47)

Statement of Changes in Net Assets

For the year ended December 31,	2012	2011
Net assets, beginning of the year	\$ 1,138,592	\$ 603,524
Premium deposits	256,405	723,593
Net income (loss)	90,276	(42,103)
	1,485,273	1,285,014
Less		
Withdrawals	173,944	146,422
	173,944	146,422
Net assets, end of the year	\$ 1,311,329	\$ 1,138,592
Number of units outstanding	120,391	112,275

The accompanying notes are an integral part of these financial statements.

Financial highlights (unaudited)

For the year/period ended December 31,	2012	2011	2010	2009	2008
<i>The Fund's distribution and Net Asset Value per unit</i>					
Distributions: ²					
From net income	\$ -	\$ -	\$ -	\$ -	\$ -
From realized gains	0.14	-	0.09	-	-
Return of capital	-	-	-	-	-
Total annual distributions	\$ 0.14	\$ -	\$ 0.09	\$ -	\$ -
Net Asset Value at December 31	\$ 10.89	\$ 10.14	\$ 10.56	\$ 10.07	\$ 9.25
<i>Ratios and supplemental data</i>					
Net assets (\$ '000)	\$ 1,311	\$ 1,139	\$ 604	\$ 444	\$ 109
Number of units outstanding	120,391	112,275	57,146	44,125	11,884
Management expense ratio ¹	2.68%	2.67%	2.64%	2.60%	2.60%
Portfolio turnover rate of the underlying fund ³	109.90%	115.23%	94.79%	83.45%	53.05%

¹ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the year/period.

² Distributions were reinvested in the Fund.

³ The underlying fund's portfolio turnover rate indicates how actively the fund's portfolio advisor manages its portfolio investments. 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 a 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 a fund.

For the year ended December 31,	2012	2011
Management fees and insurance fees (note 7)		
Annual Management Fee	2.30%	2.30%
Annual Insurance Fee (Limit)	0.30 (0.80) %	0.30 (0.80) %

Other expenses absorbed by the manager (note 8)

Annualized MER cap ¹	2.68%	2.68%
Expense before waiver	\$ 79,124	\$ 70,237
MER before waiver	6.37%	7.66%
Expense after waiver	\$ 33,396	\$ 24,505
MER after waiver	2.68%	2.67%

Sales and redemption of units (note 9)

Opening balance	112,275	57,146
Purchases during the year	24,491	69,225
Redemptions during the year	(16,375)	(14,096)
Closing balance	120,391	112,275

Investment in underlying fund at fair value (note 10)

Level 1	\$ 1,325,707	\$ 1,142,812
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Schedule of invested assets

RBC Global Balanced Fund, Series O		
Number of units	96,698	91,904
Cost	\$ 1,178,867	\$ 1,101,438
Fund owned	52.9481%	59.3814%
Fair value	\$ 1,325,707	\$ 1,142,812
Fair value per unit	\$ 13.71	\$ 12.43

Top 25 holdings of the underlying fund (unaudited)

	% of Assets
RBC Emerging Markets Equity Fund	5.4
Cash & Cash Equivalents	2.5
Royal Bank of Canada	1.2
United States Treasury 3.250% Dec 31 16	1.1
Toronto-Dominion Bank	1.1
Province of Ontario USD 4.100% Jun 16 14	1.0
Bank of Nova Scotia	1.0
Japan Government Twenty Year JPY 1.600% Jun 20 30	0.9
RBC U.S. Mid-Cap Value Equity Fund	0.9
Province of Ontario 1.900% Sep 8 17	0.9
Suncor Energy Inc.	0.9
Apple Inc.	0.8
United States Treasury 4.500% Aug 15 39	0.7
Province of Ontario 4.700% Jun 2 37	0.7
Canadian National Railway Co.	0.7
Province of Ontario USD 0.950% May 26 15	0.7
Province of Quebec 4.500% Dec 1 17	0.7
United Kingdom Gilt GBP 4.250% Dec 7 40	0.6
Potash Corporation of Saskatchewan Inc.	0.6
Japan Government Twenty Year JPY 2.100% Jun 20 29	0.6
Province of Ontario 3.150% Jun 2 22	0.6
Oesterreichische Kontrollbank AG EUR 3.875% Sep 15 16	0.6
Deutsche Bundesrepublik EUR 1.500% Sep 4 22	0.6
Eksportfinans ASA JPY 1.600% Mar 20 14	0.6
Canadian Natural Resources Ltd.	0.6
Total % of top 25 holdings	26.0

RBC Canadian Dividend GIF

Statement of Net Assets

As at December 31,	2012	2011
Assets		
Investments in underlying fund at fair value	\$ 84,682,324	\$ 66,826,099
Cash	-	67,038
Accrued income distribution from investments	-	-
Prepaid expenses	1,437	1,410
Subscriptions receivable	50,000	25,000
	84,733,761	66,919,547
Liabilities		
Bank indebtedness	84,106	-
Management fee payable	102,654	76,536
Insurance fee payable	24,060	17,939
Accounts payable and accrued liabilities	96,652	100,117
	307,472	194,592
Net assets	\$ 84,426,289	\$ 66,724,955
Net asset value per unit	\$ 11.89	\$ 10.83

Statement of Operations

For the year ended December 31,	2012	2011
Income		
Distribution from underlying fund	\$ 2,159,928	\$ 1,863,633
Realized gain on sale of investments	504,429	73,530
Increase (decrease) in unrealized appreciation of investments	6,437,146	(3,071,100)
	9,101,503	(1,133,937)
Expenses		
Management fees	1,058,534	881,406
Insurance fees	248,094	206,579
Other administrative expenses	677,504	561,911
	1,984,132	1,649,896
Net income (loss)	\$ 7,117,371	\$ (2,783,833)
Net income (loss) per unit	\$ 1.08	\$ (0.50)

Statement of Changes in Net Assets

For the year ended December 31,	2012	2011
Net assets, beginning of the year	\$ 66,724,955	\$ 51,080,398
Premium deposits	26,788,790	31,177,926
Net income (loss)	7,117,371	(2,783,833)
	100,631,116	79,474,491
Less		
Withdrawals	16,204,827	12,749,536
	16,204,827	12,749,536
Net assets, end of the year	\$ 84,426,289	\$ 66,724,955
Number of units outstanding	7,099,474	6,162,007

The accompanying notes are an integral part of these financial statements.

Financial highlights (unaudited)

For the year/period ended December 31,	2012	2011	2010	2009	2008
The Fund's distribution and Net Asset Value per unit					
Distributions: ²					
From net income	\$ 0.02	\$ 0.03	\$ 0.04	\$ 0.04	\$ 0.10
From realized gains	0.07	-	0.01	(0.10)	(0.11)
Return of capital	-	-	-	-	-
Total annual distributions	\$ 0.09	\$ 0.03	\$ 0.05	\$ (0.06)	\$ (0.01)
Net Asset Value at December 31	\$ 11.89	\$ 10.83	\$ 11.20	\$ 10.10	\$ 7.98
Ratios and supplemental data					
Net assets (\$'000)	\$ 84,426	\$ 66,725	\$ 51,080	\$ 32,602	\$ 20,193
Number of units outstanding	7,099,474	6,162,007	4,562,617	3,229,234	2,529,491
Management expense ratio ¹	2.66%	2.64%	2.61%	2.55%	2.55%
Portfolio turnover rate of the underlying fund ³	18.42%	29.94%	24.89%	83.37%	92.31%

¹ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the year/period.

² Distributions were reinvested in the Fund.

³ The underlying fund's portfolio turnover rate indicates how actively the fund's portfolio advisor manages its portfolio investments. 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 a 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 a fund.

For the year ended December 31,	2012	2011
Management fees and insurance fees (note 7)		
Annual Management Fee	2.25%	2.25%
Annual Insurance Fee (Limit)	0.30 (0.80) %	0.30 (0.80) %

Other expenses absorbed by the manager (note 8)

Annualized MER cap ¹	2.66%	2.65%
Expense before waiver	\$ 1,984,132	\$ 1,694,896
MER before waiver	2.66%	2.65%
Expense after waiver	\$ 1,984,132	\$ 1,694,896
MER after waiver	2.66%	2.64%

Sales and redemption of units (note 9)

Opening balance	6,162,007	4,562,617
Purchases during the year	2,377,708	2,753,878
Redemptions during the year	(1,440,241)	(1,154,488)
Closing balance	7,099,474	6,162,007

Investment in underlying fund at fair value (note 10)

Level 1	\$ 84,682,324	\$ 66,826,099
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Schedule of invested assets

RBC Canadian Dividend Fund, Series O		
Number of units	1,667,865	1,438,705
Cost	\$ 77,943,064	\$ 66,523,985
Fund owned	2.3131%	2.3241%
Fair value	\$ 84,682,324	\$ 66,826,099
Fair value per unit	\$ 50.77	\$ 46.45

Top 25 holdings of the underlying fund (unaudited)

	% of Assets
Cash & Cash Equivalents	6.9
Royal Bank of Canada	6.9
Bank of Nova Scotia	6.6
Toronto-Dominion Bank	6.6
Canadian Imperial Bank of Commerce	3.9
Bank of Montreal	3.6
Enbridge Inc.	3.2
Canadian National Railway Co.	3.2
Suncor Energy Inc.	3.1
TransCanada Corp.	3.0
Brookfield Asset Management Inc., Class A	3.0
Power Corporation of Canada	2.5
Canadian Natural Resources Ltd.	2.2
Imperial Oil Ltd.	2.0
Manulife Financial Corporation	2.0
Cenovus Energy Inc.	2.0
Husky Energy Inc.	1.9
Potash Corporation of Saskatchewan Inc.	1.8
CI Financial Corp.	1.6
BCE Inc.	1.6
Shaw Communications Inc., Class B	1.6
Magna International Inc., Class A	1.6
TELUS Corp., Class A	1.4
Atco Ltd., Class I, Non-Voting	1.3
Canadian Pacific Railway Ltd.	1.2
Total % of top 25 holdings	74.7

RBC Canadian Equity GIF

Statement of Net Assets		
As at December 31,	2012	2011
Assets		
Investments in underlying fund at fair value	\$ 8,012,867	\$ 10,564,250
Cash	3,002	-
Accrued income distribution from investments	-	-
Prepaid expenses	1,437	1,410
Due from RBC Life Insurance Company	3,026	5,383
	8,020,332	10,571,043
Liabilities		
Bank indebtedness	-	517
Management fee payable	9,706	11,930
Insurance fee payable	4,203	5,167
Accounts payable and accrued liabilities	24,693	18,732
	38,602	36,346
Net assets	\$ 7,981,730	\$ 10,534,697
Net asset value per unit	\$ 10.90	\$ 10.40

Statement of Operations		
For the year ended December 31,	2012	2011
Income		
Distribution from underlying fund	\$ 169,095	\$ 118,599
Realized gain (loss) on sale of investments	(565,245)	444,522
Increase (decrease) in unrealized appreciation of investments	1,033,340	(1,624,070)
	637,190	(1,060,949)
Expenses		
Management fees	127,714	127,640
Insurance fees	55,309	55,277
Other administrative expenses	83,609	82,917
	266,632	265,834
Net income (loss)	\$ 370,558	\$ (1,326,783)
Net income (loss) per unit	\$ 0.43	\$ (1.63)

Statement of Changes in Net Assets		
For the year ended December 31,	2012	2011
Net assets, beginning of the year	\$ 10,534,697	\$ 7,486,860
Premium deposits	1,933,820	7,092,616
Net income (loss)	370,558	(1,326,783)
	12,839,075	13,252,693
Less		
Withdrawals	4,857,345	2,717,996
	4,857,345	2,717,996
Net assets, end of the year	\$ 7,981,730	\$ 10,534,697
Number of units outstanding	731,963	1,012,679

The accompanying notes are an integral part of these financial statements.

Financial highlights (unaudited)					
For the year/period ended December 31,	2012	2011	2010	2009	2008
The Fund's distribution and Net Asset Value per unit					
Distributions: ²					
From net income	\$ -	\$ -	\$ -	\$ -	\$ -
From realized gains	(0.69)	0.01	-	-	(0.23)
Return of capital	-	-	-	-	-
Total annual distributions	\$ (0.69)	\$ 0.01	\$ -	\$ -	\$ (0.23)
Net Asset Value at December 31	\$ 10.90	\$ 10.40	\$ 11.83	\$ 10.27	\$ 7.95
Ratios and supplemental data					
Net assets (\$ '000)	\$ 7,982	\$ 10,535	\$ 7,487	\$ 5,530	\$ 4,303
Number of units outstanding	731,963	1,012,679	633,020	538,554	541,567
Management expense ratio ¹	2.92%	2.89%	2.85%	2.80%	2.80%
Portfolio turnover rate of the underlying fund ³	46.00%	58.58%	65.52%	82.78%	68.28%

¹ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the year/period.

² Distributions were reinvested in the Fund.

³ The underlying fund's portfolio turnover rate indicates how actively the fund's portfolio advisor manages its portfolio investments. 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 a 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 a fund.

For the year ended December 31,	2012	2011
Management fees and insurance fees (note 7)		
Annual Management Fee	2.25%	2.25%
Annual Insurance Fee (Limit)	0.55 (1.05) %	0.55 (1.05) %

Other expenses absorbed by the manager (note 8)		
Annualized MER cap ¹	2.92%	2.90%
Expense before waiver	\$ 295,056	\$ 291,392
MER before waiver	3.24%	3.17%
Expense after waiver	\$ 266,632	\$ 265,834
MER after waiver	2.92%	2.89%

Sales and redemption of units (note 9)		
Opening balance	1,012,679	633,020
Purchases during the year	181,834	625,397
Redemptions during the year	(462,550)	(245,738)
Closing balance	731,963	1,012,679

Investment in underlying fund at fair value (note 10)		
Level 1	\$ 8,012,867	\$ 10,564,250

Schedule of invested assets		
RBC Canadian Equity Fund, Series O		
Number of units	340,227	475,255
Cost	\$ 8,586,552	\$ 12,171,275
Fund owned	0.2917%	0.4648%
Fair value	\$ 8,012,867	\$ 10,564,250
Fair value per unit	\$ 23.55	\$ 22.23

Top 25 holdings of the underlying fund (unaudited)	% of Assets
Royal Bank of Canada	5.8
Bank of Nova Scotia	4.9
Toronto-Dominion Bank	4.9
Suncor Energy Inc.	3.8
Canadian National Railway Co.	3.0
Enbridge Inc.	2.7
Canadian Natural Resources Ltd.	2.4
Canadian Imperial Bank of Commerce	2.4
Bank of Montreal	2.4
TransCanada Corp.	2.2
Barrick Gold Corp.	2.1
Potash Corporation of Saskatchewan Inc.	2.1
Cenovus Energy Inc.	2.0
Cash & Cash Equivalents	1.8
Manulife Financial Corporation	1.8
Goldcorp Inc.	1.8
Power Corporation of Canada	1.6
Rogers Communications Inc., Class B	1.6
Brookfield Asset Management Inc., Class A	1.4
TELUS Corp., Class A	1.4
Teck Resources Ltd., Class B	1.2
Magna International Inc., Class A	1.2
Agrium Inc.	1.1
Talisman Energy Inc.	1.0
Sun Life Financial Inc.	1.0
Total % of top 25 holdings	57.6

RBC O'Shaughnessy All Canadian Equity GIF

Statement of Net Assets		
As at December 31,	2012	2011
Assets		
Investments in underlying fund at fair value	\$ 7,946,759	\$ 6,816,081
Cash	-	-
Accrued income distribution from investments	-	-
Prepaid expenses	1,437	1,410
Due from RBC Life Insurance Company	-	4,356
	7,948,196	6,821,847
Liabilities		
Bank indebtedness	-	-
Management fee payable	9,960	7,998
Insurance fee payable	4,181	3,358
Accounts payable and accrued liabilities	19,306	15,133
	33,447	26,489
Net assets	\$ 7,914,749	\$ 6,795,358
Net asset value per unit	\$ 12.35	\$ 11.42

Statement of Operations		
For the year ended December 31,	2012	2011
Income		
Distribution from underlying fund	\$ 292,959	\$ 4,467
Realized gain on sale of investments	99,948	8,110
Increase (decrease) in unrealized appreciation of investments	382,114	(192,624)
	775,021	(180,047)
Expenses		
Management fees	104,768	51,178
Insurance fees	43,986	21,487
Other administrative expenses	66,192	32,357
	214,946	105,022
Net income (loss)	\$ 560,075	\$ (285,069)
Net income (loss) per unit	\$ 0.92	\$ (0.94)

Statement of Changes in Net Assets		
For the year ended December 31,	2012	2011
Net assets, beginning of the year	\$ 6,795,358	\$ 1,227,663
Premium deposits	2,699,622	6,221,338
Net income (loss)	560,075	(285,069)
	10,055,055	7,163,932
Less		
Withdrawals	2,140,306	368,574
	2,140,306	368,574
Net assets, end of the year	\$ 7,914,749	\$ 6,795,358
Number of units outstanding	640,617	594,977

The accompanying notes are an integral part of these financial statements.

Financial highlights (unaudited)					
For the year/period ended December 31,	2012	2011	2010	2009	2008
The Fund's distribution and Net Asset Value per unit					
Distributions: ²					
From net income	\$ 0.12	\$ -	\$ 0.07	\$ 0.12	\$ 0.04
From realized gains	0.15	-	0.07	0.11	-
Return of capital	-	-	-	-	-
Total annual distributions	\$ 0.27	\$ -	\$ 0.14	\$ 0.23	\$ 0.04
Net Asset Value at December 31	\$ 12.35	\$ 11.42	\$ 12.25	\$ 9.94	\$ 8.05
Ratios and supplemental data					
Net assets (\$'000)	\$ 7,915	\$ 6,795	\$ 1,228	\$ 259	\$ 84
Number of units outstanding	640,617	594,977	100,219	26,029	10,499
Management expense ratio ¹	2.98%	2.96%	2.93%	2.85%	2.85%
Portfolio turnover rate of the underlying fund ³	77.11%	90.46%	99.81%	125.09%	99.24%

¹ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the year/period.

² Distributions were reinvested in the Fund.

³ The underlying fund's portfolio turnover rate indicates how actively the fund's portfolio advisor manages its portfolio investments. 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 a 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 a fund.

For the year ended December 31,	2012	2011
Management fees and insurance fees (note 7)		
Annual Management Fee	2.30%	2.30%
Annual Insurance Fee (Limit)	0.55 (1.05) %	0.55 (1.05) %

Other expenses absorbed by the manager (note 8)		
Annualized MER cap ¹	2.98%	2.97%
Expense before waiver	\$ 219,728	\$ 136,885
MER before waiver	3.05%	3.86%
Expense after waiver	\$ 214,946	\$ 105,022
MER after waiver	2.98%	2.96%

Sales and redemption of units (note 9)		
Opening balance	594,977	100,219
Purchases during the year	225,749	526,452
Redemptions during the year	(180,109)	(31,694)
Closing balance	640,617	594,977

Investment in underlying fund at fair value (note 10)		
Level 1	\$ 7,946,759	\$ 6,816,081

Schedule of invested assets		
RBC O'Shaughnessy All Canadian Equity Fund, Series O		
Number of units	659,811	606,483
Cost	\$ 7,547,270	\$ 6,798,706
Fund owned	80.9202%	42.6104%
Fair value	\$ 7,946,759	\$ 6,816,081
Fair value per unit	\$ 12.04	\$ 11.24

Top 25 holdings of the underlying fund (unaudited)	% of Assets
WestJet Airlines Ltd.	4.4
Parkland Fuel Corp.	3.9
Jean Coutu Group, Class A	3.7
Metro Inc., Class A	3.4
Suncor Energy Inc.	3.3
Agrium Inc.	3.3
Stantec Inc.	2.8
Shoppers Drug Mart Corp.	2.8
Corus Entertainment Inc., Class B	2.5
Constellation Software Inc.	2.4
Dorel Industries, Class B	2.1
ShawCor Ltd., Class A	2.1
Canadian Oil Sands Ltd.	1.9
Sherritt International Corp.	1.9
Empire Co. Ltd., Class A	1.9
Canadian National Railway Co.	1.9
Trinidad Drilling Ltd.	1.7
Aecon Group Inc.	1.6
Primero Mining Corp.	1.6
TransForce Inc.	1.6
CGI Group Inc., Class A	1.6
Wajax Corp.	1.5
Tim Hortons Inc.	1.5
Aimia Inc.	1.4
Cineplex Inc.	1.4
Total % of top 25 holdings	58.2

RBC DS Canadian Focus Fund GIF

Statement of Net Assets		
As at December 31,	2012	2011
Assets		
Investments in underlying fund at fair value	\$ 1,403,212	\$ 1,316,170
Cash	2,044	-
Accrued income distribution from investments	-	-
Prepaid expenses	1,436	1,409
Due from RBC Life Insurance Company	3,186	8,132
	1,409,878	1,325,711
Liabilities		
Bank indebtedness	-	2,175
Management fee payable	1,694	1,516
Insurance fee payable	734	657
Accounts payable and accrued liabilities	20,902	16,310
	23,330	20,658
Net assets	\$ 1,386,548	\$ 1,305,053
Net asset value per unit	\$ 10.13	\$ 9.69

Statement of Operations		
For the year ended December 31,	2012	2011
Income		
Distribution from underlying fund	\$ 33,768	\$ -
Realized gain on sale of investments	5	2,343
Increase (decrease) in unrealized appreciation of investments	62,301	(124,080)
	96,074	(121,737)
Expenses		
Management fees	18,953	20,174
Insurance fees	8,208	8,736
Other administrative expenses	12,418	13,208
	39,579	42,118
Net income (loss)	\$ 56,495	\$ (163,855)
Net income (loss) per unit	\$ 0.42	\$ (1.21)

Statement of Changes in Net Assets		
For the year ended December 31,	2012	2011
Net assets, beginning of the year	\$ 1,305,053	\$ 1,492,822
Premium deposits	100,000	25,000
Net income (loss)	56,495	(163,855)
	1,461,548	1,353,967
Less		
Withdrawals	75,000	48,914
	75,000	48,914
Net assets, end of the year	\$ 1,386,548	\$ 1,305,053
Number of units outstanding	136,886	134,626

The accompanying notes are an integral part of these financial statements.

Financial highlights (unaudited)					
For the year/period ended December 31,	2012	2011	2010	2009	2008
The Fund's distribution and Net Asset Value per unit					
Distributions: ²					The comparative data for the year 2008 not available as the Fund was introduced on November 2009.
From net income	\$ -	\$ -	\$ -	\$ -	
From realized gains	-	-	-	-	
Return of capital	-	-	-	-	
Total annual distributions	\$ -	\$ -	\$ -	\$ -	N/A
Net Asset Value at December 31	\$ 10.13	\$ 9.69	\$ 10.91	\$ 10.09	N/A
Ratios and supplemental data					
Net assets (\$ '000)	\$ 1,387	\$ 1,305	\$ 1,493	\$ 5	N/A
Number of units outstanding	136,886	134,626	136,821	500	N/A
Management expense ratio ¹	2.97%	2.96%	2.92%	2.80%	N/A
Portfolio turnover rate of the underlying fund ³	6.79%	23.82%	25.55%	38.32%	N/A

¹ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the year/period.

² Distributions were reinvested in the Fund.

³ The underlying fund's portfolio turnover rate indicates how actively the fund's portfolio advisor manages its portfolio investments. 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 a 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 a fund.

For the year ended December 31,	2012	2011
Management fees and insurance fees (note 7)		
Annual Management Fee	2.25%	2.25%
Annual Insurance Fee (Limit)	0.55 (1.05) %	0.55 (1.05) %

Other expenses absorbed by the manager (note 8)		
Annualized MER cap ¹	2.97%	2.97%
Expense before waiver	\$ 78,658	\$ 78,469
MER before waiver	5.92%	5.52%
Expense after waiver	\$ 39,579	\$ 42,118
MER after waiver	2.97%	2.96%

Sales and redemption of units (note 9)		
Opening balance	134,626	136,821
Purchases during the year	9,860	2,465
Redemptions during the year	(7,600)	(4,660)
Closing balance	136,886	134,626

Investment in underlying fund at fair value (note 10)		
Level 1	\$ 1,403,212	\$ 1,316,170

Schedule of invested assets		
RBC DS Canadian Focus Fund, Series O		
Number of units	80,477	79,292
Cost	\$ 1,372,911	\$ 1,348,170
Fund owned	2.5809%	2.0537%
Fair value	\$ 1,403,212	\$ 1,316,170
Fair value per unit	\$ 17.44	\$ 16.60

Top 25 holdings of the underlying fund (unaudited)	% of Assets
Royal Bank of Canada	6.0
Toronto-Dominion Bank	5.9
Bank of Nova Scotia	5.5
Canadian National Railway Co.	4.9
Suncor Energy Inc.	4.5
Barrick Gold Corp.	3.9
Potash Corporation of Saskatchewan Inc.	3.7
Canadian Natural Resources Ltd.	3.1
Brookfield Asset Management Inc., Class A	3.1
Power Corporation of Canada	3.0
TELUS Corp., Class A	2.8
Manulife Financial Corporation	2.7
Goldcorp Inc.	2.7
Cenovus Energy Inc.	2.7
TransCanada Corp.	2.6
Husky Energy Inc.	2.6
Cash & Cash Equivalents	2.5
Teck Resources Ltd., Class B	2.5
Canadian Imperial Bank of Commerce	2.3
Enbridge Inc.	2.3
Bank of Montreal	2.3
CI Financial Corp.	2.1
Thomson Corp.	2.1
Imperial Oil Ltd.	1.9
Shaw Communications Inc., Class B	1.8
Total % of top 25 holdings	79.5

RBC North American Growth GIF

Statement of Net Assets

As at December 31,	2012	2011
Assets		
Investments in underlying fund at fair value	\$ 1,014,134	\$ 1,114,402
Cash	-	-
Accrued income distribution from investments	-	-
Prepaid expenses	1,437	1,410
Due from RBC Life Insurance Company	4,486	10,603
	1,020,057	1,126,415
Liabilities		
Bank indebtedness	-	1,597
Management fee payable	1,191	1,269
Insurance fee payable	516	549
Accounts payable and accrued liabilities	22,398	17,480
	24,105	20,895
Net assets	\$ 995,952	\$ 1,105,520
Net asset value per unit	\$ 10.31	\$ 9.64

Statement of Operations

For the year ended December 31,	2012	2011
Income		
Distribution from underlying fund	\$ 30,385	\$ 1,167
Realized gain (loss) on sale of investments	3,294	(2,137)
Increase (decrease) in unrealized appreciation of investments	68,014	(84,584)
	101,693	(85,554)
Expenses		
Management fees	14,479	18,518
Insurance fees	6,271	8,020
Other administrative expenses	9,501	11,890
	30,251	38,428
Net income (loss)	\$ 71,442	\$ (123,982)
Net income (loss) per unit	\$ 0.70	\$ (0.96)

Statement of Changes in Net Assets

For the year ended December 31,	2012	2011
Net assets, beginning of the year	\$ 1,105,520	\$ 1,492,096
Premium deposits	168,473	263,739
Net income (loss)	71,442	(123,982)
	1,345,435	1,631,853
Less		
Withdrawals	349,483	526,333
	349,483	526,333
Net assets, end of the year	\$ 995,952	\$ 1,105,520
Number of units outstanding	96,645	114,668

The accompanying notes are an integral part of these financial statements.

Financial highlights (unaudited)

For the year/period ended December 31,	2012	2011	2010	2009	2008
The Fund's distribution and Net Asset Value per unit					
Distributions: ²					
From net income	\$ -	\$ -	\$ -	\$ 0.05	\$ 0.03
From realized gains	0.10	-	(0.09)	(0.52)	(0.16)
Return of capital	-	-	-	-	-
Total annual distributions	\$ 0.10	\$ -	\$ (0.09)	\$ (0.47)	\$ (0.13)
Net Asset Value at December 31	\$ 10.31	\$ 9.64	\$ 10.58	\$ 9.61	\$ 7.80
Ratios and supplemental data					
Net assets (\$'000)	\$ 996	\$ 1,106	\$ 1,492	\$ 1,426	\$ 1,162
Number of units outstanding	96,645	114,668	140,972	148,367	149,166
Management expense ratio ¹	2.93%	2.90%	2.86%	2.80%	2.80%
Portfolio turnover rate of the underlying fund ³	137.82%	116.41%	114.12%	124.15%	68.86%

¹ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the year/period.

² Distributions were reinvested in the Fund.

³ The underlying fund's portfolio turnover rate indicates how actively the fund's portfolio advisor manages its portfolio investments. 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 a 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 a fund.

For the year ended December 31,	2012	2011
Management fees and insurance fees (note 7)		
Annual Management Fee	2.25%	2.25%
Annual Insurance Fee (Limit)	0.55 (1.05) %	0.55 (1.05) %

Other expenses absorbed by the manager (note 8)

Annualized MER cap ¹	2.93%	2.92%
Expense before waiver	\$ 85,562	\$ 92,680
MER before waiver	8.31%	6.99%
Expense after waiver	\$ 30,251	\$ 38,428
MER after waiver	2.93%	2.90%

Sales and redemption of units (note 9)

Opening balance	114,668	140,972
Purchases during the year	16,923	25,093
Redemptions during the year	(34,946)	(51,397)
Closing balance	96,645	114,668

Investment in underlying fund at fair value (note 10)

Level 1	\$ 1,014,134	\$ 1,114,402
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Schedule of invested assets

RBC North American Growth Fund, Series O		
Number of units	38,649	45,229
Cost	\$ 993,870	\$ 1,162,151
Fund owned	2.0584%	2.7259%
Fair value	\$ 1,014,134	\$ 1,114,402
Fair value per unit	\$ 26.24	\$ 24.64

Top 25 holdings of the underlying fund (unaudited)

	% of Assets
Cash & Cash Equivalents	4.8
Royal Bank of Canada	2.9
Toronto-Dominion Bank	2.7
Bank of Nova Scotia	2.3
Suncor Energy Inc.	1.9
Canadian National Railway Co.	1.7
Apple Inc.	1.5
Bank of Montreal	1.4
Canadian Natural Resources Ltd.	1.4
TransCanada Corp.	1.4
Potash Corporation of Saskatchewan Inc.	1.2
Canadian Imperial Bank of Commerce	1.2
Barrick Gold Corp.	1.2
Power Corporation of Canada	1.2
Goldcorp Inc.	1.1
Cenovus Energy Inc.	1.1
General Electric Company	1.0
Manulife Financial Corporation	1.0
Enbridge Inc.	1.0
Allstate Corp.	1.0
Affiliated Managers Group Inc.	1.0
eBay Inc.	0.9
TELUS Corp., Class A	0.9
Visa Inc., Class A	0.9
Gilead Sciences Inc.	0.9
Total % of top 25 holdings	37.6

RBC U.S. Dividend GIF

Statement of Net Assets

As at December 31,	2012	2011
Assets		
Investments in underlying fund at fair value	\$ 3,635,867	\$ 895,837
Cash	38,042	-
Accrued income distribution from investments	-	-
Prepaid expenses	1,437	1,410
Due from RBC Life Insurance Company	2,665	9,508
	3,678,011	906,755
Liabilities		
Bank indebtedness	-	1,694
Management fee payable	4,484	1,050
Insurance fee payable	1,868	438
Accounts payable and accrued liabilities	19,290	15,412
	25,642	18,594
Net assets	\$ 3,652,369	\$ 888,161
Net asset value per unit	\$ 9.22	\$ 8.57

Statement of Operations

For the year ended December 31,	2012	2011
Income		
Distribution from underlying fund	\$ 34,924	\$ 134
Realized gain on sale of investments	17,434	1,510
Increase in unrealized appreciation of investments	81,640	19,042
	133,998	20,686
Expenses		
Management fees	24,636	8,901
Insurance fees	10,266	3,709
Other administrative expenses	15,418	5,637
	50,320	18,247
Net income	\$ 83,678	\$ 2,439
Net income per unit	\$ 0.45	\$ 0.03

Statement of Changes in Net Assets

For the year ended December 31,	2012	2011
Net assets, beginning of the year	\$ 888,161	\$ 451,752
Premium deposits	2,980,278	520,040
Net income	83,678	2,439
	3,952,117	974,231
Less		
Withdrawals	299,748	86,070
	299,748	86,070
Net assets, end of the year	\$ 3,652,369	\$ 888,161
Number of units outstanding	396,339	103,630

The accompanying notes are an integral part of these financial statements.

Financial highlights (unaudited)

For the year/period ended December 31,	2012	2011	2010	2009	2008
The Fund's distribution and Net Asset Value per unit					
Distributions: ²					
From net income	\$ -	\$ -	\$ -	\$ -	\$ 0.08
From realized gains	0.05	-	(0.07)	(0.27)	(0.04)
Return of capital	-	-	-	-	-
Total annual distributions	\$ 0.05	\$ -	\$ (0.07)	\$ (0.27)	\$ 0.04
Net Asset Value at December 31	\$ 9.22	\$ 8.57	\$ 8.68	\$ 8.11	\$ 7.40
Ratios and supplemental data					
Net assets (\$'000)	\$ 3,652	\$ 888	\$ 452	\$ 389	\$ 308
Number of units outstanding	396,339	103,630	52,047	47,927	41,687
Management expense ratio ¹	2.97%	2.96%	2.91%	2.85%	2.85%
Portfolio turnover rate of the underlying fund ³	229.79%	390.52%	302.67%	262.26%	141.00%

¹ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the year/period.

² Distributions were reinvested in the Fund.

³ The underlying fund's portfolio turnover rate indicates how actively the fund's portfolio advisor manages its portfolio investments. 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 a 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 a fund.

For the year ended December 31,	2012	2011
Management fees and insurance fees (note 7)		
Annual Management Fee	2.30%	2.30%
Annual Insurance Fee (Limit)	0.55 (1.15) %	0.55 (1.15) %

Other expenses absorbed by the manager (note 8)

Annualized MER cap ¹	2.97%	2.96%
Expense before waiver	\$ 94,275	\$ 67,475
MER before waiver	5.57%	10.94%
Expense after waiver	\$ 50,320	\$ 18,247
MER after waiver	2.97%	2.96%

Sales and redemption of units (note 9)

Opening balance	103,630	52,047
Purchases during the year	325,699	61,659
Redemptions during the year	(32,990)	(10,076)
Closing balance	396,339	103,630

Investment in underlying fund at fair value (note 10)

Level 1	\$ 3,635,867	\$ 895,837
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Schedule of invested assets

RBC U.S. Dividend Fund, Series O		
Number of units	216,134	57,775
Cost	\$ 3,516,647	\$ 858,257
Fund owned	19.2454%	89.3658%
Fair value	\$ 3,635,867	\$ 895,837
Fair value per unit	\$ 16.82	\$ 15.51

Top 25 holdings of the underlying fund (unaudited)

	% of Assets
Apple Inc.	3.8
Cash & Cash Equivalents	2.8
Exxon Mobil Corp.	2.6
Philip Morris International Inc.	2.4
Pfizer Inc.	2.1
JPMorgan Chase & Co.	2.1
Comcast Corp., Class A	1.9
Wells Fargo & Company	1.9
Oracle Corporation	1.9
General Electric Company	1.9
McDonald's Corp.	1.9
Merck & Co. Inc.	1.9
Citigroup Inc.	1.8
The Coca-Cola Co.	1.6
International Business Machines	1.5
Berkshire Hathaway Inc., Class B	1.5
Williams Companies Inc.	1.4
Johnson & Johnson	1.4
Kinder Morgan Inc.	1.4
Intel Corp.	1.4
Accenture Plc., Class A	1.4
Chevron Corp.	1.4
Time Warner Cable Inc.	1.4
AT&T Inc.	1.4
Microsoft Corp.	1.4
Total % of top 25 holdings	46.2

RBC U.S. Equity GIF

Statement of Net Assets

As at December 31,	2012	2011
Assets		
Investments in underlying fund at fair value	\$ 775,785	\$ 355,881
Cash	-	837
Accrued income distribution from investments	-	-
Prepaid expenses	1,437	1,410
Due from RBC Life Insurance Company	4,120	10,243
	781,342	368,371
Liabilities		
Bank indebtedness	-	-
Management fee payable	856	311
Insurance fee payable	575	303
Accounts payable and accrued liabilities	20,087	15,991
	21,518	16,605
Net assets	\$ 759,824	\$ 351,766
Net asset value per unit	\$ 9.02	\$ 8.41

Statement of Operations

For the year ended December 31,	2012	2011
Income		
Distribution from underlying fund	\$ 16,067	\$ 4,604
Realized gain on sale of investments	4,645	1,455
Increase (decrease) in unrealized appreciation of investments	20,944	(15,689)
	41,656	(9,630)
Expenses		
Management fees	7,501	4,715
Insurance fees	3,749	2,358
Other administrative expenses	4,836	3,031
	16,086	10,104
Net income (loss)	\$ 25,570	\$ (19,734)
Net income (loss) per unit	\$ 0.44	\$ (0.51)

Statement of Changes in Net Assets

For the year ended December 31,	2012	2011
Net assets, beginning of the year	\$ 351,766	\$ 305,665
Premium deposits	483,585	192,219
Net income (loss)	25,570	(19,734)
	860,921	478,150
Less		
Withdrawals	101,097	126,384
	101,097	126,384
Net assets, end of the year	\$ 759,824	\$ 351,766
Number of units outstanding	84,263	41,846

The accompanying notes are an integral part of these financial statements.

Financial highlights (unaudited)

For the year/period ended December 31,	2012	2011	2010	2009	2008
The Fund's distribution and Net Asset Value per unit					
Distributions: ²					
From net income	\$ -	\$ -	\$ -	\$ -	\$ -
From realized gains	0.06	-	-	(0.10)	(0.13)
Return of capital	-	-	-	-	-
Total annual distributions	\$ 0.06	\$ -	\$ -	\$ (0.10)	\$ (0.13)
Net Asset Value at December 31	\$ 9.02	\$ 8.41	\$ 8.92	\$ 8.58	\$ 8.12
Ratios and supplemental data					
Net assets (\$'000)	\$ 760	\$ 352	\$ 306	\$ 253	\$ 146
Number of units outstanding	84,263	41,846	34,279	29,550	18,024
Management expense ratio ¹	3.08%	3.06%	3.02%	2.95%	2.95%
Portfolio turnover rate of the underlying fund ³	273.45%	311.16%	249.64%	177.01%	152.90%

¹ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the year/period.

² Distributions were reinvested in the Fund.

³ The underlying fund's portfolio turnover rate indicates how actively the fund's portfolio advisor manages its portfolio investments. 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 a 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 a fund.

For the year ended December 31,	2012	2011
Management fees and insurance fees (note 7)		
Annual Management Fee	2.30%	2.30%
Annual Insurance Fee (Limit)	0.65 (1.15) %	0.65 (1.15) %

Other expenses absorbed by the manager (note 8)

Annualized MER cap ¹	3.08%	3.07%
Expense before waiver	\$ 67,923	\$ 60,480
MER before waiver	13.04%	18.32%
Expense after waiver	\$ 16,086	\$ 10,104
MER after waiver	3.08%	3.06%

Sales and redemption of units (note 9)

Opening balance	41,846	34,279
Purchases during the year	53,716	22,098
Redemptions during the year	(11,299)	(14,531)
Closing balance	84,263	41,846

Investment in underlying fund at fair value (note 10)

Level 1	\$ 775,785	\$ 355,881
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Schedule of invested assets

RBC U.S. Equity Fund, Series O		
Number of units	34,097	16,912
Cost	\$ 759,167	\$ 360,207
Fund owned	0.0288%	0.0151%
Fair value	\$ 775,785	\$ 355,881
Fair value per unit	\$ 22.75	\$ 21.04

Top 25 holdings of the underlying fund (unaudited)

	% of Assets
RBC U.S. Mid-Cap Value Equity Fund	3.8
Apple Inc.	3.4
Cash & Cash Equivalents	2.6
RBC U.S. Mid-Cap Equity Fund	2.0
Exxon Mobil Corp.	1.9
Union Pacific Corp.	1.8
General Electric Company	1.8
Chevron Corp.	1.6
Bank of America Corp.	1.6
Google Inc., Class A	1.5
Procter & Gamble Co.	1.5
Citigroup Inc.	1.4
CVS Corp.	1.3
Oracle Corporation	1.3
The Coca-Cola Co.	1.3
Pfizer Inc.	1.2
JPMorgan Chase & Co.	1.2
Marathon Petroleum Corp.	1.2
FedEx Corporation	1.1
Gilead Sciences Inc.	1.1
Goldman Sachs Group Inc.	1.0
Eastman Chemical Company	1.0
RBC U.S. Small-Cap Core Equity Fund	1.0
Monsanto Co.	1.0
Cisco Systems Inc.	1.0
Total % of top 25 holdings	39.6

RBC O'Shaughnessy U.S. Value GIF

Statement of Net Assets

As at December 31,	2012	2011
Assets		
Investments in underlying fund at fair value	\$ 5,635,607	\$ 3,736,883
Cash	-	1,729
Prepaid expenses	1,437	1,410
Subscriptions receivable	-	12,500
Due from RBC Life Insurance Company	3,111	9,436
	5,640,155	3,761,958
Liabilities		
Bank indebtedness	-	-
Management fee payable	6,847	4,257
Insurance fee payable	3,423	2,128
Accounts payable and accrued liabilities	21,791	17,147
	32,061	23,532
Net assets	\$ 5,608,094	\$ 3,738,426
Net asset value per unit	\$ 8.92	\$ 8.06

Statement of Operations

For the year ended December 31,	2012	2011
Income		
Distribution from underlying fund	\$ 150,088	\$ 94,054
Realized gain (loss) on sale of investments	28,219	(11,129)
Increase in unrealized appreciation of investments	392,214	166,504
	570,521	249,429
Expenses		
Management fees	65,013	46,091
Insurance fees	32,506	23,046
Other administrative expenses	42,096	29,855
	139,615	98,992
Net income	\$ 430,906	\$ 150,437
Net income per unit	\$ 0.82	\$ 0.37

Statement of Changes in Net Assets

For the year ended December 31,	2012	2011
Net assets, beginning of the year	\$ 3,738,426	\$ 2,568,593
Premium deposits	2,199,278	1,586,348
Net income	430,906	150,437
	6,368,610	4,305,378
Less		
Withdrawals	760,516	566,952
	760,516	566,952
Net assets, end of the year	\$ 5,608,094	\$ 3,738,426
Number of units outstanding	628,589	463,706

The accompanying notes are an integral part of these financial statements.

Financial highlights (unaudited)

For the year/period ended December 31,	2012	2011	2010	2009	2008
The Fund's distribution and Net Asset Value per unit					
Distributions: ²					
From net income	\$ 0.02	\$ -	\$ -	\$ -	\$ 0.02
From realized gains	0.05	(0.01)	(0.15)	(0.80)	(0.79)
Return of capital	-	-	-	-	-
Total annual distributions	\$ 0.07	\$ (0.01)	\$ (0.15)	\$ (0.80)	\$ (0.77)
Net Asset Value at December 31	\$ 8.92	\$ 8.06	\$ 7.66	\$ 6.79	\$ 5.52
Ratios and supplemental data					
Net assets (\$'000)	\$ 5,608	\$ 3,738	\$ 2,569	\$ 2,076	\$ 1,557
Number of units outstanding	628,589	463,706	335,323	305,818	282,271
Management expense ratio ¹	3.05%	3.03%	3.00%	2.95%	2.95%
Portfolio turnover rate of the underlying fund ³	69.92%	51.10%	59.51%	109.63%	120.40%

¹ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the year/period.

² Distributions were reinvested in the Fund.

³ The underlying fund's portfolio turnover rate indicates how actively the fund's portfolio advisor manages its portfolio investments. 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 a 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 a fund.

For the year ended December 31,	2012	2011
Management fees and insurance fees (note 7)		
Annual Management Fee	2.30%	2.30%
Annual Insurance Fee (Limit)	0.65 (1.15) %	0.65 (1.15) %

Other expenses absorbed by the manager (note 8)

Annualized MER cap ¹	3.05%	3.04%
Expense before waiver	\$ 182,987	\$ 150,260
MER before waiver	4.01%	4.60%
Expense after waiver	\$ 139,615	\$ 98,992
MER after waiver	3.05%	3.03%

Sales and redemption of units (note 9)

Opening balance	463,706	335,323
Purchases during the year	252,915	200,052
Redemptions during the year	(88,032)	(71,669)
Closing balance	628,589	463,706

Investment in underlying fund at fair value (note 10)

Level 1	\$ 5,635,607	\$ 3,736,883
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Schedule of invested assets

RBC O'Shaughnessy U.S. Value Fund, Series O		
Number of units	539,768	395,965
Cost	\$ 5,253,128	\$ 3,746,618
Fund owned	3.6948%	4.1623%
Fair value	\$ 5,635,607	\$ 3,736,883
Fair value per unit	\$ 10.44	\$ 9.44

Top 25 holdings of the underlying fund (unaudited)

	% of Assets
Ameriprise Financial Inc.	4.5
Viacom Inc.	3.9
ConocoPhillips	3.8
Wynn Resorts Ltd.	3.7
Northrop Grumman Corp.	3.7
Travelers Cos. Inc.	3.7
DIRECTV, LLC	3.6
AstraZeneca Plc. ADR	3.6
Gap Inc.	3.5
Aetna Inc.	3.4
Kohls Corp.	3.4
L-3 Communications Holdings Inc.	3.4
Motorola Solutions Inc.	3.0
Lincoln National Corp.	2.9
The Kroger Co.	2.8
Time Warner Cable Inc.	2.8
Lowe's Companies	2.6
Cash & Cash Equivalents	2.4
Lockheed Martin Corporation	2.3
McGraw-Hill Companies Inc.	2.2
CA Inc.	2.0
Wyndham Worldwide Corp.	1.9
Ingersoll-Rand Plc., Class A	1.9
Seagate Technology	1.7
SLM Corp.	1.7
Total % of top 25 holdings	74.4

RBC U.S. Mid-Cap Equity GIF

Statement of Net Assets		
As at December 31,	2012	2011 restated (see note 12)
Assets		
Investments in underlying fund at fair value	\$ 687,423	\$ 567,461
Cash	-	15,549
Prepaid expenses	1,437	1,410
Subscriptions receivable	-	-
Due from RBC Life Insurance Company	4,036	9,704
	692,896	594,124
Liabilities		
Bank indebtedness	-	-
Management fee payable	826	642
Insurance fee payable	416	323
Accounts payable and accrued liabilities	16,371	13,039
	17,613	14,004
Net assets	\$ 675,283	\$ 580,120
Net asset value per unit	\$ 10.14	\$ 10.01

Statement of Operations		
For the year ended December 31,	2012	2011
Income		
Distribution from underlying fund	\$ 5,498	\$ 3,101
Realized gain (loss) on sale of investments	7,092	1,252
Increase (decrease) in unrealized appreciation of investments	12,387	(17,302)
	24,977	(12,949)
Expenses		
Management fees	9,223	6,473
Insurance fees	4,648	3,261
Other administrative expenses	6,041	4,230
	19,912	13,964
Net income (loss)	\$ 5,065	\$ (26,913)
Net income (loss) per unit	\$ 0.08	\$ (0.57)

Statement of Changes in Net Assets		
For the year ended December 31,	2012	2011 restated (see note 12)
Net assets, beginning of the year	\$ 592,620	\$ 161,403
Restatement	12,500	-
Net assets, beginning of the year - restated	580,120	161,403
Premium deposits	218,664	509,190
Net income (loss)	5,065	(26,913)
	803,849	643,680
Less		
Withdrawals	128,566	63,560
	128,566	63,560
Net assets, end of the year	\$ 675,283	\$ 580,120
Number of units outstanding	66,567	57,952

The accompanying notes are an integral part of these financial statements.

Financial highlights (unaudited)

For the year/period ended December 31,	2012	2011 restated (see note 12)	2010	2009	2008
The Fund's distribution and Net Asset Value per unit					
Distributions: ²					
From net income	\$ -	\$ -	\$ -	\$ -	\$ -
From realized gains	0.11	-	-	(0.44)	(1.00)
Return of capital	-	-	-	-	-
Total annual distributions	\$ 0.11	\$ -	\$ -	\$ (0.44)	\$ (1.00)
Net Asset Value at December 31	\$ 10.14	\$ 10.01	\$ 10.32	\$ 9.09	\$ 8.29

Ratios and supplemental data

Net assets (\$ '000)	\$ 675	\$ 580	\$ 161	\$ 117	\$ 65
Number of units outstanding	66,567	57,952	15,640	12,847	7,869
Management expense ratio ¹	3.05%	2.96%	2.96%	2.95%	2.95%
Portfolio turnover rate of the underlying fund ³	340.62%	283.13%	288.20%	215.38%	205.25%

¹ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the year/period.

² Distributions were reinvested in the Fund.

³ The underlying fund's portfolio turnover rate indicates how actively the fund's portfolio advisor manages its portfolio investments. 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 a 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 a fund.

For the year ended December 31,	2012	2011 restated (see note 12)
Management fees and insurance fees (note 7)		
Annual Management Fee	2.30%	2.30%
Annual Insurance Fee (Limit)	0.65 (1.15) %	0.65 (1.15) %

Other expenses absorbed by the manager (note 8)		
Annualized MER cap ¹	3.05%	2.97%
Expense before waiver	\$ 68,595	\$ 60,579
MER before waiver	10.53%	12.85%
Expense after waiver	\$ 19,912	\$ 13,964
MER after waiver	3.05%	2.96%

Sales and redemption of units (note 9)		
Opening balance	59,189	15,640
Restatement	1,237	-
Opening balance - restated	57,952	15,640
Purchases during the year	21,104	48,751
Redemptions during the year	(12,489)	(6,439)
Closing balance	66,567	57,952

Investment in underlying fund at fair value (note 10)		
Level 1	\$ 687,423	\$ 567,461

Schedule of invested assets		
RBC U.S. Mid-Cap Equity Fund, Series O		
Number of units	36,561	31,201
Cost	\$ 666,645	\$ 559,071
Fund owned	0.1284%	0.1350%
Fair value	\$ 687,423	\$ 567,461
Fair value per unit	\$ 18.80	\$ 18.19

Top 25 holdings of the underlying fund (unaudited)	% of Assets
Cash & Cash Equivalents	2.5
LKQ Corp.	1.7
Henry Schein Inc.	1.7
ARM Holdings Plc. ADR	1.7
Trimble Navigation Ltd.	1.6
Ecolab Inc.	1.6
Treehouse Foods Inc.	1.5
Stericycle Inc.	1.5
Parexel International Corp.	1.5
Tractor Supply Co.	1.4
Church & Dwight Co. Inc.	1.4
Roper Industries Inc.	1.4
IDEXX Laboratories Inc.	1.4
Pricesmart Inc.	1.4
Ansys Inc.	1.4
Ametek Inc.	1.4
WEX Inc.	1.4
Mettler-Toledo International Inc.	1.4
McCormick & Co. Inc.	1.3
Cerner Corp.	1.3
HCC Insurance Holdings Inc.	1.3
Oceaneering International Inc.	1.3
Dollar Tree Inc.	1.3
Affiliated Managers Group Inc.	1.3
Perrigo Company	1.3
Total % of top 25 holdings	37.0

RBC Global Dividend Growth GIF

Statement of Net Assets

As at December 31,	2012	2011
Assets		
Investments in underlying fund at fair value	\$ 1,050,260	\$ 823,780
Cash	-	157
Accrued income distribution from investments	-	-
Prepaid expenses	1,437	1,410
Due from RBC Life Insurance Company	4,066	10,262
	1,055,763	835,609
Liabilities		
Bank indebtedness	417	-
Management fee payable	1,327	1,002
Insurance fee payable	586	422
Accounts payable and accrued liabilities	19,591	15,958
	21,921	17,382
Net assets	\$ 1,033,842	\$ 818,227
Net asset value per unit	\$ 8.62	\$ 7.76

Statement of Operations

For the year ended December 31,	2012	2011
Income		
Distribution from underlying fund	\$ 27,187	\$ 27,377
Realized gain on sale of investments	123	1,265
Increase (decrease) in unrealized appreciation of investments	98,460	(51,964)
	125,770	(23,322)
Expenses		
Management fees	13,684	11,757
Insurance fees	6,940	5,964
Other administrative expenses	8,464	7,258
	29,088	24,979
Net income (loss)	\$ 96,682	\$ (48,301)
Net income (loss) per unit	\$ 0.88	\$ (0.50)

Statement of Changes in Net Assets

For the year ended December 31,	2012	2011
Net assets, beginning of the year	\$ 818,227	\$ 787,642
Premium deposits	294,851	290,695
Net income (loss)	96,682	(48,301)
	1,209,760	1,030,036
Less		
Withdrawals	175,918	211,809
	175,918	211,809
Net assets, end of the year	\$ 1,033,842	\$ 818,227
Number of units outstanding	119,933	105,423

The accompanying notes are an integral part of these financial statements.

Financial highlights (unaudited)

For the year/period ended December 31,	2012	2011	2010	2009	2008
The Fund's distribution and Net Asset Value per unit					
Distributions: ²					
From net income	\$ -	\$ 0.02	\$ -	\$ -	\$ 0.09
From realized gains	-	-	(0.07)	(0.51)	(0.11)
Return of capital	-	-	-	-	-
Total annual distributions	\$ -	\$ 0.02	\$ (0.07)	\$ (0.51)	\$ (0.02)
Net Asset Value at December 31	\$ 8.62	\$ 7.76	\$ 8.27	\$ 8.18	\$ 7.39
Ratios and supplemental data					
Net assets (\$ '000)	\$ 1,034	\$ 818	\$ 788	\$ 712	\$ 699
Number of units outstanding	119,933	105,423	95,240	86,967	94,701
Management expense ratio ¹	3.20%	3.22%	3.17%	3.10%	3.10%
Portfolio turnover rate of the underlying fund ³	139.72%	136.55%	117.58%	129.20%	120.34%

¹ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the year/period.

² Distributions were reinvested in the Fund.

³ The underlying fund's portfolio turnover rate indicates how actively the fund's portfolio advisor manages its portfolio investments. 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 a 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 a fund.

For the year ended December 31,	2012	2011
Management fees and insurance fees (note 7)		
Annual Management Fee	2.40%	2.40%
Annual Insurance Fee (Limit)	0.70 (1.20) %	0.70 (1.20) %

Other expenses absorbed by the manager (note 8)

Annualized MER cap ¹	3.20%	3.23%
Expense before waiver	\$ 78,599	\$ 76,271
MER before waiver	8.67%	9.84%
Expense after waiver	\$ 29,088	\$ 24,979
MER after waiver	3.20%	3.22%

Sales and redemption of units (note 9)

Opening balance	105,423	95,240
Purchases during the year	36,165	35,851
Redemptions during the year	(21,655)	(25,668)
Closing balance	119,933	105,423

Investment in underlying fund at fair value (note 10)

Level 1	\$ 1,050,260	\$ 823,780
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Schedule of invested assets

RBC Global Dividend Growth Fund, Series O		
Number of units	116,566	101,860
Cost	\$ 1,005,447	\$ 877,427
Fund owned	0.2341%	0.2344%
Fair value	\$ 1,050,260	\$ 823,780
Fair value per unit	\$ 9.01	\$ 8.09

Top 25 holdings of the underlying fund (unaudited)

	% of Assets
KBC Groep N.V.	3.5
Sanofi	3.2
BlackRock Inc.	3.1
Bridgestone Corp.	3.1
JPMorgan Chase & Co.	3.1
Chevron Corp.	3.0
CVS Corp.	3.0
UnitedHealth Group Incorporated	3.0
Union Pacific Corp.	2.9
Compass Group Plc.	2.9
Apple Inc.	2.9
Pfizer Inc.	2.9
Accenture Plc., Class A	2.8
Allianz SE	2.2
Rio Tinto Plc.	2.2
Bayerische Motoren Werke (BMW) AG	2.1
WPP Plc.	2.1
Shire Plc.	2.1
Svenska Cellulosa AB	2.1
Syngenta AG	2.0
Deutsche Telekom AG	2.0
Legal & General Group Plc.	2.0
Royal Dutch Shell Plc., B Shares	2.0
Roche Holdings AG Genusscheine	2.0
Cisco Systems Inc.	2.0
Total % of top 25 holdings	64.2

RBC O'Shaughnessy International Equity GIF

Statement of Net Assets		
As at December 31,	2012	2011
Assets		
Investments in underlying fund at fair value	\$ 2,147,478	\$ 2,438,315
Cash	-	-
Accrued income distribution from investments	-	-
Prepaid expenses	1,491	1,465
Due from RBC Life Insurance Company	5,128	11,612
	2,154,097	2,451,392
Liabilities		
Bank indebtedness	6,336	4,175
Management fee payable	2,873	3,062
Insurance fee payable	1,457	1,554
Accounts payable and accrued liabilities	27,122	20,727
	37,788	29,518
Net assets	\$ 2,116,309	\$ 2,421,874
Net asset value per unit	\$ 6.77	\$ 6.19

Statement of Operations		
For the year ended December 31,	2012	2011
Income		
Distribution from underlying fund	\$ 395,538	\$ 174,081
Realized loss on sale of investments	(327,397)	(335,973)
Increase (decrease) in unrealized appreciation of investments	211,467	(177,351)
	279,608	(339,243)
Expenses		
Management fees	34,632	44,866
Insurance fees	17,567	22,758
Other administrative expenses	21,452	27,599
	73,651	95,223
Net income (loss)	\$ 205,957	\$ (434,466)
Net income (loss) per unit	\$ 0.58	\$ (1.04)

Statement of Changes in Net Assets		
For the year ended December 31,	2012	2011
Net assets, beginning of the year	\$ 2,421,874	\$ 3,388,610
Premium deposits	100,778	425,905
Net income (loss)	205,957	(434,466)
	2,728,609	3,380,049
Less		
Withdrawals	612,300	958,175
	612,300	958,175
Net assets, end of the year	\$ 2,116,309	\$ 2,421,874
Number of units outstanding	312,693	391,339

The accompanying notes are an integral part of these financial statements.

Financial highlights (unaudited)					
For the year/period ended December 31,	2012	2011	2010	2009	2008
The Fund's distribution and Net Asset Value per unit					
Distributions: ²					
From net income	\$ 1.03	\$ 0.20	\$ -	\$ 0.03	\$ 0.15
From realized gains	(0.81)	(0.69)	(1.00)	(0.41)	(0.49)
Return of capital	-	-	-	-	-
Total annual distributions	\$ 0.22	\$ (0.49)	\$ (1.00)	\$ (0.38)	\$ (0.34)
Net Asset Value at December 31	\$ 6.77	\$ 6.19	\$ 7.29	\$ 6.95	\$ 6.70
Ratios and supplemental data					
Net assets (\$ '000)	\$ 2,116	\$ 2,422	\$ 3,389	\$ 3,958	\$ 3,821
Number of units outstanding	312,693	391,339	464,799	569,320	570,421
Management expense ratio ¹	3.23%	3.22%	3.16%	3.10%	3.10%
Portfolio turnover rate of the underlying fund ³	58.58%	73.28%	93.69%	135.94%	100.94%

¹ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the year/period.

² Distributions were reinvested in the Fund.

³ The underlying fund's portfolio turnover rate indicates how actively the fund's portfolio advisor manages its portfolio investments. 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 a 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 a fund.

For the year ended December 31,	2012	2011
Management fees and insurance fees (note 7)		
Annual Management Fee	2.40%	2.40%
Annual Insurance Fee (Limit)	0.70 (1.20) %	0.70 (1.20) %

Other expenses absorbed by the manager (note 8)		
Annualized MER cap ¹	3.23%	3.23%
Expense before waiver	\$ 137,667	\$ 158,320
MER before waiver	6.06%	5.36%
Expense after waiver	\$ 73,651	\$ 95,223
MER after waiver	3.23%	3.22%

Sales and redemption of units (note 9)		
Opening balance	391,339	464,799
Purchases during the year	15,634	60,076
Redemptions during the year	(94,280)	(133,536)
Closing balance	312,693	391,339

Investment in underlying fund at fair value (note 10)		
Level 1	\$ 2,147,478	\$ 2,438,315

Schedule of invested assets		
RBC O'Shaughnessy International Equity Fund, Series O		
Number of units	355,131	374,446
Cost	\$ 3,394,438	\$ 3,896,742
Fund owned	21.4534%	5.2051%
Fair value	\$ 2,147,478	\$ 2,438,315
Fair value per unit	\$ 6.05	\$ 6.51

Top 25 holdings of the underlying fund (unaudited)	% of Assets
ENI S.p.A.	3.2
Telstra Corp. Ltd.	3.2
Vivendi S.A.	3.2
Freenet AG	2.9
Hannover Rueckversicherung AG	2.8
Telecom Corp. of New Zealand Ltd.	2.7
Greek Organization of Football Prognostics S.A.	2.6
BAE Systems Plc.	2.5
Enel S.p.A.	2.3
Total S.A.	2.3
AstraZeneca Plc.	2.0
GDF Suez	1.7
RWE AG	1.7
Deutsche Telekom AG	1.6
Cash & Cash Equivalents	1.6
Next Plc.	1.6
AOKI Holdings Inc.	1.6
Daiichikosho Co. Ltd.	1.3
USS Co. Ltd.	1.3
Misawa Homes Holdings Inc.	1.2
Belgacom S.A.	1.2
BT Group Plc.	1.1
Muenchener Rueckversicherungs- Gesellschaft AG	1.1
Marudai Food Co. Ltd.	1.1
Lawson Inc.	1.1
Total % of top 25 holdings	48.9

RBC Select Conservative GIP

Statement of Net Assets

As at December 31,	2012	2011
Assets		
Investments in underlying fund at fair value	\$ 56,233,939	\$ 44,664,220
Cash	140,547	88,983
Accrued income distribution from investments	-	-
Prepaid expenses	2,823	2,773
Due from RBC Life Insurance Company	-	-
	56,377,309	44,755,976
Liabilities		
Bank indebtedness	-	-
Management fee payable	64,961	48,280
Insurance fee payable	14,117	10,340
Accounts payable and accrued liabilities	66,523	60,978
	145,601	119,598
Net assets	\$ 56,231,708	\$ 44,636,378
Net asset value per unit		
Series 1	\$ 11.21	\$ 10.64
Series 2	11.19	10.64

Statement of Operations

For the year ended December 31,	2012	2011
Income		
Distribution from underlying fund	\$ 1,486,449	\$ 1,087,085
Realized gain on sale of investments	610,332	660,778
Increase (decrease) in unrealized appreciation of investments	1,692,697	(777,446)
	3,789,478	970,417
Expenses		
Management fees	663,448	493,063
Insurance fees	144,127	103,569
Other administrative expenses	452,923	338,848
	1,260,498	935,480
Net income	\$ 2,528,980	\$ 34,937
Net income per unit		
Series 1	\$ 0.57	\$ 0.01
Series 2	0.55	0.01

Statement of Changes in Net Assets

For the year ended December 31,	2012	2011
Net assets, beginning of the year	\$ 44,636,378	\$ 32,722,095
Premium deposits	18,405,744	21,429,620
Net income	2,528,980	34,937
	65,571,102	54,186,652
Less		
Withdrawals	9,339,394	9,550,274
	9,339,394	9,550,274
Net assets, end of the year	\$ 56,231,708	\$ 44,636,378
Number of units outstanding		
Series 1	1,832,715	1,753,924
Series 2	3,189,613	2,439,759

For the year ended December 31,	2012	2011
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Management fees and insurance fees (note 7)

Annual Management Fee		
Series 1	2.10%	2.10%
Series 2	2.20%	2.20%
Annual Insurance Fee (Limit)		
Series 1	0.20 (0.70) %	0.20 (0.70) %
Series 2	0.30 (0.80) %	0.30 (0.80) %

Other expenses absorbed by the manager (note 8)

Series 1		
Annualized MER cap ¹	2.41%	2.42%
Expense before waiver	\$ 445,684	\$ 434,927
MER before waiver	2.41%	2.41%
Expense after waiver	\$ 445,684	\$ 434,927
MER after waiver	2.41%	2.41%
Series 2		
Annualized MER cap ¹	2.61%	2.61%
Expense before waiver	\$ 814,814	\$ 500,553
MER before waiver	2.61%	2.60%
Expense after waiver	\$ 814,814	\$ 500,553
MER after waiver	2.61%	2.60%

Sales and redemption of units (note 9)

Series 1		
Opening balance	1,753,924	1,705,710
Purchases during the year	499,079	462,439
Redemptions during the year	(420,288)	(414,225)
Closing balance	1,832,715	1,753,924
Series 2		
Opening balance	2,439,759	1,367,317
Purchases during the year	1,186,845	1,556,047
Redemptions during the year	(436,991)	(483,605)
Closing balance	3,189,613	2,439,759

Investment in underlying fund at fair value (note 10)

Level 1	\$ 56,233,939	\$ 44,664,220
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Schedule of invested assets

RBC Conservative Portfolio Fund, Series O		
Number of units	2,928,698	2,423,005
Cost	\$ 53,848,521	\$ 43,971,500
Fund owned	94.3822%	93.0487%
Fair value	\$ 56,233,939	44,664,220
Fair value per unit	\$ 19.20	\$ 18.43

The accompanying notes are an integral part of these financial statements.

RBC Select Conservative GIP (continued)

Top holdings of the underlying fund (unaudited)

	% of Assets	% of Assets		% of Assets	% of Assets
RBC Bond Fund		23.1	RBC Canadian Equity Fund		8.1
Cash & Cash Equivalents	3.0		Royal Bank of Canada	5.8	
Province of Ontario 4.200% Jun 2 20	3.0		Bank of Nova Scotia	4.9	
Province of Ontario 4.650% Jun 2 41	2.9		Toronto-Dominion Bank	4.9	
Province of Ontario 1.900% Sep 8 17	2.6		Suncor Energy Inc.	3.8	
Province of Ontario 3.500% Jun 2 43	2.4		Canadian National Railway Co.	3.0	
Phillips, Hager & North Bond Fund		13.9	RBC European Equity Fund		7.8
Cash & Cash Equivalents	21.5		Diageo Plc.	3.6	
Province of Ontario 7.600% Jun 2 27	8.0		BASF AG	3.3	
Government of Canada 1.500% Sep 1 17	4.1		ING Groep N.V.	3.3	
Province of Ontario 5.600% Jun 2 35	3.6		London Stock Exchange Group Plc.	3.0	
Province of Quebec 3.500% Dec 1 22	2.5		SAP AG	2.9	
RBC Canadian Dividend Fund		9.2	RBC Asian Equity Fund		3.4
Cash & Cash Equivalents	6.9		Samsung Electronics Co. Ltd.	2.8	
Royal Bank of Canada	6.9		Toyota Motor Corp.	2.0	
Bank of Nova Scotia	6.6		Commonwealth Bank of Australia	1.9	
Toronto-Dominion Bank	6.6		Mizuho Financial Group Inc.	1.8	
Canadian Imperial Bank of Commerce	3.9		Sumitomo Mitsui Financial Group Inc.	1.8	
RBC Global Bond Fund		9.2	Phillips, Hager & North U.S. Multi-Style All Cap Equity Fund		3.0
United States Treasury 3.250% Dec 31 16	8.5		Apple Inc.	3.0	
Japan Government Twenty Year JPY 1.600% Jun 20 30	5.5		Cash & Cash Equivalents	2.8	
United States Treasury 1.750% Mar 31 14	5.4		Chevron Corp.	1.7	
Deutsche Bundesrepublik EUR 4.000% Jan 4 18	4.9		Johnson & Johnson	1.4	
Japan 10-Year Bond Future, March 2013	3.0		Exxon Mobil Corp.	1.2	
RBC Canadian Short-Term Income Fund		9.2	Cash & Cash Equivalents		2.0
Province of Ontario 1.900% Sep 8 17	3.9		RBC Canadian Money Market Fund		2.0
Canada Housing Trust No. 1 2.450% Dec 15 15	3.6		Government of Canada Treasury Bills 1.010% Jan 3 13	6.3	
Province of Ontario 3.250% Sep 8 14	3.5		Bank of Montreal 1.219% Jan 8 13	3.0	
Canadian Imperial Bank of Commerce 2.650% Nov 8 16	2.9		Bay Street Funding Trust - Class A 1.155% Jan 17 13	2.7	
Canada Housing Trust No. 1 2.050% Jun 15 17	2.7		Toronto-Dominion Bank 1.250% Jan 3 13	2.6	
RBC U.S. Equity Fund		9.1	Bank of Montreal 1.350% Jul 11 13	2.5	
RBC U.S. Mid-Cap Value Equity Fund	3.8				
Apple Inc.	3.4				
Cash & Cash Equivalents	2.6				
RBC U.S. Mid-Cap Equity Fund	2.0				
Exxon Mobil Corp.	1.9				
Total % of top holding of underlying mutual funds					100.0

Financial highlights (unaudited)

For the year/period ended December 31,	2012	2011	2010	2009	2008	2012	2011	2010	2009	2008
<i>The Fund's distribution and Net Asset Value per unit</i>										
	Series 1					Series 2				
Distributions: ²										
From net income	\$ 0.05	\$ 0.02	\$ 0.07	\$ 0.08	\$ -	\$ 0.04	\$ 0.05	\$ 0.05	\$ 0.06	\$ -
From realized gains	0.12	0.12	0.12	-	(0.62)	0.12	0.12	0.12	-	(0.63)
Return of capital	-	-	-	-	-	-	-	-	-	-
Total annual distributions	\$ 0.17	\$ 0.14	\$ 0.19	\$ 0.08	\$ (0.62)	\$ 0.16	\$ 0.17	\$ 0.17	\$ 0.06	\$ (0.63)
Net Asset Value at December 31	\$ 11.21	\$ 10.64	\$ 10.64	\$ 10.14	\$ 9.16	\$ 11.19	\$ 10.64	\$ 10.66	\$ 10.17	\$ 9.20

Ratios and supplemental data

Net assets (\$'000)	\$ 20,545	\$ 18,669	\$ 18,153	\$ 5,405	\$ 3,293	\$ 35,687	\$ 25,967	\$ 14,569	\$ 7,337	\$ 3,647
Number of units outstanding	1,832,715	1,753,924	1,705,710	532,919	359,709	3,189,613	2,439,759	1,367,317	721,303	396,337
Management expense ratio ¹	2.41%	2.41%	2.37%	2.30%	2.30%	2.61%	2.60%	2.56%	2.50%	2.50%
Portfolio turnover rate of the underlying fund ³	12.66%	15.92%	34.24%	7.67%	6.97%	12.66%	15.92%	34.24%	7.67%	6.97%

¹ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the year/period.

² Distributions were reinvested in the Fund.

³ The underlying fund's portfolio turnover rate indicates how actively the fund's portfolio advisor manages its portfolio investments. 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 a 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 a fund.

RBC Select Balanced GIP

Statement of Net Assets

As at December 31,	2012	2011
Assets		
Investments in underlying fund at fair value	\$ 47,016,114	\$ 39,497,103
Cash	-	25,481
Prepaid expenses	2,874	2,824
Subscriptions Receivable	50,000	50,000
Due from RBC Life Insurance Company	-	-
	47,068,988	39,575,408
Liabilities		
Bank indebtedness	91,724	-
Management fee payable	58,832	45,627
Insurance fee payable	16,926	13,305
Accounts payable and accrued liabilities	57,094	57,569
	224,576	116,501
Net assets	\$ 46,844,412	\$ 39,458,907
Net asset value per unit		
Series 1	\$ 10.69	\$ 10.00
Series 2	10.55	9.89

Statement of Operations

For the year ended December 31,	2012	2011
Income		
Distribution from underlying fund	\$ 1,203,138	\$ 790,934
Realized gain on sale of investments	519,554	852,509
Increase (decrease) in unrealized appreciation of investments	2,316,708	(1,701,064)
	4,039,400	(57,621)
Expenses		
Management fees	624,241	511,585
Insurance fees	182,226	148,617
Other administrative expenses	403,608	332,953
	1,210,075	993,155
Net income (loss)	\$ 2,829,325	\$ (1,050,776)
Net income per unit		
Series 1	\$ 0.70	\$ (0.27)
Series 2	0.65	(0.30)

Statement of Changes in Net Assets

For the year ended December 31,	2012	2011
Net assets, beginning of the year	\$ 39,458,907	\$ 32,229,243
Premium deposits	12,055,106	15,937,531
Net income (loss)	2,829,325	(1,050,776)
	54,343,338	47,115,998
Less		
Withdrawals	7,498,926	7,657,091
	7,498,926	7,657,091
Net assets, end of the year	\$ 46,844,412	\$ 39,458,907
Number of units outstanding		
Series 1	984,870	927,425
Series 2	3,442,777	3,052,181

The accompanying notes are an integral part of these financial statements.

For the year ended December 31,	2012	2011
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Management fees and insurance fees (note 7)

Annual Management Fee		
Series 1	2.20%	2.20%
Series 2	2.30%	2.30%
Annual Insurance Fee (Limit)		
Series 1	0.30 (0.80) %	0.30 (0.80) %
Series 2	0.40 (0.90) %	0.40 (0.90) %

Other expenses absorbed by the manager (note 8)

Series 1		
Annualized MER cap ¹	2.60%	2.60%
Expense before waiver	\$ 261,603	\$ 237,482
MER before waiver	2.60%	2.59%
Expense after waiver	\$ 261,603	\$ 237,482
MER after waiver	2.60%	2.59%
Series 2		
Annualized MER cap ¹	2.80%	2.80%
Expense before waiver	\$ 948,472	\$ 755,673
MER before waiver	2.80%	2.79%
Expense after waiver	\$ 948,472	\$ 755,673
MER after waiver	2.80%	2.79%

Sales and redemption of units (note 9)

Series 1		
Opening balance	927,425	852,798
Purchases during the year	265,752	326,218
Redemptions during the year	(208,307)	(251,591)
Closing balance	984,870	927,425
Series 2		
Opening balance	3,052,181	2,309,932
Purchases during the year	912,639	1,254,160
Redemptions during the year	(522,043)	(511,911)
Closing balance	3,442,777	3,052,181

Investment in underlying fund at fair value (note 10)

Level 1	\$ 47,016,114	\$ 39,497,103
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Schedule of invested assets

RBC Select Balanced Portfolio Fund, Series O

Number of units	2,118,807	1,893,265
Cost	\$ 44,022,267	\$ 38,819,963
Fund owned	74.8064%	75.1308%
Fair value	\$ 47,016,114	39,497,103
Fair value per unit	\$ 22.19	\$ 20.86

RBC Select Balanced GIP (continued)

Top holdings of the underlying fund (unaudited)

	% of Assets	% of Assets		% of Assets	% of Assets
RBC Bond Fund		30.4	Phillips, Hager & North U.S Multi-Style All Cap Equity Fund		4.9
Cash & Cash Equivalents	3.0		Apple Inc.	3.0	
Province of Ontario 4.200% Jun 2 20	3.0		Cash & Cash Equivalents	2.8	
Province of Ontario 4.650% Jun 2 41	2.9		Chevron Corp.	1.7	
Province of Ontario 1.900% Sep 8 17	2.6		Johnson & Johnson	1.4	
Province of Ontario 3.500% Jun 2 43	2.4		Exxon Mobil Corp.	1.2	
RBC U.S. Equity Fund		12.0	RBC Global Bond Fund		4.3
RBC U.S. Mid-Cap Value Equity Fund	3.8		United States Treasury 3.250% Dec 31 16	8.5	
Apple Inc.	3.4		Japan Government Twenty Year JPY 1.600% Jun 20 30	5.5	
Cash & Cash Equivalents	2.6		United States Treasury 1.750% Mar 31 14	5.4	
RBC U.S. Mid-Cap Equity Fund	2.0		Deutsche Bundesrepublik EUR 4.000% Jan 4 18	4.9	
Exxon Mobil Corp.	1.9		Japan 10-Year Bond Future, March 2013	3.0	
RBC Canadian Equity Fund		11.0	RBC Asian Equity Fund		3.7
Royal Bank of Canada	5.8		Samsung Electronics Co. Ltd.	2.8	
Bank of Nova Scotia	4.9		Toyota Motor Corp.	2.0	
Toronto-Dominion Bank	4.9		Commonwealth Bank of Australia	1.9	
Suncor Energy Inc.	3.8		Mizuho Financial Group Inc.	1.8	
Canadian National Railway Co.	3.0		Sumitomo Mitsui Financial Group Inc.	1.8	
RBC Canadian Dividend Fund		11.0	RBC U.S. Mid-Cap Equity Fund		3.3
Cash & Cash Equivalents	6.9		Cash & Cash Equivalents	2.5	
Royal Bank of Canada	6.9		LKQ Corp.	1.7	
Bank of Nova Scotia	6.6		Henry Schein Inc.	1.7	
Toronto-Dominion Bank	6.6		ARM Holdings Plc. ADR	1.7	
Canadian Imperial Bank of Commerce	3.9		Trimble Navigation Ltd.	1.6	
RBC European Equity Fund		7.4	RBC Global Dividend Growth Fund		3.2
Diageo Plc.	3.6		KBC Groep N.V.	3.5	
BASF AG	3.3		Sanofi	3.2	
ING Groep N.V.	3.3		BlackRock Inc.	3.1	
London Stock Exchange Group Plc.	3.0		Bridgestone Corp.	3.1	
SAP AG	2.9		JPMorgan Chase & Co.	3.1	
RBC Emerging Markets Equity Fund		5.3	RBC Canadian Money Market Fund		2.0
Taiwan Semiconductor Manufacturing Co. Ltd.	5.0		Government of Canada Treasury Bills 1.010% Jan 3 13	6.3	
Samsung Electronics Co. Ltd.	4.5		Bank of Montreal 1.219% Jan 8 13	3.0	
Vale S.A. ADR	4.0		Bay Street Funding Trust - Class A 1.155% Jan 17 13	2.7	
Petrochina Co.	3.4		Toronto-Dominion Bank 1.250% Jan 3 13	2.6	
South African Breweries Plc.	3.1		Bank of Montreal 1.350% Jul 11 13	2.5	
			Cash & Cash Equivalents		1.5
Total % of top holding of underlying mutual funds					100.0

Financial highlights (unaudited)

For the year/period ended December 31,	2012	2011	2010	2009	2008	2012	2011	2010	2009	2008
The Fund's distribution and Net Asset Value per unit										
	Series 1					Series 2				
Distributions: ²										
From net income	\$ -	\$ -	\$ -	\$ -	\$ 0.06	\$ -	\$ -	\$ -	\$ -	\$ 0.06
From realized gains	0.11	0.11	0.09	(0.02)	(1.26)	0.11	0.11	0.09	(0.02)	(1.25)
Return of capital	-	-	-	-	-	-	-	-	-	-
Total annual distributions	\$ 0.11	\$ 0.11	\$ 0.09	\$ (0.02)	\$ (1.20)	\$ 0.11	\$ 0.11	\$ 0.09	\$ (0.02)	\$ (1.19)
Net Asset Value at December 31	\$ 10.69	\$ 10.00	\$ 10.26	\$ 9.69	\$ 8.67	\$ 10.55	\$ 9.89	\$ 10.16	\$ 9.61	\$ 8.62
Ratios and supplemental data										
Net assets (\$ '000)	\$ 10,532	\$ 9,277	\$ 8,752	\$ 6,197	\$ 5,880	\$ 36,312	\$ 30,182	\$ 23,477	\$ 16,319	\$ 9,491
Number of units outstanding	984,870	927,425	852,798	639,461	678,484	3,442,777	3,052,181	2,309,932	1,697,271	1,101,752
Management expense ratio ¹	2.60%	2.59%	2.55%	2.50%	2.50%	2.80%	2.79%	2.59%	2.70%	2.70%
Portfolio turnover rate of the underlying fund ³	16.08%	20.38%	40.83%	6.57%	7.21%	16.08%	20.38%	40.83%	6.57%	7.21%

¹ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the year/period.

² Distributions were reinvested in the Fund.

³ The underlying fund's portfolio turnover rate indicates how actively the fund's portfolio advisor manages its portfolio investments. 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 a 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 a fund.

RBC Select Growth GIP

Statement of Net Assets

As at December 31,	2012	2011
Assets		
Investments in underlying fund at fair value	\$ 22,335,102	\$ 20,801,622
Cash	17,551	975
Subscriptions Receivable	50,000	-
Prepaid expenses	2,873	2,824
Due from RBC Life Insurance Company	-	-
	22,405,526	20,805,421
Liabilities		
Bank indebtedness	-	-
Management fee payable	28,570	24,800
Insurance fee payable	11,916	10,378
Accounts payable and accrued liabilities	36,494	28,811
	76,980	63,989
Net assets	\$ 22,328,546	\$ 20,741,432
Net asset value per unit		
Series 1	\$ 10.03	\$ 9.33
Series 2	9.89	9.22

Statement of Operations

For the year ended December 31,	2012	2011
Income		
Distribution from underlying fund	\$ 505,305	\$ 808
Realized gain on sale of investments	284,833	329,333
Increase (decrease) in unrealized appreciation of investments	1,395,572	(1,066,311)
	2,185,710	(736,170)
Expenses		
Management fees	313,706	287,464
Insurance fees	135,947	124,505
Other administrative expenses	194,449	178,576
	644,102	590,545
Net income (loss)	\$ 1,541,608	\$ (1,326,715)
Net income (loss) per unit		
Series 1	\$ 0.72	\$ (0.63)
Series 2	0.69	(0.65)

Statement of Changes in Net Assets

For the year ended December 31,	2012	2011
Net assets, beginning of the year	\$ 20,741,432	\$ 17,357,553
Premium deposits	3,775,315	7,604,427
Net income (loss)	1,541,608	(1,326,715)
	26,058,355	23,635,265
Less		
Withdrawals	3,729,809	2,893,833
	3,729,809	2,893,833
Net assets, end of the year	\$ 22,328,546	\$ 20,741,432
Number of units outstanding		
Series 1	432,820	416,533
Series 2	1,817,856	1,827,858

The accompanying notes are an integral part of these financial statements.

For the year ended December 31,	2012	2011
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Management fees and insurance fees (note 7)

Annual Management Fee		
Series 1	2.25%	2.25%
Series 2	2.35%	2.35%
Annual Insurance Fee (Limit)		
Series 1	0.50 (1.00) %	0.50 (1.00) %
Series 2	0.60 (1.10) %	0.60 (1.10) %

Other expenses absorbed by the manager (note 8)

Series 1		
Annualized MER cap ¹	2.84%	2.83%
Expense before waiver	\$ 114,225	\$ 107,802
MER before waiver	2.84%	2.82%
Expense after waiver	\$ 114,225	\$ 107,802
MER after waiver	2.84%	2.82%
Series 2		
Annualized MER cap ¹	3.07%	3.06%
Expense before waiver	\$ 529,877	\$ 482,743
MER before waiver	3.07%	3.05%
Expense after waiver	\$ 529,877	\$ 482,743
MER after waiver	3.07%	3.05%

Sales and redemption of units (note 9)

Series 1		
Opening balance	416,533	364,520
Purchases during the year	71,040	132,375
Redemptions during the year	(54,753)	(80,362)
Closing balance	432,820	416,533
Series 2		
Opening balance	1,827,858	1,397,561
Purchases during the year	322,354	650,502
Redemptions during the year	(332,356)	(220,205)
Closing balance	1,817,856	1,827,858

Investment in underlying fund at fair value (note 10)

Level 1	\$ 22,335,102	\$ 20,801,622
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Schedule of invested assets

RBC Select Growth Portfolio Fund, Series O

Number of units	972,694	975,745
Cost	\$ 20,494,042	\$ 20,356,134
Fund owned	86.9112%	92.5854%
Fair value	\$ 22,335,102	20,801,622
Fair value per unit	\$ 22.96	\$ 21.32

RBC Select Growth GIP (continued)

Top holdings of the underlying fund (unaudited)

	% of Assets	% of Assets		% of Assets	% of Assets
RBC Canadian Equity Fund			Phillips, Hager & North Canadian Growth Fund		5.4
Royal Bank of Canada	5.8	17.3	Royal Bank of Canada	5.1	
Bank of Nova Scotia	4.9		Cash & Cash Equivalents	4.8	
Toronto-Dominion Bank	4.9		Toronto-Dominion Bank	4.6	
Suncor Energy Inc.	3.8		Bank of Nova Scotia	4.2	
Canadian National Railway Co.	3.0		Suncor Energy Inc.	3.3	
RBC U.S. Equity Fund			RBC Global Dividend Growth Fund		5.2
RBC U.S. Mid-Cap Value Equity Fund	3.8	14.6	KBC Groep N.V.	3.5	
Apple Inc.	3.4		Sanofi	3.2	
Cash & Cash Equivalents	2.6		BlackRock Inc.	3.1	
RBC U.S. Mid-Cap Equity Fund	2.0		Bridgestone Corp.	3.1	
Exxon Mobil Corp.	1.9		JPMorgan Chase & Co.	3.1	
RBC Bond Fund			RBC Canadian Dividend Fund		4.3
Cash & Cash Equivalents	3.0	11.8	Cash & Cash Equivalents	6.9	
Province of Ontario 4.200% Jun 2 20	3.0		Royal Bank of Canada	6.9	
Province of Ontario 4.650% Jun 2 41	2.9		Bank of Nova Scotia	6.6	
Province of Ontario 1.900% Sep 8 17	2.6		Toronto-Dominion Bank	6.6	
Province of Ontario 3.500% Jun 2 43	2.4		Canadian Imperial Bank of Commerce	3.9	
RBC European Equity Fund			RBC Asian Equity Fund		4.3
Diageo Plc.	3.6	9.1	Samsung Electronics Co. Ltd.	2.8	
BASF AG	3.3		Toyota Motor Corp.	2.0	
ING Groep N.V.	3.3		Commonwealth Bank of Australia	1.9	
London Stock Exchange Group Plc.	3.0		Mizuho Financial Group Inc.	1.8	
SAP AG	2.9		Sumitomo Mitsui Financial Group Inc.	1.8	
RBC Global Bond Fund			RBC U.S. Mid-Cap Equity Fund		3.7
United States Treasury 3.250% Dec 31 16	8.5	7.8	Cash & Cash Equivalents	2.5	
Japan Government Twenty Year JPY 1.600% Jun 20 30	5.5		LKQ Corp.	1.7	
United States Treasury 1.750% Mar 31 14	5.4		Henry Schein Inc.	1.7	
Deutsche Bundesrepublik EUR 4.000% Jan 4 18	4.9		ARM Holdings Plc. ADR	1.7	
Japan 10-Year Bond Future, March 2013	3.0		Trimble Navigation Ltd.	1.6	
RBC Emerging Markets Equity Fund			Cash & Cash Equivalents		2.2
Taiwan Semiconductor Manufacturing Co. Ltd.	5.0	7.1	RBC Canadian Money Market Fund		1.2
Samsung Electronics Co. Ltd.	4.5		Government of Canada Treasury Bills 1.010% Jan 3 13	6.3	
Vale S.A. ADR	4.0		Bank of Montreal 1.219% Jan 8 13	3.0	
Petrochina Co.	3.4		Bay Street Funding Trust - Class A 1.155% Jan 17 13	2.7	
South African Breweries Plc.	3.1		Toronto-Dominion Bank 1.250% Jan 3 13	2.6	
Phillips, Hager & North U.S Multi-Style All Cap Equity Fund			Bank of Montreal 1.350% Jul 11 13	2.5	
Apple Inc.	3.0	6.0			
Cash & Cash Equivalents	2.8				
Chevron Corp.	1.7				
Johnson & Johnson	1.4				
Exxon Mobil Corp.	1.2				
Total % of top holding of underlying mutual funds					100.0

Financial highlights (unaudited)

For the year/period ended December 31,	2012	2011	2010	2009	2008	2012	2011	2010	2009	2008
<i>The Fund's distribution and Net Asset Value per unit</i>										
	Series 1					Series 2				
Distributions: ²										
From net income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
From realized gains	0.13	-	-	-	(1.61)	0.13	-	-	-	(1.61)
Return of capital	-	-	-	-	-	-	-	-	-	-
Total annual distributions	\$ 0.13	\$ -	\$ -	\$ -	\$ (1.61)	\$ 0.13	\$ -	\$ -	\$ -	\$ (1.61)
Net Asset Value at December 31	\$ 10.03	\$ 9.33	\$ 9.92	\$ 9.35	\$ 8.27	\$ 9.89	\$ 9.22	\$ 9.83	\$ 9.29	\$ 8.23
<i>Ratios and supplemental data</i>										
Net assets (\$ '000)	\$ 4,343	\$ 3,886	\$ 3,615	\$ 3,044	\$ 2,153	\$ 17,986	\$ 16,855	\$ 13,743	\$ 10,353	\$ 6,905
Number of units outstanding	432,820	416,533	364,520	325,512	260,480	1,817,856	1,827,858	1,397,561	1,133,713	839
Management expense ratio ¹	2.84%	2.82%	2.79%	2.75%	2.75%	3.07%	3.05%	3.01%	2.95%	2.95%
Portfolio turnover rate of the underlying fund ³	18.18%	21.24%	46.81%	6.33%	6.11%	18.18%	21.24%	46.81%	6.33%	6.11%

¹ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the year/period.

² Distributions were reinvested in the Fund.

³ The underlying fund's portfolio turnover rate indicates how actively the fund's portfolio advisor manages its portfolio investments. 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 a 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 a fund.

RBC Select Aggressive Growth GIP

Statement of Net Assets

As at December 31,	2012	2011
Assets		
Investments in underlying fund at fair value	\$ 5,984,642	\$ 6,163,436
Cash	2,909	-
Accrued income distribution from investments	-	-
Prepaid expenses	2,874	2,824
Due from RBC Life Insurance Company	2,577	6,590
	5,993,002	6,172,850
Liabilities		
Bank indebtedness	-	1,625
Management fee payable	7,946	7,600
Insurance fee payable	4,612	4,574
Accounts payable and accrued liabilities	24,572	19,638
	37,130	33,437
Net assets	\$ 5,955,872	\$ 6,139,413
Net asset value per unit		
Series 1	\$ 9.02	\$ 8.27
Series 2	8.88	8.17

Statement of Operations

For the year ended December 31,	2012	2011
Income		
Distribution from underlying fund	\$ 52,044	\$ 284
Realized gain on sale of investments	127,393	33,796
Increase (decrease) in unrealized appreciation of investments	528,838	(463,748)
	708,275	(429,668)
Expenses		
Management fees	90,840	92,900
Insurance fees	54,529	55,873
Other administrative expenses	56,270	57,472
	201,639	206,245
Net income (loss)	\$ 506,636	\$ (635,913)
Net income (loss) per unit		
Series 1	\$ 0.79	\$ (0.89)
Series 2	0.71	(0.89)

Statement of Changes in Net Assets

For the year ended December 31,	2012	2011
Net assets, beginning of the year	\$ 6,139,413	\$ 5,539,273
Premium deposits	895,339	2,008,094
Net income (loss)	506,636	(635,913)
	7,541,388	6,911,454
Less		
Withdrawals	1,585,516	772,041
	1,585,516	772,041
Net assets, end of the year	\$ 5,955,872	\$ 6,139,413
Number of units outstanding		
Series 1	110,751	102,900
Series 2	558,560	647,361

The accompanying notes are an integral part of these financial statements.

For the year ended December 31, 2012 2011

Management fees and insurance fees (note 7)

Annual Management Fee			
Series 1	2.35%		2.35%
Series 2	2.40%		2.40%
Annual Insurance Fee (Limit)			
Series 1	0.65 (1.15) %		0.65 (1.15) %
Series 2	0.85 (1.35) %		0.85 (1.35) %

Other expenses absorbed by the manager (note 8)

Series 1			
Annualized MER cap ¹	3.06%		3.08%
Expense before waiver	\$ 31,928	\$	29,767
MER before waiver	3.54%		3.43%
Expense after waiver	\$ 27,705	\$	26,688
MER after waiver	3.06%		3.07%
Series 2			
Annualized MER cap ¹	3.40%		3.40%
Expense before waiver	\$ 198,078	\$	198,038
MER before waiver	3.88%		3.74%
Expense after waiver	\$ 173,934	\$	179,557
MER after waiver	3.40%		3.39%

Sales and redemption of units (note 9)

Series 1			
Opening balance	102,900		89,565
Purchases during the year	39,726		21,706
Redemptions during the year	(31,875)		(8,371)
Closing balance	110,751		102,900
Series 2			
Opening balance	647,361		524,460
Purchases during the year	64,135		203,122
Redemptions during the year	(152,936)		(80,221)
Closing balance	558,560		647,361

Investment in underlying fund at fair value (note 10)

Level 1	\$ 5,984,642	\$ 6,163,436
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Schedule of invested assets

RBC Select Aggressive Growth Portfolio Fund, Series O

Number of units	660,039	754,399
Cost	\$ 5,357,680	\$ 6,065,313
Fund owned	95.5262%	96.7938%
Fair value	\$ 5,984,642	6,163,436
Fair value per unit	\$ 9.07	\$ 8.17

RBC Select Aggressive Growth GIP (continued)

Top holdings of the underlying fund (unaudited)

	% of Assets	% of Assets		% of Assets	% of Assets
RBC Canadian Equity Fund		19.7	RBC U.S. Mid-Cap Equity Fund		6.9
Royal Bank of Canada	5.8		Cash & Cash Equivalents	2.5	
Bank of Nova Scotia	4.9		LKQ Corp.	1.7	
Toronto-Dominion Bank	4.9		Henry Schein Inc.	1.7	
Suncor Energy Inc.	3.8		ARM Holdings Plc. ADR	1.7	
Canadian National Railway Co.	3.0		Trimble Navigation Ltd.	1.6	
RBC U.S. Equity Fund		16.9	RBC Global Dividend Growth Fund		5.8
RBC U.S. Mid-Cap Value Equity Fund	3.8		KBC Groep N.V.	3.5	
Apple Inc.	3.4		Sanofi	3.2	
Cash & Cash Equivalents	2.6		BlackRock Inc.	3.1	
RBC U.S. Mid-Cap Equity Fund	2.0		Bridgestone Corp.	3.1	
Exxon Mobil Corp.	1.9		JPMorgan Chase & Co.	3.1	
RBC European Equity Fund		12.5	RBC Asian Equity Fund		5.5
Diageo Plc.	3.6		Samsung Electronics Co. Ltd.	2.8	
BASF AG	3.3		Toyota Motor Corp.	2.0	
ING Groep N.V.	3.3		Commonwealth Bank of Australia	1.9	
London Stock Exchange Group Plc.	3.0		Mizuho Financial Group Inc.	1.8	
SAP AG	2.9		Sumitomo Mitsui Financial Group Inc.	1.8	
RBC Canadian Dividend Fund		9.8	Phillips, Hager & North Canadian Growth Fund		4.9
Cash & Cash Equivalents	6.9		Royal Bank of Canada	5.1	
Royal Bank of Canada	6.9		Cash & Cash Equivalents	4.8	
Bank of Nova Scotia	6.6		Toronto-Dominion Bank	4.6	
Toronto-Dominion Bank	6.6		Bank of Nova Scotia	4.2	
Canadian Imperial Bank of Commerce	3.9		Suncor Energy Inc.	3.3	
RBC Emerging Markets Equity Fund		9.7	Cash & Cash Equivalents		0.2
Taiwan Semiconductor Manufacturing Co. Ltd.	5.0		RBC Canadian Money Market Fund		0.1
Samsung Electronics Co. Ltd.	4.5		Government of Canada Treasury Bills 1.010% Jan 3 13	6.3	
Vale S.A. ADR	4.0		Bank of Montreal 1.219% Jan 8 13	3.0	
Petrochina Co.	3.4		Bay Street Funding Trust - Class A 1.155% Jan 17 13	2.7	
South African Breweries Plc.	3.1		Toronto-Dominion Bank 1.250% Jan 3 13	2.6	
Phillips, Hager & North U.S Multi-Style All Cap Equity Fund		8.0	Bank of Montreal 1.350% Jul 11 13	2.5	
Apple Inc.	3.0				
Cash & Cash Equivalents	2.8				
Chevron Corp.	1.7				
Johnson & Johnson	1.4				
Exxon Mobil Corp.	1.2				
Total % of top holding of underlying mutual funds					100.0

Financial highlights (unaudited)

For the year/period ended December 31,	2012	2011	2010	2009	2008	2012	2011	2010	2009	2008
<i>The Fund's distribution and Net Asset Value per unit</i>										
	Series 1					Series 2				
Distributions: ²										
From net income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
From realized gains	0.24	-	-	(0.08)	(2.13)	0.24	-	-	(0.08)	(2.12)
Return of capital	-	-	-	-	-	-	-	-	-	-
Total annual distributions	\$ 0.24	\$ -	\$ -	\$ (0.08)	\$ (2.13)	\$ 0.24	\$ -	\$ -	\$ (0.08)	\$ (2.12)
Net Asset Value at December 31	\$ 9.02	\$ 8.27	\$ 9.09	\$ 8.54	\$ 7.39	\$ 8.88	\$ 8.17	\$ 9.01	\$ 8.49	\$ 7.37
<i>Ratios and supplemental data</i>										
Net assets (\$'000)	\$ 999	\$ 851	\$ 814	\$ 608	\$ 326	\$ 4,957	\$ 5,288	\$ 4,725	\$ 4,052	\$ 3,474
Number of units outstanding	110,751	102,900	89,565	71,280	44,103	558,560	647,361	524,460	477,521	471,417
Management expense ratio ¹	3.06%	3.07%	3.05%	3.00%	3.00%	3.40%	3.39%	3.33%	3.25%	3.25%
Portfolio turnover rate of the underlying fund ³	11.89%	5.76%	42.92%	4.23%	1.55%	11.89%	5.76%	42.92%	4.23%	1.55%

¹ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the year/period.

² Distributions were reinvested in the Fund.

³ The underlying fund's portfolio turnover rate indicates how actively the fund's portfolio advisor manages its portfolio investments. 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 a 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 a fund.

RBC DS Balanced Global GIP

Statement of Net Assets

As at December 31,	2012	2011
Assets		
Investments in underlying fund at fair value	\$ 1,094,156	\$ 934,566
Cash	4,435	-
Accrued income distribution from investments	-	-
Prepaid expenses	2,872	2,822
Due from RBC Life Insurance Company	3,859	9,670
	1,105,322	947,058
Liabilities		
Bank indebtedness	-	2
Management fee payable	1,363	1,091
Insurance fee payable	409	333
Accounts payable and accrued liabilities	22,375	17,466
	24,147	18,892
Net assets	\$ 1,081,175	\$ 928,166
Net asset value per unit		
Series 1	\$ 11.16	\$ 10.46
Series 2	11.17	10.49

Statement of Operations

For the year ended December 31,	2012	2011
Income		
Distribution from underlying fund	\$ 32,110	\$ 24,338
Realized gain on sale of investments	1,799	12,946
Increase (decrease) in unrealized appreciation of investments	55,910	(21,581)
	89,819	15,703
Expenses		
Management fees	14,269	13,874
Insurance fees	4,347	4,141
Other administrative expenses	9,194	8,941
	27,810	26,956
Net income (loss)	\$ 62,009	\$ (11,253)
Net income (loss) per unit		
Series 1	\$ 1.45	\$ (0.01)
Series 2	0.68	(0.14)

Statement of Changes in Net Assets

For the year ended December 31,	2012	2011
Net assets, beginning of the year	\$ 928,166	\$ 1,295,200
Premium deposits	91,000	164,968
Net income (loss)	62,009	(11,253)
	1,081,175	1,448,915
Less		
Withdrawals	-	520,749
	-	520,749
Net assets, end of the year	\$ 1,081,175	\$ 928,166
Number of units outstanding		
Series 1	8,777	500
Series 2	88,023	88,023

The accompanying notes are an integral part of these financial statements.

For the year ended December 31,	2012	2011
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Management fees and insurance fees (note 7)

Annual Management Fee		
Series 1	2.20%	2.20%
Series 2	2.30%	2.30%
Annual Insurance Fee (Limit)		
Series 1	0.30 (0.80) %	0.30 (0.80) %
Series 2	0.40 (0.90) %	0.40 (0.90) %

Other expenses absorbed by the manager (note 8)

Series 1		
Annualized MER cap ¹	2.67%	2.67%
Expense before waiver	\$ 939	\$ 5,991
MER before waiver	7.29%	5.34%
Expense after waiver	\$ 344	\$ 2,987
MER after waiver	2.67%	2.66%
Series 2		
Annualized MER cap ¹	2.87%	2.88%
Expense before waiver	\$ 74,430	\$ 64,080
MER before waiver	7.80%	7.68%
Expense after waiver	\$ 27,466	\$ 23,969
MER after waiver	2.87%	2.87%

Sales and redemption of units (note 9)

Series 1		
Opening balance	500	49,542
Purchases during the year	8,277	-
Redemptions during the year	-	(49,042)
Closing balance	8,777	500
Series 2		
Opening balance	88,023	72,355
Purchases during the year	-	15,668
Redemptions during the year	-	-
Closing balance	88,023	88,023

Investment in underlying fund at fair value (note 10)

Level 1	\$ 1,094,156	\$ 934,566
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Schedule of invested assets

RBC DS Balanced Global Fund, Series O		
Number of units	98,792	89,586
Cost	\$ 1,029,796	\$ 926,117
Fund owned	99.8857%	99.8785%
Fair value	\$ 1,094,156	934,566
Fair value per unit	\$ 11.08	\$ 10.43

RBC DS Balanced Global GIP (continued)

Top holdings of the underlying fund (unaudited)

	% of Assets	% of Assets		% of Assets	% of Assets
RBC Advisor Canadian Bond Fund		23.2	RBC DS International Dividend Growth Fund		17.7
Canada Housing Trust No. 1 3.350% Dec 15 20	4.3		Sanofi	3.7	
Province of Ontario 3.150% Jun 2 22	3.2		Rio Tinto Plc.	3.7	
Province of Ontario 4.700% Jun 2 37	3.0		KBC Groep N.V.	3.6	
Canada Housing Trust No. 1 3.150% Jun 15 14	2.9		Allianz SE	3.4	
Government of Canada 2.250% Aug 1 14	2.6		Bridgestone Corp.	3.3	
RBC DS Canadian Focus Fund		22.0	RBC Global Corporate Bond Fund		11.6
Royal Bank of Canada	6.0		RBC Emerging Market Bond Fund	7.0	
Toronto-Dominion Bank	5.9		BlueBay Emerging Markets Corporate Bond Fund	2.6	
Bank of Nova Scotia	5.5		Cash & Cash Equivalents	1.2	
Canadian National Railway Co.	4.9		Citigroup Inc. 3.953% Jun 15 16	0.8	
Suncor Energy Inc.	4.5		The Royal Bank of Scotland Plc. EUR 5.375% Sep 30 19	0.8	
RBC DS US Focus Fund		21.8	Cash & Cash Equivalents		3.7
Apple Inc.	5.4				
Cash & Cash Equivalents	4.4				
Exxon Mobil Corp.	3.3				
Express Scripts Holding Co.	3.0				
Time Warner Cable Inc.	2.6				
Total % of top holding of underlying mutual funds					100.0

Financial highlights (unaudited)

For the year/period ended December 31,	2012	2011	2010	2009	2008	2012	2011	2010	2009	2008	
<i>The Fund's distribution and Net Asset Value per unit</i>											
	Series 1						Series 2				
					The comparative data for the year 2008 is not available as the Fund was introduced in 2009.					The comparative data for the year 2008 is not available as the Fund was introduced in 2009.	
Distributions: ²											
From net income	\$ -	\$ -	\$ -	\$ -		\$ 0.05	\$ -	\$ -	\$ -		
From realized gains	0.02	0.15	-	-		0.02	0.09	-	-		
Return of capital	-	-	-	-		-	-	-	-		
Total annual distributions	\$ 0.02	\$ 0.15	\$ -	\$ -		\$ 0.07	\$ 0.09	\$ -	\$ -		
Net Asset Value at December 31	\$ 11.16	\$ 10.46	\$ 10.64	\$ 10.02		\$ 11.17	\$ 10.49	\$ 10.62	\$ 10.02		
<i>Ratios and supplemental data</i>											
Net assets (\$ '000)	\$ 98	\$ 5	\$ 527	\$ 5	N/A	\$ 983	\$ 923	\$ 768	\$ 5	N/A	
Number of units outstanding	8,777	500	49,542	500	N/A	88,023	88,023	72,355	500	N/A	
Management expense ratio ¹	2.67%	2.66%	2.60%	2.50%	N/A	2.87%	2.87%	2.84%	2.70%	N/A	
Portfolio turnover rate of the underlying fund ³	18.11%	15.55%	16.11%	11.77%	N/A	18.11%	15.55%	16.11%	11.77%	N/A	

¹ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the year/period.

² Distributions were reinvested in the Fund.

³ The underlying fund's portfolio turnover rate indicates how actively the fund's portfolio advisor manages its portfolio investments. 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 a 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 a fund.

RBC DS Growth Global GIP

Statement of Net Assets

As at December 31,	2012	2011
Assets		
Investments in underlying fund at fair value	\$ 386,552	\$ 429,898
Cash	4,594	-
Accrued income distribution from investments	-	-
Prepaid expenses	2,872	2,821
Due from RBC Life Insurance Company	4,219	9,831
	398,237	442,550
Liabilities		
Bank indebtedness	-	2
Management fee payable	483	502
Insurance fee payable	216	220
Accounts payable and accrued liabilities	14,357	12,340
	15,056	13,064
Net assets	\$ 383,181	\$ 429,486
Net asset value per unit		
Series 1	\$ 11.10	\$ 10.31
Series 2	11.07	10.29

Statement of Operations

For the year ended December 31,	2012	2011
Income		
Distribution from underlying fund	\$ 11,358	\$ 1,635
Realized gain on sale of investments	8,853	1,407
Increase (decrease) in unrealized appreciation of investments	22,096	(10,170)
	42,307	(7,128)
Expenses		
Management fees	5,582	5,125
Insurance fees	2,488	2,253
Other administrative expenses	3,422	3,186
	11,492	10,564
Net income (loss)	\$ 30,815	\$ (17,692)
Net income (loss) per unit		
Series 1	\$ 2.77	\$ (0.61)
Series 2	0.77	(0.49)

Statement of Changes in Net Assets

For the year ended December 31,	2012	2011
Net assets, beginning of the year	\$ 429,486	\$ 249,293
Premium deposits	9,800	197,885
Net income (loss)	30,815	(17,692)
	470,101	429,486
Less		
Withdrawals	86,920	-
	86,920	-
Net assets, end of the year	\$ 383,181	\$ 429,486
Number of units outstanding		
Series 1	500	8,528
Series 2	34,116	33,178

For the year ended December 31, 2012 2011

Management fees and insurance fees (note 7)

Annual Management Fee			
Series 1	2.25%		2.25%
Series 2	2.35%		2.35%
Annual Insurance Fee (Limit)			
Series 1	0.50 (1.00) %		0.50 (1.00) %
Series 2	0.60 (1.10) %		0.60 (1.10) %

Other expenses absorbed by the manager (note 8)

Series 1			
Annualized MER cap ¹	2.74%		2.94%
Expense before waiver	\$ 2,484		\$ 9,501
MER before waiver	14.02%		15.45%
Expense after waiver	\$ 492		\$ 1,801
MER after waiver	2.74%		2.93%
Series 2			
Annualized MER cap ¹	3.01%		2.95%
Expense before waiver	\$ 59,682		\$ 46,768
MER before waiver	16.36%		15.69%
Expense after waiver	\$ 11,000		\$ 8,763
MER after waiver	3.01%		2.94%

Sales and redemption of units (note 9)

Series 1			
Opening balance	8,528		500
Purchases during the year	-		8,028
Redemptions during the year	(8,028)		-
Closing balance	500		8,528
Series 2			
Opening balance	33,178		22,845
Purchases during the year	938		10,333
Redemptions during the year	-		-
Closing balance	34,116		33,178

Investment in underlying fund at fair value (note 10)

Level 1	\$ 386,552		\$ 429,898
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Schedule of invested assets

RBC DS Growth Global Fund, Series O			
Number of units		34,419	41,061
Cost	\$ 355,312		\$ 420,754
Fund owned		99.6814%	99.7401%
Fair value	\$ 386,552		429,898
Fair value per unit	\$ 11.23		\$ 10.47

The accompanying notes are an integral part of these financial statements.

RBC DS Growth Global GIP (continued)

Top holdings of the underlying fund (unaudited)

	% of Assets	% of Assets		% of Assets	% of Assets
RBC DS Canadian Focus Fund		27.1	RBC Advisor Canadian Bond Fund		13.1
Royal Bank of Canada	5.4		Canada Housing Trust No. 1 3.350% Dec 15 20	5.0	
Toronto-Dominion Bank	5.4		Canada Housing Trust No. 1 2.200% Mar 15 14	4.4	
Bank of Nova Scotia	5.3		Province of Ontario 3.150% Jun 2 22	3.0	
Canadian National Railway Co.	4.9		Province of Ontario 4.700% Jun 2 37	2.8	
Barrick Gold Corp.	4.4		Government of Canada 2.250% Aug 1 14	2.5	
RBC DS US Focus Focus Fund		26.8	RBC Global Corporate Bond Fund		6.6
Cash & Cash Equivalents	7.9		Royal Bk Of Scot 5.375% 30-09-2019	1.0	
Apple Inc.	4.6		Jpmorgan Chase 3.45% 01-03-2016	0.9	
Exxon Mobil Corp.	3.3		Anheuser Busch Inbevde 6.375% 15-01-2040	0.7	
Pfizer Inc.	3.2		Citigroup 3.953% 15-06-2016	0.7	
Microsoft Corp.	3.1		Georgia-Pacific 144A 5.4% 01-11-2020	0.7	
RBC DS International Dividend Growth Fund		23.0	Cash & Cash Equivalents		3.4
Rio Tinto Plc.	4.2				
Compass Group Plc.	4.2				
Legal & General Group Plc.	4.1				
Vodafone Group Plc.	4.0				
Bayerische Motoren Werke (BMW) AG	3.9				
Total % of top holding of underlying mutual funds					100.0

Financial highlights (unaudited)

For the year/period ended December 31,	2012	2011	2010	2009	2008	2012	2011	2010	2009	2008	
<i>The Fund's distribution and Net Asset Value per unit</i>											
	Series 1						Series 2				
					The comparative data for the year 2008 is not available as the Fund was introduced in 2009.					The comparative data for the year 2008 is not available as the Fund was introduced in 2009.	
Distributions: ²											
From net income	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -		
From realized gains	0.26	-	0.04	-		0.26	-	0.04	-		
Return of capital	-	-	-	-		-	-	-	-		
Total annual distributions	\$ 0.26	\$ -	\$ 0.04	\$ -		\$ 0.26	\$ -	\$ 0.04	\$ -		
Net Asset Value at December 31	\$ 11.10	\$ 10.31	\$ 10.69	\$ 10.03		\$ 11.07	\$ 10.29	\$ 10.68	\$ 10.02		
<i>Ratios and supplemental data</i>											
Net assets (\$ '000)	\$ 5	\$ 88	\$ 5	\$ 5	N/A	\$ 378	\$ 342	\$ 244	\$ 5	N/A	
Number of units outstanding	500	8,528	500	500	N/A	34,116	33,178	22,845	500	N/A	
Management expense ratio ¹	2.74%	2.93%	2.82%	2.75%	N/A	3.01%	2.94%	2.90%	2.95%	N/A	
Portfolio turnover rate of the underlying fund ³	16.67%	15.19%	15.36%	13.32%	22.89%	16.67%	15.19%	15.36%	13.32%	22.89%	

¹ The management expense ratio ("MER") is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the year/period.

² Distributions were reinvested in the Fund.

³ The underlying fund's portfolio turnover rate indicates how actively the fund's portfolio advisor manages its portfolio investments. 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 a 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 a fund.

RBC GUARANTEED INVESTMENT FUNDS

Notes to the Financial Statements

December 31, 2012

1. THE FUNDS

RBC guaranteed investment funds (“GIF”) and RBC guaranteed investment portfolios (“GIP”), together referred to as RBC Guaranteed Investment Funds, are segregated funds comprised of the following funds and portfolios:

Funds:

RBC Canadian Money Market GIF
RBC Canadian Short-Term Income GIF
RBC Bond GIF
RBC PH&N Total Return Bond GIF
RBC Global Bond GIF
RBC Balanced GIF
RBC PH&N Monthly Income GIF
RBC Global Balanced GIF
RBC Canadian Dividend GIF
RBC Canadian Equity GIF
RBC O’Shaughnessy All Canadian Equity GIF
RBC DS Canadian Focus Fund GIF
RBC North American Growth GIF
RBC U.S. Dividend GIF
RBC U.S. Equity GIF
RBC O’Shaughnessy U.S. Value GIF
RBC U.S. Mid-Cap Equity GIF
RBC Global Dividend Growth GIF
RBC O’Shaughnessy International Equity GIF

Portfolios:

RBC Select Conservative GIP
RBC Select Balanced GIP
RBC Select Growth GIP
RBC Select Aggressive Growth GIP
RBC DS Balanced Global GIP
RBC DS Growth Global GIP

Both the funds and portfolios are referred to in these financial statements as collectively the “Funds” and individually the “Fund”. RBC Life Insurance Company, a related party, is the fund manager and sole issuer of the individual insurance contracts for each Fund, and is guarantor of the guarantee provisions contained in these contracts. The Funds invest in underlying mutual funds managed by RBC Global Asset Management Inc. Both, RBC Life Insurance Company and RBC Global Asset Management Inc. are wholly owned subsidiaries of Royal Bank of Canada. All investment transactions with the corresponding underlying RBC Global Asset Management Inc. managed mutual funds are at quoted market values.

The Funds pay management fees and insurance fees to RBC Life Insurance Company as presented in the Statement of Operations of each Fund and as detailed in the supplementary information disclosed alongside the financial statements.

Some of the Funds will invest in units of only one underlying mutual fund managed by RBC Global Asset Management Inc., while others, referred to in these financial statements as “Portfolios”, will invest in units of underlying portfolios, also managed by RBC Global Asset Management Inc.

2. CHANGES IN ACCOUNTING STANDARDS

International Financial Reporting Standards (“IFRS”)

On October 31, 2012, the International Accounting Standards Board (“IASB”) issued Investment Entities (Amendment to IFRS 10 – Consolidated financial statements, IFRS 12 – Disclosure of interests in other entities and IAS 27 – Separate financial statements). These amendments require “investment entities” to measure investments in subsidiaries or controlled investees at fair value through profit or loss, rather than consolidating such investees, and are effective for fiscal years commencing on or after January 1, 2014. As a result, the Funds first set of IFRS compliant financial statements will be for the year ending December 31, 2014.

RBC GUARANTEED INVESTMENT FUNDS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following is a summary of the significant accounting policies:

a) Investments

The investments in underlying mutual funds are valued on each business date at their published closing net asset value. Investment transactions are accounted for on the trade date. Realized gains and losses on sales of investments and unrealized appreciation or depreciation in value of investments are calculated on an average cost basis.

Investments are recorded at their fair value. Underlying mutual funds are valued on each business day at their Net Asset Value as reported by the fund manager. CICA Handbook Section 3855 "Financial Instruments – Recognition Measurement" ("Section 3855") requires the fair value of financial instruments to be measured based on investments' bid/ask price depending on type of investment and investment position (long/short).

The Canadian Securities Administrators ("CSA") section 14.2 of National Instrument 81-106 requires the net asset value of an investment fund to be calculated using the fair value of the fund's assets and liabilities. Section 3855 results in a different valuation method for calculating daily net asset value. For the purpose of processing unit holder transactions, net asset value is calculated based on the closing market price (referred to as "Net Asset Value"), while for financial statement purposes net asset value is calculated based on bid/ask price (referred to as "Net Assets"). The CSA requires investment funds to provide in their financial statements an explanation of the difference between the Net Asset Value per unit and the Net Assets per unit. As each of the Funds invest solely in units of one or more underlying mutual fund, Section 3855 does not impact the Fund's valuation of investments since the Fund's investments are priced based on the Net Asset Value per unit of the underlying mutual fund which reflects actual and regularly occurring market transactions on an arm's length basis. Accordingly, the Funds' Net Asset Value per unit and the Net Assets per unit figures are the same.

b) Income recognition

Distributions from investments are recorded when declared by the underlying mutual fund. Interest income is accrued on a daily basis.

c) Net asset value per unit

Net asset value per unit is computed by dividing the net assets attributable to a series of units on a business day by the total number of units of the series outstanding on that day.

d) Net income per unit

Net income per unit in the Statement of Operations represents the increase (decrease) in net assets from operations attributable to the series for the year, divided by the average number of units outstanding at the end of the year.

e) Use of estimates

These financial statements are prepared in accordance with Canadian generally accepted accounting principles, and include estimates and assumptions by management that affect the reported amounts of assets, liabilities, income and expenses. The most significant estimates relate to the fair valuation of investments. However, all investments are level 1 (refer to note 10). Actual results may differ from these estimates.

f) Expenses of funds

Each Fund is responsible for the payment of the fees and expenses related to the operation of that Fund. Such fees and expenses, which are recorded on an accrual basis, include custodian fees, management fees, insurance fees, legal fees, audit fees, operations and administration fees, bank charges, interest, brokerage on securities transactions and all indirect taxes. As the Funds invest solely in units of the underlying funds, the Funds are not subject to transaction costs pertaining to the purchase, sale or redemption of units.

g) Income taxes

Each Fund is deemed to be an inter-vivos trust under the provisions of the Income Tax Act (Canada) and is deemed to have allocated its income to the contract holders. Each Fund's net capital gains (losses) are deemed to be those of the contract holders. Accordingly, each Fund is not subject to income tax on its net income, including net realized capital gains for the year.

4. FINANCIAL INSTRUMENTS RISK

The Funds may be exposed to a variety of financial risks. Each of the Fund's exposures to financial risks is concentrated in its investment holdings. The Schedule of Invested Assets on each Fund's supplementary information, disclosed alongside the financial statements, presents the details of units held by each Fund as at December 31, 2012 and groups the underlying mutual funds by their nature. The Funds do not manage their underlying mutual funds and therefore the quantitative and qualitative risk disclosures of these funds have not been disclosed. For further information on the financial instruments risk of the underlying fund and the sensitivity to price changes please refer to the financial statements of the underlying fund which are filed on Sedar.

Each of the Fund's risk management practice includes the monitoring of compliance to investment guidelines. The fund manager manages the potential effects of these financial risks on the Funds' performance by employing and overseeing professional and experienced portfolio advisors that regularly monitor the Funds' positions, market events and diversify investment portfolios within the constraints of the investment guidelines.

a) Credit risk

Credit risk is the possibility that a borrower, or the counterparty to a derivatives contract, repurchase agreement or reverse repurchase agreement, is unable or unwilling to repay the loan or obligation, either on time or at all. Companies and governments that borrow money, and the debt securities they issue, are rated by specialized rating agencies. Debt securities issued by companies or governments in emerging markets often have higher credit risk (lower rated debt), while debt securities issued by well-established companies or by governments of developed countries tend to have lower credit risk (higher rated debt). A downgrade in an issuer's credit rating or other adverse news regarding an issuer can reduce a security's market value. Lower rated and unrated debt instruments generally offer a better return than higher grade debt instruments, but have the potential for substantial loss. Funds that invest in companies or markets with higher credit risk tend to be more volatile in the short term. However, they may offer the potential of higher returns over the long term.

Credit risk arises when an underlying mutual fund invests in fixed income securities. Credit risk is considered as part of the investment decision making process. The underlying mutual funds only buy and sell investments through brokers which are considered to be approved counterparties, thus minimizing the risk of default during settlement.

b) Currency risk

Most underlying mutual funds are valued in Canadian dollars. However, underlying mutual funds that purchase foreign securities may be required to pay for such securities using a foreign currency and receive a foreign currency when they sell them. As a result, changes in the value of the Canadian dollar compared to foreign currencies will affect the value of any foreign securities. For example, if the Canadian dollar rises relative to a foreign currency (like the U.S. dollar or the Euro), the Canadian dollar value of an investment denominated in that foreign currency may decline. This decline may reduce, or even eliminate, any return the Fund has earned on the security. On the other hand, a Fund may also benefit from changes in exchange rates. Currency exposure may increase the volatility of foreign investments relative to Canadian investments. Some underlying mutual funds may hedge (protect against) the risk of changes in foreign currency exchange rates of the underlying assets of the Fund.

As the Funds only invest in Canadian denominated underlying mutual funds, the Funds do not have a direct currency risk exposure.

c) Interest rate risk

If a Fund invests primarily in bonds and other fixed-income securities, the biggest influence on the Fund's value will be changes in the general level of interest rates. If interest rates fall, the value of the Fund's units will tend to rise. If interest rates rise, the value of the Fund's units will tend to fall. Short-term interest rates can have a different influence on a Fund's value than long-term interest rates. If a Fund invests primarily in bonds and other fixed-income securities with longer-term maturities, the biggest influence on the Fund's value will be changes in the general level of long-term interest rates. If a Fund invests primarily in bonds and other fixed-income securities with shorter-term maturities, the biggest influence on the Fund's value will be changes in the general level of shorter-term interest rates. Investors seeking current income should be aware that the level of interest income from a money market fund will fluctuate as short-term interest rates vary.

Interest rate risk arises when the underlying mutual fund invests in interest bearing financial instruments such as a bond. The underlying mutual fund is exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. In general, as interest rates rise, the price of a fixed rate bond will fall, and vice versa.

RBC GUARANTEED INVESTMENT FUNDS

4. FINANCIAL INSTRUMENTS RISK (continued)

d) Liquidity risk

Liquidity refers to the speed and ease with which an asset can be sold and converted into cash. Most securities owned by an underlying mutual fund can be sold easily and at a fair price. In highly volatile markets, such as in periods of sudden interest rate changes, certain securities may become less liquid, which means they cannot be sold as quickly or easily. Some securities may be illiquid because of legal restrictions, the nature of the investment, or because of features like guarantees. Another reason for illiquidity is a lack of buyers interested in a particular security or market. Difficulty in selling securities may result in a loss or reduced return for a Fund.

The Funds' assets are comprised of units of underlying mutual funds which can be redeemed upon request from the issuer on a valuation date. A valuation date occurs every day that the principal exchange is open for trading and a value is available for the assets of the relevant fund. The Toronto Stock Exchange currently is the principal exchange used for purposes of determining the valuation dates.

e) Market risk

Market risk is the risk that the value of investments will fluctuate as a result of changes in market condition. Several factors can influence market trends, such as economic developments, changes in interest rates, political changes, and catastrophic events. The Funds are exposed to the market risk of the underlying mutual funds.

5. FINANCIAL RISK MANAGEMENT

The Funds use a fund-of-fund structure to invest in underlying mutual funds exclusively managed by RBC Global Asset Management Inc. As part of the fund selection process for the Funds, the existing mutual funds line-up are reviewed at least annually by RBC Life Insurance Company to identify any product gaps that result from the changing needs of the market and distribution partners.

The screening criteria may include qualitative as well as quantitative measures of performance and must satisfy internal risk management standards.

Ongoing monitoring throughout the year by the Funds' management includes monitoring any organizational or fund changes announced by underlying mutual fund managers or news items that may affect organizational stability or Funds performance as well as analysis on the Funds' rate of return to verify that it is appropriate compared to the underlying mutual fund or fund's benchmark.

Included in the ongoing due diligence process, managers of the underlying mutual funds are required to verify that the Funds have adhered to the Funds' Investment Policies and that the underlying mutual funds are managed in accordance with the investment objectives and strategies as detailed in the Information Folder. The Information Folder also details the specific risks that the underlying mutual funds could be exposed to. Such risks primarily arise because the value of the investments are affected by changes in the local and global economies including interest rates, foreign exchange rates, financial markets and company-specific news. The underlying mutual funds' manager has developed policies and procedures to manage the fund-specific risks. Fund portfolios are reviewed on a regular basis by RBC Life Insurance Company to ensure that the existing asset mix and weightings continue to meet the current and future needs of the Funds.

6. CAPITAL MANAGEMENT

CICA Handbook Section 1535 "Capital Disclosure", requires that the Fund disclose information about its objectives, policies and process for managing capital including disclosure of any externally imposed capital requirements and the consequences of any non-compliance. The Funds consider their net assets to be their respective capital, the relevant capital movements are disclosed in the Statement of Changes in Net Assets. The Funds have no externally imposed capital requirements.

7. MANAGEMENT FEES AND INSURANCE FEES

Each Fund pays a management fee and an insurance fee for the management of the Fund and for providing the benefits under the contracts. Management and insurance fees differ by Fund and between Series and are stated as an annualized percentage of the daily market value of the net assets of the Fund attributed to that Series.

Management fees and insurance fees are calculated and accrued at the end of each valuation date using a daily factor of the annualized management fees and insurance fee percentages. Management fees and insurance fees are reimbursed monthly to the fund manager.

RBC GUARANTEED INVESTMENT FUNDS

8. OTHER EXPENSES ABSORBED BY MANAGER

In addition to the management and insurance fees, the Funds also bear all operating and administrative expenses including legal and audit fees. The management expense ratio ("MER") is all of the expenses of the Fund expressed as a percentage of the Fund's average net asset value.

Management fees and other administrative expenses charged to the Funds are subject to the Harmonized Sales Tax (HST) in Ontario, British Columbia, Nova Scotia, New Brunswick and Newfoundland and Labrador. Based on the rules and guidance issued by the Department of Finance, the effective HST rate will reflect the tax rates that are applicable in the Provinces/Territories where the Fund's unit holders reside. Since each fund will have unit holders in more than one Province/Territory, the blended rate will be a weighted average based on the tax rate in each Province/Territory and the value of unit holder assets. Therefore the blended rate is likely to be different for each Fund.

The RBC Life Insurance Company absorbed/waived certain expenses of the Funds when the aggregate expenses exceeded a certain percentage ("MER cap") of the average daily net asset value of each Series of the Funds. Included in Due from RBC Life Insurance Company, in the Statement of Net Assets, are balances of expenses absorbed by RBC Life Insurance Company. The MER of a Fund is subject to change without prior notification.

9. SUMMARY OF SALES AND REDEMPTIONS OF UNITS

Units of the Fund series, which are redeemable at the option of the unit holder in accordance with the provisions of the Information Folder, do not have any nominal value or par value and the number of units, which may be issued, is unlimited. Units are issued or redeemed on a daily basis at the net asset value per unit next determined after the purchase order or redemption request.

10. FAIR VALUE

Investments recorded at fair value on the Funds' Statement of Net Assets are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels, defined by CICA Handbook Section 3862 "Financial Instruments – Disclosure" and directly related to the amount of subjectivity associated with inputs to fair valuation of these assets, are as follows:

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date. Quoted price for these investments are not adjusted even in situations where a large position and a sale could reasonably impact the quoted price.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

As at December 31, 2012 and 2011, the investments in underlying fund by each of the Fund's are classified as Level 1.

11. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2012 and 2011, management fees and insurance fees were paid to RBC Life Insurance Company as disclosed in Note 7 and presented separately in the Statement of Operations of each Fund. As at December 31, 2012 and 2011, the management fees and insurance fees payable to RBC Life Insurance Company are presented separately in the Statement of Net Assets of each Fund. The Funds do not pay any expenses to RBC Global Asset Management Inc.

12. RESTATEMENT

During the year ended December 31, 2012, the fund manager of RBC U.S. Mid-Cap Equity GIF fund determined that the subscription receivable and premium deposits relating to the year ended December 31, 2011 had been overstated by \$12,500 due to an error in the recording of the transaction. The effect of the correction of this error on the December 31, 2011 financial statements of the RBC U.S. Mid-Cap Equity GIF fund was that each of Net assets, Subscription receivable and Premium deposits were reduced by \$12,500. Also, the number of outstanding units was reduced by 1,237.

RBC Insurance®, through its operating entities, including RBC Life Insurance Company, provides a wide range of creditor, life, health, travel, home, auto and reinsurance products to more than five million North American clients. As a leading provider of individual living benefits and life insurance products in Canada, RBC Life Insurance Company offers a comprehensive portfolio of individual and group life and health insurance solutions, including term and universal life insurance, group benefits, disability, critical illness, and long term care insurance as well as segregated funds and payout annuities.

For more information, please visit www.rbcinsurance.com



RBC Insurance