

RBC Life Insurance Company

RBC GUARANTEED INVESTMENT FUNDS

UNAUDITED FINANCIAL STATEMENTS

June 30, 2014



RBC Insurance



RBC GUARANTEED INVESTMENT FUNDS

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Statement of Net Assets *

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013
Assets			
Cash	\$ -	\$ -	\$ -
Investments in underlying fund at fair value	7,673,984	7,609,046	7,786,488
Other assets			
Accrued income distribution from investments	750	-	769
Accounts receivable - unitholders	-	-	-
Accounts receivable - sale of investments	-	-	-
Due from RBC Life Insurance Company	8,455	13,283	5,819
Other	723	1,481	1,437
	7,683,912	7,623,810	7,794,513
Liabilities			
Bank indebtedness	7,525	16	623
Other liabilities			
Accrued expenses	21,857	25,598	29,662
Accounts payable - unitholders	-	-	-
Accounts payable - purchase of investments	-	-	-
Other	-	-	-
	29,382	25,614	30,285
Net assets	\$7,654,530	\$7,598,196	\$7,764,228
Net asset value per unit	\$ 11.10	\$ 11.07	\$ 10.99

Statement of Comprehensive Income *

For the six months period ended June 30,	2014	2013
Income		
Distribution from underlying fund	\$ 41,315	\$ 52,156
Realized gain on sale of investments	-	-
Increase in unrealized appreciation of investments	-	-
	41,315	52,156
Expenses		
Management fees	12,959	3,787
Insurance fees	3,812	4,897
Other administrative expenses	4,382	10,371
	21,153	19,055
Net income	\$ 20,162	\$ 33,101
Net income per unit	\$ 0.03	\$ 0.04

Statement of Changes in Net Assets *

For the six months period ended June 30,	2014	2013
Net assets, beginning of the period	\$7,598,196	\$7,764,228
Premium deposits	5,851,206	5,598,617
Net income	20,162	33,101
	13,469,564	13,395,946
Withdrawals	5,815,034	3,009,278
Net assets, end of the period	\$7,654,530	\$10,386,668
Number of units outstanding	689,387	941,917

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

Statement of Cash Flow *

For the six months period ended June 30,	2014	2013
Operating activities		
Net income	\$ 20,162	\$ 33,101
Add (deduct) to convert net income to a cash basis		
Net gains on investments	-	-
Change in other assets	4,836	(19,021)
Change in other liabilities	(3,741)	(741)
Cash provided by (used in) operating activities	21,257	13,339
Investing activities		
Purchases of investments	(4,811,426)	(4,644,481)
Proceeds from sales of investments	4,746,488	1,996,925
Cash provided by (used in) investing activities	(64,938)	(2,647,556)
Financing activities		
Distributions to the unitholders	-	-
Proceeds from issue of units	5,851,206	5,598,617
Redemption of units	(5,815,034)	(3,009,278)
Cash provided by (used in) financing activities	36,172	2,589,339
Decrease in cash and cash equivalent	(7,509)	(44,878)
Cash and cash equivalent at beginning of period	(16)	(623)
Cash and cash equivalent at end of period	\$ (7,525)	\$ (45,501)

For the six months ending June 30, 2014 2013

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	0.71%	0.43%
Expense before waiver	\$ 63,808	\$ 51,128
MER before waiver	1.83%	1.15%
Expense after waiver	\$ 21,153	\$ 19,055
MER after waiver	0.61%	0.43%

Sales and redemption of units (note 9)

Opening balance as at January 1st	686,254	706,682
Purchases during the period	527,636	508,616
Redemptions during the period	(524,503)	(273,381)
Closing balance as at June 30th	689,387	941,917

As at Jun 30, 2014 Dec 31, 2013 Jan 1, 2013

Investment in underlying fund at fair value (note 10)

Level 1	\$7,673,984	\$7,609,046	\$7,786,488
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Schedule of invested assets

RBC Canadian Money Market Fund, Series O			
Number of units	767,398	760,904	778,649
Cost	\$7,673,984	\$7,609,046	\$7,786,488
Fund owned	1.8065%	1.7227%	1.1185%
Fair value, all Level 1 (note 10)	\$7,673,984	\$7,609,046	\$7,786,488
Fair value per unit	\$ 10.00	\$ 10.00	\$ 10.00

Top 25 holdings of the underlying fund (June 30, 2014)

National Bank of Canada 1.181% Aug 18 14	3.8	Canadian Imperial Bank of Commerce 1.150% Jul 16 14	1.5
Bank of Nova Scotia 1.159% Aug 28 14	3.4	Canadian Imperial Bank of Commerce 1.350% Nov 27 14	1.4
JPMorgan Chase & Co. 1.226% Sep 3 14	3.3	SOUND Trust 1.164% Jul 7 14	1.4
Bank of Nova Scotia 1.190% Sep 22 14	2.6	Ridge Trust 1.280% Jul 8 14	1.4
Province of Nova Scotia 1.295% Sep 3 14	2.0	SAFE Trust - Series 1996-1 1.165% Jul 25 14	1.3
Zeus Receivables Trust - Senior Notes 1.147% Jul 3 14	1.9	Bay Street Funding Trust - Class A 1.167% Jul 17 14	1.3
Province of New Brunswick 0.999% Aug 28 14	1.8	Fusion Trust 1.253% Aug 18 14	1.3
Prime Trust - Senior Notes 1.198% Jul 11 14	1.8	HSBC Bank Canada 1.201% Aug 18 14	1.3
Canadian Imperial Bank of Commerce 1.200% Dec 1 14	1.7	King Street Funding Trust 1.250% Aug 20 14	1.3
JPMorgan Chase & Co. 1.401% Nov 12 14	1.6	King Street Funding Trust 1.271% Nov 19 14	1.3
Reliant Trust 1.147% Jul 4 14	1.6	Canadian Imperial Bank of Commerce 1.350% Sep 15 14	1.3
Wells Fargo Financial Canada Corp. 1.390% Nov 3 14	1.6	Darwin Receivables Trust - Senior Notes 1.199% Jul 21 14	1.2
Canadian Imperial Bank of Commerce 1.138% Jul 21 14	1.5	Total % of top 25 holdings	44.6

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years.

	Jun 30, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Net Asset Value end of period	\$ 11.10	\$ 11.07	\$ 10.99	\$ 10.90	\$ 10.82
Net assets (\$ '000)	\$ 7,655	\$ 7,598	\$ 7,764	\$ 9,730	\$ 5,659
Number of units outstanding	689,387	686,254	706,682	892,812	523,210
Management expense ratio ¹	0.61%	0.43%	0.42%	0.42%	0.50%
Management expense before waiver	1.83%	1.15%	1.32%	1.32%	1.67%
Portfolio turnover rate of the underlying fund ²	-	-	-	-	-

* On January 1, 2014, the Fund adopted IFRS and the transition date was January 1, 2013. There were no differences between the IFRS and CGAAP amounts on the financial statements.

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 period.

² 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.

Statement of Net Assets *

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013
Assets			
Cash	\$ -	\$ -	\$ 11,138
Investments in underlying fund at fair value	6,094,482	6,764,687	7,427,691
Other assets			
Accrued income distribution from investm	-	-	-
Accounts receivable - unitholders	-	-	-
Accounts receivable - sale of investments	-	-	-
Due from RBC Life Insurance Company	3,932	11,291	847
Other	723	1,481	1,437
	6,099,137	6,777,459	7,441,113
Liabilities			
Bank indebtedness	2,039	-	-
Other liabilities			
Accrued expenses	21,837	27,965	28,113
Accounts payable - unitholders	1,015	-	-
Accounts payable - purchase of investme	-	-	-
Other	-	-	-
	24,891	27,965	28,113
Net assets	\$6,074,246	\$6,749,494	\$7,413,000
Net asset value per unit	\$ 11.82	\$ 11.71	\$ 11.68

Statement of Comprehensive Income *

For the six months period ended June 30,	2014	2013
Income		
Distribution from underlying fund	\$ 94,163	\$ 123,559
Realized loss on sale of investments	(5,941)	(3,758)
Increase (decrease) in unrealized appreciation of investments	32,112	(87,213)
	120,334	32,588
Expenses		
Management fees	24,296	28,851
Insurance fees	5,079	6,075
Other administrative expenses	26,902	32,681
	56,277	67,607
Net income (loss)	\$ 64,057	\$ (35,019)
Net income (loss) per unit	\$ 0.12	\$ (0.05)

Statement of Changes in Net Assets *

For the six months period ended June 30,	2014	2013
Net assets, beginning of the period	\$6,749,494	\$7,413,000
Premium deposits	500,066	992,232
Net income (loss)	64,057	(35,019)
	7,313,617	8,370,213
Withdrawals	1,239,371	802,699
Net assets, end of the period	\$6,074,246	\$7,567,514
Number of units outstanding	513,681	650,942

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

Statement of Cash Flow *

For the six months period ended June 30,	2014	2013
Operating activities		
Net income (loss)	\$ 64,057	\$ (35,019)
Add (deduct) to convert net income to a cash basis		
Net gains on investments	(26,171)	90,971
Change in other assets	8,117	(2,756)
Change in other liabilities	(5,113)	7,605
Cash provided by (used in) operating activities	40,890	60,801
Investing activities		
Purchases of investments	(476,864)	(908,502)
Proceeds from sales of investments	1,173,240	644,780
Cash provided by (used in) investing activities	696,376	(263,722)
Financing activities		
Distributions to the unitholders	-	-
Proceeds from issue of units	500,066	992,232
Redemption of units	(1,239,371)	(802,699)
Cash provided by (used in) financing activities	(739,305)	189,533
Decrease in cash and cash equivalent	(2,039)	(13,388)
Cash and cash equivalent at beginning of period	-	11,138
Cash and cash equivalent at end of period	\$ (2,039)	\$ (2,250)

For the six months ending June 30,	2014	2013
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%	1.84%
Expense before waiver	\$ 69,184	\$ 71,887
MER before waiver	2.23%	1.95%
Expense after waiver	\$ 56,277	\$ 67,607
MER after waiver	1.82%	1.83%

Sales and redemption of units (note 9)

Opening balance as at January 1st	576,445	634,916
Purchases during the period	42,417	84,740
Redemptions during the period	(105,181)	(68,714)
Closing balance as at June 30th	513,681	650,942

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013 *
Investment in underlying fund at fair value (note 10)			
Level 1	\$ 6,094,482	\$6,764,687	\$ 7,427,691

Schedule of invested assets

RBC Canadian Short-Term Income Fund, Series O			
Number of units	558,706	622,487	676,918
Cost	\$ 6,130,719	\$6,833,036	\$ 7,448,858
Fund owned	0.1633%	0.2114%	0.2991%
Fair value, all Level 1 (note 10)	\$ 6,094,482	\$6,764,687	\$ 7,427,691
Fair value per unit	\$ 10.91	\$ 10.87	\$ 10.97

Top 25 holdings of the underlying fund (June 30, 2014)

Canada Housing Trust No. 1 3.350% Dec 15 20	3.2	Canada Housing Trust No. 1 2.750% Dec 15 15	1.5
Province of Ontario 2.100% Sep 8 18	2.7	HSBC Bank Canada 2.491% May 13 19	1.4
Province of Ontario 4.300% Mar 8 17	2.7	Government of Canada 1.500% Sep 1 17	1.4
Canada Housing Trust No. 1 1.700% Dec 15 17	2.6	Royal Bank of Canada 2.680% Dec 8 16	1.3
Province of Quebec 4.500% Dec 1 17	2.3	Bank of Nova Scotia 2.370% Jan 11 18	1.2
Canadian Imperial Bank of Commerce 2.650% Nov 8 16	2.0	Province of Alberta 1.600% Jun 15 18	1.2
Province of Ontario 1.900% Sep 8 17	2.0	National Bank of Canada 2.794% Aug 9 18	1.1
Bank of Montreal 3.210% Sep 13 18	1.9	Financement-Quebec 3.500% Dec 1 16	1.1
Government of Canada 2.750% Sep 1 16	1.9	Province of Quebec 5.500% Dec 1 14	1.1
Bank of Montreal 2.240% Dec 11 17	1.8	Bank of Nova Scotia 2.598% Feb 27 17	1.1
Canada Housing Trust No. 1 2.450% Dec 15 15	1.6	Province of Ontario 2.100% Sep 8 19	1.1
Province of Ontario 3.150% Sep 8 15	1.6	Canada Housing Trust No. 1 2.050% Jun 15 17	1.0
Cash & Cash Equivalents	1.5	Total % of top 25 holdings	42.3

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years.

	Jun 30, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Net Asset Value end of period	\$ 11.82	\$ 11.71	\$ 11.68	\$ 11.59	\$ 11.25
Net assets (\$ '000)	\$ 6,074	\$ 6,749	\$ 7,413	\$ 6,669	\$ 4,615
Number of units outstanding	513,681	576,445	634,916	575,569	410,076
Management expense ratio ¹	1.82%	1.82%	1.82%	1.82%	1.79%
Management expense before waiver	2.23%	1.95%	2.13%	2.34%	2.80%
Portfolio turnover rate of the underlying fund ²	39.02%	45.34%	21.62%	50.58%	81.96%

* On January 1, 2014, the Fund adopted IFRS and the transition date was January 1, 2013. There were no differences between the IFRS and CGAAP amounts on the financial statements.

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 period.

² 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.

Statement of Net Assets *

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013
Assets			
Cash	\$ -	\$ -	\$ 62,295
Investments in underlying fund at fair value	18,324,814	16,663,619	19,669,776
Other assets			
Accrued income distribution from investr	-	-	-
Accounts receivable - unitholders	-	-	-
Accounts receivable - sale of investments	-	-	-
Due from RBC Life Insurance Company	6,290	14,107	-
Other	723	1,481	1,437
	18,331,827	16,679,207	19,733,508
Liabilities			
Bank indebtedness	47,160	558	-
Other liabilities			
Accrued expenses	37,269	42,820	47,010
Accounts payable - unitholders	-	-	-
Accounts payable - purchase of investme	-	-	-
Other	-	-	-
	84,429	43,378	47,010
Net assets	\$18,247,398	\$16,635,829	\$19,686,498
Net asset value per unit	\$ 13.50	\$ 12.97	\$ 13.24

Statement of Comprehensive Income *

For the six months period ended June 30,	2014	2013
Income		
Distribution from underlying fund	\$ 306,234	\$ 432,541
Realized gain on sale of investments	842	44,197
Increase (decrease) in unrealized appreciation of investments	519,805	(836,489)
	826,881	(359,751)
Expenses		
Management fees	99,045	106,884
Insurance fees	13,555	17,206
Other administrative expenses	40,707	67,560
	153,307	191,650
Net income (loss)	\$ 673,574	\$ (551,401)
Net income (loss) per unit	\$ 0.53	\$ (0.34)

Statement of Changes in Net Assets *

For the six months period ended June 30,	2014	2013
Net assets, beginning of the period	\$16,635,829	\$ 19,686,498
Premium deposits	3,327,092	8,688,895
Net income (loss)	673,574	(551,401)
	20,636,495	27,823,992
Withdrawals	2,389,097	4,656,252
Net assets, end of the period	\$18,247,398	\$ 23,167,740
Number of units outstanding	1,352,046	1,789,468

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

Statement of Cash Flow *

For the six months period ended June 30,	2014	2013
Operating activities		
Net income (loss)	\$ 673,574	\$ (551,401)
Add (deduct) to convert net income to a cash basis		
Net gains on investments	(520,647)	792,292
Change in other assets	8,575	(8,259)
Change in other liabilities	(5,551)	52,965
Cash provided by (used in) operating activities	155,951	285,597
Investing activities		
Purchases of investments	(2,923,640)	(6,895,231)
Proceeds from sales of investments	1,783,092	2,557,118
Cash provided by (used in) investing activities	(1,140,548)	(4,338,113)
Financing activities		
Distributions to the unitholders	-	-
Proceeds from issue of units	3,327,092	8,688,895
Redemption of units	(2,389,097)	(4,656,252)
Cash provided by (used in) financing activities	937,995	4,032,643
Decrease in cash and cash equivalent	(46,602)	(19,873)
Cash and cash equivalent at beginning of period	(558)	62,295
Cash and cash equivalent at end of period	\$ (47,160)	\$ 42,422

For the six months ending June 30,	2014	2013
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)

	2014	2013
Annualized MER cap ¹	1.83%	1.85%
Expense before waiver	\$ 177,284	\$ 191,650
MER before waiver	2.12%	1.84%
Expense after waiver	\$ 153,307	\$ 191,650
MER after waiver	1.83%	1.84%

Sales and redemption of units (note 9)

	2014	2013
Opening balance as at January 1st	1,282,719	1,486,425
Purchases during the period	248,764	655,069
Redemptions during the period	(179,437)	(352,026)
Closing balance as at June 30th	1,352,046	1,789,468

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013 *
Investment in underlying fund at fair value (note 10)			
Level 1	\$ 18,324,814	\$16,663,619	\$19,669,776

Schedule of invested assets

RBC Bond Fund, Series O	2014	2013	2012
Number of units	2,717,807	2,549,318	2,886,374
Cost	\$ 18,231,175	\$17,089,785	\$19,253,665
Fund owned	0.1568%	0.1675%	0.2750%
Fair value, all Level 1 (note 10)	\$ 18,324,814	\$16,663,619	\$19,669,776
Fair value per unit	\$ 6.74	\$ 6.54	\$ 6.81

Top 25 holdings of the underlying fund (June 30, 2014)

Province of Ontario 2.850% Jun 2 23	3.7	Province of Ontario 3.150% Jun 2 22	1.5
Province of Ontario 3.500% Jun 2 24	2.8	Province of Ontario 4.000% Jun 2 21	1.2
Province of Ontario 3.450% Jun 2 45	2.6	Province of Ontario 4.300% Mar 8 17	1.2
Province of Ontario 4.200% Jun 2 20	2.3	Canada Housing Trust No. 1 1.850% Dec 15 16	1.2
Cash & Cash Equivalents	2.2	Province of Ontario 2.100% Sep 8 18	1.1
Canada Housing Trust No. 1 3.350% Dec 15 20	2.1	Province of Quebec 5.000% Dec 1 41	1.1
Province of Ontario 6.500% Mar 8 29	1.9	Province of Ontario 4.700% Jun 2 37	1.0
Province of Ontario 1.900% Sep 8 17	1.9	BlueBay Emerging Markets Corporate Bond Fund	1.0
Province of Ontario 4.650% Jun 2 41	1.9	Canadian Imperial Bank of Commerce 2.350% Oct 18 17	1.0
Province of Ontario 3.500% Jun 2 43	1.8	Canada Housing Trust No. 1 2.650% Mar 15 22	0.9
Province of Quebec 3.000% Sep 1 23	1.7	United States 5-Year Note Future, September 2014	-1.2
Province of Ontario 4.400% Jun 2 19	1.6	United States 10-Year Note Future, September 2014	-3.1
Province of Ontario 4.600% Jun 2 39	1.5	Total % of top 25 holdings	34.9

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years.

	Jun 30, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Net Asset Value end of period	\$ 13.50	\$ 12.97	\$ 13.24	\$ 12.84	\$ 11.92
Net assets (\$ '000)	\$ 18,247	\$ 16,636	\$ 19,686	\$ 9,534	\$ 6,293
Number of units outstanding	1,352,046	1,282,719	1,486,425	742,292	527,975
Management expense ratio ¹	1.83%	1.83%	1.83%	1.82%	1.79%
Management expense before waiver	2.12%	1.90%	1.83%	2.21%	2.53%
Portfolio turnover rate of the underlying fund ²	26.10%	31.63%	33.88%	49.74%	44.95%

* On January 1, 2014, the Fund adopted IFRS and the transition date was January 1, 2013. There were no differences between the IFRS and CGAAP amounts on the financial statements.

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 period.

² 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.

Statement of Net Assets *

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013
Assets			
Cash	\$ -	\$ 11,760	\$ 8,983
Investments in underlying fund at fair value	11,342,303	12,609,198	12,243,325
Other assets			
Accrued income distribution from investm	-	-	-
Accounts receivable - unitholders	4,800	-	-
Accounts receivable - sale of investments	-	-	-
Due from RBC Life Insurance Company	4,326	8,989	-
Other	723	1,481	1,436
	11,352,152	12,631,428	12,253,744
Liabilities			
Bank indebtedness	8,972	-	-
Other liabilities			
Accrued expenses	24,716	32,882	10,183
Accounts payable - unitholders	-	-	-
Accounts payable - purchase of investme	-	-	-
Other	-	-	19,176
	33,688	32,882	29,359
Net assets	\$11,318,464	\$12,598,546	\$ 12,224,385
Net asset value per unit	\$ 11.23	\$ 10.78	\$ 11.01

Statement of Cash Flow *

For the six months period ended June 30,	2014	2013
Operating activities		
Net income (loss)	\$ 497,771	\$ (251,679)
Add (deduct) to convert net income to a cash basis		
Net gains on investments	(394,536)	357,640
Change in other assets	621	(10,680)
Change in other liabilities	(8,166)	24,860
Cash provided by (used in) operating activities	95,690	120,141
Investing activities		
Purchases of investments	(466,180)	(2,133,858)
Proceeds from sales of investments	2,127,611	2,825,975
Cash provided by (used in) investing activities	1,661,431	692,117
Financing activities		
Distributions to the unitholders	-	-
Proceeds from issue of units	552,493	2,589,773
Redemption of units	(2,330,346)	(3,486,122)
Cash provided by (used in) financing activities	(1,777,853)	(896,349)
Decrease in cash and cash equivalent	(20,732)	(84,091)
Cash and cash equivalent at beginning of period	11,760	8,983
Cash and cash equivalent at end of period	\$ (8,972)	\$ (75,108)

Statement of Comprehensive Income *

For the six months period ended June 30,	2014	2013
Income		
Distribution from underlying fund	\$ 211,895	\$ 209,716
Realized gain (loss) on sale of investments	(21,771)	13,880
Increase (decrease) in unrealized appreciation of investments	416,307	(371,520)
	606,431	(147,924)
Expenses		
Management fees	79,398	57,245
Insurance fees	9,581	9,450
Other administrative expenses	19,681	37,060
	108,660	103,755
Net income (loss)	\$ 497,771	\$ (251,679)
Net income (loss) per unit	\$ 0.46	\$ (0.24)

For the six months ending June 30,	2014	2013
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	1.85%	1.88%
Expense before waiver	\$ 136,277	\$ 113,679
MER before waiver	2.32%	1.99%
Expense after waiver	\$ 108,660	\$ 103,755
MER after waiver	1.85%	1.82%

Sales and redemption of units (note 9)

Opening balance as at January 1st	1,169,067	1,110,739
Purchases during the period	50,207	235,223
Redemptions during the period	(211,242)	(317,598)
Closing balance as at June 30th	1,008,032	1,028,364

Statement of Changes in Net Assets *

For the six months period ended June 30,	2014	2013
Net assets, beginning of the period	\$12,598,546	\$ 12,224,385
Premium deposits	552,493	2,589,773
Net income (loss)	497,771	(251,679)
	13,648,810	14,562,479
Withdrawals	2,330,346	3,486,122
Net assets, end of the period	\$11,318,464	\$ 11,076,357
Number of units outstanding	1,008,032	1,028,364

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013 *
Investment in underlying fund at fair value (note 10)			
Level 1	\$ 11,342,303	\$ 12,609,198	\$ 12,243,325

Schedule of invested assets

PH&N Total Return Bond Fund, Series O			
Number of units	993,379	1,139,928	1,052,827
Cost	\$ 11,373,270	\$ 13,056,472	\$ 12,144,902
Fund owned	0.6583%	0.8261%	0.8191%
Fair value, all Level 1 (note 10)	\$ 11,342,303	\$ 12,609,198	\$ 12,243,325
Fair value per unit	\$ 11.42	\$ 11.06	\$ 11.63

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

Top 25 holdings of the underlying fund (June 30, 2014)

Canada Housing Trust No. 1 1.950% Jun 15 19	5.5	United States 10-Year Note Future, September 2014	1.6
Cash & Cash Equivalents	5.4	Province of Ontario 4.600% Jun 2 39	1.5
Province of Ontario 6.500% Mar 8 29	4.7	Province of Quebec 8.500% Apr 1 26	1.4
Province of Ontario 7.600% Jun 2 27	3.5	Royal Bank of Canada 2.680% Dec 8 16	1.3
Phillips, Hager & North High Yield Bond Fund	3.1	Bank of Montreal 3.490% Jun 10 16	1.3
Province of Ontario 3.450% Jun 2 45	2.4	Province of Ontario 6.200% Jun 2 31	1.2
Province of Ontario 5.600% Jun 2 35	2.2	Province of Ontario 5.850% Mar 8 33	1.1
Province of Ontario 4.650% Jun 2 41	2.2	Ontario Electricity Financial Corp. 8.250% Jun 22 26	1.0
Province of Ontario 8.100% Sep 8 23	2.1	Province of Ontario 8.500% Dec 2 25	1.0
Canada Housing Trust No. 1 4.100% Dec 15 18	1.9	Royal Bank of Canada 2.580% Apr 13 17	1.0
Bank of Nova Scotia 2.100% Nov 8 16	1.9	Canadian Imperial Bank of Commerce 1.750% Jun 1 16	1.0
Canada Housing Trust No. 1 3.800% Jun 15 21	1.7	Euro-Bund Future, September 2014	-1.2
Province of Ontario 3.500% Jun 2 24	1.6	Total % of top 25 holdings	50.4

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years.

	Jun 30, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Net Asset Value end of period	\$ 11.23	\$ 10.78	\$ 11.01	\$ 10.72	\$ 10.05
Net assets (\$ '000)	\$ 11,318	\$ 12,599	\$ 12,224	\$ 6,919	\$ 34
Number of units outstanding	1,008,032	1,169,067	1,110,739	645,171	3,346
Management expense ratio ¹	1.85%	1.84%	1.87%	1.85%	1.92%
Management expense before waiver	2.32%	2.09%	1.87%	3.48%	161.10%
Portfolio turnover rate of the underlying fund ²	297.38%	283.61%	207.49%	123.09%	136.37%

* On January 1, 2014, the Fund adopted IFRS and the transition date was January 1, 2013. There were no differences between the IFRS and CGAAP amounts on the financial statements.

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 period.

² 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.

Statement of Net Assets *

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013
Assets			
Cash	\$ -	\$ -	\$ -
Investments in underlying fund at fair value	970,127	652,840	792,123
Other assets			
Accrued income distribution from investr	-	-	-
Accounts receivable - unitholders	-	-	-
Accounts receivable - sale of investments	-	-	-
Due from RBC Life Insurance Company	4,650	7,361	4,102
Other	723	1,481	1,437
	975,500	661,682	797,662
Liabilities			
Bank indebtedness	422	257	-
Other liabilities			
Accrued expenses	15,170	19,760	23,963
Accounts payable - unitholders	-	-	-
Accounts payable - purchase of investmei	-	-	-
Other	-	-	-
	15,592	20,017	23,963
Net assets	\$ 959,908	\$ 641,665	\$ 773,699
Net asset value per unit	\$ 12.62	\$ 12.19	\$ 12.20

Statement of Cash Flow *

For the six months period ended June 30,	2014	2013
Operating activities		
Net income (loss)	\$ 23,310	\$ (8,541)
Add (deduct) to convert net income to a cash basis		
Net gains on investments	(21,282)	11,196
Change in other assets	3,469	(8,143)
Change in other liabilities	(4,590)	(1,910)
Cash provided by (used in) operating activities	907	(7,398)
Investing activities		
Purchases of investments	(430,063)	(234,372)
Proceeds from sales of investments	134,058	288,296
Cash provided by (used in) investing activities	(296,005)	53,924
Financing activities		
Distributions to the unitholders	-	-
Proceeds from issue of units	428,208	249,811
Redemption of units	(133,275)	(295,110)
Cash provided by (used in) financing activities	294,933	(45,299)
Increase (decrease) in cash and cash equivalent	(165)	1,227
Cash and cash equivalent at beginning of period	(257)	-
Cash and cash equivalent at end of period	\$ (422)	\$ 1,227

Statement of Comprehensive Income *

For the six months period ended June 30,	2014	2013
Income		
Distribution from underlying fund	\$ 9,711	\$ 11,654
Realized gain on sale of investments	3,328	6,565
Increase (decrease) in unrealized appreciation of investments	17,954	(17,761)
	30,993	458
Expenses		
Management fees	3,370	3,909
Insurance fees	1,144	1,348
Other administrative expenses	3,169	3,742
	7,683	8,999
Net income (loss)	\$ 23,310	\$ (8,541)
Net income (loss) per unit	\$ 0.41	\$ (0.13)

For the six months ending June 30,	2014	2013
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%	2.23%
Expense before waiver	\$ 33,907	\$ 33,661
MER before waiver	9.78%	8.32%
Expense after waiver	\$ 7,683	\$ 8,999
MER after waiver	2.22%	2.23%

Sales and redemption of units (note 9)

Opening balance as at January 1st	52,619	63,416
Purchases during the period	34,225	20,488
Redemptions during the period	(10,788)	(24,223)
Closing balance as at June 30th	76,056	59,681

Statement of Changes in Net Assets *

For the six months period ended June 30,	2014	2013
Net assets, beginning of the period	\$ 641,665	\$ 773,699
Premium deposits	428,208	249,811
Net income (loss)	23,310	(8,541)
	1,093,183	1,014,969
Withdrawals	133,275	295,110
Net assets, end of the period	\$ 959,908	\$ 719,859
Number of units outstanding	76,056	59,681

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013 *
Investment in underlying fund at fair value (note 10)			
Level 1	\$ 970,127	\$ 652,840	\$ 792,123

Schedule of invested assets

RBC Balanced Fund, Series O			
Number of units	87,675	60,891	73,402
Cost	\$ 943,207	\$ 643,874	\$ 768,914
Fund owned	0.0251%	0.0222%	0.0391%
Fair value, all Level 1 (note 10)	\$ 970,127	\$ 652,840	\$ 792,123
Fair value per unit	\$ 11.07	\$ 10.72	\$ 10.79

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

Top 25 holdings of the underlying fund (June 30, 2014)

United States Treasury 3.250% Dec 31 16	6.0	Spain Government EUR 3.300% Jul 30 16	2.2
Japan Government Twenty Year JPY 1.600% Jun 20 30	4.8	Bundesrepublik Deutschland EUR 1.500% Sep 4 22	1.8
United States Treasury 0.375% Nov 15 15	4.2	France O.A.T. EUR 4.000% Oct 25 38	1.5
United States Treasury 1.000% Sep 30 19	3.8	Japan Finance Corporation for Municipal Enterprises JPY 2.000% May 1	1.5
BlueBay Emerging Markets Corporate Bond Fund	3.6	United States Treasury 0.875% Jan 31 17	1.4
Bundesrepublik Deutschland EUR 4.000% Jan 4 18	3.1	France O.A.T. EUR 1.000% May 25 19	1.4
Japan 10-Year Bond Future, September 2014	3.1	Spain Government EUR 3.000% Apr 30 15	1.3
United States Treasury 0.750% Jun 30 17	3.1	Japan Government Twenty Year JPY 2.100% Jun 20 29	1.3
Development Bank of Japan JPY 1.750% Mar 17 17	2.7	Denmark Government DKK 4.000% Nov 15 17	1.3
France O.A.T. EUR 0.250% Nov 25 15	2.7	Belgium Government EUR 4.250% Sep 28 22	1.3
Buoni Poliennali Del Tesoro EUR 1.500% Dec 15 16	2.6	Buoni Poliennali Del Tesoro EUR 5.500% Nov 1 22	1.3
Buoni Poliennali Del Tesoro EUR 5.000% Aug 1 39	2.5	Spain Government EUR 5.150% Oct 31 44	1.2
United Kingdom Gilt GBP 4.250% Mar 7 36	2.2	Total % of top 25 holdings	61.9

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years.

	Jun 30, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Net Asset Value end of period	\$ 12.62	\$ 12.19	\$ 12.20	\$ 11.59	\$ 11.13
Net assets (\$ '000)	\$ 960	\$ 642	\$ 774	\$ 647	\$ 697
Number of units outstanding	76,056	52,619	63,416	55,859	62,618
Management expense ratio ¹	2.22%	2.22%	2.22%	2.21%	2.17%
Management expense before waiver	9.78%	8.69%	8.77%	9.61%	8.35%
Portfolio turnover rate of the underlying fund ²	56.46%	75.20%	104.12%	94.29%	61.64%

* On January 1, 2014, the Fund adopted IFRS and the transition date was January 1, 2013. There were no differences between the IFRS and CGAAP amounts on the financial statements.

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 period.

² 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.

Statement of Net Assets *

As at	Jun 30, 2014	Dec 31, 2013	Nov 1, 2013
Assets			
Cash	\$ 109,394	\$ 54	\$ -
Investments in underlying fund at fair value	1,932,079	238,460	
Other assets			
Accrued income distribution from investments	-	-	
Accounts receivable - unitholders	-	-	
Accounts receivable - sale of investments	-	-	
Due from RBC Life Insurance Company	2,845	3,419	
Other	839	1,719	
	2,045,157	243,652	-
Liabilities			
Bank indebtedness	-	-	-
Other liabilities			
Accrued expenses	18,961	7,118	
Accounts payable - unitholders	-	-	
Accounts payable - purchase of investments	-	-	
Other	-	-	
	18,961	7,118	-
Net assets	\$ 2,026,196	\$ 236,534	\$ -
Net asset value per unit	\$ 10.41	\$ 10.03	\$ -

Statement of Cash Flow *

For the six months period ended June 30,	2014	2013
Operating activities		
Net income	\$ 39,409	
Add (deduct) to convert net income to a cash basis		
Net gains on investments	(10,055)	
Change in other assets	1,454	
Change in other liabilities	11,843	
Cash provided by (used in) operating activities	42,651	
Investing activities		
Purchases of investments	(1,793,826)	
Proceeds from sales of investments	110,262	
Cash provided by (used in) investing activities	(1,683,564)	
Financing activities		
Distributions to the unitholders	-	
Proceeds from issue of units	1,843,865	
Redemption of units	(93,612)	
Cash provided by (used in) financing activities	1,750,253	
Increase in cash and cash equivalent	109,340	
Cash and cash equivalent at beginning of period	54	
Cash and cash equivalent at end of period	\$ 109,394	

Statement of Comprehensive Income *

For the six months period ended June 30,	2014	2013
Income		
Distribution from underlying fund	\$ 42,712	
Realized gain on sale of investments	928	
Increase in unrealized appreciation of investments	9,127	
	52,767	
Expenses		
Management fees	6,409	
Insurance fees	2,171	
Other administrative expenses	4,778	
	13,358	
Net income	\$ 39,409	
Net income per unit	\$ 0.35	

For the six months ending June 30, 2014 2013

Management fees and insurance fees (note 7)

Annual Management Fee	1.80%
Annual Insurance Fee (Limit)	0.35 (0.85) %

Other expenses absorbed by the manager (note 8)

Annualized MER cap ¹	2.33%
Expense before waiver	\$ 38,530
MER before waiver	6.77%
Expense after waiver	\$ 13,358
MER after waiver	2.35%

Sales and redemption of units (note 9)

Opening balance as at January 1st	23,583
Purchases during the period	180,161
Redemptions during the period	(9,082)
Closing balance as at June 30th	194,662

Statement of Changes in Net Assets *

For the six months period ended June 30,	2014	2013
Net assets, beginning of the period	\$ 236,534	
Premium deposits	1,843,865	
Net income	39,409	
	2,119,808	
Withdrawals	93,612	
Net assets, end of the period	\$ 2,026,196	
Number of units outstanding	194,662	

As at Jun 30, 2014 Dec 31, 2013 Nov 1, 2013 *

Investment in underlying fund at fair value (note 10)

Level 1	\$ 1,932,079	\$ 238,460	\$ -
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Schedule of invested assets

RBC High Yield Bond Fund, Series O

Number of units	175,549	22,106	-
Cost	\$ 1,924,563	\$ 240,070	\$ -
Fund owned	0.2043%	0.0311%	-
Fair value, all Level 1 (note 10)	\$ 1,932,079	\$ 238,460	\$ -
Fair value per unit	\$ 11.01	\$ 10.79	\$ -

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

Top 25 holdings of the underlying fund (June 30, 2014)

Cash & Cash Equivalents	4.6	Concho Resources Inc. 7.000% Jan 15 21	1.2
Ford Credit Canada Ltd. 7.500% Aug 18 15	2.6	Quebecor Media Inc. 7.375% Jan 15 21	1.2
Sprint Nextel Corp. 9.000% Nov 15 18	1.8	Lamar Media Corp. 5.375% Jan 15 24	1.2
DISH DBS Corp. 7.875% Sep 1 19	1.6	Standard Pacific Corp. 8.375% Jan 15 21	1.2
Ball Corp. 5.750% May 15 21	1.6	Reynolds Group Issuer Inc. 6.875% Feb 15 21	1.2
Videotron Ltd. 6.875% Jul 15 21	1.5	Qwest Corp. 6.750% Dec 1 21	1.2
T-Mobile USA Inc. 6.625% Apr 1 23	1.5	Intelsat Jackson Holdings S.A. USD 7.250% Apr 1 19	1.2
Smithfield Foods Inc. 6.625% Aug 15 22	1.4	HDTFS Inc. 6.250% Oct 15 22	1.2
Continental Resources Inc. 7.125% Apr 1 21	1.3	NRG Energy Inc. 7.875% May 15 21	1.1
ArcelorMittal USD 9.850% Jun 1 19	1.3	Ingles Markets Inc. 5.750% Jun 15 23	1.1
Rite Aid Corp. 8.000% Aug 15 20	1.3	HJ Heinz Co. 4.250% Oct 15 20	1.1
Toll Brothers Finance Corp. 5.875% Feb 15 22	1.3	Calpine Corp. 6.000% Jan 15 22	1.1
D.R. Horton Inc. 5.750% Aug 15 23	1.2	Total % of top 25 holdings	37.0

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years.

	Jun 30, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Net Asset Value end of period	\$ 10.41	\$ 10.03			
Net assets (\$'000)	\$ 2,026	\$ 237			
Number of units outstanding	194,662	23,583			
Management expense ratio ¹	2.35%	2.40%			
Management expense before waiver	6.77%	36.98%			
Portfolio turnover rate of the underlying fund ²	42.90%	57.06%			

* On January 1, 2014, the Fund adopted IFRS and the transition date was November 1, 2013. There were no differences between the IFRS and CGAAP amounts on the financial statements.

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 period.

² 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.

Statement of Net Assets *

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013
Assets			
Cash	\$ -	\$ 309,026	\$ 2,651
Investments in underlying fund at fair value	27,738,186	25,867,970	23,361,349
Other assets			
Accrued income distribution from investments	-	-	-
Accounts receivable - unitholders	-	90,000	-
Accounts receivable - sale of investments	-	-	-
Due from RBC Life Insurance Company	1,621	13,323	-
Other	723	1,481	1,437
	27,740,530	26,281,800	23,365,437
Liabilities			
Bank indebtedness	2,752	-	-
Other liabilities			
Accrued expenses	76,512	78,237	81,680
Accounts payable - unitholders	-	3,800	500
Accounts payable - purchase of investments	-	-	-
Other	-	-	-
	79,264	82,037	82,180
Net assets	\$27,661,266	\$26,199,763	\$ 23,283,257
Net asset value per unit	\$ 12.64	\$ 11.86	\$ 10.90

Statement of Cash Flow *

For the six months period ended June 30,	2014	2013
Operating activities		
Net income	\$ 1,710,682	\$ 265,185
Add (deduct) to convert net income to a cash basis		
Net gains on investments	(2,064,944)	(575,596)
Change in other assets	102,460	(688)
Change in other liabilities	(5,525)	76,009
Cash provided by (used in) operating activities	(257,327)	(235,090)
Investing activities		
Purchases of investments	(1,470,083)	(1,295,603)
Proceeds from sales of investments	1,664,811	1,718,194
Cash provided by (used in) investing activities	194,728	422,591
Financing activities		
Distributions to the unitholders	-	-
Proceeds from issue of units	2,247,676	2,086,371
Redemption of units	(2,496,855)	(2,289,340)
Cash provided by (used in) financing activities	(249,179)	(202,969)
Decrease in cash and cash equivalent	(311,778)	(15,468)
Cash and cash equivalent at beginning of period	309,026	2,651
Cash and cash equivalent at end of period	\$ (2,752)	\$ (12,817)

Statement of Comprehensive Income *

For the six months period ended June 30,	2014	2013
Income		
Distribution from underlying fund	\$ 587	\$ 420
Realized gain on sale of investments	229,610	206,207
Increase in unrealized appreciation of investments	1,835,334	369,389
	2,065,531	576,016
Expenses		
Management fees	242,772	182,857
Insurance fees	42,940	38,198
Other administrative expenses	69,137	89,776
	354,849	310,831
Net income	\$ 1,710,682	\$ 265,185
Net income per unit	\$ 0.78	\$ 0.13

For the six months ending June 30,	2014	2013
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%	2.70%
Expense before waiver	\$ 357,094	\$ 310,831
MER before waiver	2.69%	2.69%
Expense after waiver	\$ 354,849	\$ 310,831
MER after waiver	2.67%	2.69%

Sales and redemption of units (note 9)

Opening balance as at January 1st	2,209,905	2,136,416
Purchases during the period	183,567	186,728
Redemptions during the period	(204,805)	(205,723)
Closing balance as at June 30th	2,188,667	2,117,421

Statement of Changes in Net Assets *

For the six months period ended June 30,	2014	2013
Net assets, beginning of the period	\$26,199,763	\$ 23,283,257
Premium deposits	2,247,676	2,086,371
Net income	1,710,682	265,185
	30,158,121	25,634,813
Withdrawals	2,496,855	2,289,340
Net assets, end of the period	\$27,661,266	\$ 23,345,473
Number of units outstanding	2,188,667	2,117,421

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013 *
Investment in underlying fund at fair value (note 10)			
Level 1	\$ 27,738,186	\$25,867,970	\$ 23,361,349

Schedule of invested assets

RBC Balanced Fund, Series O			
Number of units	1,797,132	1,809,936	1,711,517
Cost	\$ 23,026,133	\$22,991,251	\$21,055,736
Fund owned	61.0513%	61.0543%	59.8883%
Fair value, all Level 1 (note 10)	\$ 27,738,186	\$25,867,970	\$23,361,349
Fair value per unit	\$ 15.43	\$ 14.29	\$ 13.65

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

Top 25 holdings of the underlying fund (June 30, 2014)

RBC Emerging Markets Equity Fund	3.6	Government of Canada 1.250% Sep 1 18	1.1
Cash & Cash Equivalents	2.9	Province of Ontario 4.650% Jun 2 41	1.0
RBC Canadian Small & Mid-Cap Resources Fund	2.6	Manulife Financial Corporation	0.9
Royal Bank of Canada	2.3	Government of Canada 1.750% Mar 1 19	0.9
Toronto-Dominion Bank	2.0	Enbridge Inc.	0.9
Bank of Nova Scotia	1.9	Province of Manitoba 6.500% Sep 22 17	0.9
Suncor Energy Inc.	1.7	Province of Quebec 4.500% Dec 1 17	0.9
Province of Ontario 3.150% Jun 2 22	1.7	Bank of Montreal	0.8
Canadian National Railway Co.	1.4	Canada Housing Trust No. 1 1.850% Dec 15 16	0.8
Canadian Natural Resources Ltd.	1.3	Potash Corporation of Saskatchewan Inc.	0.8
Canada Housing Trust No. 1 3.350% Dec 15 20	1.3	Canadian Imperial Bank of Commerce	0.8
Province of Ontario 2.100% Sep 8 18	1.2	Province of Ontario 4.600% Jun 2 39	0.8
Province of Ontario 2.850% Jun 2 23	1.2	Total % of top 25 holdings	35.7

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years.

	Jun 30, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Net Asset Value end of period	\$ 12.64	\$ 11.86	\$ 10.90	\$ 10.33	\$ 10.75
Net assets (\$ '000)	\$ 27,661	\$ 26,200	\$ 23,283	\$ 25,067	\$ 28,544
Number of units outstanding	2,188,667	2,209,905	2,136,416	2,425,702	2,655,511
Management expense ratio ¹	2.67%	2.68%	2.67%	2.66%	2.61%
Management expense before waiver	2.69%	2.68%	2.67%	2.66%	2.61%
Portfolio turnover rate of the underlying fund ²	64.92%	70.00%	81.81%	102.06%	82.19%

* On January 1, 2014, the Fund adopted IFRS and the transition date was January 1, 2013. There were no differences between the IFRS and CGAAP amounts on the financial statements.

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 period.

² 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.

Statement of Net Assets *

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013
Assets			
Cash	\$ -	\$ -	\$ 231,092
Investments in underlying fund at fair value	55,794,015	43,746,308	27,615,199
Other assets			
Accrued income distribution from investments	-	-	-
Accounts receivable - unitholders	313,200	-	50,000
Accounts receivable - sale of investments	-	-	-
Due from RBC Life Insurance Company	8,462	13,647	-
Other	723	1,481	1,436
	56,116,400	43,761,436	27,897,727
Liabilities			
Bank indebtedness	5,815	26,768	-
Other liabilities			
Accrued expenses	126,256	107,349	66,660
Accounts payable - unitholders	11,501	5,617	-
Accounts payable - purchase of investments	-	-	-
Other	-	-	-
	143,572	139,734	66,660
Net assets	\$55,972,828	\$43,621,702	\$ 27,831,067
Net asset value per unit	\$ 12.28	\$ 11.40	\$ 10.75

Statement of Cash Flow *

For the six months period ended June 30,	2014	2013
Operating activities		
Net income (loss)	\$ 3,713,575	\$ (104,401)
Add (deduct) to convert net income to a cash basis		
Net gains on investments	(3,157,645)	508,263
Change in other assets	(307,257)	41,509
Change in other liabilities	24,791	160,897
Cash provided by (used in) operating activities	273,464	606,268
Investing activities		
Purchases of investments	(13,676,104)	(13,279,293)
Proceeds from sales of investments	4,786,042	2,207,174
Cash provided by (used in) investing activities	(8,890,062)	(11,072,119)
Financing activities		
Distributions to the unitholders	-	-
Proceeds from issue of units	14,571,370	13,795,430
Redemption of units	(5,933,819)	(3,497,917)
Cash provided by (used in) financing activities	8,637,551	10,297,513
Increase (decrease) in cash and cash equivalent	20,953	(168,338)
Cash and cash equivalent at beginning of period	(26,768)	231,092
Cash and cash equivalent at end of period	\$ (5,815)	\$ 62,754

Statement of Comprehensive Income *

For the six months period ended June 30,	2014	2013
Income		
Distribution from underlying fund	\$ 1,206,310	\$ 841,638
Realized gain on sale of investments	1,609,092	55,565
Increase (decrease) in unrealized appreciation of investments	1,548,553	(563,828)
	4,363,955	333,375
Expenses		
Management fees	534,401	289,368
Insurance fees	79,981	54,843
Other administrative expenses	35,998	93,565
	650,380	437,776
Net income (loss)	\$ 3,713,575	\$ (104,401)
Net income (loss) per unit	\$ 0.89	\$ (0.03)

For the six months ending June 30,	2014	2013
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	2.66%	2.68%
Expense before waiver	\$ 685,865	\$ 437,776
MER before waiver	2.80%	2.66%
Expense after waiver	\$ 650,380	\$ 437,776
MER after waiver	2.66%	2.66%

Sales and redemption of units (note 9)

Opening balance as at January 1st	3,825,747	2,589,104
Purchases during the period	1,236,897	1,261,324
Redemptions during the period	(505,573)	(320,955)
Closing balance as at June 30th	4,557,071	3,529,473

Statement of Changes in Net Assets *

For the six months period ended June 30,	2014	2013
Net assets, beginning of the period	\$43,621,702	\$ 27,831,067
Premium deposits	14,571,370	13,795,430
Net income (loss)	3,713,575	(104,401)
	61,906,647	41,522,096
Withdrawals	5,933,819	3,497,917
Net assets, end of the period	\$55,972,828	\$ 38,024,179
Number of units outstanding	4,557,071	3,529,473

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013 *
Investment in underlying fund at fair value (note 10)			
Level 1	\$ 55,794,015	\$43,746,308	\$ 27,615,199

Schedule of invested assets

RBC Balanced Fund, Series O			
Number of units	4,773,003	3,881,522	2,500,992
Cost	\$ 53,072,323	\$42,573,169	\$27,042,835
Fund owned	25.1032%	1.9848%	1.6070%
Fair value, all Level 1 (note 10)	\$ 55,794,015	\$43,746,308	\$27,615,199
Fair value per unit	\$ 11.69	\$ 11.27	\$ 11.04

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

Top 25 holdings of the underlying fund (June 30, 2014)

RBC High Yield Bond Fund	5.9	Industrial Alliance Insurance & Financial Services Inc.	1.4
Royal Bank of Canada	4.0	Empire Co. Ltd., Class A	1.4
Government of Canada 2.250% Aug 1 14	3.9	Province of Ontario 7.600% Jun 2 27	1.3
Phillips, Hager & North High Yield Bond Fund	3.5	Alimentation Couche-Tard Inc.	1.2
Toronto-Dominion Bank	3.4	TransCanada Corp.	1.0
Bank of Nova Scotia	2.8	Canada Housing Trust No. 1 3.800% Jun 15 21	1.0
Enbridge Inc.	2.1	Cineplex Inc.	1.0
Power Corporation of Canada	1.9	Gildan Activewear Inc., Class A	0.9
Bank of Montreal	1.7	Pure Industrial Real Estate Investment Trust	0.9
Manulife Financial Corporation	1.7	Suncor Energy Inc.	0.9
Canada Housing Trust No. 1 1.950% Jun 15 19	1.6	Talisman Energy Inc.	0.9
Province of Ontario 6.500% Mar 8 29	1.5	Crombie Real Estate Investment Trust	0.9
ARC Resources Ltd.	1.5	Total % of top 25 holdings	48.3

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years.

	Jun 30, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Net Asset Value end of period	\$ 12.28	\$ 11.40	\$ 10.75	\$ 10.07	\$ 10.12
Net assets (\$ '000)	\$ 55,973	\$ 43,622	\$ 27,831	\$ 15,556	\$ 637
Number of units outstanding	4,557,071	3,825,747	2,589,104	1,544,216	62,958
Management expense ratio ¹	2.66%	2.66%	2.65%	2.62%	2.69%
Management expense before waiver	2.80%	2.66%	2.65%	2.62%	12.76%
Portfolio turnover rate of the underlying fund ²	195.52%	220.70%	192.25%	206.93%	152.84%

* On January 1, 2014, the Fund adopted IFRS and the transition date was January 1, 2013. There were no differences between the IFRS and CGAAP amounts on the financial statements.

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 period.

² 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.

Statement of Net Assets *

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013
Assets			
Cash	\$ -	\$ 275	\$ -
Investments in underlying fund at fair value	3,764,301	2,597,454	1,325,707
Other assets			
Accrued income distribution from investments	-	-	-
Accounts receivable - unitholders	-	-	-
Accounts receivable - sale of investments	-	-	-
Due from RBC Life Insurance Company	3,011	9,821	3,707
Other	723	1,481	1,437
	3,768,035	2,609,031	1,330,851
Liabilities			
Bank indebtedness	1,411	-	-
Other liabilities			
Accrued expenses	19,427	22,832	19,522
Accounts payable - unitholders	-	-	-
Accounts payable - purchase of investments	-	-	-
Other	-	-	-
	20,838	22,832	19,522
Net assets	\$ 3,747,197	\$ 2,586,199	\$ 1,311,329
Net asset value per unit	\$ 12.84	\$ 12.26	\$ 10.89

Statement of Cash Flow *

For the six months period ended June 30,	2014	2013
Operating activities		
Net income	\$ 146,100	\$ 49,005
Add (deduct) to convert net income to a cash basis		
Net gains on investments	(190,249)	(67,753)
Change in other assets	7,568	(7,534)
Change in other liabilities	(3,405)	668
Cash provided by (used in) operating activities	(39,986)	(25,614)
Investing activities		
Purchases of investments	(1,038,958)	(279,553)
Proceeds from sales of investments	62,360	113,432
Cash provided by (used in) investing activities	(976,598)	(166,121)
Financing activities		
Distributions to the unitholders	-	-
Proceeds from issue of units	1,094,823	315,849
Redemption of units	(79,925)	(119,283)
Cash provided by (used in) financing activities	1,014,898	196,566
Increase (decrease) in cash and cash equivalent	(1,686)	4,831
Cash and cash equivalent at beginning of period	275	-
Cash and cash equivalent at end of period	\$ (1,411)	\$ 4,831

Statement of Comprehensive Income *

For the six months period ended June 30,	2014	2013
Income		
Distribution from underlying fund	\$ -	\$ 254
Realized gain on sale of investments	9,124	15,715
Increase in unrealized appreciation of investments	181,125	52,038
	190,249	68,007
Expenses		
Management fees	24,067	10,300
Insurance fees	5,421	2,321
Other administrative expenses	14,661	6,381
	44,149	19,002
Net income	\$ 146,100	\$ 49,005
Net income per unit	\$ 0.55	\$ 0.39

For the six months ending June 30,	2014	2013
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%	2.72%
Expense before waiver	\$ 61,056	\$ 41,300
MER before waiver	3.71%	5.87%
Expense after waiver	\$ 44,149	\$ 19,002
MER after waiver	2.68%	2.70%

Sales and redemption of units (note 9)

Opening balance as at January 1st	210,932	120,391
Purchases during the period	87,199	28,062
Redemptions during the period	(6,303)	(10,553)
Closing balance as at June 30th	291,828	137,900

Statement of Changes in Net Assets *

For the six months period ended June 30,	2014	2013
Net assets, beginning of the period	\$ 2,586,199	\$ 1,311,329
Premium deposits	1,094,823	315,849
Net income	146,100	49,005
	3,827,122	1,676,183
Withdrawals	79,925	119,283
Net assets, end of the period	\$ 3,747,197	\$ 1,556,900
Number of units outstanding	291,828	137,900

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013 *
Investment in underlying fund at fair value (note 10)			
Level 1	\$ 3,764,301	\$ 2,597,454	\$ 1,325,707

Schedule of invested assets

RBC Balanced Fund, Series O			
Number of units	224,404	164,102	96,698
Cost	\$ 3,208,887	\$ 2,223,165	\$ 1,178,867
Fund owned	68.3039%	63.1494%	52.9481%
Fair value, all Level 1 (note 10)	\$ 3,764,301	\$ 2,597,454	\$ 1,325,707
Fair value per unit	\$ 16.77	\$ 15.83	\$ 13.71

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

Top 25 holdings of the underlying fund (June 30, 2014)

RBC Emerging Markets Equity Fund	3.6	Province of Ontario 3.150% Jun 2 22	0.9
Royal Bank of Canada	1.3	RBC U.S. Mid-Cap Value Equity Fund	0.8
Province of Ontario USD 1.100% Oct 25 17	1.2	Apple Inc.	0.8
Japan Government Twenty Year JPY 1.600% Jun 20 30	1.2	France O.A.T. EUR 0.250% Nov 25 15	0.8
Toronto-Dominion Bank	1.2	Canadian Natural Resources Ltd.	0.8
RBC Canadian Small & Mid-Cap Resources Fund	1.1	Province of Ontario 1.900% Sep 8 17	0.7
United States Treasury 0.375% Nov 15 15	1.1	Province of Ontario 4.700% Jun 2 37	0.7
United States Treasury 0.875% Jan 31 17	1.0	Province of Quebec 4.500% Dec 1 17	0.6
Bank of Nova Scotia	1.0	United Kingdom Gilt GBP 4.250% Mar 7 36	0.6
United States Treasury 1.000% Sep 30 19	1.0	Buoni Poliennali Del Tesoro EUR 5.000% Aug 1 39	0.6
Suncor Energy Inc.	1.0	Cash & Cash Equivalents	0.6
Canadian National Railway Co.	1.0	Buoni Poliennali Del Tesoro EUR 1.500% Dec 15 16	0.6
RBC U.S. Mid-Cap Equity Fund	0.9	Total % of top 25 holdings	25.1

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years.

	Jun 30, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Net Asset Value end of period	\$ 12.84	\$ 12.26	\$ 10.89	\$ 10.14	\$ 10.56
Net assets (\$ '000)	\$ 3,747	\$ 2,586	\$ 1,311	\$ 1,139	\$ 604
Number of units outstanding	291,828	210,933	120,391	112,275	57,146
Management expense ratio ¹	2.68%	2.69%	2.68%	2.67%	2.64%
Management expense before waiver	3.71%	5.11%	6.37%	7.66%	10.76%
Portfolio turnover rate of the underlying fund ²	93.58%	92.31%	109.90%	115.23%	94.79%

* On January 1, 2014, the Fund adopted IFRS and the transition date was January 1, 2013. There were no differences between the IFRS and CGAAP amounts on the financial statements.

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 period.

² 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.

Statement of Net Assets *

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013
Assets			
Cash	\$ 101,513	\$ 50,420	\$ -
Investments in underlying fund at fair value	152,072,109	135,196,585	84,682,324
Other assets			
Accrued income distribution from investments	-	-	-
Accounts receivable - unitholders	11,500	71,401	50,000
Accounts receivable - sale of investments	-	-	-
Due from RBC Life Insurance Company	3,055	25,103	-
Other	723	1,481	1,437
	152,188,900	135,344,990	84,733,761
Liabilities			
Bank indebtedness	-	-	84,106
Other liabilities			
Accrued expenses	350,334	331,618	222,866
Accounts payable - unitholders	-	-	500
Accounts payable - purchase of investments	-	-	-
Other	-	-	-
	350,334	331,618	307,472
Net assets	\$ 151,838,566	\$ 135,013,372	\$ 84,426,289
Net asset value per unit	\$ 15.24	\$ 13.84	\$ 11.89

Statement of Comprehensive Income *

For the six months period ended June 30,	2014	2013
Income		
Distribution from underlying fund	\$ 2,014,012	\$ 1,422,465
Realized gain on sale of investments	1,230,451	207,336
Increase in unrealized appreciation of investments	12,385,254	1,749,345
	15,629,717	3,379,146
Expenses		
Management fees	1,504,779	758,832
Insurance fees	224,963	145,270
Other administrative expenses	136,951	274,948
	1,866,693	1,179,050
Net income	\$ 13,763,024	\$ 2,200,096
Net income per unit	\$ 1.40	\$ 0.30

Statement of Changes in Net Assets *

For the six months period ended June 30,	2014	2013
Net assets, beginning of the period	\$ 135,013,372	\$ 84,426,289
Premium deposits	16,330,117	16,659,376
Net income	13,763,024	2,200,096
	165,106,513	103,285,761
Withdrawals	13,267,947	6,676,317
Net assets, end of the period	\$ 151,838,566	\$ 96,609,444
Number of units outstanding	9,963,917	7,911,016

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

Statement of Cash Flow *

For the six months period ended June 30,	2014	2013
Operating activities		
Net income	\$ 13,763,024	\$ 2,200,096
Add (deduct) to convert net income to a cash basis		
Net gains on investments	(13,615,705)	(1,956,681)
Change in other assets	82,707	50,704
Change in other liabilities	18,716	365,346
Cash provided by (used in) operating activities	248,742	659,465
Investing activities		
Purchases of investments	(9,200,126)	(12,299,877)
Proceeds from sales of investments	5,940,307	1,987,199
Cash provided by (used in) investing activities	(3,259,819)	(10,312,678)
Financing activities		
Distributions to the unitholders	-	-
Proceeds from issue of units	16,330,117	16,659,376
Redemption of units	(13,267,947)	(6,676,317)
Cash provided by (used in) financing activities	3,062,170	9,983,059
Increase in cash and cash equivalent	51,093	329,846
Cash and cash equivalent at beginning of period	50,420	(84,106)
Cash and cash equivalent at end of period	\$ 101,513	\$ 245,740

For the six months ending June 30,	2014	2013
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%	2.66%
Expense before waiver	\$ 1,881,061	\$ 1,179,050
MER before waiver	2.69%	2.66%
Expense after waiver	\$ 1,866,693	\$ 1,179,050
MER after waiver	2.66%	2.66%

Sales and redemption of units (note 9)		
Opening balance as at January 1st	9,756,886	7,099,474
Purchases during the period	1,125,248	1,355,797
Redemptions during the period	(918,217)	(544,255)
Closing balance as at June 30th	9,963,917	7,911,016

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013 *
Investment in underlying fund at fair value (note 10)			
Level 1	\$152,072,109	\$ 135,196,585	\$ 84,682,324

Schedule of invested assets			
RBC Balanced Fund, Series O			
Number of units	2,346,122	2,295,050	1,667,865
Cost	\$117,081,555	\$112,591,285	\$77,943,064
Fund owned	2.8262%	2.9826%	2.3131%
Fair value, all Level 1 (note 10)	\$152,072,109	\$135,196,585	\$84,682,324
Fair value per unit	\$ 64.82	\$ 58.91	\$ 50.77

Top 25 holdings of the underlying fund (June 30, 2014)

Bank of Nova Scotia	6.5	Imperial Oil Ltd.	2.1
Royal Bank of Canada	6.5	Magna International Inc., Class A	2.1
Toronto-Dominion Bank	6.4	Cenovus Energy Inc.	1.9
Cash & Cash Equivalents	4.6	Husky Energy Inc.	1.9
Canadian National Railway Co.	3.8	Canadian Pacific Railway Ltd.	1.6
Suncor Energy Inc.	3.6	TELUS Corp.	1.6
Canadian Natural Resources Ltd.	3.5	Power Corporation of Canada	1.6
Bank of Montreal	3.3	CI Financial Corp.	1.6
Enbridge Inc.	3.2	Shaw Communications Inc., Class B	1.5
Canadian Imperial Bank of Commerce	3.2	Sun Life Financial Inc.	1.5
Brookfield Asset Management Inc., Class A	2.9	Loblaw Companies Ltd.	1.5
TransCanada Corp.	2.6	Potash Corporation of Saskatchewan Inc.	1.3
Manulife Financial Corporation	2.3	Total % of top 25 holdings	72.6

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years.

	Jun 30, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Net Asset Value end of period	\$ 15.24	\$ 13.84	\$ 11.89	\$ 10.83	\$ 11.20
Net assets (\$ '000)	\$ 151,839	\$ 135,013	\$ 84,426	\$ 66,725	\$ 51,080
Number of units outstanding	9,963,917	9,756,886	7,099,474	6,162,007	4,562,617
Management expense ratio ¹	2.66%	2.66%	2.66%	2.64%	2.61%
Management expense before waiver	2.69%	2.66%	2.66%	2.65%	2.61%
Portfolio turnover rate of the underlying fund ²	15.94%	19.11%	18.42%	29.94%	24.89%

* On January 1, 2014, the Fund adopted IFRS and the transition date was January 1, 2013. There were no differences between the IFRS and CGAAP amounts on the financial statements.

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 period.

² 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.

Statement of Net Assets *

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013
Assets			
Cash	\$ -	\$ 29,101	\$ 3,002
Investments in underlying fund at fair value	9,748,652	8,891,111	8,012,867
Other assets			
Accrued income distribution from investments	-	-	-
Accounts receivable - unitholders	-	5,126	-
Accounts receivable - sale of investments	-	-	-
Due from RBC Life Insurance Company	6,306	17,109	3,026
Other	723	1,481	1,437
	9,755,681	8,943,928	8,020,332
Liabilities			
Bank indebtedness	3,256	-	-
Other liabilities			
Accrued expenses	38,047	41,977	38,602
Accounts payable - unitholders	-	-	-
Accounts payable - purchase of investments	-	-	-
Other	-	-	-
	41,303	41,977	38,602
Net assets	\$ 9,714,378	\$ 8,901,951	\$ 7,981,730
Net asset value per unit	\$ 13.66	\$ 12.18	\$ 10.90

Statement of Cash Flow *

For the six months period ended June 30,	2014	2013
Operating activities		
Net income (loss)	\$ 1,078,482	\$ (48,574)
Add (deduct) to convert net income to a cash basis		
Net gains on investments	(1,214,254)	(63,331)
Change in other assets	16,687	(12,583)
Change in other liabilities	(3,930)	19,181
Cash provided by (used in) operating activities	(123,015)	(105,307)
Investing activities		
Purchases of investments	(529,789)	(306,011)
Proceeds from sales of investments	886,502	1,157,362
Cash provided by (used in) investing activities	356,713	851,351
Financing activities		
Distributions to the unitholders	-	-
Proceeds from issue of units	975,064	645,773
Redemption of units	(1,241,119)	(1,400,368)
Cash provided by (used in) financing activities	(266,055)	(754,595)
Decrease in cash and cash equivalent	(32,357)	(8,551)
Cash and cash equivalent at beginning of period	29,101	3,002
Cash and cash equivalent at end of period	\$ (3,256)	\$ (5,549)

Statement of Comprehensive Income *

For the six months period ended June 30,	2014	2013
Income		
Distribution from underlying fund	\$ 16	\$ 13
Realized gain (loss) on sale of investments	84,560	(52,160)
Increase in unrealized appreciation of investments	1,129,694	115,491
	1,214,270	63,344
Expenses		
Management fees	65,363	53,706
Insurance fees	28,144	23,155
Other administrative expenses	42,281	35,057
	135,788	111,918
Net income (loss)	\$ 1,078,482	\$ (48,574)
Net income (loss) per unit	\$ 1.48	\$ (0.07)

For the six months ending June 30,	2014	2013
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%	2.98%
Expense before waiver	\$ 151,133	\$ 130,795
MER before waiver	3.25%	3.45%
Expense after waiver	\$ 135,788	\$ 111,918
MER after waiver	2.92%	2.95%

Sales and redemption of units (note 9)		
Opening balance as at January 1st	730,973	731,963
Purchases during the period	76,856	57,814
Redemptions during the period	(96,536)	(126,194)
Closing balance as at June 30th	711,293	663,583

Statement of Changes in Net Assets *

For the six months period ended June 30,	2014	2013
Net assets, beginning of the period	\$ 8,901,951	\$ 7,981,730
Premium deposits	975,064	645,773
Net income (loss)	1,078,482	(48,574)
	10,955,497	8,578,929
Withdrawals	1,241,119	1,400,368
Net assets, end of the period	\$ 9,714,378	\$ 7,178,561
Number of units outstanding	711,293	663,583

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013 *
Investment in underlying fund at fair value (note 10)			
Level 1	\$9,748,652	\$ 8,891,111	\$ 8,012,867

Schedule of invested assets			
RBC Balanced Fund, Series O			
Number of units	327,712	339,913	340,227
Cost	\$8,351,579	\$ 8,623,732	\$ 8,586,552
Fund owned	0.4659%	0.4698%	0.2917%
Fair value, all Level 1 (note 10)	\$9,748,652	\$ 8,891,111	\$ 8,012,867
Fair value per unit	\$ 29.75	\$ 26.16	\$ 23.55

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

Top 25 holdings of the underlying fund (June 30, 2014)

RBC Canadian Small & Mid-Cap Resources Fund	7.3	TransCanada Corp.	2.0
Royal Bank of Canada	6.3	Canadian Pacific Railway Ltd.	1.9
Toronto-Dominion Bank	5.5	Magna International Inc., Class A	1.7
Bank of Nova Scotia	5.2	Cenovus Energy Inc.	1.6
Suncor Energy Inc.	4.4	Encana Corp.	1.5
Canadian Natural Resources Ltd.	3.8	Power Corporation of Canada	1.5
Canadian National Railway Co.	3.7	TELUS Corp.	1.4
Manulife Financial Corporation	2.6	Sun Life Financial Inc.	1.3
Enbridge Inc.	2.6	Loblaw Companies Ltd.	1.2
Bank of Montreal	2.1	Cash & Cash Equivalents	1.2
Canadian Imperial Bank of Commerce	2.1	BCE Inc.	1.1
Potash Corporation of Saskatchewan Inc.	2.0	Goldcorp Inc.	1.1
Brookfield Asset Management Inc., Class A	2.0	Total % of top 25 holdings	67.1

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years.

	Jun 30, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Net Asset Value end of period	\$ 13.66	\$ 12.18	\$ 10.90	\$ 10.40	\$ 11.83
Net assets (\$ '000)	\$ 9,714	\$ 8,902	\$ 7,982	\$ 10,535	\$ 7,487
Number of units outstanding	711,293	730,973	731,963	1,012,679	633,020
Management expense ratio ¹	2.92%	2.94%	2.92%	2.89%	2.85%
Management expense before waiver	3.25%	3.41%	3.24%	3.17%	3.71%
Portfolio turnover rate of the underlying fund ²	37.78%	41.26%	46.00%	58.58%	65.52%

* On January 1, 2014, the Fund adopted IFRS and the transition date was January 1, 2013. There were no differences between the IFRS and CGAAP amounts on the financial statements.

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 period.

² 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.

Statement of Net Assets *

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013
Assets			
Cash	\$ 1,947	\$ 2	\$ -
Investments in underlying fund at fair value	12,931,859	11,266,488	7,946,759
Other assets			
Accrued income distribution from investments	-	-	-
Accounts receivable - unitholders	6,000	15,000	-
Accounts receivable - sale of investments	-	-	-
Due from RBC Life Insurance Company	4,382	9,420	-
Other	810	1,481	1,437
	12,944,998	11,292,391	7,948,196
Liabilities			
Bank indebtedness	-	-	-
Other liabilities			
Accrued expenses	40,196	42,794	33,447
Accounts payable - unitholders	-	-	-
Accounts payable - purchase of investments	-	-	-
Other	-	-	-
	40,196	42,794	33,447
Net assets	\$ 12,904,802	\$ 11,249,597	\$ 7,914,749
Net asset value per unit	\$ 16.90	\$ 16.13	\$ 12.35

Statement of Comprehensive Income *

For the six months period ended June 30,	2014	2013
Income		
Distribution from underlying fund	\$ 138,925	\$ 3
Realized gain on sale of investments	693,989	91,695
Increase (decrease) in unrealized appreciation of investments	(74,626)	581,096
	758,288	672,794
Expenses		
Management fees	117,892	66,476
Insurance fees	35,584	24,780
Other administrative expenses	26,936	31,797
	180,412	123,053
Net income	\$ 577,876	\$ 549,741
Net income per unit	\$ 0.78	\$ 0.86

Statement of Changes in Net Assets *

For the six months period ended June 30,	2014	2013
Net assets, beginning of the period	\$ 11,249,597	\$ 7,914,749
Premium deposits	2,157,312	1,095,319
Net income	577,876	549,741
	13,984,785	9,559,809
Withdrawals	1,079,983	1,187,942
Net assets, end of the period	\$ 12,904,802	\$ 8,371,867
Number of units outstanding	763,556	633,248

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

Statement of Cash Flow *

For the six months period ended June 30,	2014	2013
Operating activities		
Net income	\$ 577,876	\$ 549,741
Add (deduct) to convert net income to a cash basis		
Net gains on investments	(619,363)	(672,791)
Change in other assets	14,709	(6,098)
Change in other liabilities	(2,598)	31,151
Cash provided by (used in) operating activities	(29,376)	(97,997)
Investing activities		
Purchases of investments	(2,259,743)	(690,019)
Proceeds from sales of investments	1,213,735	886,254
Cash provided by (used in) investing activities	(1,046,008)	196,235
Financing activities		
Distributions to the unitholders	-	-
Proceeds from issue of units	2,157,312	1,095,319
Redemption of units	(1,079,983)	(1,187,942)
Cash provided by (used in) financing activities	1,077,329	(92,623)
Increase in cash and cash equivalent	1,945	5,615
Cash and cash equivalent at beginning of period	2	-
Cash and cash equivalent at end of period	\$ 1,947	\$ 5,615

For the six months ending June 30, 2014 2013

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%	3.01%
Expense before waiver	\$ 197,936	\$ 127,692
MER before waiver	3.27%	3.11%
Expense after waiver	\$ 180,412	\$ 123,053
MER after waiver	2.98%	3.00%

Sales and redemption of units (note 9)

Opening balance as at January 1st	697,436	640,617
Purchases during the period	131,716	83,624
Redemptions during the period	(65,596)	(90,993)
Closing balance as at June 30th	763,556	633,248

As at Jun 30, 2014 Dec 31, 2013 Jan 1, 2013 *

Investment in underlying fund at fair value (note 10)

Level 1	\$ 12,931,859	\$ 11,266,488	\$ 7,946,759
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Schedule of invested assets

RBC Balanced Fund, Series O			
Number of units	806,211	708,531	659,811
Cost	\$ 10,189,945	\$ 8,449,948	\$ 7,547,270
Fund owned	6.3042%	72.5747%	80.9202%
Fair value, all Level 1 (note 10)	\$ 12,931,859	\$ 11,266,488	\$ 7,946,759
Fair value per unit	\$ 16.04	\$ 15.90	\$ 12.04

Top 25 holdings of the underlying fund (June 30, 2014)

Magna International Inc., Class A	5.1	Parex Resources Inc.	1.7
Linamar Corp.	3.7	Canam Manac Group Inc., Class A	1.7
Canadian Tire Corp. Ltd., Class A	3.4	Genworth MI Canada Inc.	1.6
Suncor Energy Inc.	3.3	Great-West Lifeco Inc.	1.5
Metro Inc., Class A	3.3	Jean Coutu Group, Class A	1.5
Power Financial Corp.	2.6	Methanex Corp.	1.5
Bank of Montreal	2.5	Husky Energy Inc.	1.3
Power Corporation of Canada	2.3	Empire Co. Ltd., Class A	1.3
Industrial Alliance Insurance & Financial Services Inc.	2.3	Teck Resources Ltd., Class B	1.3
Finning International Inc.	2.2	Altus Group Ltd.	1.3
WestJet Airlines Ltd.	2.1	Cash & Cash Equivalents	1.3
Canadian Oil Sands Ltd.	1.8	Bankers Petroleum Ltd.	1.3
Manulife Financial Corporation	1.8	Total % of top 25 holdings	53.7

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years.

	Jun 30, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Net Asset Value end of period	\$ 16.90	\$ 16.13	\$ 12.35	\$ 11.42	\$ 12.25
Net assets (\$'000)	\$ 12,905	\$ 11,250	\$ 7,915	\$ 6,795	\$ 1,228
Number of units outstanding	763,556	697,436	640,617	594,977	100,219
Management expense ratio ¹	2.98%	2.99%	2.98%	2.96%	2.93%
Management expense before waiver	3.27%	3.17%	3.05%	3.86%	8.79%
Portfolio turnover rate of the underlying fund ²	72.40%	72.29%	77.11%	90.46%	99.81%

* On January 1, 2014, the Fund adopted IFRS and the transition date was January 1, 2013. There were no differences between the IFRS and CGAAP amounts on the financial statements.

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 period.

² 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.

Statement of Net Assets *

As at	Jun 30, 2014	Dec 31, 2013	Nov 1, 2013
Assets			
Cash	\$ 141,704	\$ 8,539	\$ -
Investments in underlying fund at fair value	2,133,186	353,014	
Other assets			
Accrued income distribution from investments	-	-	
Accounts receivable - unitholders	-	-	
Accounts receivable - sale of investments	-	-	
Due from RBC Life Insurance Company	2,635	3,465	
Other	839	1,719	
	2,278,364	366,737	-
Liabilities			
Bank indebtedness	-	-	-
Other liabilities			
Accrued expenses	15,459	7,362	
Accounts payable - unitholders	79,994	-	
Accounts payable - purchase of investments	-	-	
Other	-	-	
	95,453	7,362	-
Net assets	\$ 2,182,911	\$ 359,375	\$ -
Net asset value per unit	\$ 11.50	\$ 10.31	\$ -

Statement of Cash Flow *

For the six months period ended June 30,	2014	2013
Operating activities		
Net income	\$ 161,203	
Add (deduct) to convert net income to a cash basis		
Net gains on investments	(160,719)	
Change in other assets	1,710	
Change in other liabilities	88,091	
Cash provided by (used in) operating activities	90,285	
Investing activities		
Purchases of investments	(1,952,361)	
Proceeds from sales of investments	332,908	
Cash provided by (used in) investing activities	(1,619,453)	
Financing activities		
Distributions to the unitholders	-	
Proceeds from issue of units	2,046,114	
Redemption of units	(383,781)	
Cash provided by (used in) financing activities	1,662,333	
Increase in cash and cash equivalent	133,165	
Cash and cash equivalent at beginning of period	8,539	
Cash and cash equivalent at end of period	\$ 141,704	

Statement of Comprehensive Income *

For the six months period ended June 30,	2014	2013
Income		
Distribution from underlying fund	\$ 17,942	
Realized gain on sale of investments	16,521	
Increase in unrealized appreciation of investments	144,198	
	178,661	
Expenses		
Management fees	9,345	
Insurance fees	2,424	
Other administrative expenses	5,689	
	17,458	
Net income	\$ 161,203	
Net income per unit	\$ 1.36	

For the six months ending June 30,	2014	2013
Management fees and insurance fees (note 7)		
Annual Management Fee	2.25%	
Annual Insurance Fee (Limit)	0.35 (0.85)%	

Other expenses absorbed by the manager (note 8)

Annualized MER cap ¹	2.73%
Expense before waiver	\$ 40,854
MER before waiver	6.40%
Expense after waiver	\$ 17,458
MER after waiver	2.73%

Sales and redemption of units (note 9)

Opening balance as at January 1st	34,865
Purchases during the period	189,829
Redemptions during the period	(34,893)
Closing balance as at June 30th	189,801

Statement of Changes in Net Assets *

For the six months period ended June 30,	2014	2013
Net assets, beginning of the period	\$ 359,375	
Premium deposits	2,046,114	
Net income	161,203	
	2,566,692	
Withdrawals	383,781	
Net assets, end of the period	\$ 2,182,911	
Number of units outstanding	189,801	

As at	Jun 30, 2014	Dec 31, 2013	Nov 1, 2013 *
Investment in underlying fund at fair value (note 10)			
Level 1	\$ 2,133,186	\$ 353,014	\$ -

Schedule of invested assets

RBC Balanced Fund, Series O

Number of units	142,293	26,296	-
Cost	\$ 1,981,861	\$ 345,887	\$ -
Fund owned	0.3081%	0.3583%	-
Fair value, all Level 1 (note 10)	\$ 2,133,186	\$ 353,014	\$ -
Fair value per unit	\$ 14.99	\$ 13.42	\$ -

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

Top 25 holdings of the underlying fund (June 30, 2014)

Royal Bank of Canada	7.5	Loblaw Companies Ltd.	1.9
Toronto-Dominion Bank	6.3	Cineplex Inc.	1.8
Bank of Nova Scotia	5.1	Suncor Energy Inc.	1.7
Enbridge Inc.	3.9	Pure Industrial Real Estate Investment Trust	1.7
Bank of Montreal	3.2	Gildan Activewear Inc., Class A	1.7
Manulife Financial Corporation	3.2	Talisman Energy Inc.	1.7
Power Corporation of Canada	3.2	National Bank of Canada	1.6
Cash & Cash Equivalents	2.8	Sun Life Financial Inc.	1.6
ARC Resources Ltd.	2.8	PrairieSky Royalty Ltd.	1.5
Industrial Alliance Insurance & Financial Services Inc.	2.7	Crescent Point Energy Corp.	1.4
Empire Co. Ltd., Class A	2.4	Trilogy Energy Corp.	1.4
Alimentation Couche-Tard Inc.	2.2	Crombie Real Estate Investment Trust	1.4
TransCanada Corp.	2.0	Total % of top 25 holdings	66.7

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years.

	Jun 30, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Net Asset Value end of period	\$ 11.50	\$ 10.31			
Net assets (\$ '000)	\$ 2,183	\$ 359			
Number of units outstanding	189,801	34,865			
Management expense ratio ¹	2.73%	2.73%			
Management expense before waiver	6.40%	24.99%			
Portfolio turnover rate of the underlying fund ²	164.69%	187.07%			

* On January 1, 2014, the Fund adopted IFRS and the transition date was November 1, 2013. There were no differences between the IFRS and CGAAP amounts on the financial statements.

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 period.

² 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.

Statement of Net Assets *

As at	Jun 30, 2014	Dec 31, 2013	Nov 1, 2013
Assets			
Cash	\$ 50,300	\$ 1,451	\$ -
Investments in underlying fund at fair value	3,732,220	664,127	
Other assets			
Accrued income distribution from investments	-	-	
Accounts receivable - unitholders	-	-	
Accounts receivable - sale of investments	-	-	
Due from RBC Life Insurance Company	1,863	3,286	
Other	839	1,719	
	3,785,222	670,583	-
Liabilities			
Bank indebtedness	-	-	-
Other liabilities			
Accrued expenses	19,355	8,152	
Accounts payable - unitholders	-	-	
Accounts payable - purchase of investments	-	-	
Other	-	-	
	19,355	8,152	-
Net assets	\$ 3,765,867	\$ 662,431	\$ -
Net asset value per unit	\$ 11.28	\$ 10.47	\$ -

Statement of Comprehensive Income *

For the six months period ended June 30,	2014	2013
Income		
Distribution from underlying fund	\$ 41	
Realized gain on sale of investments	19,618	
Increase in unrealized appreciation of investments	172,806	
	192,465	
Expenses		
Management fees	14,517	
Insurance fees	6,087	
Other administrative expenses	8,691	
	29,295	
Net income	\$ 163,170	
Net income per unit	\$ 0.88	

Statement of Changes in Net Assets *

For the six months period ended June 30,	2014	2013
Net assets, beginning of the period	\$ 662,431	
Premium deposits	3,124,070	
Net income	163,170	
	3,949,671	
Withdrawals	183,804	
Net assets, end of the period	\$ 3,765,867	
Number of units outstanding	333,822	

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

Statement of Cash Flow *

For the six months period ended June 30,	2014	2013
Operating activities		
Net income	\$ 163,170	
Add (deduct) to convert net income to a cash basis		
Net gains on investments	(192,424)	
Change in other assets	2,303	
Change in other liabilities	11,203	
Cash provided by (used in) operating activities	(15,748)	
Investing activities		
Purchases of investments	(3,337,275)	
Proceeds from sales of investments	461,606	
Cash provided by (used in) investing activities	(2,875,669)	
Financing activities		
Distributions to the unitholders	-	
Proceeds from issue of units	3,124,070	
Redemption of units	(183,804)	
Cash provided by (used in) financing activities	2,940,266	
Increase in cash and cash equivalent	48,849	
Cash and cash equivalent at beginning of period	1,451	
Cash and cash equivalent at end of period	\$ 50,300	

For the six months ending June 30, 2014 2013

Management fees and insurance fees (note 7)

Annual Management Fee	2.25%
Annual Insurance Fee (Limit)	0.55 (1.05)%

Other expenses absorbed by the manager (note 8)

Annualized MER cap ¹	2.96%
Expense before waiver	\$ 51,982
MER before waiver	5.25%
Expense after waiver	\$ 29,295
MER after waiver	2.96%

Sales and redemption of units (note 9)

Opening balance as at January 1st	63,269
Purchases during the period	287,282
Redemptions during the period	(16,729)
Closing balance as at June 30th	333,822

As at Jun 30, 2014 Dec 31, 2013 Nov 1, 2013 *

Investment in underlying fund at fair value (note 10)

Level 1	\$ 3,732,220	\$ 664,127	\$ -
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Schedule of invested assets

RBC Balanced Fund, Series O

Number of units	168,535	32,862	-
Cost	\$ 3,571,096	\$ 675,809	\$ -
Fund owned	2.2553%	0.5557%	-
Fair value, all Level 1 (note 10)	\$ 3,732,220	\$ 664,127	\$ -
Fair value per unit	\$ 22.15	\$ 20.21	\$ -

Top 25 holdings of the underlying fund (June 30, 2014)

Cash & Cash Equivalents	10.7	Schlumberger Ltd.	1.1
Royal Bank of Canada	3.3	Imperial Oil Ltd.	1.0
Bank of Nova Scotia	3.3	Brookfield Property Partners LP	1.0
Suncor Energy Inc.	2.3	Microsoft Corp.	1.0
Toronto-Dominion Bank	2.2	Husky Energy Inc.	1.0
Canadian Natural Resources Ltd.	2.2	JPMorgan Chase & Co.	1.0
Manulife Financial Corporation	1.8	CI Financial Corp.	0.9
Enbridge Inc.	1.5	Trican Well Service Ltd.	0.9
SPDR Gold Trust	1.5	Loblaw Companies Ltd.	0.9
Brookfield Asset Management Inc., Class A	1.5	Berkshire Hathaway Inc., Class B	0.9
Cenovus Energy Inc.	1.2	ARC Resources Ltd.	0.9
Apple Inc.	1.1	Anadarko Petroleum Corp.	0.8
Goldcorp Inc.	1.1	Total % of top 25 holdings	45.1

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years.

	Jun 30, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Net Asset Value end of period	\$ 11.28	\$ 10.47			
Net assets (\$ '000)	\$ 3,766	\$ 662			
Number of units outstanding	333,822	63,269			
Management expense ratio ¹	2.96%	2.96%			
Management expense before waiver	5.25%	12.52%			
Portfolio turnover rate of the underlying fund ²	166.76%	169.00%			

* On January 1, 2014, the Fund adopted IFRS and the transition date was November 1, 2013. There were no differences between the IFRS and CGAAP amounts on the financial statements.

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 period.

² 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.

Statement of Net Assets *				Statement of Cash Flow *		
As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013	For the six months period ended June 30,		
				2014	2013	
Assets				Operating activities		
Cash	\$ -	\$ 100,787	\$ -	Net income	\$ 116,880	\$ 63,837
Investments in underlying fund at fair value	1,757,977	1,305,325	1,014,134	Add (deduct) to convert net income to a cash basis		
Other assets				Investing activities		
Accrued income distribution from investments	-	-	-	Purchases of investments	(502,816)	(65,874)
Accounts receivable - unitholders	-	5,126	-	Proceeds from sales of investments	189,752	91,410
Accounts receivable - sale of investments	-	-	-	Cash provided by (used in) investing activities	(313,064)	25,536
Due from RBC Life Insurance Company	5,298	10,997	4,486	Financing activities		
Other	723	1,481	1,437	Distributions to the unitholders	-	-
	1,763,998	1,423,716	1,020,057	Proceeds from issue of units	441,240	80,408
Liabilities				Redemption of units	(218,548)	(77,043)
Bank indebtedness	11,519	-	-	Cash provided by (used in) financing activities	222,692	3,365
Other liabilities				Increase in cash and cash equivalent	(112,306)	4,072
Accrued expenses	19,175	29,984	24,105	Cash and cash equivalent at beginning of period	100,787	-
Accounts payable - unitholders	-	-	-	Cash and cash equivalent at end of period	\$ (11,519)	\$ 4,072
Accounts payable - purchase of investments	-	-	-			
Other	-	-	-			
	30,694	29,984	24,105			
Net assets	\$ 1,733,304	\$ 1,393,732	\$ 995,952			
Net asset value per unit	\$ 13.43	\$ 12.49	\$ 10.31			

Statement of Comprehensive Income *			For the six months ending June 30,		
	2014	2013	2014	2013	
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%	2.97%	
Expense before waiver					
			\$ 49,021	\$ 41,587	
MER before waiver					
			6.33%	8.13%	
Expense after waiver					
			\$ 22,711	\$ 15,088	
MER after waiver					
			2.93%	2.95%	
Sales and redemption of units (note 9)					
Opening balance as at January 1st					
			111,583	96,645	
Purchases during the period					
			34,630	7,353	
Redemptions during the period					
			(17,171)	(7,130)	
Closing balance as at June 30th					
			129,042	96,868	

Statement of Changes in Net Assets *			As at		
For the six months period ended June 30,	2014	2013	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013 *
Investment in underlying fund at fair value (note 10)					
Net assets, beginning of the period	\$ 1,393,732	\$ 995,952	Level 1	\$ 1,757,977	\$ 1,305,325
Premium deposits	441,240	80,408			\$ 1,014,134
Net income	116,880	63,837	Schedule of invested assets		
	1,951,852	1,140,197	RBC Balanced Fund, Series O		
Withdrawals	218,548	77,043	Number of units	49,592	40,189
Net assets, end of the period	\$ 1,733,304	\$ 1,063,154	Cost	\$ 1,427,658	\$ 1,085,803
Number of units outstanding	129,042	96,868	Fund owned	78.2190%	75.1928%
			Fair value, all Level 1 (note 10)	\$ 1,757,977	\$ 1,305,325
			Fair value per unit	\$ 35.45	\$ 32.48
					\$ 26.24

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

Top 25 holdings of the underlying fund (June 30, 2014)

Royal Bank of Canada	3.9	Enbridge Inc.	1.3
Toronto-Dominion Bank	3.6	Wells Fargo & Company	1.3
Bank of Nova Scotia	2.9	Magna International Inc., Class A	1.3
Cash & Cash Equivalents	2.7	Power Corporation of Canada	1.1
Suncor Energy Inc.	2.4	Goldcorp Inc.	1.1
Canadian National Railway Co.	2.1	TELUS Corp.	1.0
Canadian Natural Resources Ltd.	2.1	BCE Inc.	1.0
Apple Inc.	1.8	Cenovus Energy Inc.	1.0
Bank of Montreal	1.8	Brookfield Asset Management Inc., Class A	1.0
Canadian Imperial Bank of Commerce	1.5	Microsoft Corp.	0.9
Valeant Pharmaceuticals International Inc.	1.5	Johnson & Johnson	0.9
TransCanada Corp.	1.4	Potash Corporation of Saskatchewan Inc.	0.8
Manulife Financial Corporation	1.3	Total % of top 25 holdings	41.7

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years.

	Jun 30, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Net Asset Value end of period	\$ 13.43	\$ 12.49	\$ 10.31	\$ 9.64	\$ 10.58
Net assets (\$ '000)	\$ 1,733	\$ 1,394	\$ 996	\$ 1,106	\$ 1,492
Number of units outstanding	129,042	111,583	96,645	114,668	140,972
Management expense ratio ¹	2.93%	2.94%	2.93%	2.90%	2.86%
Management expense before waiver	6.33%	7.76%	8.31%	6.99%	6.23%
Portfolio turnover rate of the underlying fund ²	159.74%	134.47%	137.82%	116.41%	114.12%

* On January 1, 2014, the Fund adopted IFRS and the transition date was January 1, 2013. There were no differences between the IFRS and CGAAP amounts on the financial statements.

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 period.

² 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.

Statement of Net Assets *

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013
Assets			
Cash	\$ -	\$ 30,938	\$ 38,042
Investments in underlying fund at fair value	14,245,504	13,091,103	3,635,867
Other assets			
Accrued income distribution from investments	-	-	-
Accounts receivable - unitholders	11,500	8,976	-
Accounts receivable - sale of investments	-	-	-
Due from RBC Life Insurance Company	5,045	8,569	2,665
Other	723	1,481	1,437
	14,262,772	13,141,067	3,678,011
Liabilities			
Bank indebtedness	1,364	-	-
Other liabilities			
Accrued expenses	43,011	45,883	25,642
Accounts payable - unitholders	23,183	-	-
Accounts payable - purchase of investments	-	-	-
Other	-	-	-
	67,558	45,883	25,642
Net assets	\$ 14,195,214	\$ 13,095,184	\$ 3,652,369
Net asset value per unit	\$ 12.63	\$ 12.14	\$ 9.22

Statement of Comprehensive Income *

For the six months period ended June 30,	2014	2013
Income		
Distribution from underlying fund	\$ 153,907	\$ 71,638
Realized gain on sale of investments	1,511,958	10,432
Increase (decrease) in unrealized appreciation of investments	(929,086)	692,269
	736,779	774,339
Expenses		
Management fees	140,073	49,736
Insurance fees	41,860	18,902
Other administrative expenses	27,965	24,084
	209,898	92,722
Net income	\$ 526,881	\$ 681,617
Net income per unit	\$ 0.46	\$ 1.09

Statement of Changes in Net Assets *

For the six months period ended June 30,	2014	2013
Net assets, beginning of the period	\$ 13,095,184	\$ 3,652,369
Premium deposits	4,254,563	4,454,793
Net income	526,881	681,617
	17,876,628	8,788,779
Withdrawals	3,681,414	275,307
Net assets, end of the period	\$ 14,195,214	\$ 8,513,472
Number of units outstanding	1,123,562	812,802

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

Statement of Cash Flow *

For the six months period ended June 30,	2014	2013
Operating activities		
Net income	\$ 526,881	\$ 681,617
Add (deduct) to convert net income to a cash basis		
Net gains on investments	(582,872)	(702,701)
Change in other assets	1,758	(3,380)
Change in other liabilities	20,311	33,786
Cash provided by (used in) operating activities	(33,922)	9,322
Investing activities		
Purchases of investments	(4,745,789)	(4,332,509)
Proceeds from sales of investments	4,174,260	133,350
Cash provided by (used in) investing activities	(571,529)	(4,199,159)
Financing activities		
Distributions to the unitholders	-	-
Proceeds from issue of units	4,254,563	4,454,793
Redemption of units	(3,681,414)	(275,307)
Cash provided by (used in) financing activities	573,149	4,179,486
Decrease in cash and cash equivalent	(32,302)	(10,351)
Cash and cash equivalent at beginning of period	30,938	38,042
Cash and cash equivalent at end of period	\$ (1,364)	\$ 27,691

For the six months ending June 30, 2014 2013

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%	3.05%
Expense before waiver	\$ 233,096	\$ 104,566
MER before waiver	3.30%	3.38%
Expense after waiver	\$ 209,898	\$ 92,722
MER after waiver	2.97%	3.00%

Sales and redemption of units (note 9)

Opening balance as at January 1st	1,078,665	396,339
Purchases during the period	339,687	444,046
Redemptions during the period	(294,790)	(27,583)
Closing balance as at June 30th	1,123,562	812,802

As at Jun 30, 2014 Dec 31, 2013 Jan 1, 2013 *

Investment in underlying fund at fair value (note 10)

Level 1	\$ 14,245,504	\$ 13,091,103	\$ 3,635,867
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Schedule of invested assets

RBC Balanced Fund, Series O			
Number of units	673,820	600,997	216,134
Cost	\$ 13,086,392	\$ 11,002,905	\$ 3,516,647
Fund owned	8.0261%	12.1568%	19.2454%
Fair value, all Level 1 (note 10)	\$ 14,245,504	\$ 13,091,103	\$ 3,635,867
Fair value per unit	\$ 21.14	\$ 21.78	\$ 16.82

Top 25 holdings of the underlying fund (June 30, 2014)

Apple Inc.	4.3	AbbVie Inc.	2.1
Microsoft Corp.	2.9	Altria Group Inc.	2.0
JPMorgan Chase & Co.	2.6	Johnson & Johnson	2.0
Wells Fargo & Company	2.6	CVS Corp.	2.0
Cardinal Health Inc.	2.5	Dow Chemical Company	2.0
ConocoPhillips	2.3	LyondellBasell Industries N.V.	2.0
Cash & Cash Equivalents	2.3	WellPoint Inc.	1.7
Intel Corp.	2.3	MetLife Inc.	1.7
Merck & Co. Inc.	2.3	Prudential Financial Inc.	1.7
Pfizer Inc.	2.3	PepsiCo Inc.	1.6
Chevron Corp.	2.3	McDonald's Corp.	1.5
Time Warner Cable Inc.	2.2	Phillips 66 Company	1.4
Philip Morris International Inc.	2.1	Total % of top 25 holdings	54.7

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years.

	Jun 30, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Net Asset Value end of period	\$ 12.63	\$ 12.14	\$ 9.22	\$ 8.57	\$ 8.68
Net assets (\$ '000)	\$ 14,195	\$ 13,095	\$ 3,652	\$ 888	\$ 452
Number of units outstanding	1,123,562	1,078,665	396,339	103,630	52,047
Management expense ratio ¹	2.97%	2.98%	2.97%	2.96%	2.91%
Management expense before waiver	3.30%	3.30%	5.57%	10.94%	15.62%
Portfolio turnover rate of the underlying fund ²	281.93%	272.14%	229.79%	390.52%	302.67%

* On January 1, 2014, the Fund adopted IFRS and the transition date was January 1, 2013. There were no differences between the IFRS and CGAAP amounts on the financial statements.

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 period.

² 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.

Statement of Net Assets *

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013
Assets			
Cash	\$ 443	\$ 1,590	\$ -
Investments in underlying fund at fair value	2,213,766	1,711,177	775,785
Other assets			
Accrued income distribution from investments	-	-	-
Accounts receivable - unitholders	-	5,126	-
Accounts receivable - sale of investments	-	-	-
Due from RBC Life Insurance Company	4,343	8,248	4,120
Other	723	1,481	1,437
	2,219,275	1,727,622	781,342
Liabilities			
Bank indebtedness	-	-	-
Other liabilities			
Accrued expenses	19,040	22,410	21,518
Accounts payable - unitholders	23,114	-	-
Accounts payable - purchase of investments	-	-	-
Other	-	-	-
	42,154	22,410	21,518
Net assets	\$ 2,177,121	\$ 1,705,212	\$ 759,824
Net asset value per unit	\$ 12.59	\$ 12.09	\$ 9.02

Statement of Comprehensive Income *

For the six months period ended June 30,	2014	2013
Income		
Distribution from underlying fund	\$ 3	\$ 45
Realized gain on sale of investments	44,536	4,064
Increase in unrealized appreciation of investments	63,107	137,747
	107,646	141,856
Expenses		
Management fees	14,582	6,493
Insurance fees	7,368	3,246
Other administrative expenses	9,175	4,197
	31,125	13,936
Net income	\$ 76,521	\$ 127,920
Net income per unit	\$ 0.47	\$ 1.40

Statement of Changes in Net Assets *

For the six months period ended June 30,	2014	2013
Net assets, beginning of the period	\$ 1,705,212	\$ 759,824
Premium deposits	706,834	158,654
Net income	76,521	127,920
	2,488,567	1,046,398
Withdrawals	311,446	68,707
Net assets, end of the period	\$ 2,177,121	\$ 977,691
Number of units outstanding	172,866	93,626

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

Statement of Cash Flow *

For the six months period ended June 30,	2014	2013
Operating activities		
Net income	\$ 76,521	\$ 127,920
Add (deduct) to convert net income to a cash basis		
Net gains on investments	(107,643)	(141,811)
Change in other assets	9,789	(8,423)
Change in other liabilities	19,744	313
Cash provided by (used in) operating activities	(1,589)	(22,001)
Investing activities		
Purchases of investments	(640,529)	(103,195)
Proceeds from sales of investments	245,583	33,852
Cash provided by (used in) investing activities	(394,946)	(69,343)
Financing activities		
Distributions to the unitholders	-	-
Proceeds from issue of units	706,834	158,654
Redemption of units	(311,446)	(68,707)
Cash provided by (used in) financing activities	395,388	89,947
Decrease in cash and cash equivalent	(1,147)	(1,397)
Cash and cash equivalent at beginning of period	1,590	-
Cash and cash equivalent at end of period	\$ 443	\$ (1,397)

For the six months ending June 30,	2014	2013
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%	3.15%
Expense before waiver	\$ 55,402	\$ 38,852
MER before waiver	5.49%	8.72%
Expense after waiver	\$ 31,125	\$ 13,936
MER after waiver	3.08%	3.13%

Sales and redemption of units (note 9)

Opening balance as at January 1st	141,084	84,263
Purchases during the period	56,800	16,207
Redemptions during the period	(25,018)	(6,844)
Closing balance as at June 30th	172,866	93,626

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013 *
Investment in underlying fund at fair value (note 10)			
Level 1	\$ 2,213,766	\$ 1,711,177	\$ 775,785

Schedule of invested assets

RBC Balanced Fund, Series O			
Number of units	67,344	55,161	34,097
Cost	\$ 1,832,687	\$ 1,393,205	\$ 759,167
Fund owned	0.0738%	0.0474%	0.0288%
Fair value, all Level 1 (note 10)	\$ 2,213,766	\$ 1,711,177	\$ 775,785
Fair value per unit	\$ 32.87	\$ 31.02	\$ 22.75

Top 25 holdings of the underlying fund (June 30, 2014)

RBC U.S. Mid-Cap Equity Fund	4.1	Union Pacific Corp.	1.1
RBC U.S. Mid-Cap Value Equity Fund	4.1	RBC U.S. Small-Cap Core Equity Fund	1.1
Apple Inc.	3.8	Baker Hughes Inc.	1.0
Wells Fargo & Company	2.1	Cash & Cash Equivalents	1.0
Microsoft Corp.	1.9	The Walt Disney Company	1.0
Johnson & Johnson	1.7	Facebook Inc., Class A	1.0
JPMorgan Chase & Co.	1.3	Merck & Co. Inc.	1.0
Halliburton Co.	1.3	Cisco Systems Inc.	1.0
Hess Corp.	1.2	Home Depot Inc.	1.0
Google Inc., Class A	1.2	Eli Lilly & Co.	1.0
Intel Corp.	1.2	Sempra Energy	1.0
WellPoint Inc.	1.1	MetLife Inc.	1.0
Tyco International Ltd.	1.1	Total % of top 25 holdings	38.3

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years.

	Jun 30, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Net Asset Value end of period	\$ 12.59	\$ 12.09	\$ 9.02	\$ 8.41	\$ 8.92
Net assets (\$ '000)	\$ 2,177	\$ 1,705	\$ 760	\$ 352	\$ 306
Number of units outstanding	172,866	141,084	84,263	41,846	34,279
Management expense ratio ¹	3.08%	3.12%	3.08%	3.06%	3.02%
Management expense before waiver	5.49%	7.64%	13.04%	18.32%	19.92%
Portfolio turnover rate of the underlying fund ²	270.91%	243.45%	273.45%	311.16%	249.64%

* On January 1, 2014, the Fund adopted IFRS and the transition date was January 1, 2013. There were no differences between the IFRS and CGAAP amounts on the financial statements.

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 period.

² 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.

Statement of Net Assets *			
As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013
Assets			
Cash	\$ 47,371	\$ 64,793	\$ -
Investments in underlying fund at fair value	18,300,262	13,054,197	5,635,607
Other assets			
Accrued income distribution from investments	-	-	-
Accounts receivable - unitholders	6,000	10,126	-
Accounts receivable - sale of investments	-	-	-
Due from RBC Life Insurance Company	6,680	14,634	3,111
Other	810	1,481	1,437
	18,361,123	13,145,231	5,640,155
Liabilities			
Bank indebtedness	-	-	-
Other liabilities			
Accrued expenses	56,713	49,855	32,061
Accounts payable - unitholders	6,250	-	-
Accounts payable - purchase of investments	-	-	-
Other	-	-	-
	62,963	49,855	32,061
Net assets	\$ 18,298,160	\$ 13,095,376	\$ 5,608,094
Net asset value per unit	\$ 13.65	\$ 12.96	\$ 8.92

Statement of Comprehensive Income *		
For the six months period ended June 30,	2014	2013
Income		
Distribution from underlying fund	\$ 429,744	\$ 93,724
Realized gain on sale of investments	152,382	195,879
Increase in unrealized appreciation of investments	595,910	949,307
	1,178,036	1,238,910
Expenses		
Management fees	142,961	47,025
Insurance fees	55,771	23,470
Other administrative expenses	40,692	30,291
	239,424	100,786
Net income	\$ 938,612	\$ 1,138,124
Net income per unit	\$ 0.78	\$ 1.71

Statement of Changes in Net Assets *		
For the six months period ended June 30,	2014	2013
Net assets, beginning of the period	\$ 13,095,376	\$ 5,608,094
Premium deposits	5,569,825	2,518,296
Net income	938,612	1,138,124
	19,603,813	9,264,514
Withdrawals	1,305,653	1,707,012
Net assets, end of the period	\$ 18,298,160	\$ 7,557,502
Number of units outstanding	1,340,196	710,177

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

Statement of Cash Flow *		
For the six months period ended June 30,	2014	2013
Operating activities		
Net income	\$ 938,612	\$ 1,138,124
Add (deduct) to convert net income to a cash basis		
Net gains on investments	(748,292)	(1,145,186)
Change in other assets	12,751	(8,376)
Change in other liabilities	13,108	23,535
Cash provided by (used in) operating activities	216,179	8,097
Investing activities		
Purchases of investments	(5,179,954)	(2,051,523)
Proceeds from sales of investments	682,181	1,254,200
Cash provided by (used in) investing activities	(4,497,773)	(797,323)
Financing activities		
Distributions to the unitholders	-	-
Proceeds from issue of units	5,569,825	2,518,296
Redemption of units	(1,305,653)	(1,707,012)
Cash provided by (used in) financing activities	4,264,172	811,284
Increase (decrease) in cash and cash equivalent	(17,422)	22,058
Cash and cash equivalent at beginning of period	64,793	-
Cash and cash equivalent at end of period	\$ 47,371	\$ 22,058

For the six months ending June 30,	2014	2013
Management fees and insurance fees (note 7)		
Annual Management Fee	2.30%	2.30%
Annual Insurance Fee (Limit)	0.65 (1.05)%	0.65 (1.05)%

Other expenses absorbed by the manager (note 8)		
	2014	2013
Annualized MER cap ¹	3.05%	3.13%
Expense before waiver	\$ 261,885	\$ 117,386
MER before waiver	3.34%	3.60%
Expense after waiver	\$ 239,424	\$ 100,786
MER after waiver	3.05%	3.09%

Sales and redemption of units (note 9)		
	2014	2013
Opening balance as at January 1st	1,010,237	628,589
Purchases during the period	429,972	252,234
Redemptions during the period	(100,013)	(170,646)
Closing balance as at June 30th	1,340,196	710,177

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013 *
Investment in underlying fund at fair value (note 10)			
Level 1	\$ -	\$ -	\$ -

Schedule of invested assets			
RBC Balanced Fund, Series O			
	2014	2013	2012
Number of units	1,146,942	853,583	539,768
Cost	\$ 14,418,012	\$ 9,767,857	\$ 5,253,128
Fund owned	4.2292%	6.2139%	3.6948%
Fair value, all Level 1 (note 10)	\$ -	\$ -	\$ -
Fair value per unit	\$ -	\$ -	\$ -

Top 25 holdings of the underlying fund (June 30, 2014)

DIRECTV, LLC	4.2	Nvidia Corp.	2.4
Northrop Grumman Corp.	4.0	Flowerserve Corp.	2.4
Seagate Technology	3.9	Quest Diagnostics Inc.	2.4
Coca-Cola Enterprises Inc.	3.9	AT&T Inc.	2.3
Marathon Petroleum Corp.	3.2	Cash & Cash Equivalents	2.2
Viacom Inc.	3.2	CF Industries Holdings Inc.	2.1
Kohls Corp.	2.9	PPG Industries Inc.	2.1
Pfizer Inc.	2.7	The Western Union Co.	2.0
Halliburton Co.	2.7	Macy's Inc.	1.9
L-3 Communications Holdings Inc.	2.7	AmerisourceBergen Corp.	1.9
Motorola Solutions Inc.	2.6	Lorillard Inc.	1.8
Lowe's Companies	2.5	Sandisk Corp.	1.6
CenturyTel Inc.	2.4	Total % of top 25 holdings	66.0

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years.

	Jun 30, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Net Asset Value end of period	\$ 13.65	\$ 12.96	\$ 8.92	\$ 8.06	\$ 7.66
Net assets (\$ '000)	\$ 18,298	\$ 13,095	\$ 5,608	\$ 3,738	\$ 2,569
Number of units outstanding	1,340,196	1,010,237	628,589	463,706	335,323
Management expense ratio ¹	3.05%	3.07%	3.05%	3.03%	3.00%
Management expense before waiver	3.34%	3.43%	4.01%	4.60%	5.33%
Portfolio turnover rate of the underlying fund ²	62.18%	58.22%	69.92%	51.10%	59.51%

* On January 1, 2014, the Fund adopted IFRS and the transition date was January 1, 2013. There were no differences between the IFRS and CGAAP amounts on the financial statements.

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 period.

² 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.

Statement of Net Assets *

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013
Assets			
Cash	\$ -	\$ 20,295	\$ -
Investments in underlying fund at fair value	5,717,926	4,137,546	1,050,260
Other assets			
Accrued income distribution from investments	-	-	-
Accounts receivable - unitholders	11,500	10,252	-
Accounts receivable - sale of investments	-	-	-
Due from RBC Life Insurance Company	3,107	9,099	4,066
Other	723	1,481	1,437
	5,733,256	4,178,673	1,055,763
Liabilities			
Bank indebtedness	1,026	-	417
Other liabilities			
Accrued expenses	24,330	27,046	21,504
Accounts payable - unitholders	-	-	-
Accounts payable - purchase of investments	-	-	-
Other	-	-	-
	25,356	27,046	21,921
Net assets	\$ 5,707,900	\$ 4,151,627	\$ 1,033,842
Net asset value per unit	\$ 12.31	\$ 11.64	\$ 8.62

Statement of Cash Flow *

For the six months period ended June 30,	2014	2013
Operating activities		
Net income	\$ 263,124	\$ 167,065
Add (deduct) to convert net income to a cash basis		
Net gains on investments	(156,844)	(190,647)
Change in other assets	5,502	(7,278)
Change in other liabilities	(2,716)	4,192
Cash provided by (used in) operating activities	109,066	(26,668)
Investing activities		
Purchases of investments	(1,688,012)	(916,397)
Proceeds from sales of investments	264,476	52,485
Cash provided by (used in) investing activities	(1,423,536)	(863,912)
Financing activities		
Distributions to the unitholders	-	-
Proceeds from issue of units	1,659,323	973,898
Redemption of units	(366,174)	(80,543)
Cash provided by (used in) financing activities	1,293,149	893,355
Increase (decrease) in cash and cash equivalent	(21,321)	2,775
Cash and cash equivalent at beginning of period	20,295	(417)
Cash and cash equivalent at end of period	\$ (1,026)	\$ 2,358

Statement of Comprehensive Income *

For the six months period ended June 30,	2014	2013
Income		
Distribution from underlying fund	\$ 183,305	\$ 732
Realized gain on sale of investments	45,066	4,852
Increase in unrealized appreciation of investments	111,778	185,795
	340,149	191,379
Expenses		
Management fees	36,339	11,463
Insurance fees	18,396	5,808
Other administrative expenses	22,290	7,043
	77,025	24,314
Net income	\$ 263,124	\$ 167,065
Net income per unit	\$ 0.65	\$ 1.02

For the six months ending June 30,	2014	2013
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%	3.25%
Expense before waiver	\$ 92,048	\$ 46,977
MER before waiver	3.82%	6.22%
Expense after waiver	\$ 77,025	\$ 24,314
MER after waiver	3.20%	3.22%

Sales and redemption of units (note 9)

Opening balance as at January 1st	356,803	119,933
Purchases during the period	137,581	102,726
Redemptions during the period	(30,562)	(8,565)
Closing balance as at June 30th	463,822	214,094

Statement of Changes in Net Assets *

For the six months period ended June 30,	2014	2013
Net assets, beginning of the period	\$ 4,151,627	\$ 1,033,842
Premium deposits	1,659,323	973,898
Net income	263,124	167,065
	6,074,074	2,174,805
Withdrawals	366,174	80,543
Net assets, end of the period	\$ 5,707,900	\$ 2,094,262
Number of units outstanding	463,822	214,094

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013 *
Investment in underlying fund at fair value (note 10)			
Level 1	\$ 5,717,926	\$ 4,137,546	\$ 1,050,260

Schedule of invested assets

RBC Balanced Fund, Series O			
Number of units	450,330	338,004	116,566
Cost	\$ 4,921,215	\$ 3,452,613	\$ 1,005,447
Fund owned	0.6843%	0.6541%	23.4100%
Fair value, all Level 1 (note 10)	\$ 5,717,926	\$ 4,137,546	\$ 1,050,260
Fair value per unit	\$ 12.70	\$ 12.24	\$ 9.01

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

Top 25 holdings of the underlying fund (June 30, 2014)

AbbVie Inc.	3.3	Total S.A.	2.5
Seagate Technology	3.2	Roche Holdings AG Genusscheine	2.4
Rio Tinto Plc.	3.0	LyondellBasell Industries N.V.	2.4
UnitedHealth Group Incorporated	3.0	Sampo OYJ	2.4
Williams Companies Inc.	3.0	Prudential Corporation Plc.	2.4
Apple Inc.	3.0	Harman International Industries Inc.	2.3
Union Pacific Corp.	3.0	Cash & Cash Equivalents	2.3
Verizon Communications Inc.	2.9	Sands China Ltd.	2.1
Legal & General Group Plc.	2.9	KBC Groep N.V.	2.1
Wells Fargo & Company	2.9	BASF AG	2.0
InBev N.V.	2.9	Honeywell International Inc.	1.9
CVS Corp.	2.7	Lockheed Martin Corporation	1.9
Airbus Group N.V.	2.6	Total % of top 25 holdings	65.1

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years.

	Jun 30, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Net Asset Value end of period	\$ 12.31	\$ 11.64	\$ 8.62	\$ 7.76	\$ 8.27
Net assets (\$ '000)	\$ 5,708	\$ 4,152	\$ 1,034	\$ 818	\$ 788
Number of units outstanding	463,822	356,803	119,933	105,423	95,240
Management expense ratio ¹	3.20%	3.21%	3.20%	3.22%	3.17%
Management expense before waiver	3.82%	5.00%	8.67%	9.84%	10.82%
Portfolio turnover rate of the underlying fund ²	169.52%	143.17%	139.72%	136.55%	117.58%

* On January 1, 2014, the Fund adopted IFRS and the transition date was January 1, 2013. There were no differences between the IFRS and CGAAP amounts on the financial statements.

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 period.

² 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.

Statement of Net Assets *

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013
Assets			
Cash	\$ 434	\$ 21,110	\$ -
Investments in underlying fund at fair value	4,543,384	3,014,526	2,147,478
Other assets			
Accrued income distribution from investments	-	-	-
Accounts receivable - unitholders	-	10,252	-
Accounts receivable - sale of investments	-	-	-
Due from RBC Life Insurance Company	6,762	15,397	5,128
Other	723	1,481	1,491
	4,551,303	3,062,766	2,154,097
Liabilities			
Bank indebtedness	-	-	6,336
Other liabilities			
Accrued expenses	29,444	32,900	31,452
Accounts payable - unitholders	-	-	-
Accounts payable - purchase of investments	-	-	-
Other	-	-	-
	29,444	32,900	37,788
Net assets	\$ 4,521,859	\$ 3,029,866	\$ 2,116,309
Net asset value per unit	\$ 10.01	\$ 9.24	\$ 6.77

Statement of Comprehensive Income *

For the six months period ended June 30,	2014	2013
Income		
Distribution from underlying fund	\$ 577	\$ 88
Realized loss on sale of investments	(416)	(126,079)
Increase in unrealized appreciation of investments	335,275	387,258
	335,436	261,267
Expenses		
Management fees	31,832	18,191
Insurance fees	14,700	8,455
Other administrative expenses	15,267	8,755
	61,799	35,401
Net income	\$ 273,637	\$ 225,866
Net income per unit	\$ 0.70	\$ 0.75

Statement of Changes in Net Assets *

For the six months period ended June 30,	2014	2013
Net assets, beginning of the period	\$ 3,029,866	\$ 2,116,309
Premium deposits	1,543,120	344,821
Net income	273,637	225,866
	4,846,623	2,686,996
Withdrawals	324,764	305,148
Net assets, end of the period	\$ 4,521,859	\$ 2,381,848
Number of units outstanding	451,549	317,006

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

Statement of Cash Flow *

For the six months period ended June 30,	2014	2013
Operating activities		
Net income	\$ 273,637	\$ 225,866
Add (deduct) to convert net income to a cash basis		
Net gains on investments	(334,859)	(261,179)
Change in other assets	19,645	(14,630)
Change in other liabilities	(3,456)	6,560
Cash provided by (used in) operating activities	(45,033)	(43,383)
Investing activities		
Purchases of investments	(1,353,393)	(241,154)
Proceeds from sales of investments	159,394	260,278
Cash provided by (used in) investing activities	(1,193,999)	19,124
Financing activities		
Distributions to the unitholders	-	-
Proceeds from issue of units	1,543,120	344,821
Redemption of units	(324,764)	(305,148)
Cash provided by (used in) financing activities	1,218,356	39,673
Increase (decrease) in cash and cash equivalent	(20,676)	15,414
Cash and cash equivalent at beginning of period	21,110	(6,336)
Cash and cash equivalent at end of period	\$ 434	\$ 9,078

For the six months ending June 30,	2014	2013
Management fees and insurance fees (note 7)		
Annual Management Fee	2.40%	2.30%
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%	3.30%
Expense before waiver	\$ 90,954	\$ 66,958
MER before waiver	4.76%	6.19%
Expense after waiver	\$ 61,799	\$ 35,401
MER after waiver	3.23%	3.27%

Sales and redemption of units (note 9)

Opening balance as at January 1st	327,899	312,693
Purchases during the period	156,431	46,604
Redemptions during the period	(32,781)	(42,291)
Closing balance as at June 30th	451,549	317,006

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013 *
Investment in underlying fund at fair value (note 10)			
Level 1	\$ 4,543,384	\$ 3,014,526	\$ 2,147,478

Schedule of invested assets

RBC Balanced Fund, Series O			
Number of units	501,167	365,300	355,131
Cost	\$ 4,495,075	\$ 3,301,492	\$ 3,394,438
Fund owned	25.3387%	19.5552%	21.4534%
Fair value, all Level 1 (note 10)	\$ 4,543,384	\$ 3,014,526	\$ 2,147,478
Fair value per unit	\$ 9.07	\$ 8.25	\$ 6.05

Top 25 holdings of the underlying fund (June 30, 2014)

Cash & Cash Equivalents	3.3	StatoilHydro ASA	1.5
ENI S.p.A.	2.7	Euler Hermes Group	1.3
Bezeq Israeli Telecommunication Corporation Ltd.	2.7	NOF Corp.	1.3
Telecom Corp. of New Zealand Ltd.	2.7	Iberdrola S.A.	1.2
GDF Suez	2.5	Centrica Plc.	1.1
Total S.A.	2.4	Yara International ASA	1.1
E.ON SE	2.3	Continental AG	1.1
Telstra Corp. Ltd.	2.2	Chesnara Plc.	1.0
Deutsche Telekom AG	2.2	A P Moller - Maersk A/S	1.0
UPM-Kymmene OYJ	2.1	Portucel S.A.	1.0
Valeo S.A.	1.9	Electricite de France S.A.	1.0
France Telecom S.A.	1.8	Energias de Portugal S.A.	0.9
Montupet	1.6	Total % of top 25 holdings	43.9

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years.

	Jun 30, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
Net Asset Value end of period	\$ 10.01	\$ 9.24	\$ 6.77	\$ 6.19	\$ 7.29
Net assets (\$ '000)	\$ 4,522	\$ 3,030	\$ 2,116	\$ 2,422	\$ 3,389
Number of units outstanding	451,549	327,899	312,693	391,339	464,799
Management expense ratio ¹	3.23%	3.26%	3.23%	3.22%	3.16%
Management expense before waiver	4.76%	5.87%	6.06%	5.36%	5.04%
Portfolio turnover rate of the underlying fund ²	75.06%	71.42%	58.58%	73.28%	93.69%

* On January 1, 2014, the Fund adopted IFRS and the transition date was January 1, 2013. There were no differences between the IFRS and CGAAP amounts on the financial statements.

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 period.

² 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.

Statement of Net Assets *				Statement of Cash Flow *		
As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013	For the six months period ended June 30,		
				2014	2013	
Assets				Operating activities		
Cash	\$ 184,358	\$ 94,232	\$ 140,547	Net income	\$ 3,328,892	\$ 1,129,108
Investments in underlying fund at fair value	85,705,461	75,275,840	56,233,939	Add (deduct) to convert net income to a cash basis		
Other assets				Net gains on investments	(3,400,736)	(1,204,338)
Accrued income distribution from investments	-	-	-	Change in other assets	(139,963)	(55,554)
Accounts receivable - unitholders	152,000	-	-	Change in other liabilities	(65,980)	241,089
Accounts receivable - sale of investments	-	-	-	Cash provided by (used in) operating activities	(277,787)	110,305
Due from RBC Life Insurance Company	5,202	15,725	-	Investing activities		
Other	1,448	2,962	2,823	Purchases of investments	(12,465,710)	(10,923,538)
	86,048,469	75,388,759	56,377,309	Proceeds from sales of investments	5,436,825	2,571,243
Liabilities				Cash provided by (used in) investing activities		
Bank indebtedness	-	-	-	(7,028,885)	(8,352,295)	
Other liabilities				Financing activities		
Accrued expenses	188,401	173,805	139,240	Distributions to the unitholders	-	-
Accounts payable - unitholders	2,860	83,436	6,361	Proceeds from issue of units	16,763,007	12,815,128
Accounts payable - purchase of investments	-	-	-	Redemption of units	(9,366,209)	(4,352,186)
Other	-	-	-	Cash provided by (used in) financing activities	7,396,798	8,462,942
	191,261	257,241	145,601	Increase in cash and cash equivalent	90,126	220,952
Net assets	\$ 85,857,208	\$ 75,131,518	\$ 56,231,708	Cash and cash equivalent at beginning of period	94,232	140,547
Net asset value per unit				Cash and cash equivalent at end of period	\$ 184,358	\$ 361,499
Series 1	\$ 12.68	\$ 12.15	\$ 11.21	For the six months ending June 30,		
Series 2	12.61	12.10	11.19	2014	2013	
Statement of Comprehensive Income *				Other expenses absorbed by the manager (note 8)		
For the six months period ended June 30,				2014		2013
Income				Series 1		
Distribution from underlying fund	\$ 926,601	\$ 687,349		Annualized MER cap ¹	2.41%	2.43%
Realized gain on sale of investments	529,760	159,168		Expense before waiver	\$ 351,757	\$ 270,092
Increase in unrealized appreciation of investments	2,870,976	1,045,170		MER before waiver	2.41%	2.42%
	4,327,337	1,891,687		Expense after waiver	\$ 351,757	\$ 270,092
Expenses				MER after waiver		
Management fees	813,337	499,372		2.41%	2.42%	
Insurance fees	113,073	86,428		Series 2		
Other administrative expenses	72,035	176,779		Annualized MER cap ¹	2.61%	2.65%
	998,445	762,579		Expense before waiver	\$ 646,688	\$ 492,487
Net income	\$ 3,328,892	\$ 1,129,108		MER before waiver	2.61%	2.63%
Net income per unit				Expense after waiver	\$ 646,688	\$ 492,487
Series 1	\$ 0.53	\$ 0.21		MER after waiver	2.61%	2.63%
Series 2	0.52	0.21		Sales and redemption of units (note 9)		
Statement of Changes in Net Assets *				Series 1		
For the six months period ended June 30,				2014		2013
Net assets, beginning of the period	\$ 75,131,518	\$ 56,231,708		Opening balance as at January 1st	2,273,883	1,832,715
Premium deposits	16,763,007	12,815,128		Purchases during the period	520,802	482,695
Net income	3,328,892	1,129,108		Redemptions during the period	(255,932)	(142,035)
	95,223,417	70,175,944		Closing balance as at June 30th	2,538,753	2,173,375
Withdrawals	9,366,209	4,352,186		Series 2		
Net assets, end of the period	\$ 85,857,208	\$ 65,823,758		Opening balance as at January 1st	3,927,928	3,189,613
Number of units outstanding				Purchases during the period	825,809	630,322
Series 1	2,538,753	2,173,375		Redemptions during the period	(499,670)	(237,749)
Series 2	4,254,067	3,582,186		Closing balance as at June 30th	4,254,067	3,582,186
<i>The accompanying notes are an integral part of these financial statements.</i>				As at		
For the six months ending June 30,				Jun 30, 2014		Dec 31, 2013
Management fees and insurance fees (note 7)				Jan 1, 2013 *		
Annual Management Fee				Investment in underlying fund at fair value (note 10)		
Series 1	2.10%	2.10%		Level 1	\$ 85,705,461	\$ 75,275,840
Series 2	2.20%	2.20%			\$ 56,233,939	
Annual Insurance Fee (Limit)				Schedule of invested assets		
Series 1	0.20 (0.70) %	0.20 (0.70) %		RBC U.S. Equity Fund, Series O		
Series 2	0.30 (0.80) %	0.30 (0.80) %		Number of units	4,001,544	3,671,025
				Cost	\$ 76,846,510	\$ 69,287,865
				Fund owned	87.6173%	94.4188%
				Fair value, all Level 1 (note 10)	\$ 85,705,461	\$ 75,275,840
				Fair value per unit	\$ 21.42	\$ 20.51
					\$ 19.20	

Top holdings of the underlying fund (June 30, 2014)

	% of Assets	% of Assets		% of Assets	% of Assets
RBC Bond Fund		23.9	RBC Canadian Equity Fund		3.7
Province of Ontario 2.850% Jun 2 23	3.7		RBC Canadian Small & Mid-Cap Resources Fund	7.3	
Province of Ontario 3.500% Jun 2 24	2.8		Royal Bank of Canada	6.3	
Province of Ontario 3.450% Jun 2 45	2.6		Toronto-Dominion Bank	5.5	
Province of Ontario 4.200% Jun 2 20	2.3		Bank of Nova Scotia	5.2	
Cash & Cash Equivalents	2.2		Suncor Energy Inc.	4.4	
Phillips, Hager & North Bond Fund		14.3	Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund		2.9
Cash & Cash Equivalents	12.2		Apple Inc.	2.5	
Canada Housing Trust No. 1 1.950% Jun 15 19	5.0		Cash & Cash Equivalents	1.9	
Province of Ontario 6.500% Mar 8 29	4.7		Microsoft Corp.	1.9	
Province of Ontario 7.600% Jun 2 27	3.7		Johnson & Johnson	1.8	
Canada Housing Trust No. 1 3.800% Jun 15 21	2.7		Wells Fargo & Company	1.5	
RBC Global Bond Fund		9.5	Cash & Cash Equivalents		2.5
United States Treasury 3.250% Dec 31 16	6.0		RBC Asia Pacific ex-Japan Equity Fund		2.0
Japan Government Twenty Year JPY 1.600% Jun 20 30	4.8		Commonwealth Bank of Australia	3.8	
United States Treasury 0.375% Nov 15 15	4.2		Samsung Electronics Co. Ltd.	3.4	
United States Treasury 1.000% Sep 30 19	3.8		Cash & Cash Equivalents	3.2	
BlueBay Emerging Markets Corporate Bond Fund	3.6		Jardine Matheson Holdings Ltd.	2.8	
RBC Canadian Short-Term Income Fund		9.5	AIA Group Ltd.	2.8	
Canada Housing Trust No. 1 3.350% Dec 15 20	3.2		RBC Japanese Equity Fund		1.4
Province of Ontario 2.100% Sep 8 18	2.7		Toyota Motor Corp.	5.9	
Province of Ontario 4.300% Mar 8 17	2.7		SoftBank Corp.	4.4	
Canada Housing Trust No. 1 1.700% Dec 15 17	2.6		Mitsubishi UFJ Financial Group Inc.	3.3	
Province of Quebec 4.500% Dec 1 17	2.3		Sumitomo Mitsui Financial Group Inc.	3.2	
RBC Canadian Dividend Fund		9.1	Fuji Heavy Industries Ltd.	2.8	
Bank of Nova Scotia	6.5		RBC Global Equity Fund		1.1
Royal Bank of Canada	6.5		Roche Holdings AG Genusschein	3.2	
Toronto-Dominion Bank	6.4		InBev N.V.	3.0	
Cash & Cash Equivalents	4.6		Danaher Corp.	2.8	
Canadian National Railway Co.	3.8		Blackstone Group LP	2.7	
RBC U.S. Equity Fund		8.2	EOG Resources Inc.	2.6	
RBC U.S. Mid-Cap Equity Fund	4.1		RBC Private Canadian Equity Pool		0.4
RBC U.S. Mid-Cap Value Equity Fund	4.1		RBC Canadian Small & Mid-Cap Resources Fund	6.5	
Apple Inc.	3.8		Royal Bank of Canada	6.1	
Wells Fargo & Company	2.1		Bank of Nova Scotia	5.4	
Microsoft Corp.	1.9		Toronto-Dominion Bank	4.9	
RBC European Equity Fund		7.3	Suncor Energy Inc.	3.7	
Royal Dutch Shell Plc., A Shares	4.1		RBC Canadian Money Market Fund		0.2
InBev N.V.	3.9		National Bank of Canada 1.181% Aug 18 14	3.8	
Roche Holdings AG Genusschein	3.8		Bank of Nova Scotia 1.159% Aug 28 14	3.4	
Unilever Plc.	3.7		JPMorgan Chase & Co. 1.226% Sep 3 14	3.3	
Shire Plc.	3.6		Bank of Nova Scotia 1.190% Sep 22 14	2.6	
Phillips, Hager & North Canadian Equity Underlying Fund		4.0	Province of Nova Scotia 1.295% Sep 3 14	2.0	
Toronto-Dominion Bank	7.4				
Royal Bank of Canada	6.8				
Bank of Nova Scotia	6.2				
Suncor Energy Inc.	4.4				
Canadian Natural Resources Ltd.	4.1				
Total % of top holding of underlying mutual funds					100.0

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years.

For the year ended December 31, Jun 30, 2014 Dec 31, 2013 Dec 31, 2012 Dec 31, 2011 Dec 31, 2010 Jun 30, 2014 Dec 31, 2013 Dec 31, 2012 Dec 31, 2011 Dec 31, 2010

	Series 1					Series 2				
Net Asset Value end of period	\$ 12.68	\$ 12.15	\$ 11.21	\$ 10.64	\$ 10.64	\$ 12.61	\$ 12.10	\$ 11.19	\$ 10.64	\$ 10.66
Net assets (\$ '000)	\$ 32,195	\$ 27,623	\$ 20,545	\$ 18,669	\$ 18,153	\$ 53,662	\$ 47,509	\$ 35,687	\$ 25,967	\$ 14,569
Number of units outstanding	2,538,753	2,273,883	1,832,715	1,753,924	1,705,710	4,254,067	3,927,928	3,189,613	2,439,759	1,367,317
Management expense ratio ¹	2.41%	2.41%	2.41%	2.41%	2.37%	2.61%	2.63%	2.61%	2.60%	2.56%
Management expense before waiver	2.41%	2.43%	2.41%	2.41%	2.37%	2.61%	2.64%	2.61%	2.60%	2.56%
Portfolio turnover rate of the underlying fund ²	15.49%	15.96%	12.66%	15.92%	34.24%	15.49%	15.96%	12.66%	15.92%	34.24%

* On January 1, 2014, the Fund adopted IFRS and the transition date was January 1, 2013. There were no differences between the IFRS and CGAAP amounts on the financial statements.

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 period.

² 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.

Statement of Net Assets *

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013
Assets			
Cash	\$ 135,455	\$ 159,876	\$ -
Investments in underlying fund at fair value	85,139,529	66,775,437	47,016,114
Other assets			
Accrued income distribution from investments	-	-	-
Accounts receivable - unitholders	615,465	-	50,000
Accounts receivable - sale of investments	-	-	-
Due from RBC Life Insurance Company	4,946	20,140	-
Other	1,448	2,962	2,874
	85,896,843	66,958,415	47,068,988
Liabilities			
Bank indebtedness	-	-	91,724
Other liabilities			
Accrued expenses	211,743	181,155	132,852
Accounts payable - unitholders	141	94,017	-
Accounts payable - purchase of investments	-	-	-
Other	-	-	-
	211,884	275,172	224,576
Net assets	\$ 85,684,959	\$ 66,683,243	\$ 46,844,412
Net asset value per unit			
Series 1	\$ 12.73	\$ 12.11	\$ 10.69
Series 2	12.51	11.92	10.55

Statement of Comprehensive Income *

For the six months period ended June 30,	2014	2013
Income		
Distribution from underlying fund	\$ 1,937	\$ 1,188
Realized gain on sale of investments	916,875	223,676
Increase in unrealized appreciation of investments	3,773,489	2,323,465
	4,692,301	2,548,329
Expenses		
Management fees	773,201	421,227
Insurance fees	154,759	103,774
Other administrative expenses	96,088	165,333
	1,024,048	690,334
Net income	\$ 3,668,253	\$ 1,857,995
Net income per unit		
Series 1	\$ 0.61	\$ 0.47
Series 2	0.60	0.39

Statement of Changes in Net Assets *

For the six months period ended June 30,	2014	2013
Net assets, beginning of the period	\$ 66,683,243	\$ 46,844,412
Premium deposits	20,980,200	8,584,205
Net income	3,668,253	1,857,995
	91,331,696	57,286,612
Withdrawals	5,646,737	3,904,936
Net assets, end of the period	\$ 85,684,959	\$ 53,381,676
Number of units outstanding		
Series 1	1,558,615	1,073,147
Series 2	5,261,790	3,779,438

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

For the six months ending June 30,	2014	2013
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) %

Statement of Cash Flow *

For the six months period ended June 30,	2014	2013
Operating activities		
Net income	\$ 3,668,253	\$ 1,857,995
Add (deduct) to convert net income to a cash basis		
Net gains on investments	(4,690,364)	(2,547,141)
Change in other assets	(598,757)	41,120
Change in other liabilities	(63,288)	204,160
Cash provided by (used in) operating activities	(1,684,156)	(443,866)
Investing activities		
Purchases of investments	(16,328,422)	(6,184,284)
Proceeds from sales of investments	2,654,694	2,246,838
Cash provided by (used in) investing activities	(13,673,728)	(3,937,446)
Financing activities		
Distributions to the unitholders	-	-
Proceeds from issue of units	20,980,200	8,584,205
Redemption of units	(5,646,737)	(3,904,936)
Cash provided by (used in) financing activities	15,333,463	4,679,269
Increase (decrease) in cash and cash equivalent	(24,421)	297,957
Cash and cash equivalent at beginning of period	159,876	(91,724)
Cash and cash equivalent at end of period	\$ 135,455	\$ 206,233

For the six months ending June 30,	2014	2013
Other expenses absorbed by the manager (note 8)		
Series 1		
Annualized MER cap ¹	2.60%	2.64%
Expense before waiver	\$ 227,619	\$ 145,894
MER before waiver	2.60%	2.62%
Expense after waiver	\$ 227,619	\$ 145,894
MER after waiver	2.60%	2.62%
Series 2		
Annualized MER cap ¹	2.80%	2.86%
Expense before waiver	\$ 796,428	\$ 544,440
MER before waiver	2.80%	2.84%
Expense after waiver	\$ 796,429	\$ 544,440
MER after waiver	2.80%	2.84%

Sales and redemption of units (note 9)

For the six months period ended June 30,	2014	2013
Series 1		
Opening balance as at January 1st	1,282,158	984,870
Purchases during the period	363,522	177,287
Redemptions during the period	(87,065)	(89,010)
Closing balance as at June 30th	1,558,615	1,073,147
Series 2		
Opening balance as at January 1st	4,293,723	3,442,777
Purchases during the period	1,342,186	602,917
Redemptions during the period	(374,119)	(266,256)
Closing balance as at June 30th	5,261,790	3,779,438

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013 *
Investment in underlying fund at fair value (note 10)			
Level 1	\$ 85,139,529	\$ 66,775,437	\$ 47,016,114

Schedule of invested assets

RBC U.S. Equity Fund, Series O			
Number of units	3,238,845	2,685,044	2,118,807
Cost	\$ 72,817,404	\$ 58,226,801	\$ 44,022,267
Fund owned	79.8076%	78.2493%	74.8064%
Fair value, all Level 1 (note 10)	\$ 85,139,529	\$ 66,775,437	\$ 47,016,114
Fair value per unit	\$ 26.89	\$ 24.87	\$ 22.19

Top holdings of the underlying fund (June 30, 2014)					
	% of Assets	% of Assets		% of Assets	% of Assets
RBC Bond Fund		32.3	RBC Asia Pacific ex-Japan Equity Fund		2.2
Province of Ontario 2.850% Jun 2 23	3.7		Commonwealth Bank of Australia	3.8	
Province of Ontario 3.500% Jun 2 24	2.8		Samsung Electronics Co. Ltd.	3.4	
Province of Ontario 3.450% Jun 2 25	2.6		Cash & Cash Equivalents	3.2	
Province of Ontario 4.200% Jun 2 20	2.3		Jardine Matheson Holdings Ltd.	2.8	
Cash & Cash Equivalents	2.2		AIA Group Ltd.	2.8	
RBC Canadian Dividend Fund		10.9	RBC Global Dividend Growth Fund		1.6
Bank of Nova Scotia	6.5		AbbVie Inc.	3.3	
Royal Bank of Canada	6.5		Seagate Technology	3.2	
Toronto-Dominion Bank	6.4		Rio Tinto Plc.	3.0	
Cash & Cash Equivalents	4.6		UnitedHealth Group Incorporated	3.0	
Canadian National Railway Co.	3.8		Williams Companies Inc.	3.0	
RBC European Equity Fund		7.5	RBC Global Equity Focus Fund		1.6
Royal Dutch Shell Plc., A Shares	4.1		Roche Holdings AG Genussscheine	3.6	
InBev N.V.	3.9		Toyota Motor Corp.	3.5	
Roche Holdings AG Genussscheine	3.8		InBev N.V.	3.4	
Unilever Plc.	3.7		Blackstone Group LP	3.2	
Shire Plc.	3.6		Amgen Inc.	3.0	
RBC U.S. Equity Fund		6.6	RBC Japanese Equity Fund		1.5
RBC U.S. Mid-Cap Equity Fund	4.1		Toyota Motor Corp.	5.9	
RBC U.S. Mid-Cap Value Equity Fund	4.1		SoftBank Corp.	4.4	
Apple Inc.	3.8		Mitsubishi UFJ Financial Group Inc.	3.3	
Wells Fargo & Company	2.1		Sumitomo Mitsui Financial Group Inc.	3.2	
Microsoft Corp.	1.9		Fuji Heavy Industries Ltd.	2.8	
Phillips, Hager & North Canadian Equity Underlying Fund		5.5	RBC Private Canadian Equity Pool		0.6
Toronto-Dominion Bank	7.4		RBC Canadian Small & Mid-Cap Resources Fund	6.5	
Royal Bank of Canada	6.8		Royal Bank of Canada	6.1	
Bank of Nova Scotia	6.2		Bank of Nova Scotia	5.4	
Suncor Energy Inc.	4.4		Toronto-Dominion Bank	4.9	
Canadian Natural Resources Ltd.	4.1		Suncor Energy Inc.	3.7	
RBC QUBE U.S. Equity Fund		5.1	RBC Emerging Markets Small-Cap Equity Fund		0.5
Apple Inc.	4.8		Delta Electronics Thailand PCL	3.3	
ConocoPhillips	3.3		Cash & Cash Equivalents	3.0	
Wells Fargo & Company	3.0		Security Bank Corp.	2.9	
Lockheed Martin Corporation	2.7		PT Ace Hardware Indonesia Tbk	2.7	
Caterpillar Inc.	2.6		Aeon Thana Sinsap Thailand PCL, Subscription Receipts	2.5	
RBC Canadian Equity Fund		4.9	RBC Emerging Markets Dividend Fund		0.5
RBC Canadian Small & Mid-Cap Resources Fund	7.3		Samsung Electronics Co. Ltd.	4.0	
Royal Bank of Canada	6.3		China Construction Bank Corp.	3.0	
Toronto-Dominion Bank	5.5		Taiwan Semiconductor Manufacturing Co. Ltd.	2.8	
Bank of Nova Scotia	5.2		Bank of China Ltd.	2.7	
Suncor Energy Inc.	4.4		Hyundai Motor Co.	2.3	
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund		4.8	RBC Advisor Canadian Bond Fund		0.1
Apple Inc.	2.5		Canada Housing Trust No. 1.3.350% Dec 15 20	6.3	
Cash & Cash Equivalents	1.9		Canada Housing Trust No. 1.1.850% Dec 15 16	5.6	
Microsoft Corp.	1.9		Province of Ontario 4.700% Jun 2 37	4.1	
Johnson & Johnson	1.8		Province of Ontario 3.150% Jun 2 22	3.3	
Wells Fargo & Company	1.5		Government of Canada 4.000% Jun 1 41	2.8	
RBC Global Bond Fund		4.6	Phillips, Hager & North Canadian Equity Value Fund		0.1
United States Treasury 3.250% Dec 31 16	6.0		Royal Bank of Canada	6.7	
Japan Government Twenty Year JPY 1.600% Jun 20 30	4.8		Cash & Cash Equivalents	6.4	
United States Treasury 0.375% Nov 15 15	4.2		Toronto-Dominion Bank	5.6	
United States Treasury 1.000% Sep 30 19	3.8		Bank of Nova Scotia	5.6	
BlueBay Emerging Markets Corporate Bond Fund	3.6		Canadian National Railway Co.	4.6	
RBC U.S. Mid-Cap Equity Fund		3.2	RBC U.S. Dividend Fund		0.1
Under Armour Inc., Class A	2.2		Apple Inc.	4.3	
Cash & Cash Equivalents	2.2		Microsoft Corp.	2.9	
Signature Bank	1.8		JPMorgan Chase & Co.	2.6	
Henry Schein Inc.	1.8		Wells Fargo & Company	2.6	
Treehouse Foods Inc.	1.7		Cardinal Health Inc.	2.5	
RBC Emerging Markets Equity Fund		3.2	RBC International Dividend Growth Fund		0.1
Housing Development Finance Corp.	4.4		InBev N.V.	4.2	
Taiwan Semiconductor Manufacturing Co. Ltd.	4.0		Rio Tinto Plc.	4.1	
Samsung Electronics Co. Ltd.	3.8		Total S.A.	4.1	
Cash & Cash Equivalents	3.0		Shire Plc.	4.1	
Naspers Ltd.	2.7		Deutsche Telekom AG	4.0	
Cash & Cash Equivalents		2.4	RBC Global Corporate Bond Fund		0.1
			RBC Emerging Markets Bond Fund	2.9	
			BlueBay Emerging Markets Corporate Bond Fund	2.0	
			Cash & Cash Equivalents	1.6	
			JPMorgan Chase & Co. 1.625% May 15 18	1.0	
			Bank of America Corp. EUR 7.000% Jun 15 16	0.8	

Total % of top holding of underlying mutual funds 100.0

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years.

For the year ended December 31,	Jun 30, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010	Jun 30, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010
	Series 1					Series 2				
Net Asset Value end of period	\$ 12.73	\$ 12.11	\$ 10.69	\$ 10.00	\$ 10.26	\$ 12.51	\$ 11.92	\$ 10.55	\$ 9.89	\$ 10.16
Net assets (\$ '000)	\$ 19,836	\$ 15,523	\$ 10,532	\$ 9,277	\$ 8,752	\$ 65,849	\$ 51,160	\$ 36,312	\$ 30,182	\$ 23,477
Number of units outstanding	1,558,615	1,282,158	984,870	927,425	852,798	5,261,790	4,293,723	3,442,777	3,052,181	2,309,932
Management expense ratio ¹	2.60%	2.61%	2.60%	2.59%	2.55%	2.80%	2.84%	2.80%	2.79%	2.59%
Management expense before waiver	2.60%	2.62%	2.60%	2.59%	2.55%	2.80%	2.85%	2.80%	2.79%	2.59%
Portfolio turnover rate of the underlying fund ²	22.47%	18.04%	16.08%	20.38%	40.83%	22.47%	18.04%	16.08%	20.38%	40.83%

* On January 1, 2014, the Fund adopted IFRS and the transition date was January 1, 2013. There were no differences between the IFRS and CGAAP amounts on the financial statements.

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 period.

² 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.

Statement of Net Assets *

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013
Assets			
Cash	\$ 215,574	\$ 13,866	\$ 17,551
Investments in underlying fund at fair value	33,672,133	27,821,445	22,335,102
Other assets			
Accrued income distribution from investments	-	-	-
Accounts receivable - unitholders	30,000	50,000	50,000
Accounts receivable - sale of investments	-	-	-
Due from RBC Life Insurance Company	1,622	22,861	-
Other	1,448	2,962	2,873
	33,920,777	27,911,134	22,405,526
Liabilities			
Bank indebtedness	-	-	-
Other liabilities			
Accrued expenses	-	59,114	69,980
Accounts payable - unitholders	-	-	7,000
Accounts payable - purchase of investments	-	-	-
Other	91,513	41,046	-
	91,513	100,160	76,980
Net assets	\$ 33,829,264	\$ 27,810,974	\$ 22,328,546
Net asset value per unit			
Series 1	\$ 12.40	\$ 11.75	\$ 10.03
Series 2	12.19	11.56	9.89

Statement of Comprehensive Income *

For the six months period ended June 30,	2014	2013
Income		
Distribution from underlying fund	\$ 275	\$ 664
Realized gain on sale of investments	483,065	158,534
Increase in unrealized appreciation of investments	1,586,885	1,371,113
	2,070,225	1,530,311
Expenses		
Management fees	287,255	188,723
Insurance fees	96,933	74,446
Other administrative expenses	73,351	90,149
	457,539	353,318
Net income	\$ 1,612,686	\$ 1,176,993
Net income per unit		
Series 1	\$ 0.64	\$ 0.54
Series 2	0.63	0.51

Statement of Changes in Net Assets *

For the six months period ended June 30,	2014	2013
Net assets, beginning of the period	\$ 27,810,974	\$ 22,328,546
Premium deposits	6,561,217	2,669,323
Net income	1,612,686	1,176,993
	35,984,877	26,174,862
Withdrawals	2,155,613	2,375,771
Net assets, end of the period	\$ 33,829,264	\$ 23,799,091
Number of units outstanding		
Series 1	523,877	448,217
Series 2	2,243,052	1,830,811

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

For the six months ending June 30,	2014	2013
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) %

Statement of Cash Flow *

For the six months period ended June 30,	2014	2013
Operating activities		
Net income	\$ 1,612,686	\$ 1,176,993
Add (deduct) to convert net income to a cash basis		
Net gains on investments	(2,069,950)	(1,529,647)
Change in other assets	42,753	41,032
Change in other liabilities	(8,647)	93,343
Cash provided by (used in) operating activities	(423,158)	(218,279)
Investing activities		
Purchases of investments	(5,224,619)	(1,211,198)
Proceeds from sales of investments	1,443,881	1,245,475
Cash provided by (used in) investing activities	(3,780,738)	34,277
Financing activities		
Distributions to the unitholders	-	-
Proceeds from issue of units	6,561,217	2,669,323
Redemption of units	(2,155,613)	(2,375,771)
Cash provided by (used in) financing activities	4,405,604	293,552
Increase in cash and cash equivalent	201,708	109,550
Cash and cash equivalent at beginning of period	13,866	17,551
Cash and cash equivalent at end of period	\$ 215,574	\$ 127,101

For the six months ending June 30,	2014	2013
Other expenses absorbed by the manager (note 8)		
Series 1		
Annualized MER cap ¹	2.84%	2.92%
Expense before waiver	\$ 81,114	\$ 64,638
MER before waiver	2.84%	2.89%
Expense after waiver	\$ 81,114	\$ 64,638
MER after waiver	2.84%	2.89%
Series 2		
Annualized MER cap ¹	3.07%	3.13%
Expense before waiver	\$ 376,425	\$ 288,680
MER before waiver	3.07%	3.11%
Expense after waiver	\$ 376,425	\$ 288,680
MER after waiver	3.07%	3.11%

Sales and redemption of units (note 9)

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013 *
Investment in underlying fund at fair value (note 10)			
Level 1	\$ 33,672,133	\$ 27,821,445	\$ 22,335,102

Series 1	2014	2013
Opening balance as at January 1st	455,296	432,820
Purchases during the period	110,771	57,255
Redemptions during the period	(42,190)	(41,858)
Closing balance as at June 30th	523,877	448,217
Series 2		
Opening balance as at January 1st	1,943,542	1,817,856
Purchases during the period	438,501	200,705
Redemptions during the period	(138,991)	(187,750)
Closing balance as at June 30th	2,243,052	1,830,811

Schedule of invested assets

As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013 *
RBC U.S. Equity Fund, Series O			
Number of units	1,183,497	1,039,308	972,694
Cost	\$ 26,904,015	\$ 22,640,212	\$ 20,494,042
Fund owned	88.9577%	85.3367%	86.9112%
Fair value, all Level 1 (note 10)	\$ 33,672,133	\$ 27,821,445	\$ 22,335,102
Fair value per unit	\$ 28.45	\$ 26.77	\$ 22.96

Top holdings of the underlying fund (June 30, 2014)					
	% of Assets	% of Assets		% of Assets	% of Assets
RBC Bond Fund		12.9	RBC Global Dividend Growth Fund		2.6
Province of Ontario 2.850% Jun 2 23	3.7		AbbVie Inc.	3.3	
Province of Ontario 3.500% Jun 2 24	2.8		Seagate Technology	3.2	
Province of Ontario 3.450% Jun 2 45	2.6		Rio Tinto Plc.	3.0	
Province of Ontario 4.200% Jun 2 20	2.3		UnitedHealth Group Incorporated	3.0	
Cash & Cash Equivalents	2.2		Williams Companies Inc.	3.0	
RBC European Equity Fund		9.3	RBC Global Equity Focus Fund		2.6
Royal Dutch Shell Plc., A Shares	4.1		Roche Holdings AG Genussscheine	3.6	
InBev N.V.	3.9		Toyota Motor Corp.	3.5	
Roche Holdings AG Genussscheine	3.8		InBev N.V.	3.4	
Unilever Plc.	3.7		Blackstone Group LP	3.2	
Shire Plc.	3.6		Amgen Inc.	3.0	
Phillips, Hager & North Canadian Equity Underlying Fund		8.6	RBC Asia Pacific ex-Japan Equity Fund		2.5
Toronto-Dominion Bank	7.4		Commonwealth Bank of Australia	3.8	
Royal Bank of Canada	6.8		Samsung Electronics Co. Ltd.	3.4	
Bank of Nova Scotia	6.2		Cash & Cash Equivalents	3.2	
Suncor Energy Inc.	4.4		Jardine Matheson Holdings Ltd.	2.8	
Canadian Natural Resources Ltd.	4.1		AIA Group Ltd.	2.8	
RBC Global Bond Fund		8.6	RBC Japanese Equity Fund		1.7
United States Treasury 3.250% Dec 31 16	6.0		Toyota Motor Corp.	5.9	
Japan Government Twenty Year JPY 1.600% Jun 20 30	4.8		SoftBank Corp.	4.4	
United States Treasury 0.375% Nov 15 15	4.2		Mitsubishi UFJ Financial Group Inc.	3.3	
United States Treasury 1.000% Sep 30 19	3.8		Sumitomo Mitsui Financial Group Inc.	3.2	
BlueBay Emerging Markets Corporate Bond Fund	3.6		Fuji Heavy Industries Ltd.	2.8	
RBC U.S. Equity Fund		8.3	RBC Private Canadian Equity Pool		0.6
RBC U.S. Mid-Cap Equity Fund	4.1		RBC Canadian Small & Mid-Cap Resources Fund	6.5	
RBC U.S. Mid-Cap Value Equity Fund	4.1		Royal Bank of Canada	6.1	
Apple Inc.	3.8		Bank of Nova Scotia	5.4	
Wells Fargo & Company	2.1		Toronto-Dominion Bank	4.9	
Microsoft Corp.	1.9		Suncor Energy Inc.	3.7	
RBC Canadian Equity Fund		8.0	RBC Emerging Markets Small-Cap Equity Fund		0.6
RBC Canadian Small & Mid-Cap Resources Fund	7.3		Delta Electronics Thailand PCL	3.3	
Royal Bank of Canada	6.3		Cash & Cash Equivalents	3.0	
Toronto-Dominion Bank	5.5		Security Bank Corp.	2.9	
Bank of Nova Scotia	5.2		PT Ace Hardware Indonesia Tbk	2.7	
Suncor Energy Inc.	4.4		Aeon Thana Sinsap Thailand PCL, Subscription Receipts	2.5	
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund		5.7	RBC Emerging Markets Dividend Fund		0.6
Apple Inc.	2.5		Samsung Electronics Co. Ltd.	4.0	
Cash & Cash Equivalents	1.9		China Construction Bank Corp.	3.0	
Microsoft Corp.	1.9		Taiwan Semiconductor Manufacturing Co. Ltd.	2.8	
Johnson & Johnson	1.8		Bank of China Ltd.	2.7	
Wells Fargo & Company	1.5		Hyundai Motor Co.	2.3	
RBC QUBE U.S. Equity Fund		5.7	Phillips, Hager & North Canadian Equity Value Fund		0.4
Apple Inc.	4.8		Royal Bank of Canada	6.7	
ConocoPhillips	3.3		Cash & Cash Equivalents	6.4	
Wells Fargo & Company	3.0		Toronto-Dominion Bank	5.6	
Lockheed Martin Corporation	2.7		Bank of Nova Scotia	5.6	
Caterpillar Inc.	2.6		Canadian National Railway Co.	4.6	
Phillips, Hager & North Canadian Growth Fund		5.4	RBC U.S. Dividend Fund		0.3
Royal Bank of Canada	5.8		Apple Inc.	4.3	
Toronto-Dominion Bank	5.5		Microsoft Corp.	2.9	
Bank of Nova Scotia	4.7		JPMorgan Chase & Co.	2.6	
Suncor Energy Inc.	3.6		Wells Fargo & Company	2.6	
Canadian National Railway Co.	3.6		Cardinal Health Inc.	2.5	
RBC Emerging Markets Equity Fund		4.5	RBC International Dividend Growth Fund		0.3
Housing Development Finance Corp.	4.4		InBev N.V.	4.2	
Taiwan Semiconductor Manufacturing Co. Ltd.	4.0		Rio Tinto Plc.	4.1	
Samsung Electronics Co. Ltd.	3.8		Total S.A.	4.1	
Cash & Cash Equivalents	3.0		Shire Plc.	4.1	
Naspers Ltd.	2.7		Deutsche Telekom AG	4.0	
RBC Canadian Dividend Fund		4.3	RBC Advisor Canadian Bond Fund		0.2
Bank of Nova Scotia	6.5		Canada Housing Trust No. 1 3.350% Dec 15 20	6.3	
Royal Bank of Canada	6.5		Canada Housing Trust No. 1 1.850% Dec 15 16	5.6	
Toronto-Dominion Bank	6.4		Province of Ontario 4.700% Jun 2 37	4.1	
Cash & Cash Equivalents	4.6		Province of Ontario 3.150% Jun 2 22	3.3	
Canadian National Railway Co.	3.8		Government of Canada 4.000% Jun 1 41	2.8	
RBC U.S. Mid-Cap Equity Fund		3.6	RBC Global Corporate Bond Fund		0.1
Under Armour Inc., Class A	2.2		RBC Emerging Markets Bond Fund	2.9	
Cash & Cash Equivalents	2.2		BlueBay Emerging Markets Corporate Bond Fund	2.0	
Signature Bank	1.8		Cash & Cash Equivalents	1.6	
Henry Schein Inc.	1.8		JPMorgan Chase & Co. 1.625% May 15 18	1.0	
Treehouse Foods Inc.	1.7		Bank of America Corp. EUR 7.000% Jun 15 16	0.8	
Cash & Cash Equivalents		2.6			
Total % of top holding of underlying mutual funds					100.0

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years.

For the year ended December 31,	Jun 30, 2014 Dec 31, 2013 Dec 31, 2012 Dec 31, 2011 Dec 31, 2010					Jun 30, 2014 Dec 31, 2013 Dec 31, 2012 Dec 31, 2011 Dec 31, 2010				
	Series 1					Series 2				
Net Asset Value end of period	\$ 12.40	\$ 11.75	\$ 10.03	\$ 9.33	\$ 9.22	\$ 12.19	\$ 11.56	\$ 9.89	\$ 9.22	\$ 9.83
Net assets (\$'000)	\$ 6,494	\$ 5,347	\$ 4,343	\$ 3,886	\$ 3,615	\$ 27,335	\$ 22,464	\$ 17,986	\$ 16,855	\$ 13,743
Number of units outstanding	523,877	455,296	432,820	416,533	364,520	2,243,052	1,943,542	1,817,856	1,827,858	1,397,561
Management expense ratio ¹	2.84%	2.88%	2.84%	2.82%	2.79%	3.07%	3.09%	3.07%	3.05%	3.01%
Management expense before waiver	2.84%	2.88%	2.84%	2.82%	2.81%	3.07%	3.10%	3.07%	3.05%	3.03%
Portfolio turnover rate of the underlying fund ²	25.33%	21.21%	18.18%	21.24%	46.81%	25.33%	21.21%	18.18%	21.24%	46.81%

¹ On January 1, 2014, the Fund adopted IFRS and the transition date was January 1, 2013. There were no differences between the IFRS and CGAAP amounts on the financial statements.

² 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 period.

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.

Statement of Net Assets *				Statement of Cash Flow *		
As at	Jun 30, 2014	Dec 31, 2013	Jan 1, 2013	For the six months period ended June 30,		
				2014	2013	
Assets				Operating activities		
Cash	\$ -	\$ 50,099	\$ 2,909	Net income	\$ 505,174	\$ 446,625
Investments in underlying fund at fair value	9,842,568	8,213,260	5,984,642	Add (deduct) to convert net income to a cash basis		
Other assets				Net gains on investments	(659,450)	(554,113)
Accrued income distribution from investments	-	-	-	Change in other assets	10,468	(5,194)
Accounts receivable - unitholders	-	-	-	Change in other liabilities	(3,473)	23,629
Accounts receivable - sale of investments	-	-	-	Cash provided by (used in) operating activities	(147,281)	(89,053)
Due from RBC Life Insurance Company	895	9,849	2,577	Investing activities		
Other	1,448	2,962	2,874	Purchases of investments	(1,776,067)	(407,621)
	9,844,911	8,276,170	5,993,002	Proceeds from sales of investments	806,209	174,943
Liabilities				Cash provided by (used in) investing activities	(969,858)	(232,678)
Bank indebtedness	483	-	-	Financing activities		
Other liabilities				Distributions to the unitholders	-	-
Accrued expenses	37,137	40,610	37,130	Proceeds from issue of units	1,924,226	545,770
Accounts payable - unitholders	-	-	-	Redemption of units	(857,669)	(225,079)
Accounts payable - purchase of investments	-	-	-	Cash provided by (used in) financing activities	1,066,557	320,691
Other	-	-	-	Decrease in cash and cash equivalent	(50,582)	(1,040)
	37,620	40,610	37,130	Cash and cash equivalent at beginning of period	50,099	2,909
Net assets	\$ 9,807,291	\$ 8,235,560	\$ 5,955,872	Cash and cash equivalent at end of period	\$ (483)	\$ 1,869
Net asset value per unit				For the six months ending June 30,		
Series 1	\$ 11.81	\$ 11.14	\$ 9.02	Other expenses absorbed by the manager (note 8)		
Series 2	11.55	10.92	8.88	Series 1		
Statement of Comprehensive Income *				Annualized MER cap ¹	3.06%	3.19%
For the six months period ended June 30,				Expense before waiver	\$ 20,020	\$ 20,738
				MER before waiver	3.06%	3.55%
Income				Expense after waiver	\$ 20,020	\$ 18,513
Distribution from underlying fund	\$ 4	\$ 220		MER after waiver	3.06%	3.17%
Realized gain on sale of investments	230,609	27,618		Series 2		
Increase in unrealized appreciation of investments	428,841	526,495		Annualized MER cap ¹	3.40%	3.43%
	659,454	554,333		Expense before waiver	\$ 134,260	\$ 98,982
Expenses				MER before waiver	3.40%	3.79%
Management fees	73,162	48,756		Expense after waiver	\$ 134,260	\$ 89,195
Insurance fees	41,769	28,875		MER after waiver	3.40%	3.41%
Other administrative expenses	39,349	30,077		Sales and redemption of units (note 9)		
	154,280	107,708		Series 1		
Net income	\$ 505,174	\$ 446,625		Opening balance as at January 1st	124,561	110,751
Net income per unit				Purchases during the period	14,925	22,649
Series 1	\$ 0.65	\$ 0.65		Redemptions during the period	(34,332)	(5,540)
Series 2	0.61	0.64		Closing balance as at June 30th	105,154	127,860
Statement of Changes in Net Assets *				Series 2		
For the six months period ended June 30,				Opening balance as at January 1st	627,137	558,560
				Purchases during the period	156,284	35,208
Net assets, beginning of the period	\$ 8,235,560	\$ 5,955,872		Redemptions during the period	(41,653)	(18,352)
Premium deposits	1,924,226	545,770		Closing balance as at June 30th	741,768	575,416
Net income	505,174	446,625		As at		
	10,664,960	6,948,267		Jun 30, 2014	Dec 31, 2013	Jan 1, 2013 *
Withdrawals	857,669	225,079		Investment in underlying fund at fair value (note 10)		
Net assets, end of the period	\$ 9,807,291	\$ 6,723,188		Level 1	\$ 9,842,568	\$ 8,213,260
Number of units outstanding					\$ 5,984,642	
Series 1	105,154	127,860		Schedule of invested assets		
Series 2	741,768	575,416		RBC U.S. Equity Fund, Series O		
<i>The accompanying notes are an integral part of these financial statements.</i>				Number of units	814,485	726,824
For the six months ending June 30,				Cost	\$ 7,442,434	\$ 6,241,967
				Fund owned	89.7244%	91.2081%
Management fees and insurance fees (note 7)				Fair value, all Level 1 (note 10)	\$ 9,842,568	\$ 8,213,260
Annual Management Fee				Fair value per unit	\$ 12.08	\$ 11.30
Series 1	2.35%	2.35%			\$ 9.07	
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) %				

Top holdings of the underlying fund (June 30, 2014)				
	% of Assets	% of Assets		% of Assets
RBC European Equity Fund		13.0	RBC Asia Pacific ex-Japan Equity Fund	3.4
Royal Dutch Shell Plc., A Shares	4.1		Commonwealth Bank of Australia	3.8
InBev N.V.	3.9		Samsung Electronics Co. Ltd.	3.4
Roche Holdings AG Genusscheine	3.8		Cash & Cash Equivalents	3.2
Unilever Plc.	3.7		Jardine Matheson Holdings Ltd.	2.8
Shire Plc.	3.6		AIA Group Ltd.	2.8
Phillips, Hager & North Canadian Equity Underlying Fund		9.8	RBC Global Dividend Growth Fund	2.8
Toronto-Dominion Bank	7.4		AbbVie Inc.	3.3
Royal Bank of Canada	6.8		Seagate Technology	3.2
Bank of Nova Scotia	6.2		Rio Tinto Plc.	3.0
Suncor Energy Inc.	4.4		UnitedHealth Group Incorporated	3.0
Canadian Natural Resources Ltd.	4.1		Williams Companies Inc.	3.0
RBC Canadian Dividend Fund		9.7	RBC Global Equity Focus Fund	2.8
Bank of Nova Scotia	6.5		Roche Holdings AG Genusscheine	3.6
Royal Bank of Canada	6.5		Toyota Motor Corp.	3.5
Toronto-Dominion Bank	6.4		InBev N.V.	3.4
Cash & Cash Equivalents	4.6		Blackstone Group LP	3.2
Canadian National Railway Co.	3.8		Amgen Inc.	3.0
RBC Canadian Equity Fund		9.2	RBC Japanese Equity Fund	2.3
RBC Canadian Small & Mid-Cap Resources Fund	7.3		Toyota Motor Corp.	5.9
Royal Bank of Canada	6.3		SoftBank Corp.	4.4
Toronto-Dominion Bank	5.5		Mitsubishi UFJ Financial Group Inc.	3.3
Bank of Nova Scotia	5.2		Sumitomo Mitsui Financial Group Inc.	3.2
Suncor Energy Inc.	4.4		Fuji Heavy Industries Ltd.	2.8
RBC U.S. Equity Fund		9.1	Phillips, Hager & North Canadian Equity Value Fund	1.3
RBC U.S. Mid-Cap Equity Fund	4.1		Royal Bank of Canada	6.7
RBC U.S. Mid-Cap Value Equity Fund	4.1		Cash & Cash Equivalents	6.4
Apple Inc.	3.8		Toronto-Dominion Bank	5.6
Wells Fargo & Company	2.1		Bank of Nova Scotia	5.6
Microsoft Corp.	1.9		Canadian National Railway Co.	4.6
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund		7.6	RBC U.S. Dividend Fund	1.3
Apple Inc.	2.5		Apple Inc.	4.3
Cash & Cash Equivalents	1.9		Microsoft Corp.	2.9
Microsoft Corp.	1.9		JPMorgan Chase & Co.	2.6
Johnson & Johnson	1.8		Wells Fargo & Company	2.6
Wells Fargo & Company	1.5		Cardinal Health Inc.	2.5
RBC QUBE U.S. Equity Fund		7.1	RBC International Dividend Growth Fund	1.1
Apple Inc.	4.8		InBev N.V.	4.2
ConocoPhillips	3.3		Rio Tinto Plc.	4.1
Wells Fargo & Company	3.0		Total S.A.	4.1
Lockheed Martin Corporation	2.7		Shire Plc.	4.1
Caterpillar Inc.	2.6		Deutsche Telekom AG	4.0
RBC U.S. Mid-Cap Equity Fund		6.7	RBC Emerging Markets Small-Cap Equity Fund	0.8
Under Armour Inc., Class A	2.2		Delta Electronics Thailand PCL	3.3
Cash & Cash Equivalents	2.2		Cash & Cash Equivalents	3.0
Signature Bank	1.8		Security Bank Corp.	2.9
Henry Schein Inc.	1.8		PT Ace Hardware Indonesia Tbk	2.7
Treehouse Foods Inc.	1.7		Aeon Thana Sinsap Thailand PCL, Subscription Receipts	2.5
RBC Emerging Markets Equity Fund		5.6	RBC Emerging Markets Dividend Fund	0.8
Housing Development Finance Corp.	4.4		Samsung Electronics Co. Ltd.	4.0
Taiwan Semiconductor Manufacturing Co. Ltd.	4.0		China Construction Bank Corp.	3.0
Samsung Electronics Co. Ltd.	3.8		Taiwan Semiconductor Manufacturing Co. Ltd.	2.8
Cash & Cash Equivalents	3.0		Bank of China Ltd.	2.7
Naspers Ltd.	2.7		Hyundai Motor Co.	2.3
Phillips, Hager & North Canadian Growth Fund		4.9	RBC Private Canadian Equity Pool	0.6
Royal Bank of Canada	5.8		RBC Canadian Small & Mid-Cap Resources Fund	6.5
Toronto-Dominion Bank	5.5		Royal Bank of Canada	6.1
Bank of Nova Scotia	4.7		Bank of Nova Scotia	5.4
Suncor Energy Inc.	3.6		Toronto-Dominion Bank	4.9
Canadian National Railway Co.	3.6		Suncor Energy Inc.	3.9
			Cash & Cash Equivalents	0.1
Total % of top holding of underlying mutual funds				100.0

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past 5 years.

For the year ended December 31,	Jun 30, 2014					Dec 31, 2013					Dec 31, 2012					Dec 31, 2011					Dec 31, 2010				
	Jun 30, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010	Jun 30, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010	Jun 30, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010	Jun 30, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011	Dec 31, 2010					
Net Asset Value end of period	\$ 11.81	\$ 11.14	\$ 9.02	\$ 8.27	\$ 9.09	\$ 11.55	\$ 10.92	\$ 8.88	\$ 8.17	\$ 9.01	\$ 11.55	\$ 10.92	\$ 8.88	\$ 8.17	\$ 9.01	\$ 11.55	\$ 10.92	\$ 8.88	\$ 8.17	\$ 9.01					
Net assets (\$'000)	\$ 1,241	\$ 1,388	\$ 999	\$ 851	\$ 814	\$ 8,566	\$ 6,848	\$ 4,957	\$ 5,288	\$ 4,725	\$ 8,566	\$ 6,848	\$ 4,957	\$ 5,288	\$ 4,725	\$ 8,566	\$ 6,848	\$ 4,957	\$ 5,288	\$ 4,725					
Number of units outstanding	105,154	124,560	110,751	102,900	89,565	741,768	627,137	558,560	647,361	524,460	741,768	627,137	558,560	647,361	524,460	741,768	627,137	558,560	647,361	524,460					
Management expense ratio ¹	3.06%	3.16%	3.06%	3.07%	3.05%	3.40%	3.41%	3.40%	3.39%	3.33%	3.40%	3.41%	3.40%	3.39%	3.33%	3.40%	3.41%	3.40%	3.39%	3.33%					
Management expense before waiver	3.06%	3.18%	3.54%	3.43%	3.78%	3.40%	3.43%	3.88%	3.74%	4.06%	3.40%	3.43%	3.88%	3.74%	4.06%	3.40%	3.43%	3.88%	3.74%	4.06%					
Portfolio turnover rate of the underlying fund ²	23.59%	15.54%	11.89%	5.76%	42.92%	23.59%	15.54%	11.89%	5.76%	42.92%	23.59%	15.54%	11.89%	5.76%	42.92%	23.59%	15.54%	11.89%	5.76%	42.92%					

* On January 1, 2014, the Fund adopted IFRS and the transition date was January 1, 2013. There were no differences between the IFRS and CGAAP amounts on the financial statements.

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 period.

² 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

June 30, 2014

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

Both the funds and portfolios are referred to in these interim 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. ("RBC GAM"). 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 GAM 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 GAM, while others, referred to in these interim financial statements as "Portfolios", will invest in units of underlying portfolios, also managed by RBC GAM.

2. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

These financial statements, for the six months ending June 30, 2014, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). Previously, the financial statements were prepared under Canadian generally accepted accounting principles ("CGAAP"). The Funds adopted IFRS effective January 1, 2014 and the date of transition was January 1, 2013. For the Funds commenced operations on November 1, 2013, the date of transition was November 1, 2013.

The effect of the Funds' transition to IFRS from CGAAP is summarized as follows:

a) Statements of cash flows

All Funds are required under IAS 7, *Statement of Cash Flows*, to provide cash flows statement. Under CGAAP cash flows statement was not required for the Funds.

RBC GUARANTEED INVESTMENT FUNDS

2. TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

b) Investment entity

It has been determined that the Funds meet the definition of “investment entity”. The most significant judgment that has been made in determining that the Funds meet this definition is that fair value is used as the primary measurement attribute to measure and evaluate the performance of all of their investments. All investments in underlying mutual funds managed by RBC GAM are measured at Fair Value Through Profit or Loss (“FVTPL”), as required by IFRS 13 – Fair Value Measurement, as also previously measured under CGAAP. Since there were no differences in fair value measurement, there were no adjustments required to the Funds’ statements of net assets as at December 31, 2013 or January 1, 2013 as previously reported under CGAAP. The adoption of IFRS also had no impact on the Funds’ statements of comprehensive income for the period ended June 30, 2013.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements have been prepared in accordance with IFRS. 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. The fair value of investments is measured using closing prices, in the same manner in which the daily net asset value per unit is measured for unit holder transaction purposes.

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 interim 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 mutual 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 June 30, 2013 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 mutual fund and the sensitivity to price changes please refer to the financial statements of the underlying mutual 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 interim 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.

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.

6. CAPITAL MANAGEMENT

The Funds have no externally imposed capital requirements. The relevant capital movements are disclosed in the Statement of Changes in Net Assets. To manage risks, the Funds' manager uses internal guidelines, maintains a governance structure that oversees each Fund's investment activities, and monitors compliance with the Fund's investment strategies, internal guidelines and securities regulations.

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 may absorb/waive 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. In the case of the money market fund the management fee may be waived/reduced when rates decrease and increase when rates increase in accordance with our administrative rules. The waiver may be terminated by RBC at any time in accordance with our administrative rules. 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 MEASUREMENT

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 in accordance with IFRS 13 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 June 30, 2014, December 31, 2013 and January 1, 2013, the investments in underlying mutual fund by each of the Fund's are classified as Level 1.

11. RELATED PARTY TRANSACTIONS

During the periods ended June 30, 2014 and the year ended December 31, 2013, management fees and insurance fees were paid to RBC Life Insurance Company as disclosed in Note 7 and presented separately in the Statement of Comprehensive Income of each Fund. As at December 31, 2013 and 2012, 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.

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.

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