

**RBC FUNDS**

**AMENDED AND RESTATED  
MASTER DECLARATION OF TRUST**

**April 12, 2017**

**RBC GLOBAL ASSET MANAGEMENT INC.  
TRUSTEE**

## TABLE OF CONTENTS

	<b>Page</b>
ARTICLE I NAME – PURPOSE AND INVESTMENT OBJECTIVE – INTERPRETATION.....	3
Section 1. Name.....	3
Section 2. Purpose.....	3
Section 3. RBC Funds.....	4
Section 4. Investment Objective of the RBC Funds .....	4
Section 5. Interpretation.....	4
ARTICLE II PARTICIPATION.....	9
Section 1. Units of Participation .....	9
Section 2. Certificate of Interest .....	10
ARTICLE III ADMISSIONS TO AND WITHDRAWALS FROM A FUND.....	10
Section 1. Admissions.....	10
Section 2. Withdrawals .....	11
Section 3. Notice of Admission and Withdrawal.....	12
Section 4. Manner of Payment for Units .....	12
Section 5. Minimum Subscription for Units .....	12
Section 6. Minimum Holdings of Units.....	12
Section 7. Payments.....	12
ARTICLE IV REGISTRATION .....	13
Section 1. Registers.....	13
Section 2. Evidence of Ownership.....	13
ARTICLE V MANAGEMENT AND OWNERSHIP OF ASSETS OF THE RBC FUNDS .....	14
Section 1. Management.....	14
Section 2. Ownership of Assets .....	14
Section 3. Borrowing .....	14
Section 4. Interest of Participants .....	14
Section 5. Appointment of Managers .....	14
Section 6. Investment Counsel, Portfolio Managers and Other Advisors .....	15
Section 7. Principal Distributor(s) .....	15
Section 8. Fees of Manager and Principal Distributor(s).....	15
ARTICLE VI INVESTMENTS AND SELF-DEALING.....	15
Section 1. Segregation of Investments.....	15
Section 2. Self-Dealing .....	15
ARTICLE VII VALUATION OF A FUND AND THE UNITS THEREOF .....	16
Section 1. Valuation Dates.....	16
Section 2. Method of Determining Value .....	16

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
Section 3. Suspension of Withdrawal of Units .....	18
Section 4. Determination of Series Unit Value Binding.....	18
ARTICLE VIII COMPUTATION AND DISTRIBUTION OF INCOME, NET REALIZED CAPITAL GAINS, ADVANTAGE FEE DISTRIBUTIONS AND MANAGEMENT FEE DISTRIBUTIONS.....	18
ARTICLE IX ACCOUNTING AND PARTICIPATION RECORDS, AUDITS AND REPORTS .....	19
Section 1. Accounting Records.....	19
Section 2. Participation Records .....	19
Section 3. Periodic Audit .....	19
Section 4. Report of Audit .....	19
Section 5. Expenses of Audit .....	20
Section 6. Change of Auditors .....	20
ARTICLE X TERMINATION OF A FUND .....	20
Section 1. By Trustee.....	20
Section 2. Distribution .....	20
ARTICLE XI CUSTODY OF INVESTMENTS.....	20
ARTICLE XII REPLACEMENT OF TRUSTEE .....	21
ARTICLE XIII MERGER WITH ANOTHER MUTUAL FUND TRUST .....	21
ARTICLE XIV BOARD OF GOVERNORS .....	21
ARTICLE XV INDEPENDENT REVIEW COMMITTEE.....	22
ARTICLE XVI MANAGEMENT FEES AND EXPENSES.....	22
Section 1. Management Charges.....	22
Section 2. Advances to a Fund.....	22
Section 3. Administration Fee and Other Fund Costs .....	22
ARTICLE XVII AMENDMENTS TO MASTER TRUST AGREEMENT AND REGULATIONS.....	24
Section 1. Amendments by Trustee .....	24
Section 2. Participant Approval .....	25
Section 3. Meetings of Participants .....	25
Section 4. Restatements .....	26
ARTICLE XVIII LIABILITY OF TRUSTEE AND PARTICIPANTS.....	26
Section 1. Liability of Trustee and Manager .....	26

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
Section 2. Liability of Participants.....	27
Section 3. Right to Indemnity .....	27
ARTICLE XIX GOVERNING LAW.....	28
SCHEDULE A.....	A-1
<b>ARTICLE I COMPUTATION AND DISTRIBUTION OF INCOME AND NET</b>	
REALIZED CAPITAL GAINS .....	A-1
Section 1. Computation of Income .....	A-1
Section 2. Computation of Net Realized Capital Gains.....	A-1
Section 3. Distribution of Net Income and Net Realized Capital Gains.....	A-1
Section 4. Automatic Distributions.....	A-1
Section 5. December 15 Year End Election.....	A-2
Section 6. Payment of Distributions .....	A-3
Section 7. Uncollected Income .....	A-3
Section 8. Use of Capital .....	A-3
Section 9. Additional Distributions, Designations and Determinations of Amounts for Tax Purposes .....	A-4
ARTICLE II REDUCED MANAGEMENT FEE DISTRIBUTIONS.....	A-4
Section 1. Management Fee Distributions.....	A-4
SCHEDULE B.....	B-1
<b>ARTICLE I COMPUTATION AND DISTRIBUTION OF INCOME AND NET</b>	
REALIZED CAPITAL GAINS .....	B-1
Section 1. Computation of Income .....	B-1
Section 2. Allocation of Income .....	B-1
Section 3. Computation of Net Realized Capital Gains.....	B-1
Section 4. Allocation of Net Realized Capital Gains.....	B-2
Section 5. Payment of Net Income and Net Realized Capital Gains .....	B-2
Section 6. Automatic Distributions.....	B-2
Section 7. Uncollected Income .....	B-4
Section 8. Use of Capital .....	B-4
Section 9. Additional Distributions, Designations and Determinations of Amounts for Tax Purposes .....	B-4
ARTICLE II REDUCED MANAGEMENT FEE DISTRIBUTIONS.....	B-4
Section 1. Management Fee Distributions.....	B-4
SCHEDULE C.....	C-1

**TABLE OF CONTENTS**  
(continued)

	<b>Page</b>
ARTICLE I COMPUTATION AND DISTRIBUTION OF INCOME AND NET REALIZED CAPITAL GAINS.....	C-1
Section 1. Computation, Allocation and Distribution of Income .....	C-1
Section 2. Computation of Net Realized Capital Gains.....	C-1
Section 3. Distribution of Net Realized Capital Gains .....	C-2
Section 4. Automatic Distributions.....	C-2
Section 5. Uncollected Income .....	C-3
Section 6. Use of Capital .....	C-3
Section 7. Additional Distributions, Designations and Determinations of Amounts for Tax Purposes .....	C-4
ARTICLE II REDUCED MANAGEMENT FEE DISTRIBUTIONS.....	C-4
Section 1. Management Fee Distributions.....	C-4
SCHEDULE D.....	D-1
ARTICLE I COMPUTATION AND DISTRIBUTION OF INCOME AND NET REALIZED CAPITAL GAINS.....	D-1
Section 1. Computation of Income .....	D-1
Section 2. Computation of Net Realized Capital Gains.....	D-1
Section 3. Distribution of Net Income and Net Realized Capital Gains.....	D-1
Section 4. Automatic Distributions.....	D-1
Section 5. December 15 Year End Election.....	D-2
Section 6. Payment of Distributions .....	D-3
Section 7. Uncollected Income .....	D-3
Section 8. Use of Capital .....	D-3
Section 9. Additional Distributions, Designations and Determinations of Amounts for Tax Purposes .....	D-4
ARTICLE II REDUCED MANAGEMENT FEE DISTRIBUTIONS AND ADVANTAGE FEE DISTRIBUTIONS .....	D-4
Section 1. Management Fee Distributions.....	D-4

## RBC FUNDS

### AMENDED AND RESTATED MASTER DECLARATION OF TRUST

**THIS MASTER DECLARATION OF TRUST** was made as of June 26, 2008, was amended and restated as of June 29, 2011, June 29, 2012, June 28, 2013, June 27, 2014, June 30, 2016 and is hereby further amended and restated as of April 12, 2017, by RBC Global Asset Management Inc., a company organized under the laws of Canada, as trustee of the Funds hereunder.

**WHEREAS** The Royal Trust Company (“**Royal Trust**”), in its capacity as trustee, executed a Master Declaration of Trust made as of July 4, 1994 (the “**Original Declaration of Trust**”) relating to certain of the RBC Funds hereunder;

**WHEREAS** Royal Trust amended and restated the Original Declaration of Trust by executing an Amended and Restated Master Declaration of Trust made as of June 30, 1995 (the “**First Amended Declaration of Trust**”);

**WHEREAS** Royal Trust amended the First Amended Declaration of Trust pursuant to the First Amendment dated November 22, 1996, the Second Amendment dated June 27, 1997, the Third Amendment dated July 2, 1998, the Fourth Amendment dated December 31, 1998, the Fifth Amendment dated June 28, 1999 and the Sixth Amendment dated May 4, 2000;

**WHEREAS** Royal Trust amended and restated the First Amended Declaration of Trust, as amended, by executing an Amended and Restated Master Declaration of Trust made as of July 16, 2001 (the “**Second Amended Declaration of Trust**”);

**WHEREAS** Royal Trust amended the Second Amended Declaration of Trust pursuant to the First Amendment dated October 9, 2001, the Second Amendment dated March 25, 2002, the Third Amendment dated July 16, 2002 and the Fourth Amendment dated October 11, 2002;

**WHEREAS** Royal Trust amended and restated the Second Amended Declaration of Trust, as amended, by executing an Amended and Restated Master Declaration of Trust made as of July 14, 2003 (the “**Third Amended Declaration of Trust**”);

**WHEREAS** Royal Trust amended the Third Amended Declaration of Trust pursuant to the First Amendment dated March 17, 2004 and the Second Amendment dated July 15, 2004;

**WHEREAS** Royal Trust appointed Royal Mutual Funds Inc. (“**RMFI**”) to act as manager of the then RoyFund Mutual Funds, Royal Trust Mutual Funds and Royal Mutual Funds (now called the “**RBC Funds**”) pursuant to a Master Management Agreement dated July 4, 1994 (the “**Master Management Agreement**”);

**WHEREAS** on or about January 31, 2002, RMFI assigned its rights and obligations as manager of the RBC Funds to its affiliate, RBC Funds Inc. (“**RBC FI**”);

**WHEREAS** pursuant to an Amended and Restated Master Management Agreement entered into on September 27, 2002 and made effective as of February 1, 2002 (the “**First Amended and Restated Master Management Agreement**”), Royal Trust appointed RBC FI to act as successor manager of the RBC Funds;

**WHEREAS** pursuant to an Amended and Restated Master Primary Investment Advisor Agreement entered into on September 27, 2002 and made effective as of February 1, 2002 (the “**Master Primary Investment Advisor Agreement**”), RBC FI appointed RBC Global Investment Management Inc. (“**RBC GIM**”) as the primary investment advisor of the RBC Funds;

**WHEREAS** effective July 1, 2003, RBC FI and RBC GIM amalgamated to form RBC Asset Management Inc. (“**RBC AM**”);

**WHEREAS** effective July 9, 2004, Royal Trust and RBC AM, in its capacity as manager, amended and restated the First Amended and Restated Master Management Agreement in the form of an Amended and Restated Master Management Agreement (the “**Second Amended and Restated Master Management Agreement**”), which superseded both the First Amended and Restated Master Management Agreement and the Master Primary Investment Advisor Agreement;

**WHEREAS** Royal Trust and RBC AM amended and restated both the Third Amended Declaration of Trust, as amended, and the Second Amended and Restated Master Management Agreement into a single agreement by executing a Master Trust Agreement made as of November 1, 2006 (the “**2006 Master Trust Agreement**”);

**WHEREAS** Royal Trust and RBC AM further amended and restated the 2006 Master Trust Agreement by executing an amended and restated master trust agreement (the “**2007 Master Trust Agreement**”);

**WHEREAS** Royal Trust resigned as trustee under the 2007 Master Trust Agreement and RBC AM assumed the responsibilities of Royal Trust under the 2007 Master Trust Agreement effective as of May 1, 2008;

**WHEREAS** as a result of the resignation and assumption, RBC AM was the trustee and manager under the 2007 Master Trust Agreement;

**WHEREAS** RBC AM amended and restated the 2007 Master Trust Agreement as a declaration of trust made as of June 26, 2008 (the “**2008 Master Declaration of Trust**”);

**WHEREAS** RBC AM changed its corporate name and amalgamated with an affiliate to form RBC Global Asset Management Inc. (the “**Trustee**”), the successor by amalgamation to the rights and obligations of RBC AM, effective November 1, 2010;

**WHEREAS** the Trustee amended and restated the 2008 Master Declaration of Trust as of June 29, 2011 (the “**2011 Master Declaration of Trust**”);

**WHEREAS** the Trustee amended and restated the 2011 Master Declaration of Trust as of June 29, 2012 (the “**2012 Master Declaration of Trust**”);

**WHEREAS** the Trustee amended and restated the 2012 Master Declaration of Trust as of June 28, 2013 (the “**2013 Master Declaration of Trust**”);

**WHEREAS** the Trustee amended and restated the 2013 Master Declaration of Trust as of June 27, 2014 (the “**2014 Master Declaration of Trust**”);

**WHEREAS** the Trustee amended and restated the 2014 Master Declaration of Trust as of June 30, 2016 (the “**2016 Master Declaration of Trust**”);

**WHEREAS** the Trustee has the power to amend and restate the 2016 Master Declaration of Trust pursuant to Article XVII, Sections 1 and 4 of the 2016 Master Declaration of Trust;

**WHEREAS** the Trustee has determined that it is appropriate to amend and restate the 2016 Master Declaration of Trust on the terms set out herein;

**WHEREAS** the Trustee intends that all such new, separate and independent mutual fund trusts as may be created hereunder from time to time and that all such existing, separate and independent mutual fund trusts as may be governed hereunder from time to time, all of the foregoing being referred to herein collectively as the “**RBC Funds**”, and individually as a “**Fund**”, be created and/or governed, as the case may be, by and under this Amended and Restated Master Declaration of Trust (the “**Master Declaration of Trust**”);

**WHEREAS** the Trustee hereby amends the 2016 Master Declaration of Trust pursuant to Section 1 of Article XVII and restates the same pursuant to Section 4 of Article XVII of the 2016 Master Declaration of Trust in the form of this Master Declaration of Trust, which amendments include the creation of a new series of units to be named “Series DZ Units” in respect of certain RBC Funds;

**WHEREAS** the Trustee shall act as the trustee and manager of each of the RBC Funds, upon and subject to the conditions contained herein;

**WHEREAS** the Trustee consents to continue to stand seized and possessed of the trust fund and of the moneys and investments from time to time of each of the RBC Funds, upon the terms, conditions and trusts hereinafter set forth;

**NOW THEREFORE** the Trustee does hereby declare that it continues to act as trustee and manager of all sums or property of any type or description, any accretions thereto and any additions thereto from time to time, all of which constitute the trust fund of a Fund, to be held and managed and dealt with by the Trustee in trust for the use and benefit of the Participants and their legal personal representatives upon and subject to the express terms, conditions and trusts of this Master Declaration of Trust.

## **ARTICLE I**

### **NAME – PURPOSE AND INVESTMENT OBJECTIVE – INTERPRETATION**

#### **Section 1. Name**

The Funds from time to time governed by this Master Declaration of Trust shall be known as the “**RBC Funds**” or by such other name or names as may be determined by the Trustee in its discretion from time to time.

#### **Section 2. Purpose**

Each Fund shall be maintained by the Trustee as a separate and independent trust fund subject to the provisions of this Master Declaration of Trust, excluding any Schedules and Regulations other than the Schedule and the Regulation pertaining to such Fund, and subject to applicable



laws, for the purpose of the common or collective investment and reinvestment of moneys received by the Trustee for investment in such Fund.

### **Section 3. RBC Funds**

A Fund may be designated as one of the RBC Funds, whether such Fund is newly created or already existing, as may be specified from time to time by Regulation. The name, investment objective, and any special terms and conditions, including variations from or supplements to the terms of this Master Declaration of Trust, of a Fund shall be specified in the Regulation pertaining to the Fund. Any Regulations in effect as of the Effective Time shall continue to be effective but may be amended or restated by the Trustee on the date hereof or on any subsequent date.

### **Section 4. Investment Objective of the RBC Funds**

Notwithstanding the laws of any jurisdiction concerning investment by trustees, the assets of a Fund shall be invested by the Trustee in its discretion in accordance with the investment objective of the Fund as set out in the Regulation of the Fund or the Offering Documents of the Fund and in such investments or classes of investment as are set out in the Regulation or the Offering Documents pertaining to the Fund. Moneys of a Fund awaiting investment or disbursement may be invested by the Trustee in its discretion in such investments or classes of investment as are specified in the Offering Documents or in the Regulation pertaining to the Fund. Any restrictions or guidelines on investments of, or permitted investments in, a Fund shall also be as set out in the Regulation pertaining to the Fund or in the Offering Documents of the Fund. Subject to the provisions of the Regulation or the Offering Documents determining the specific investment objective of a Fund, the Fund may invest in or use such derivative instruments as disclosed in the Offering Documents of the Fund from time to time. All such investments in or use of derivative instruments shall be consistent with the investment objectives of the Fund.

### **Section 5. Interpretation**

In this Master Declaration of Trust, unless the context otherwise requires:

“**Advantage Fee Distribution**” has the meaning ascribed thereto in Schedule D to this Master Declaration of Trust;

“**Advisor Effective Time**” means the date of renewal of the Offering Documents of the RBC Advisor Canadian Bond Fund and the RBC North American Dividend Fund in the 2003 calendar year;

“**Advisor Series Units**” means the Advisor Series Units of a Fund, and in respect of each of the RBC Advisor Canadian Bond Fund and RBC North American Dividend Fund means the units of the Fund which were, prior to the Advisor Effective Time, called Series A Units, and in respect of the RBC Global High Yield Fund, means units of the Fund which were, prior to 11:59 p.m. on July 14, 2003, called Series A Units;

“**Advisor T5 Series Units**” means the Advisor T5 Series Units of a Fund;

“**Affiliate**” means, with respect to the Trustee, a corporation controlled by, controlling or under common control with, the Trustee and any partnership in respect of which the Trustee or any such affiliated corporation has a majority interest and exercises direction and control;

“**Business Day**” means any day when the principal office of the Trustee from which the Funds are managed is open for business except for statutory holidays;

“**Common Expenses**” means the Other Fund Costs of a Fund other than Other Fund Costs that are Series Expenses of the Fund;

“**Effective Time**” means 12:01 a.m. on the date hereof;

“**Eligible Participant**” has the meaning ascribed thereto in the Schedule pertaining to a Fund;

“**Fiscal Year**” means the fiscal year of a Fund, ending on the 31st of December each year or such other date as may be determined by the Trustee from time to time;

“**Fund**” means an RBC Fund created and/or governed hereunder from time to time and “**Funds**” has the corresponding plural meaning;

“**herein**”, “**hereby**”, “**hereto**” and “**hereunder**” refer to this Master Declaration of Trust;

“**IRC**” means the group of persons appointed from time to time by the Trustee in accordance with Article XV hereof;

“**Management Fee Distribution**” in respect of a Fund has the meaning ascribed thereto in the Schedule to this Master Declaration of Trust pertaining to the Fund;

“**Manager**” in respect of a Fund means RBC Global Asset Management Inc. unless another Person has been appointed as the manager pursuant to Section 5 of Article V;

“**Master Declaration of Trust**” means this Master Declaration of Trust, as it may from time to time be amended and/or restated, including the Schedules hereto and Regulations made hereunder, as they may be amended and/or restated from time to time and, in respect of a Fund, means this Master Declaration of Trust, as it may from time to time be amended and/or restated, excluding any Schedules and Regulations other than the Schedule and the Regulation pertaining to the Fund, as it may be amended and/or restated from time to time;

“**Member**” means a person appointed from time to time to the IRC;

“**Net Asset Value**” has the meaning ascribed thereto in Section 2 of Article VII;

“**Net Change in Non Portfolio Assets**” in respect of a Fund means at the Valuation Time on any Valuation Date, the aggregate of all income accrued by the Fund on that Valuation Date including, without limitation, cash dividends and distributions, interest and compensation; less the Common Expenses to be accrued by the Fund on that Valuation Date; plus or minus any change in the value of any non-portfolio assets or liabilities stated in any foreign currency, including, without limitation, cash, accrued dividends or interest, any receivables or payables; plus or minus any gain or loss resulting from transfers of currencies; and plus or minus any other

items determined by the Trustee to be relevant in determining Net Change in Non Portfolio Assets, all in respect of that Valuation Date;

“**Net Portfolio Transactions**” in respect of a Fund means, at the Valuation Time on any Valuation Date, the impact of portfolio transactions in respect of that Valuation Date on the Fund, including without limitation, portfolio transactions which occurred on a preceding Valuation Date but which were not reflected in the net asset value of the Fund on a preceding Valuation Date, and the adjustments to the assets as a result of a stock dividend, stock split or other corporate action;

“**NI 81-102**” means National Instrument 81-102 – Investment Funds, of the Canadian Securities Administrators, as the same may be amended and/or restated from time to time;

“**NI 81-106**” means National Instrument 81-106 – Investment Fund Continuous Disclosure, of the Canadian Securities Administrators, as the same may be amended and/or restated from time to time;

“**NI 81-107**” means National Instrument 81-107 – Independent Review Committee for Investment Funds, of the Canadian Securities Administrators, as the same may be amended and/or restated from time to time;

“**Offering Documents**” means one or more of the simplified prospectus and the annual information form of a Fund or such other documents under which securities of the Fund are required or permitted to be offered under applicable law, as the same may be amended and/or restated from time to time;

“**Other Fund Costs**” means the operating expenses of a Fund or a Series of a Fund, as applicable, that are paid directly by the Fund or the Series of the Fund, including costs and expenses related to the IRC, the cost of any government or regulatory requirements introduced after July 1, 2007 and any borrowing costs;

“**Participant**” means, in respect of a Fund, an individual, firm, corporation, trustee, fiduciary or other person whose name is entered on the Register as holding one or more Units in the Fund and a “**Series A Participant**”, “**Series D Participant**”, “**Series DZ Participant**”, “**Series F Participant**”, “**Series FT5 Participant**”, “**Series FT8 Participant**”, “**Series H Participant**”, “**Series I Participant**”, “**Series O Participant**”, “**Series T5 Participant**”, “**Series T8 Participant**”, “**Series Z Participant**”, “**Advisor Series Participant**” and “**Advisor T5 Series Participant**”, means a Person whose name is entered on the Register as holding one or more Series A Units, Series D Units, Series DZ Units, Series F Units, Series FT5 Units, Series FT8 Units, Series H Units, Series I Units, Series O Units, Series T5 Units, Series T8 Units, Series Z Units, Advisor Series Units or Advisor T5 Series Units, respectively, in the Fund, and “**Participants**” shall have the corresponding plural meaning;

“**Person**” includes an individual, corporation, partnership, joint venture, trust, unincorporated organization, the Crown or any agency or instrumentality thereof or any other entity recognized by law;

“**RBC Funds**” has the meaning ascribed thereto in Section 1 of Article I of this Master Declaration of Trust;

“**RBC Portfolios**” means collectively, RBC Select Very Conservative Portfolio, RBC Select Conservative Portfolio, RBC Select Balanced Portfolio, RBC Select Growth Portfolio, RBC Select Aggressive Growth Portfolio, RBC Select Choices Conservative Portfolio, RBC Select Choices Balanced Portfolio, RBC Select Choices Growth Portfolio, RBC Select Choices Aggressive Growth Portfolio, RBC Managed Payout Solution, RBC Managed Payout Solution – Enhanced and RBC Managed Payout Solution – Enhanced Plus;

“**RBC Target Funds**” means collectively, RBC Target 2020 Education Fund, RBC Target 2025 Education Fund and RBC Target 2030 Education Fund;

“**Register**” means the register of the interests of Participants in a Fund or a Series of a Fund to be maintained hereunder;

“**Regulation(s)**” means such regulations as have been previously adopted or as may be adopted in accordance with the provisions hereof in respect of the RBC Funds or any Fund, as the same may be amended and/or restated from time to time;

“**Series**” means any one of the series of Units of a Fund described in Section 1 of Article II hereof or other series of Units of the Fund established by the Trustee in accordance with the provisions hereof from time to time;

“**Series A Units**” means the Series A Units of a Fund, but in respect of the RBC Global High Yield Fund does not mean the units of the Fund which were called Series A Units of the Fund prior to 11:59 p.m. on July 14, 2003, and in respect of the RBC Advisor Canadian Bond Fund and the RBC North American Dividend Fund does not mean the units of the Fund which were called Series A Units prior to the Advisor Effective Time;

“**Series D Units**” means the Series D Units of a Fund;

“**Series DZ Units**” means the Series DZ Units of a Fund;

“**Series Expenses**” means, in respect of any particular Series of a Fund, the fees and Other Fund Costs of the Fund that are charged specifically to that Series;

“**Series F Units**” means the Series F Units of a Fund;

“**Series FT5 Units**” means the Series FT5 Units of a Fund;

“**Series FT8 Units**” means the Series FT8 Units of a Fund;

“**Series H Units**” means the Series H Units of a Fund;

“**Series I Units**” means the Series I Units of a Fund;

“**Series Net Asset Value**” has the meaning ascribed thereto in Section 2 of Article VII of this Master Declaration of Trust;

“**Series O Units**” means the Series O Units of a Fund;

“**Series T5 Units**” means the Series T5 Units of a Fund;

“**Series T8 Units**” means the Series T8 Units of a Fund;

“**Series Z Units**” means the Series Z Units of a Fund;

“**Series Unit Value**” means, in respect of any particular Series of a Fund, the portion of the Net Asset Value of the Fund attributable to such Series determined from time to time in the manner set out in this Master Declaration of Trust;

“**Tax Act**” means the *Income Tax Act* (Canada), as amended;

“**Taxation Year**” means, in respect of a Fund, the taxation year of the Fund for the purposes of the Tax Act;

“**Trustee**” means RBC Global Asset Management Inc. or such other trustee as may from time to time be appointed in accordance with the provisions hereof;

“**Underlying Fund**” means any mutual fund, other than RBC Monthly Income Bond Fund, RBC Strategic Income Bond Fund (formerly, RBC Monthly Income High Yield Bond Fund), RBC Emerging Markets Bond Fund (CAD Hedged), RBC Conservative Growth & Income Fund, RBC Global Growth & Income Fund, RBC Select Very Conservative Portfolio, RBC Select Conservative Portfolio, RBC Select Balanced Portfolio, RBC Select Growth Portfolio, RBC Select Aggressive Growth Portfolio, RBC Select Choices Conservative Portfolio, RBC Select Choices Balanced Portfolio, RBC Select Choices Growth Portfolio, RBC Select Choices Aggressive Growth Portfolio, RBC Managed Payout Solution, RBC Managed Payout Solution – Enhanced, RBC Managed Payout Solution – Enhanced Plus, RBC Retirement Income Solution, RBC Retirement 2020 Portfolio, RBC Retirement 2025 Portfolio, RBC Retirement 2030 Portfolio, RBC Retirement 2035 Portfolio, RBC Retirement 2040 Portfolio, RBC Retirement 2045 Portfolio, RBC Retirement 2050 Portfolio, RBC Target 2020 Education Fund, RBC Target 2025 Education Fund, RBC Target 2030 Education Fund, RBC International Equity Currency Neutral Fund, RBC Asian Equity Fund and RBC Emerging Markets Multi-Strategy Equity Fund and which has been designated as an Underlying Fund by the Trustee;

“**Unit**” in respect of a Fund means a unit of participation in the Fund as provided for hereunder including Series A Units, Series D Units, Series DZ Units, Series F Units, Series FT5 Units, Series FT8, Series H Units, Series I Units, Series O Units, Series T5 Units, Series T8 Units, Series Z Units, Advisor Series Units and Advisor T5 Series Units and includes a fraction of a Unit and “**Units**” shall have the corresponding plural meaning;

“**Valuation Date**” means every Business Day; and

“**Valuation Time**” means the time on a Valuation Date as of which the value of the investments of a Fund is to be determined, as established by the Trustee in its discretion from time to time.

In the event of any inconsistency between a provision of a Regulation pertaining to a Fund and any other provision of this Master Declaration of Trust, the provision of the Regulation shall prevail.

## ARTICLE II PARTICIPATION

### Section 1. Units of Participation

- (a) Each Fund shall be divided into Units of one or more Series as determined by the Trustee from time to time, referred to as whole Units, and fractions thereof, which shall be entitled to the rights and subject to the restrictions, conditions and limitations set out herein. The interest of each Participant in a Fund shall be determined by the number of Units of the Fund registered in the name of such Participant.
- (b) Upon the establishment of a Fund, the Trustee shall issue to each original Participant a number of Units proportionate to the amount paid by such Participant into the Fund and based on an initial Series Unit Value of \$10.00 or such other initial Series Unit Value as may be specified in the Regulation pertaining to the Fund.
- (c) Additional amounts may be paid in by the original and other Participants admitted to a Fund by the Trustee in accordance with the provisions hereof and Units shall be issued to such Participants at the then applicable Series Unit Value. There is no limit on the number of Units of a Series which may be issued by a Fund.
- (d) Each Unit of a Series of a Fund shall have a proportionate equal interest in the Series Net Asset Value of the Fund and, except with respect to Management Fee Distributions or Advantage Fee Distributions, in any distribution in respect of the Series of the Fund (whether of net income, net realized capital gains or other amount) and no Unit of a Series of a Fund shall have priority or preference over another Unit of the same Series or of another Series of such Fund.
- (e) The Trustee may by declaration at any time and from time to time, in its discretion, and without notice to Participants, subdivide or consolidate the Units of a Series of a Fund in such manner as the Trustee shall consider appropriate, provided that the proportionate interest of any Participant in the Fund shall not be increased or decreased by reason of any such subdivision or consolidation of Units.
- (f) As at the Effective Time, 14 Series of Units known as the Series A Units, Series D Units, Series DZ, Series F Units, Series FT5 Units, Series FT8, Series H Units, Series I Units, Series O Units, Series T5 Units, Series T8 Units, Series Z Units, Advisor Series Units and Advisor T5 Series Units exist for each of the Funds so that, from and after the Effective Time, each Fund shall continue to have 14 Series of Units. Additional Series of Units of a Fund may be created from time to time at the sole discretion of the Trustee through amendment of this Master Declaration of Trust.

Each Series of a Fund shall have the features and characteristics determined by the Trustee from time to time and disclosed in the Offering Documents of the Fund, including without limitation the nature and amount of any fees or charges to

be borne by investors in a Series, the minimum initial investment and minimum subsequent investment in Units of the Series and Series eligibility requirements. Subject to Article XVII, the Trustee shall be authorized to make such amendments to this Master Declaration of Trust as it deems necessary to reflect the existence of such additional Series of Units without having to provide Participants with notice of such amendments.

For greater certainty, Participants in all Series of Units of a Fund shall be beneficiaries of a single trust, the Fund.

- (g) Subject to the requirements determined from time to time by the Trustee and stated in the Offering Documents of a Fund, Units of a particular Series of a Fund may, at the option of the holder or the Trustee, be redesignated as Units of any other Series of the Fund based on the applicable Series Unit Value for each of the two Series on the date of the redesignation. For greater certainty, Units of a Fund redesignated as Units of another Series of the Fund are not thereby redeemed or cancelled and the Participant holding such redesignated Units shall receive no proceeds of disposition.

## **Section 2. Certificate of Interest**

The Trustee may issue to each Participant in a Fund a non-transferable certificate or statement showing the number of Units of a Series issued to or registered in the name of such Participant on the Register and such other information as the Trustee may decide. Provided, however, that, a Participant may grant a security interest or hypothec under applicable local law to a financial institution or securities dealer, including the Trustee or any Affiliate thereof, and for such purposes, title to any Unit may be represented by or incorporated in a document in such form as may be prescribed by the Trustee from time to time; and such document may at any time be presented to the Trustee for cancellation.

## **ARTICLE III ADMISSIONS TO AND WITHDRAWALS FROM A FUND**

### **Section 1. Admissions**

Notices requesting admission to a Fund which are received at the office from which the Fund is administered on a Valuation Date prior to a specified time established by the Trustee in its discretion from time to time and which are accepted by the Trustee shall be implemented on such Valuation Date and those which are received after such specified time shall be implemented on the next Valuation Date. Subject to the foregoing, any admission to a Fund to be implemented on a Valuation Date shall be implemented immediately following the Valuation Time on such Valuation Date. Within three (3) Business Days following each Valuation Date of a Fund, the Trustee shall issue to Participants in the Fund whose notices requesting admission have been implemented on such Valuation Date, the Units of the Series subscribed for by them at the Series Unit Value determined hereunder on such Valuation Date and amounts equal to the aggregate Series Unit Value of the Units so issued shall be paid into such Fund. Fractional Units of a Fund may be issued and the provisions of this Master Declaration of Trust shall apply to them accordingly.

The Trustee reserves the right, in its sole discretion, to accept or reject subscriptions in whole or in part and thereby restrict the number of Units of a Series of a Fund that may be purchased for beneficial ownership by any Participant. The decision of the Trustee to accept or reject a subscription or part thereof will be exercised within one (1) Business Day. In the case of the rejection of a subscription or part thereof, a corresponding portion of the moneys received with the subscription will be refunded to the subscriber immediately.

## **Section 2. Withdrawals**

Notices requesting withdrawal from a Fund which are received at the office from which the Fund is administered on a Valuation Date prior to a specified time established by the Trustee in its discretion from time to time shall be implemented on such Valuation Date and those which are received after such specified time shall be implemented on the next following Valuation Date. Subject to the foregoing, any withdrawal from a Fund to be implemented on a Valuation Date shall be implemented immediately following the Valuation Time on such Valuation Date. Within three (3) Business Days following the Valuation Date of withdrawal from a Fund, the Trustee shall pay to each Participant who is withdrawing all or part of his holdings of Units of a Series in such Fund or, if Units of a Series represented by a document issued pursuant to Section 2 of Article II are being withdrawn as aforesaid, to the holder of such document, an amount in Canadian funds equal to the aggregate Series Unit Value of the Units withdrawn determined as of such Valuation Date of withdrawal, and, if all of a Participant's Units of a Series of the Fund are withdrawn, all undistributed net income and net realized capital gains of the Fund credited or made payable in respect of such Units prior to the Valuation Date of withdrawal and any other unpaid distributions which have been credited or made payable thereon prior to the Valuation Date of withdrawal. Upon such payment, the Fund and the Trustee, its employees, agents and representatives shall be discharged from all liability in respect of the Units withdrawn, except, where less than all of a Participant's Units of a Series of a Fund are withdrawn, the liability to distribute the net income and net realized capital gains of the Fund credited or made payable in respect of the Units withdrawn prior to the Valuation Date of withdrawal and any other unpaid distributions which have been credited or made payable thereon prior to the Valuation Date of withdrawal.

Where a Participant is or becomes a citizen or resident of the United States or a resident of any other foreign country, the Trustee shall be entitled, at any time and from time to time, at its discretion, to compulsorily cause to be withdrawn all or any part of the Units held by any such Participant if such holding has the potential to cause adverse regulatory or tax consequences for a Fund or other Participants of a Fund, on such terms and conditions as the Trustee may, from time to time, determine, at its discretion, for an amount in Canadian funds equal to the aggregate Series Unit Value of the Units withdrawn determined as of the Valuation Date of withdrawal, and, if all of a Participant's Units of a Series of the Fund are compulsorily withdrawn, all undistributed net income and net realized capital gains of the Fund credited or made payable in respect of such Units prior to the Valuation Date of withdrawal and any other unpaid distributions which have been credited or made payable thereon prior to the Valuation Date of withdrawal. For greater certainty, any amount required to be paid to a Participant pursuant to this paragraph of Section 2 of Article III shall be considered to have been fully paid to a Participant where the Trustee has paid the Participant such amount net of taxes required to be withheld under the laws of the United States or any other foreign country.



The Trustee may from time to time provide that a redemption fee, short-term trading fee or other fee may be charged with respect to the redemption of any Units of a Fund. The amount of any such fee, the terms of its application and the Person to whom it is payable shall be determined by the Trustee and described in any Offering Document. The Trustee may from time to time change such fee and/or the terms of its application and/or the Person to whom it is payable provided that the change is reflected in the Offering Documents and provided that if the change will apply to Units held on the effective date of the change and approval of Participants in the Fund to the change is required under applicable law, such approval is obtained.

Any applicable redemption fee, short-term trading fee or other fee shall be deducted from any payment of the Series Unit Value of the Units withdrawn otherwise payable on the withdrawal.

For greater certainty, the Trustee in its discretion shall determine whether and to what extent a payment to a Participant upon a withdrawal shall be treated in whole or in part as a distribution out of income or capital gains of the Fund.

### **Section 3. Notice of Admission and Withdrawal**

Notices requesting admission to or withdrawal from a Fund may be given to any Person appointed by the Trustee for such purpose or to any representative appointed by the Trustee for such purpose.

### **Section 4. Manner of Payment for Units**

Units of a Fund may be issued to a Participant for cash (which includes payment by cheque or bank draft) or, in the discretion of the Trustee, in exchange for investments which qualify for the Fund at a value to be determined by the Trustee and no Unit shall be issued until fully paid.

### **Section 5. Minimum Subscription for Units**

The Trustee reserves the right to establish a minimum initial contribution and a minimum additional contribution to a Fund or a Series of a Fund in its discretion from time to time.

### **Section 6. Minimum Holdings of Units**

The Trustee reserves the right to establish a minimum holding of Units of a Series of a Fund and the right to redeem the Units of Participants holding less than such required minimum holding. If provided for in the Offering Documents, the Trustee may, in its discretion, use the proceeds of any Units so redeemed to purchase Units of the same Series of another Fund.

### **Section 7. Payments**

Payments from a Fund shall be made only to, or upon the order in writing of, the Participant in whose name the Units in respect of which such payment is made are registered or his personal representative or attorney duly authorized in writing or, where a document representing Units has previously been issued pursuant to Section 2 of Article II, only to the holder of such document upon presentation of the document to the Trustee for cancellation, and may be made by cheque payable as aforesaid forwarded by prepaid post to the address as shown for such Participant on the appropriate Register or to such other address as may be specified in writing by the Participant or his personal representative or attorney so authorized or holder of said document or may be

made in such other manner as has been agreed to in writing by the Participant or his personal representative or attorney or holder of said document, including, without limitation, by deposit to an account designated by the Participant with a bank or trust company including the Trustee or an Affiliate. The forwarding of such cheque or the deposit to the Participant's account as aforesaid shall satisfy and discharge the liability for the payment to the extent of the sums represented thereby unless such cheque is not paid on presentation.

## **ARTICLE IV REGISTRATION**

### **Section 1. Registers**

The Trustee shall establish and maintain a separate register of the interests of all Participants for each Series of a Fund. The Register shall include the name and address of such Participants, the number and Series of Units of the Fund issued to or withdrawn by Participants as of each Valuation Date, the number and Series of Units then held by each Participant in the Fund, including the number and Series of Units of the Fund which are represented by a document of interest issued pursuant to Section 2 of Article II, as well as the date and details of each issue and redemption of Units and each distribution of the Fund. The Trustee may establish and maintain such branch registers as it considers appropriate. On any subdivision or consolidation of Units of a Series of a Fund, the Register therefor shall be amended to reflect the number of Units held by each Participant by reason of such subdivision or consolidation.

### **Section 2. Evidence of Ownership**

The ownership of Units of a Series of a Fund shall be evidenced only by the registration thereof on the Register therefor maintained by the Trustee. The Trustee shall be entitled to treat a Participant in whose name any Units are registered as the absolute owner of such Units for all purposes, any notice to the contrary notwithstanding, and to deal with Units on the exclusive direction of the Participant in whose name such Units are registered; provided, however, that if a document of interest or certificate in respect of Units has been issued pursuant to Section 2 of Article II, the Trustee shall comply with the direction of the holder of such document given in accordance with the terms hereof. The Trustee shall not be charged with notice of or be bound to see to the execution of any trust, whether express, implied or constructive, in respect of any Unit and may deal with the same on the direction of the Participant in whose name such Unit is registered, whether named as trustee or otherwise, as though that Person were the sole beneficial owner thereof. The written authorization of an executor, administrator, committee of a mentally incompetent person, guardian or trustee who is registered on the books of a Fund as holding Units in any such capacity shall constitute sufficient justification for the registrar or branch registrar to register a transfer of such Units, including a transfer into the name of such executor, administrator, committee of a mentally incompetent person, guardian or trustee. The Trustee may require that such an executor, administrator, committee, guardian or trustee provide evidence of authentication of their authority.

**ARTICLE V**  
**MANAGEMENT AND OWNERSHIP OF ASSETS OF THE RBC FUNDS**

**Section 1. Management**

Subject to Section 5 and Section 6 of this Article V, the Trustee shall have exclusive management and control of the business, operations and affairs of a Fund and its assets and shall be entitled to acquire, hold, dispose of and otherwise deal with the investments and other assets of the Fund at such time, in such manner and on such terms and conditions as the Trustee in its sole discretion considers appropriate.

**Section 2. Ownership of Assets**

All assets of a Fund shall, at all times, be considered as assets held in trust by the Trustee, as trustee of the Fund, and the Trustee shall exercise in its discretion all the rights and powers of an owner of the investments and any other assets of the Fund.

**Section 3. Borrowing**

Subject to applicable laws, the Trustee may borrow moneys on the credit of a Fund to cover the withdrawal of Units prior to a realization of assets of the Fund for such purpose.

**Section 4. Interest of Participants**

No Participant in a Fund shall have or be deemed to have any individual ownership interest in any asset of the Fund, but, in respect of each Unit, the interest of a Participant shall consist only of the right to receive payment from the Trustee (at the time and place and in the manner and subject to the conditions herein expressly provided and after giving to the Trustee notice of withdrawal as provided herein) of an amount equal to the Series Unit Value of the Unit as of the Valuation Date of withdrawal, and until such Valuation Date, the right to receive the Unit's share of the net income and net realized capital gains of the Fund as may be credited, paid or made payable and also the right to receive the Unit's share of any additional distributions of moneys or properties of the Fund as may be credited or made payable, in each case as provided herein. Subject to Article XIII, the Units of a Fund are not transferable.

**Section 5. Appointment of Managers**

The Trustee may appoint one or more managers for a Fund. Except as hereinafter set forth or as prohibited by law, the Trustee may delegate or transfer to such manager or managers such of its rights and responsibilities hereunder relating to management and administration of the Fund and its assets as it in its sole discretion may deem to be appropriate and grant to such manager such authority as may be necessary or desirable in order to permit the manager to exercise the rights or carry out the responsibilities so delegated or transferred; provided, however, that no such appointment, delegation, transfer or grant shall relieve the Trustee of its responsibilities hereunder. If no manager has been appointed for a Fund, the Trustee shall be considered for all purposes to be the manager of the Fund.

The Trustee may enter into an agreement with a manager or a manager may be made a party to this Master Declaration of Trust in order to provide for the manager's responsibilities, authority and compensation.

#### **Section 6. Investment Counsel, Portfolio Managers and Other Advisors**

The Trustee or any manager appointed hereunder may, from time to time, engage, by contract or otherwise, and remove, such advisors and other Persons including, without limitation, investment counsel, portfolio managers, financial consultants, brokers, depositories, custodians, registrars, accountants and lawyers, as it considers advisable in the discharge of its duties hereunder and shall have the power, consistent with its responsible management and control of a Fund and its assets, to delegate to such advisors and other Persons and to its officers, employees and others the doing of such things in connection with the Fund and its assets as the Trustee or the manager may from time to time deem expedient. It is hereby expressly stated that the Trustee or manager may engage a Person who is an Affiliate of or otherwise related to the Trustee, as aforesaid in connection with a Fund and the Trustee or manager is authorized to enter into such investment advisory, portfolio management, consulting, brokerage, depository, custodial, management services, distribution services and other agreements with such Person as the Trustee or manager may consider advisable for such purpose.

#### **Section 7. Principal Distributor(s)**

The Trustee may appoint a principal distributor or distributors to distribute the Units of a Fund. No such appointment shall relieve the Trustee of its responsibilities hereunder.

#### **Section 8. Fees of Manager and Principal Distributor(s)**

Where a manager or principal distributor has been appointed for a Fund, unless the Offering Documents otherwise provide, the Trustee shall be responsible for the payment of any fee payable to such manager or principal distributor. The Trustee may direct that all or a portion of the management fee that would otherwise be paid to the Trustee from the assets of a Fund be paid directly to a manager or principal distributor.

### **ARTICLE VI INVESTMENTS AND SELF-DEALING**

#### **Section 1. Segregation of Investments**

The investments of a Fund shall be kept separate from all other property belonging to or in the custody of the Trustee or other custodian appointed by it, except moneys of a Fund awaiting investment or disbursement which may be held in accordance with the policy of the Fund in interim investments set out in the Offering Documents or in the Regulation pertaining to the Fund.

#### **Section 2. Self-Dealing**

The Trustee's services to the Funds are not exclusive and, subject to the limitations otherwise provided in this Agreement on the power and authorities of the Trustee, the Trustee may for any purpose, and is hereby expressly authorized from time to time in its discretion to, appoint,

employ, invest in, contract or deal with any Person, including without limitation, itself and any Person with which it may directly or indirectly be affiliated or in which it may be directly or indirectly interested, whether on its own account or for the account of another (in a fiduciary capacity or otherwise), without being liable to account therefor and without being in breach of this Agreement.

Without limiting the generality of the foregoing, the Trustee may act hereunder notwithstanding that the Trustee or any of its divisions, branches or Affiliates may:

- (a) have a material interest in the transaction or that circumstances are such that the Trustee may have a potential conflict of duty or interest including the fact that the Trustee or any of its Affiliates may:
  - (i) purchase, hold, sell, invest in or otherwise deal with securities or other property of the same class and nature as may be held in the Fund, whether on its own account or for the account of another (in a fiduciary capacity or otherwise);
  - (ii) act as a market maker in the securities that form part of the Fund Property;
  - (iii) provide brokerage services to other clients;
  - (iv) act as financial adviser to the issuer of such securities;
  - (v) act in the same transaction as agent for more than one client;
  - (vi) have a material interest in the issue of securities that form part of the Fund Property;
  - (vii) use in other capacities knowledge gained in its capacity as trustee hereunder provided that such use is not detrimental to the best interests of a Fund; and
- (b) earn profits from any of the activities listed herein,

without being liable to account therefor and without being in breach of this Agreement.

## **ARTICLE VII VALUATION OF A FUND AND THE UNITS THEREOF**

### **Section 1. Valuation Dates**

On each Valuation Date, the Trustee shall determine, in respect of a Fund, the net asset value of the Fund, the net asset value of each Series of the Fund and the Series Unit Value of each Series of Units of the Fund as at the Valuation Time on such Valuation Date.

### **Section 2. Method of Determining Value**

The net asset value of a Fund (the “**Net Asset Value**”) as of each Valuation Date, shall be determined in Canadian funds in accordance with NI 81-106 or other applicable laws, by valuing

the investments held in the Fund and any other assets of the Fund as of such Valuation Date and deducting from the total of the foregoing, all expenses or liabilities of the Fund due or accrued or accruing due as of such Valuation Date.

The net asset value of a Series of a Fund (the “**Series Net Asset Value**”) as of any Valuation Date (the “**Relevant Date**”) shall be equal to:

- (a) the Series Net Asset Value calculated in respect of that Series on the immediately preceding Valuation Date (the “**Previous Date**”);
- (b) plus or minus that Series’ proportionate share of Net Change in Non Portfolio Assets determined in respect of the Relevant Date;
- (c) plus or minus that Series’ proportionate share of Net Portfolio Transactions determined in respect of the Relevant Date;
- (d) plus the increase in Fund assets due to Units of the Series being issued pursuant to the terms of this Master Declaration of Trust after the Valuation Time on the Previous Date;
- (e) minus the decrease in Fund assets due to Units of that Series being redeemed after the Valuation Time on the Previous Date;
- (f) plus or minus the increase or decrease in Series Net Asset Value as a result of Units being redesignated from or into Units of another Series after the Valuation Time on the Previous Date;
- (g) minus additional Series Expenses in respect of that Series recorded by the Fund on the Relevant Date and that Series’ share of any additional Common Expenses recorded by the Fund on the Relevant Date; and
- (h) plus or minus that Series’ proportionate share of market appreciation or depreciation (including any impact due to foreign exchange gains or losses) of the portfolio assets on the Relevant Date from the Previous Date.

The Series Net Asset Value, as thus determined, shall be divided by the number of outstanding Units of the Series of the Fund at the Valuation Time to ascertain the Series Unit Value as of such Valuation Date.

For greater certainty:

- (a) the assets of the Fund on a Relevant Date shall not include subscriptions for Units to be implemented on or after the Relevant Date;
- (b) the liabilities of the Fund on a Relevant Date shall not include amounts payable in respect of withdrawals to be implemented on or after the Relevant Date;
- (c) the liabilities of the Fund on a Valuation Date shall include all net income, net realized capital gains and other amounts credited or made payable by the Fund to

Participants prior to such Valuation Date and which have not been paid prior to such Valuation Date; and

- (d) the number of outstanding Units at the Valuation Time shall be determined without regard to reinvestments of net income, net realized capital gains or other distributions payable to Participants to be implemented following the Valuation Time or to subscriptions to or withdrawals from the Fund to be implemented following the Valuation Time.

### **Section 3. Suspension of Withdrawal of Units**

The Trustee may, or may provide instruction or consent to action by the manager to, suspend withdrawal of Units of a Fund in whole or in part (i) with the consent of the securities regulatory authority in the province in which is located the principal office from which the Fund is managed for any period during which the Trustee determines that conditions exist which render impractical the sale of the assets of the Fund or which impair the ability of the Trustee to determine the value of the assets of the Fund, or (ii) during any period when normal trading is suspended on any stock exchange or market on which securities are listed and/or traded which represent more than 50% of the value or underlying market exposure of the total net assets of the Fund and if those securities are not traded on any other exchange that represents a reasonably practical alternative for the Fund. No subscriptions for the purchase of Units of a Fund shall be accepted during any period when the right to withdraw Units thereof is suspended. In the event the Trustee suspends the withdrawal of Units of a Fund in accordance with the foregoing, it shall promptly notify any registrar of the Fund and the securities authorities in each jurisdiction in which Units of the Fund are offered for sale and, within 10 days after such decision, shall send a notice thereof to every Participant who has submitted an application for redemption of the Units of the Fund.

### **Section 4. Determination of Series Unit Value Binding**

The Series Unit Value established at any time and from time to time by or under the authority of the Trustee shall be conclusive and binding upon all Participants in that Series, including former Participants who have withdrawn Units.

## **ARTICLE VIII COMPUTATION AND DISTRIBUTION OF INCOME, NET REALIZED CAPITAL GAINS, ADVANTAGE FEE DISTRIBUTIONS AND MANAGEMENT FEE DISTRIBUTIONS**

Provisions relating to the computation and distribution of income and net realized capital gains of a Fund and, if applicable, Advantage Fee Distributions or Management Fee Distributions of a Fund, are set forth in Schedules A to D hereto, as incorporated by reference in the Regulation pertaining to the Fund.

**ARTICLE IX  
ACCOUNTING AND PARTICIPATION  
RECORDS, AUDITS AND REPORTS**

**Section 1. Accounting Records**

The Trustee shall maintain a complete and separate set of accounting and tax records for a Fund.

**Section 2. Participation Records**

The Trustee shall maintain participation records for a Fund, showing with respect to each Participant:

- (a) the date of each issue of Units of the Fund to such Participant, the number and Series of Units issued and the amount for which each Unit is issued;
- (b) the date of each withdrawal of Units of the Fund, the number and Series of Units withdrawn and the Series Unit Value at which each Unit is withdrawn;
- (c) the date of each redesignation of Units of the Fund, the number and Series of Units redesignated and the number and Series of Units held immediately after such redesignation;
- (d) the number and Series of Units of the Fund held immediately after any subdivision or consolidation of Units of the Fund;
- (e) the number and Series of Units of the Fund currently held; and
- (f) the date and details of each distribution of the Fund to the Participant.

On or before the 31st day of March in each year or such earlier date as may be required by applicable law, the Trustee shall furnish to each Participant in a Fund a statement of interest in the Fund and such other information as may be required to be given under any tax or other legislation.

**Section 3. Periodic Audit**

The Trustee shall, for each Fiscal Year, cause an audit of a Fund to be made by an independent firm of chartered accountants, and shall furnish a report of such audit to each Participant in the Fund upon request or if required by law.

**Section 4. Report of Audit**

The financial statements reported on by the auditor of a Fund shall include all relevant information relating to the Fund as required by accounting principles generally accepted in Canada and by applicable laws.



**Section 5. Expenses of Audit**

The Trustee may estimate the cost of such audit and charge such cost as of each Valuation Date to the income of a Fund as it shall deem proper.

**Section 6. Change of Auditors**

The Trustee may at any time remove the auditor of a Fund and appoint a replacement with the prior approval of Participants in the Fund given as hereinafter provided at a meeting of Participants duly called by the Trustee for that purpose. If the auditor of a Fund resigns, the Trustee may immediately appoint a replacement auditor on an interim basis and the Trustee shall, within 90 days thereafter, call a meeting of Participants in the Fund to approve such appointment or to appoint another auditor for the Fund.

Notwithstanding the foregoing, the approval of Participants in a Fund shall not be required in respect of the removal of an auditor or appointment of a replacement auditor in circumstances where NI 81-102 does not require such approval or in circumstances where either NI 81-102 does require such approval but an exemption from such requirement has been granted or where the requirements of NI 81-107 have been met.

**ARTICLE X  
TERMINATION OF A FUND**

**Section 1. By Trustee**

The Trustee may in its discretion terminate a Fund and distribute the assets of the Fund as of any Valuation Date after not less than 60 days' notice given by ordinary mail to the Participants in the Fund.

**Section 2. Distribution**

After payment of or providing for the liabilities and obligations of the Fund, as the case may be, each Participant in the Fund holding Units of a Series, registered as such at the close of business on the date of termination of the Fund, shall be entitled to receive from the Trustee an amount equal to the Participant's pro rata share determined in accordance with the number of Units of the Series held by such Participant of the portion of the value of the Fund attributable to that Series after an appropriate allocation of the liabilities and obligations of the Fund among the Series of such Fund in a manner, in each case as determined by the Trustee, acting reasonably, consistent with the provisions of this Master Declaration of Trust. Distribution of the net assets of a Fund upon termination may be made in cash or rateably in kind, or partly in cash and partly in kind, all as the Trustee in its sole discretion may determine. Following such distribution, a Participant's units shall be deemed to have been cancelled.

**ARTICLE XI  
CUSTODY OF INVESTMENTS**

The Trustee or any other custodian appointed for a Fund may keep the investments of the Fund, wholly or partly, in its principal office in Toronto or in any one or more of its branches in any province of Canada or in any other jurisdiction in which it is qualified to act as a trustee or hold

investments as custodian. In addition, the Trustee or such other custodian may, pursuant to a custody or subcustody agreement, appoint subcustodians for the assets of a Fund in Canada or in such other jurisdictions as the Trustee or such other custodian deems appropriate. The investments of a Fund may be kept in bearer form or in the name of the Trustee or in the names of nominees of the Trustee, including any such custodian or subcustodian.

## **ARTICLE XII REPLACEMENT OF TRUSTEE**

The Trustee may at any time resign its trust in respect of a Fund and thereupon be discharged from all further duties and liabilities hereunder, provided that prior to such resignation, a new trustee has agreed and become bound to act hereunder and further provided that:

- (a) where the new trustee is an Affiliate of the Trustee, not less than 60 days' notice has been given by ordinary mail to the Participants of the Trustee's intention to resign and of the appointment of a new trustee; and
- (b) where the new trustee is not an Affiliate of the Trustee, the provisions of Section 2 of Article XVII shall have been complied with.

Any such new trustee shall be a corporation resident in Canada for purposes of the Tax Act that is authorized to carry on the business of a trust company in the Province of Ontario and in each other jurisdiction where such authorization or qualification is necessary to enable it to act as a trustee hereunder. Any new trustee shall execute a counterpart of a Master Declaration of Trust and shall thereupon be vested with the same powers, rights, duties and liabilities as if it had originally been named herein as Trustee.

Any company into which the Trustee may be merged or with which it may be consolidated or amalgamated or any company resulting from any merger, consolidation or amalgamation to which the Trustee shall be a party, shall be the successor Trustee under the Master Declaration of Trust, without the execution of any instrument or any further act.

## **ARTICLE XIII MERGER WITH ANOTHER MUTUAL FUND TRUST**

The Trustee may, if it determines the same to be in the best interests of a Fund and the Participants in the Fund, cause the Fund to merge with one or more other funds including one or more mutual fund trusts or one or more mutual fund corporations (as defined in the Tax Act), whether or not such transaction would constitute a "qualifying exchange" for purposes of subsection 132.2 of the Tax Act.

## **ARTICLE XIV BOARD OF GOVERNORS**

[Intentionally Deleted]

**ARTICLE XV  
INDEPENDENT REVIEW COMMITTEE**

The Trustee shall establish an independent review committee to provide services to the Trustee in respect of a Fund pursuant to NI 81-107. The rights, duties and responsibilities of the independent review committee for a Fund shall be as required or permitted under NI 81-107 and shall be set out in an agreement or charter entered into or adopted by Trustee and the independent review committee and such agreement or charter shall be binding on the Trustee and the Fund.

**ARTICLE XVI  
MANAGEMENT FEES AND EXPENSES**

**Section 1. Management Charges**

As of each day, the Trustee shall be entitled to a management fee in respect of each Series of a Fund, payable by the Fund, equal to a percentage of the Series Net Asset Value, on such day as determined in accordance with the terms of Article VII, before taking into account the management fee for such day. The applicable percentage (which may be zero) shall be set out in the Offering Documents of the Fund. If a day is not also a Valuation Date, the Series Net Asset Value as of the most recent Valuation Date shall be used for the purposes of calculating the daily management fee on such day. The management fee for a day for each Series of a Fund shall be paid from the assets of the Fund on a Valuation Date not later than five (5) Business Days following the end of the month which includes such day.

Subject to applicable laws, the Trustee may increase the rate of its management fee in respect of a Series of a Fund, as set out in the Offering Documents pertaining to such Fund, by giving to each Participant in that Series notice of its intention to do so by ordinary mail, and each such increase shall have effect on a Valuation Date not less than 60 days after such notice has been given.

**Section 2. Advances to a Fund**

The Trustee may, in the management of a Fund, from time to time advance its own money or that of an Affiliate and such advance shall bear interest at the prevailing rate on similar advances and such interest shall be an expense of the Fund.

**Section 3. Administration Fee and Other Fund Costs**

As of each day, the Trustee shall be entitled to an administration fee in respect of each Series of a Fund, payable by the Fund, equal to a percentage of the Series Net Asset Value, on such day as determined in accordance with the terms of Article VII, before taking into account the administration fee for such day. The applicable percentage (which may be zero) shall be set out in the Offering Documents of the Fund. If a day is not also a Valuation Date, the Series Net Asset Value as of the most recent Valuation Date shall be used for the purposes of calculating the daily administration fee on such day. The administration fee for a day for each Series of a Fund shall be paid from the assets of the Fund on a Valuation Date not later than five (5) Business Days following the end of the month which includes such day.

The Trustee shall pay certain of the operating expenses of a Fund in return for the fixed administration fee described above. Such expenses shall include regulatory filing fees, recordkeeping, accounting and fund valuation costs, custody fees, audit and legal fees and the costs of preparing and distributing annual and semi-annual reports, prospectuses, statements and investor communications but shall not include Other Fund Costs.

Subject to applicable laws, the Trustee may increase the rate of its administration fee in respect of a Series of a Fund, as set out in the Offering Documents pertaining to such Fund, by giving to each Participant in that Series notice of its intention to do so by ordinary mail, and each such increase shall have effect on a Valuation Date not less than 60 days after such notice has been given.

The Trustee may, in its discretion from time to time, reimburse a Fund or Series of a Fund, for all or part of the administration fee that would otherwise be paid by the Fund or Series of the Fund pursuant to this Section 3 of Article XVI.

Other Fund Costs incurred in the administration of a Fund or a Series of a Fund shall be charged to the Fund or the relevant Series. The Trustee shall determine whether Other Fund Costs are Series Expenses or Common Expenses and which expenses are attributable to which Series. The manager and/or the Trustee shall be entitled to be reimbursed out of the Fund Property of a Fund in respect of any Other Fund Costs paid by it in the administration of a Fund.

The Other Fund Costs relating to the operation of a Fund shall be allocated by the Trustee to the Series of the Fund as follows:

- (a) all Series Expenses shall be allocated only to the Series in respect of which Series Expenses were incurred; and
- (b) each type of Common Expenses shall be allocated among each of the Series based on:
  - (i) the relative Series Net Asset Value of each Series outstanding;
  - (ii) the amount of the Common Expenses determined by the Trustee to have been actually incurred by the Fund in respect of each Series; or
  - (iii) such other method of allocation as the Trustee considers equitable in the circumstances.

Without limiting the generality of the foregoing, a Fund shall be responsible for the payment of all Other Fund Costs, including Common Expenses and all Series Expenses of the Fund.

The Trustee may, in its discretion from time to time, pay for or reimburse a Fund for all or part of the Other Fund Costs that would otherwise be borne by the Fund or a specific Series pursuant to this Section 3 of Article XVI.

Where the Trustee reasonably determines that certain expenses incurred by or expected to be incurred by a Fund are solely or primarily referable to certain Participants or certain Persons becoming Participants, the Trustee, if not prohibited from doing so under applicable law and by securities authorities, may require that such Participants or Persons on becoming Participants,

reimburse the Fund for such expenses or a reasonable estimate thereof on such basis and terms as the Trustee may from time to time determine.

All fees paid to any investment counsel, portfolio manager or other investment advisor to a Fund, to the Trustee in respect of the management of the investment portfolio of the Fund, shall be borne by the Trustee and not charged to the Fund.

## **ARTICLE XVII AMENDMENTS TO MASTER TRUST AGREEMENT AND REGULATIONS**

### **Section 1. Amendments by Trustee**

Subject to Section 2 of this Article XVII, the Master Trust Agreement (including any Regulation) may be amended from time to time by the Trustee without notice to the Participants in the Fund affected by the amendment, if, in the opinion of the Trustee, the proposed amendment:

- (a) is not reasonably expected to materially adversely affect the interests of the Participants in the Fund;
- (b) is intended to ensure compliance with applicable laws, regulations or policies;
- (c) is intended to provide additional protection to the Participants in the Fund;
- (d) is intended to remove conflicts or inconsistencies or correct typographical, clerical or other errors; or
- (e) is intended to facilitate the administration of the Fund or to respond to amendments to the Tax Act which might otherwise adversely affect the interests of the Fund or its Participants.

For greater certainty, it is hereby declared that it is the intention of the Trustee in creating different Series of Units of a particular Fund that each Series of the Fund will, as a result of the provisions hereof relating to the determination of Series Unit Value and the calculation and payment of distributions to the Participants in each Series, bear the Management Fees attributable to such Series and the appropriate share of the Fund's operating expenses associated with the Series, but that Participants in the Fund shall otherwise (except with respect to Management Fee Distributions) receive substantially the same investment return. The provisions of this Master Declaration of Trust shall be interpreted in a manner consistent with such intention and the Trustee are authorized to make any amendment to this Master Declaration of Trust or any Regulation that is necessary or desirable to give effect to such intention without notice to the Participants in the Fund.

Any other amendment proposed to be made by the Trustee, except where such amendment requires Participant approval as stipulated in Section 2 of this Article XVII, may be made by the Trustee and shall take effect on a Valuation Date after not less than 60 days' notice of such amendment has been given by ordinary mail to Participants in the Fund or Participants in any Series of the Fund affected by the amendment.

## **Section 2. Participant Approval**

Any amendment to the Master Declaration of Trust (including a Regulation) to provide for:

- (a) the appointment of a new trustee for a Fund, unless the new trustee is an Affiliate of the Trustee;
- (b) the transfer by the Trustee of all or substantially all of the management responsibilities for a Fund to a Person which is not an Affiliate of the Trustee; or
- (c) a change in the fundamental investment objectives of a Fund as set out in the Regulation or Offering Documents pertaining to the Fund,

shall be effective only upon approval of such amendment by Participants in the Fund or holders of Units of any Series of the Fund, as applicable, that would be affected by the proposed amendment, given as hereinafter provided at a meeting of Participants in the Fund or holders of Units of such Series of the Fund, as applicable, called by the Trustee for that purpose.

## **Section 3. Meetings of Participants**

A quorum for the transaction of business at any meeting of Participants in a Fund shall be two Participants present in person or by proxy. Every matter put before Participants in a Fund at a meeting shall be determined by a majority of the votes cast on the matter. Each Participant shall be entitled to one vote, in person or by proxy, for each whole Unit registered in his name, but no votes shall attach to fractional Units. Unless otherwise provided in the resolution of the Participants in a Fund, a matter requiring Participant approval hereunder shall be effective on the first Valuation Date next following the date of Participant approval.

Subject to any requirements of NI 81-102, the provisions of the Canada Business Corporations Act, as it may be amended or replaced from time to time (the “Act”) relating to special meetings of shareholders, shall govern the method and manner of giving notice of, conducting and voting at such meetings of Participants in a Fund and of soliciting proxies in connection therewith to the extent that such provisions are not inconsistent with the express provisions hereof, and as though references in the Act to “shareholders” are to Participants, to “directors” are to the Trustee, to a “corporation” are to a Fund, to “shares” are to Units, to the “bylaws” and “articles” are to this Master Declaration of Trust, and to the “registered office” are to the principal address of the Fund, and with all other necessary changes. Any matter relating to meetings of Participants in a Fund, not so regulated by the Act or provided for herein, may be determined by the Trustee in its sole discretion.

In connection with any such meeting of Participants, the Fund shall also comply with the requirements of the Securities Act of Ontario, as it may be amended or replaced from time to time, and other applicable securities legislation covering proxies and proxy solicitation.

The accidental omission to give any notice to a Participant or anyone else entitled to receive notice, or the non-receipt of such notice by any Persons, or any error in any notice not affecting the substance thereof, shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

With respect to any matter in respect of which, according to the Master Declaration of Trust or any applicable law, the holders of Units of any Series of a Fund are entitled to vote separately as a Series or if the Trustee determines that any matter would affect holders of Units of one or more Series of Units of the Fund in a manner materially different from the Participants as a whole of the Fund, a separate meeting of holders of Units of the relevant Series or Series shall be convened. In such event, the matter shall not become effective until it has been approved by the holders of Units of each Series entitled to vote thereon, and the provisions of this Section 3 of Article XVII with respect to any meeting of Participants shall apply mutatis mutandis to any meeting of the holders of Units of a single Series.

#### **Section 4. Restatements**

A restated trust agreement, setting forth the terms hereof, as amended to the time of execution, may be executed at any time and from time to time by the Trustee. No such execution of a restated trust agreement shall be deemed to constitute a termination and/or resettlement of a Fund. Any accidental or inadvertent omission of any amendment hereto from any such restated trust agreement shall not affect the validity thereof but such omission shall be deemed to form a part of such restated trust agreement.

### **ARTICLE XVIII LIABILITY OF TRUSTEE AND PARTICIPANTS**

#### **Section 1. Liability of Trustee and Manager**

In the performance of the trusts hereunder, the Trustee and any manager appointed for a Fund by the Trustee in accordance with the provisions of Section 5 of Article V shall act honestly and in good faith, and in the best interests of the Fund and shall exercise the care, diligence and skill that a reasonably prudent person or trustee, in the case of the Trustee, would exercise in comparable circumstances. The Trustee may in its discretion seek and rely upon the advice of investment counsel, portfolio managers, financial consultants, brokers, accountants, lawyers and other professional or financial advisors but shall not be bound by such advice and shall not be liable provided it has complied with the obligations imposed by this Section for acting or failing to act in accordance with such advice. The manager shall be responsible for any loss that arises out of the failure of the manager, or of any Person retained by the manager or a Fund to discharge any of the manager's responsibilities to the Fund, to exercise the powers and discharge the duties of its offices honestly, in good faith and in the best interests of the Fund and to exercise the degree of care, diligence and skill that a reasonably prudent person or trustee, in the case of the Trustee, would exercise in the circumstances. Neither the Trustee nor any such manager shall be liable for any loss of or depreciation in any investments or for any other act or omission provided it has complied with the obligations imposed by this Section. For greater certainty, with respect to the appointment of a manager hereunder, the Trustee shall be relieved of all liability with respect to any act or omission which was within the scope of the authority of the manager, provided that the Trustee acted with care, diligence and prudence in appointing the manager.

Neither the Trustee, a manager, nor any director, officer, employee, agent or representative of the Trustee or manager shall be held to any personal liability nor shall resort be had to the private property of any of them for satisfaction of any obligation or claim arising out of or in connection

with any contract or other obligation of a Fund, but the assets of the Fund only shall be liable and subject to levy or execution.

## **Section 2. Liability of Participants**

No Participant in a Fund or annuitant under a plan of which a Participant acts as trustee or carrier shall be subject to any personal liability whatsoever, in tort, contract or otherwise, to any Person (including the Trustee) in connection with the property of the Fund or the contracts, obligations, liabilities or affairs of the Fund and all such Persons shall look solely to the assets of the Fund for satisfaction of claims of any nature arising out of or in connection therewith, and the assets of the Fund only shall be subject to levy or execution.

## **Section 3. Right to Indemnity**

If, notwithstanding the provisions of this Master Declaration of Trust, any Participant in a Fund or annuitant under a plan of which a Participant acts as trustee or carrier, the Trustee, a manager, the IRC, a Member or any director, officer, employee, agent or representative of the Trustee or a manager appointed for the Fund or the IRC or a Member shall be held personally liable as such to any other Person in respect of any debt, liability or obligation incurred by or on behalf of the Fund or relating to the property of the Fund or any action taken or omitted in connection with the affairs of the Fund, such Participant or annuitant under a plan of which a Participant acts as trustee or carrier, the Trustee, a manager, the IRC, a Member or such director, officer, employee, agent or representative shall (subject to the assets of the Fund being sufficient therefor) be entitled to indemnity and reimbursement out of the assets of the Fund to the full extent of such debt, liability or obligation and for the costs of any litigation or other proceedings in which such liability shall have been determined, including, without limitation, the fees and disbursements of counsel and any amounts paid to settle an action, but shall not be entitled to indemnity by the Trustee or the manager or otherwise out of the Trustee's own assets or the manager's own assets or any assets except those of the Fund.

The right of the Trustee and the manager to indemnity herein shall apply only if the Trustee or the manager, as the case may be, acted honestly and in good faith with a view to the best interests of the Fund and exercised the care, diligence and skill that a reasonably prudent person or trustee, in the case of the Trustee, would exercise in comparable circumstances and, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Trustee or the manager, as the case may be, had reasonable grounds for believing that its or their conduct was lawful; provided that such indemnity is not otherwise prohibited by applicable law. The right of the IRC and Members to indemnity herein shall apply only if the IRC or Member, as the case may be, acted honestly and in good faith with a view to the best interests of the Fund and, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the IRC or Member, as the case may be, had reasonable grounds for believing that it or their conduct was lawful; provided that such indemnity is not otherwise prohibited by applicable law.

The Trustee hereby acknowledges that it holds the indemnity of a manager and of the IRC and Members provided for herein in trust for the manager, the IRC and Members and that the manager, the IRC and Members shall be entitled to directly enforce such indemnity.



**ARTICLE XIX  
GOVERNING LAW**

The provisions of this Master Declaration of Trust shall be interpreted and take effect in accordance with the laws of the Province of Ontario.

*[Signature page follows]*

**IN WITNESS WHEREOF** the Trustee has executed this Master Declaration of Trust as of the Effective Time on the date first above written.

**RBC GLOBAL ASSET MANAGEMENT  
INC., Trustee**

By: ***“Frank Lippa”***

\_\_\_\_\_  
Name: Frank Lippa

Title: Chief Financial Officer & Chief  
Operating Officer

By: ***“Jonathan Hartman”***

\_\_\_\_\_  
Name: Jonathan Hartman

Title: Vice President

## SCHEDULE A

(applicable to all the RBC Funds other than the Money Market Funds, the RBC Portfolios  
and the RBC Target Funds)

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### ARTICLE I COMPUTATION AND DISTRIBUTION OF INCOME AND NET REALIZED CAPITAL GAINS

#### **Section 1. Computation of Income**

The net income or loss of the Fund for a period shall be computed in accordance with the provisions of the Tax Act regarding the calculation of net income for tax purposes, as if the period were a Taxation Year (other than paragraph 82(1)(b) and subsection 104(6) thereof); provided, however, that capital gains and capital losses (as defined in the Tax Act) shall be excluded.

#### **Section 2. Computation of Net Realized Capital Gains**

The net realized capital gains of the Fund for a period means the aggregate of the capital gains realized by the Fund during the period less the aggregate of the capital losses realized by the Fund during such period that are permitted to be deducted from capital gains, all as determined for the purposes of the Tax Act as if such period were a Taxation Year.

#### **Section 3. Distribution of Net Income and Net Realized Capital Gains**

The Trustee may, on any Valuation Date, make payable to the Participants in the Fund on the Valuation Date, all or part of the net income or net realized capital gains of the Fund for the portion of the Taxation Year ending on the Valuation Date to the extent not previously made payable on such Valuation Date (after giving effect to any admissions to and withdrawals from the Fund on such Valuation Date but before giving effect to the reinvestment of amounts payable on such Valuation Date). The Trustee shall allocate each amount so payable among the Series of Units of the Fund in a manner considered by the Trustee to be equitable to all Participants having regard to the Series Expenses and Series Net Asset Value of each Series. All distributions in respect of a Series of Units shall be payable to Participants holding Units of that Series pro rata in accordance with the number of Units of that Series so held (after giving effect to admissions to and withdrawals from the Fund on such Valuation Date but before giving effect to the reinvestment of any amounts payable on such date).

#### **Section 4. Automatic Distributions**

Subject to Section 5, on the last Valuation Date of each Taxation Year, an amount equal to the net income of the Fund for such Taxation Year not previously made payable in the Taxation Year, less the amount of any “**non-capital losses**” as defined in the Tax Act of the Fund that are permitted to be carried forward and deducted in computing taxable income for that Taxation Year, and an amount equal to the net realized capital gains of the Fund for such Taxation Year

not previously made payable in the Taxation Year shall be automatically payable to Participants in the Fund except to the extent that:

- (a) net realized capital gains retained by the Fund would not be subject to tax in the Fund by reason of the net loss of the Fund for the Taxation Year or the carryforward of “net capital losses” as defined in the Tax Act;
- (b) net realized capital gains retained by the Fund would not be subject to tax in the Fund by reason of the carryforward of “non-capital losses” as defined in the Tax Act, provided that the Trustee exercises its discretion to so apply such loss carryforwards before the end of the Taxation Year; and
- (c) any tax payable on net realized capital gains retained by the Fund would be immediately recoverable by it.

The Trustee shall allocate each amount so payable among the Series of Units of the Fund in a manner considered by the Trustee to be equitable to all Participants having regard to the Series Expenses and Series Net Asset Value of each Series, provided however that in the case of a deemed Taxation Year-end if the Trustee does not make any such allocation, the amounts so payable shall be automatically allocated among the Series of Units of the Fund pro rata based on the relative Series Net Asset Value of each Series on the last Valuation Date of the applicable Taxation Year. All distributions in respect of a Series of Units shall be payable to Participants holding Units of that Series pro rata in accordance with the number of Units of that Series so held (after giving effect to admissions to and withdrawals from the Fund on such Valuation Date but before giving effect to the reinvestment of any amounts payable on such date). Subject to Section 5, a Participant shall be entitled on the last Valuation Date of the Taxation Year to enforce payment of all amounts payable to the Participant pursuant to this Section 4. For greater certainty, it is hereby declared that it is the intention of the Trustee that sufficient income and net realized capital gains of the Fund be payable to Participants in each Taxation Year so that the Fund is not liable to tax under Part I of the Tax Act, except to the extent that any tax payable would be immediately recoverable by the Fund.

For purposes of the foregoing, Management Fee Distributions payable in the Taxation Year shall be considered to have been previously made payable to Participants in the Taxation Year.

#### **Section 5. December 15 Year End Election**

If the Fund qualifies as a mutual fund trust under the Tax Act and the Trustee determines that it is appropriate to do so, the Fund may elect pursuant to subsection 132.11(1) of the Tax Act that its Taxation Year in respect of which the election is made, and each Taxation Year thereafter, end on December 15 of a calendar year rather than December 31. If such election is made by a Fund (an “**Electing Fund**”), the amounts payable in respect of the net income and net realized capital gains of the Electing Fund for a Taxation Year shall be calculated having regard to subsections 132.11(2) and (3) of the Tax Act and shall be payable on such Valuation Date (the “**Payment Date**”) as is determined by the Trustee that is in the period December 15 to December 31, inclusive, and in any event, not later than December 31, of the calendar year in which the Taxation Year ends to Participants in the Electing Fund, provided however that if the Electing Fund is deemed to have a taxation year-end that is prior to December 15 the provisions of Section 4 of this Schedule A shall apply to cause sufficient distributions to be made to

Unitholders in such amounts, and no later than the last Valuation Day in such short Taxation Year (which shall be the Payment Date in respect of such distributions), as is necessary to ensure that the Electing Fund will not have any liability for income tax under Part I of the Tax Act for such short Taxation Year. The Trustee shall allocate each amount so payable among the Series of Units of the Fund in a manner considered by the Trustee to be equitable to all Participants having regard to the Series Expenses and Series Net Asset Value of each Series. All distributions in respect of a Series of Units shall be payable to Participants holding Units of that Series pro rata in accordance with the number of Units of that Series so held on the Payment Date (after giving effect to admissions to and withdrawals from the Fund on the Payment Date but before giving effect to the reinvestment of any amounts payable on such date). Each Participant shall be entitled to enforce payment of such amounts payable to the Participant on the Payment Date.

### **Section 6. Payment of Distributions**

Unless the Participant otherwise directs in writing and complies with any other conditions prescribed by the Trustee for cash distributions or it is otherwise required by law in the case of the Participant, in which case payment will be made in cash, a Participant's share of net income or net realized capital gains payable to the Participant on a Valuation Date in respect of a Unit of a Fund pursuant to Section 3, Section 4 or Section 5 (less any amount which represents taxes withheld under the laws of a country other than Canada and less any amount required to be withheld under the laws of Canada) shall be paid to the Participant immediately following the Valuation Time on such Valuation Date through reinvestment in additional Units of the same Series of the Fund at a price per Unit equal to the amount that would be the Series Unit Value on such Valuation Date if the amount of net income and net realized capital gains of the Fund payable on such Valuation Date were deducted in computing the net asset value of the Fund.

Notwithstanding anything to the contrary in the foregoing, all amounts payable pursuant to Section 4 in respect of a deemed taxation year-end will be automatically reinvested in additional Units of the same Series of the Fund on which the amount was considered payable and immediately following this reinvestment the number of Units of the relevant Series outstanding shall be automatically consolidated so that the Series Net Asset Value per Unit after the reinvestment is the same as it was immediately before the amount was considered to have been declared due and payable by the Fund.

### **Section 7. Uncollected Income**

In any case where the Fund fails to receive accrued income paid to Participants, the Trustee shall have the right to recover such income from such Participants.

### **Section 8. Use of Capital**

For greater certainty, the Trustee may encroach on and pay from the capital of the Fund an amount payable under this Article I if the net income of the Fund, calculated without regard to the provisions of the Tax Act, is insufficient to permit payment of the amount so payable.

**Section 9. Additional Distributions, Designations and Determinations of Amounts for Tax Purposes**

The Trustee may on such date or dates and in such manner as it determines, make such additional distributions of monies or properties of the Fund and make such designations, determinations and allocations for tax purposes of amounts or portions of amounts which it has received, paid, declared payable or allocated to Participants and of expenses incurred by the Fund and of tax deductions to which the Fund may be entitled as the Trustee may in its discretion determine. Distributions shall be allocated among the Series of Units in such manner as the Trustee considers appropriate and equitable.

**ARTICLE II  
REDUCED MANAGEMENT FEE DISTRIBUTIONS**

**Section 1. Management Fee Distributions**

Subject as hereinafter provided, the Trustee may agree with a Participant (an “**Eligible Participant**”) to reduce the management fee otherwise payable by the Fund to the Trustee, to the extent attributable to the Series Unit Value of Units owned by the Eligible Participant, on condition that an amount equal to such reduction be paid by the Fund to the Eligible Participant. If the Trustee so agrees with an Eligible Participant, then:

- (a) the management fee that would otherwise be paid to the Trustee on a Valuation Date (the “**Management Fee Payment Date**”) in respect of a period shall, to the extent attributable to the Series Unit Value of Units owned by the Eligible Participant in the period, be reduced by an amount determined as agreed between the Trustee and the Eligible Participant (the “**Management Fee Reduction**”);
- (b) an amount equal to the Management Fee Reduction in respect of the Eligible Participant multiplied by 1 plus the current applicable rate of federal goods and services tax shall be paid (the “**Management Fee Distribution**”) to the Eligible Participant (less any amount which represents taxes withheld under the laws of a country other than Canada and less any amount required to be withheld under the laws of Canada) immediately following the Valuation Time on the Management Fee Payment Date through reinvestment in additional Units of the Series of the Fund at their Series Unit Value on the Management Fee Payment Date, or, where the Management Fee Payment Date is a day on which net income or net realized capital gains of the Fund are paid to Participants as provided in Sections 3, 4 or 5 of Article I, at the price per Unit determined in accordance with Section 6 of Article I, unless the Eligible Participant otherwise directs in writing and complies with any other conditions prescribed by the Trustee for cash distributions or it is otherwise required by law in the case of the Eligible Participant, in which case such Management Fee Distribution (less any amount which represents taxes withheld under the laws of a country other than Canada and less any amount required to be withheld under the laws of Canada) shall be paid in cash on the Management Fee Payment Date, and, for greater certainty, the Eligible Participant shall be entitled to enforce payment of the Management Fee Distribution on such date;

- (c) for the purpose of determining the Net Asset Value of the Fund, the management fee payable to the Trustee shall be determined without regard to any Management Fee Reduction and Management Fee Distributions shall be disregarded; and
- (d) the Management Fee Distributions payable to Eligible Participants in a Taxation Year shall, notwithstanding any other provision of the Master Trust Agreement, be payable by the Trustee out of the net income (excluding net realized capital gains) of the Fund for such Taxation Year determined in accordance with the provisions of the Tax Act (other than paragraph 82(1)(b) and subsection 104(6) thereof), and out of the amount, if any, by which capital gains realized in the Taxation Year by the Fund exceeds capital losses realized in such Taxation Year all as determined for the purposes of the Tax Act; and thereafter, out of the capital of the Fund.

## **SCHEDULE B**

**(applicable to RBC Canadian T-Bill Fund, RBC Canadian Money Market Fund  
and RBC Premium Money Market Fund)**

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### **ARTICLE I COMPUTATION AND DISTRIBUTION OF INCOME AND NET REALIZED CAPITAL GAINS**

#### **Section 1. Computation of Income**

The Trustee shall, as of each day, compute the net income of the Fund for such day in accordance with the provisions of the Tax Act regarding the calculation of net income for tax purposes (other than paragraph 82(1)(b) and subsection 104(6) thereof) as if such day were a Taxation Year; provided, however:

- (a) capital gains and capital losses (as defined in the Tax Act) shall be excluded; and
- (b) any net losses for previous days in the Taxation Year that have not previously been deducted shall be deducted if such deduction would be permitted by the Tax Act.

#### **Section 2. Allocation of Income**

The net income of the Fund as thus computed as of a day, less the amount of any Management Fee Distribution considered to be payable out of such net income, shall be credited to Participants in the Fund. The Trustee shall allocate each amount so credited among the Series of Units of the Fund in a manner considered by the Trustee to be equitable to all Participants having regard to the Series Expenses and Series Net Asset Value of each Series. All amounts credited in respect of a Series of Units shall be credited to Participants holding Units of that Series pro rata in accordance with the number of Units of that Series so held (after giving effect to admissions to and withdrawals from the Fund on such day but before giving effect to the reinvestment of any amounts payable on such day).

#### **Section 3. Computation of Net Realized Capital Gains**

The Trustee shall, as of each day, compute the net realized capital gains of the Fund for the day. The net realized capital gains of the Fund for a day means the aggregate of the capital gains realized by the Fund on such day less the aggregate of the capital losses realized by the Fund on such day that are permitted by the Tax Act to be deducted from capital gains, all as determined for the purposes of the Tax Act as if such day were a Taxation Year, and shall be reduced by any net realized capital losses for previous days in the Taxation Year that are permitted by the Tax Act to be deducted from capital gains and that have not previously been deducted and by the applicable fraction of any net capital losses (as defined in the Tax Act) for prior Taxation Years that have not previously been deducted and that are permitted to be deducted. The “applicable fraction” is the reciprocal of the fraction used in a Taxation Year to calculate the portion of the capital gain that is a taxable capital gain in such year.



#### **Section 4. Allocation of Net Realized Capital Gains**

The net realized capital gains of the Fund as thus computed as of a day less the amount of any Management Fee Distribution considered to be payable out of such net realized capital gains shall be credited to Participants in the Fund. The Trustee shall allocate the net realized capital gains so credited among the Series of Units of the Fund in a manner considered by the Trustee to be equitable to all Participants having regard to the Series Expenses and Series Net Asset Value of each Series. Net realized capital gains credited in respect of a Series of Units shall be credited to Participants holding Units of that Series pro rata in accordance with the number of Units of that Series so held (after giving effect to admissions to and withdrawals from the Fund on such day but before giving effect to the reinvestment of any amounts payable on such day).

#### **Section 5. Payment of Net Income and Net Realized Capital Gains**

Unless the Participant otherwise directs in writing and complies with any other conditions prescribed by the Trustee for cash distributions or it is otherwise required by law in the case of the Participant, in which case payment will be made in cash, a Participant's share of net income or net realized capital gains credited to the Participant on a day in a month pursuant to Section 2 or Section 4 (less any amount which represents taxes withheld under the laws of a country other than Canada and less any amount required to be withheld under the laws of Canada) shall be paid to the Participant on the last day of the month, immediately following the Valuation Time if such day is a Valuation Date, through reinvestment in additional Units of the same Series of the Fund at a price per Unit equal to (i) if the day is not a Valuation Date, the amount that would be the Series Unit Value if Series Unit Value were determined on such date, (ii) if the day is a Valuation Date on which a distribution is made pursuant to Section 6, the price per Unit determined in accordance with Section 6, or (iii) in any other case, the Series Unit Value on such Valuation Date.

#### **Section 6. Automatic Distributions**

On the last Valuation Date of each Taxation Year, an amount equal to the net income (excluding capital gains and capital losses) of the Fund for such Taxation Year, determined in accordance with the provisions of the Tax Act other than paragraph 82(1)(b) and subsection 104(6) thereof, less the amount of any "**non-capital losses**" as defined in the Tax Act of the Fund that are permitted to be carried forward and deducted, shall, to the extent not previously made payable in the Taxation Year, be automatically payable to Participants in the Fund. In addition, on the last Valuation Date of each Taxation Year, an amount equal to the excess of the capital gains realized by the Fund over the capital losses realized by the Fund in such Taxation Year that are permitted to be deducted against capital gains not previously made payable in the Taxation Year shall be automatically payable to Participants in the Fund except to the extent that:

- (a) such net capital gains retained by the Fund would not be subject to tax in the Fund by reason of the net loss of the Fund for the Taxation Year determined in accordance with the provisions of the Tax Act other than paragraph 82(1)(b) and subsection 104(6) thereof and excluding any capital gains and capital losses or by reason of the carryforward of "net capital losses" that are permitted to be deducted as defined in the Tax Act;

- (b) such net capital gains retained by the Fund would not be subject to tax in the Fund by reason of the carryforward of “non-capital losses” that are permitted to be deducted as defined in the Tax Act, provided that the Trustee exercises its discretion to so apply such loss carryforwards before the end of the Taxation Year; and
- (c) any tax payable on such net capital gains retained by the Fund would be immediately recoverable by it.

The Trustee shall allocate each amount so payable among the Series of Units of the Fund in a manner considered by the Trustee to be equitable to all Participants having regard to the Series Expenses and Series Net Asset Value of each Series, provided however that in the case of a deemed Taxation Year-end if the Trustee does not make any such allocation, the amounts so payable shall be automatically allocated among the Series of Units of the Fund pro rata based on the relative Series Net Asset Value of each Series on the last Valuation Date of the applicable Taxation Year. Each amount payable in respect of a Series of Units shall be payable to Participants holding Units of that Series pro rata in accordance with the number of Units of that Series so held on the last Valuation Date of the Taxation Year (after giving effect to admissions to and withdrawals from the Fund on such Valuation Date but before giving effect to the reinvestment of any amounts payable on such date). For greater certainty, a Participant shall be entitled on the last Valuation Date of a Taxation Year to enforce payment of amounts payable to the Participant pursuant to this Section 6. Unless the Participant otherwise directs in writing and complies with any other conditions prescribed by the Trustee for cash distributions or it is otherwise required by law in the case of the Participant, in which case payment will be made in cash, a Participant’s share of amounts payable to the Participant pursuant to this Section 6 (less any amount which represents taxes withheld under the laws of a country other than Canada and less any amount required to be withheld under the laws of Canada) shall be paid to the Participant immediately following the Valuation Time on the last Valuation Date of the Taxation Year through reinvestment in additional Units of the Fund of the same Series at a price per Unit equal to the amount that would be the Series Unit Value on such Valuation Date if amounts payable to Participants pursuant to this Section 6 were deducted in computing the net asset value of the Fund on such Valuation Date. For greater certainty, it is hereby declared that it is the intention of the Trustee that sufficient income and net realized capital gains of the Fund be payable to Participants in each Taxation Year so that the Fund is not liable to tax under Part I of the Tax Act, except to the extent that any tax payable would be immediately recoverable by the Fund.

Notwithstanding anything to the contrary in the foregoing, all amounts payable pursuant to this Section 6 in respect of a deemed taxation year-end will be automatically reinvested in additional Units of the same Series of the Fund on which the amount was considered payable and immediately following this reinvestment the number of Units of the relevant Series outstanding shall be automatically consolidated so that the Series Net Asset Value per Unit after the reinvestment is the same as it was immediately before the amount was considered to have been declared due and payable by the Fund.

For the purposes of the foregoing, Management Fee Distributions payable in the Taxation Year shall be considered to have been previously made payable to the Participants in the Taxation Year.

**Section 7. Uncollected Income**

In any case where the Fund fails to receive accrued income credited or paid to Participants, the Trustee shall have the right where such income has been credited to Participants to debit such income and where such income has been paid to Participants to recover such income from such Participants.

**Section 8. Use of Capital**

For greater certainty, the Trustee may encroach on and pay from the capital of the Fund an amount payable under this Article I if the net income of the Fund, calculated without regard to the provisions of the Tax Act, is insufficient to permit payment of the amount so payable.

**Section 9. Additional Distributions, Designations and Determinations of Amounts for Tax Purposes**

The Trustee may on such date or dates and in such manner as it determines, make such additional distributions of monies or properties of the Fund and make such designations, determinations and allocations for tax purposes of amounts or portions of amounts which it has received, paid, declared payable or allocated to Participants and of expenses incurred by the Fund and of tax deductions to which the Fund may be entitled as the Trustee may in its discretion determine. Distributions shall be allocated among Series of Units in such manner as the Trustee considers appropriate and equitable.

**ARTICLE II  
REDUCED MANAGEMENT FEE DISTRIBUTIONS**

**Section 1. Management Fee Distributions**

Subject as hereinafter provided, the Trustee may agree with a Participant (an “**Eligible Participant**”) to reduce the management fee otherwise payable by the Fund to the Trustee, to the extent attributable to the Series Unit Value of Units owned by the Eligible Participant, on condition that an amount equal to such reduction be paid by the Fund to the Eligible Participant. If the Trustee so agrees with an Eligible Participant, then:

- (a) the management fee that would otherwise be paid to the Trustee on a Valuation Date (the “**Management Fee Payment Date**”) in respect of a period shall, to the extent attributable to the Series Unit Value of Units owned by the Eligible Participant in the period, be reduced by an amount determined as agreed between the Trustee and the Eligible Participant (the “**Management Fee Reduction**”);
- (b) an amount equal to the Management Fee Reduction in respect of the Eligible Participant multiplied by 1 plus the current applicable rate of federal goods and services tax shall be paid (the “**Management Fee Distribution**”) to the Eligible Participant (less any amount which represents taxes withheld under the laws of a country other than Canada and less any amount required to be withheld under the laws of Canada) immediately following the Valuation Time on the Management Fee Payment Date through reinvestment in additional Units of the same Series of the Fund at their Series Unit Value on the Management Fee Payment Date, or,

where the Management Fee Payment Date is the last Valuation Date of a Taxation Year, at the price per Unit determined in accordance with Section 6 of Article I, unless the Eligible Participant otherwise directs in writing and complies with any other conditions prescribed by the Trustee for cash distributions or it is otherwise required by law in the case of the Eligible Participant, in which case such Management Fee Distribution (less any amount which represents taxes withheld under the laws of a country other than Canada and less any amount required to be withheld under the laws of Canada) shall be paid in cash on the Management Fee Payment Date, and, for greater certainty, the Eligible Participant shall be entitled to enforce payment of the Management Fee Distribution on such date;

- (c) for the purpose of determining the Net Asset Value of the Fund, the management fee payable to the Trustee shall be determined without regard to any Management Fee Reduction and Management Fee Distributions shall be disregarded; and
- (d) the Management Fee Distributions payable to Eligible Participants in a Taxation Year shall, notwithstanding any other provision of the Master Trust Agreement, be payable by the Trustee out of the net income (excluding capital gains and capital losses) of the Fund for such Taxation Year determined in accordance with the provisions of the Tax Act (other than paragraph 82(1)(b) and subsection 104(6) thereof), and out of the amount, if any, by which capital gains realized in the Taxation Year by the Fund exceeds capital losses realized in such Taxation Year all as determined for the purposes of the Tax Act; and thereafter, out of the capital of the Fund.

## SCHEDULE C

### (applicable to RBC \$U.S. Money Market Fund and RBC Premium \$U.S. Money Market Fund)

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#### ARTICLE I COMPUTATION AND DISTRIBUTION OF INCOME AND NET REALIZED CAPITAL GAINS

##### **Section 1. Computation, Allocation and Distribution of Income**

The Trustee shall, as of each day, compute the net income of the Fund in U.S. dollars for U.S. dollar financial reporting purposes (excluding the effect of any Management Fee Reduction, as hereinafter defined) for such day. Such net income shall be reduced in the discretion of the Trustee by such part of the net losses of the Fund for previous days in the Taxation Year not previously deducted. The net income, if any, of the Fund as thus computed as of a day shall be credited to Participants in the Fund. The Trustee shall allocate the net income so credited among the Series of Units of the Fund in a manner considered by the Trustee to be equitable to all Participants having regard to the Series Expenses and Series Net Asset Value of each Series. All amounts credited in respect of a Series of Units shall be credited to Participants holding Units of that Series pro rata in accordance with the number of Units of that Series so held (after giving effect to admissions to and withdrawals from the Fund on such day but before giving effect to the reinvestment of any amounts payable on such day). Unless the Participant otherwise directs in writing and complies with any other conditions prescribed by the Trustee for cash distributions or it is otherwise required by law in the case of the Participant, in which case payment will be made in cash, a Participant's share of net income credited to the Participant on a day in a month pursuant to this Section 1 (less any amount which represents taxes withheld under the laws of a country other than Canada and less any amount required to be withheld under the laws of Canada) shall be paid to the Participant on the last day of the month, immediately following the Valuation Time if such day is a Valuation Date, through reinvestment in additional Units of the same Series of the Fund at a price per Unit equal to (i) if the day is not a Valuation Date, the amount that would be the Series Unit Value if Series Unit Value were determined on such date, (ii) if the day is a Valuation Date on which a distribution of net realized capital gains is made pursuant to Section 3 or a distribution is made pursuant to Section 4, the amount that would be the Series Unit Value on such date if the amount payable pursuant to Section 3 or Section 4 on such Valuation Date were deducted in computing net asset value of the Fund, or (iii) in any other case, the Series Unit Value on such Valuation Date.

##### **Section 2. Computation of Net Realized Capital Gains**

The net realized capital gains of the Fund for a period means the aggregate of the capital gains realized by the Fund during the period less the aggregate of the capital losses realized by the Fund during the period, all as determined for the purposes of the Tax Act, and shall be reduced by the applicable fraction of any net capital losses (as defined in the Tax Act) for prior Taxation Years that have not previously been deducted and that would be permitted by the Tax Act to be deducted. The "applicable fraction" is the reciprocal of the fraction used in a Taxation Year to calculate the portion of the capital gain that is a taxable capital gain in such year.

**Section 3. Distribution of Net Realized Capital Gains**

The Trustee may, on any Valuation Date, make payable to Participants in the Fund all or part of the net realized capital gains of the Fund not previously made payable for the portion of the Taxation Year ending on such Valuation Date. The Trustee shall allocate the net realized capital gains so payable among the Series of Units of the Fund in a manner considered by the Trustee to be equitable to all Participants having regard to the Series Expenses and Series Net Asset Value of each Series. All net realized capital gains so payable in respect of a Series of Units shall be payable to Participants holding Units of that Series pro rata in accordance with the number of Units of that Series so held (after giving effect to admissions to and withdrawals from the Fund on such Valuation Date but before giving effect to the reinvestment of any amounts payable on such date). Unless the Participant otherwise directs in writing and complies with any other conditions prescribed by the Trustee for cash distributions or it is otherwise required by law in the case of the Participant, in which case payment will be made in cash, a Participant's share of net realized capital gains payable to the Participant on a Valuation Date pursuant to this Section 3 (less any amount which represents taxes withheld under the laws of a country other than Canada and less any amount required to be withheld under the laws of Canada) shall be paid to the Participant immediately following the Valuation Time on such Valuation Date through reinvestment in additional Units of the same Series of the Fund at the price per Unit referred to in Section 1 hereof.

**Section 4. Automatic Distributions**

On the last Valuation Date of each Taxation Year, an amount equal to the net income (excluding capital gains and capital losses) of the Fund for such Taxation Year, determined in accordance with the provisions of the Tax Act other than paragraph 82(1)(b) and subsection 104(6) thereof, less the amount of any "non-capital losses" as defined in the Tax Act of the Fund permitted to be carried forward and deducted, shall, to the extent not previously made payable in the Taxation Year, be automatically payable to Participants in the Fund. In addition, on the last Valuation Date of each Taxation Year, an amount equal to the net realized capital gains of the Fund for such Taxation Year not previously made payable in the Taxation Year shall be automatically payable to Participants in the Fund except to the extent that:

- (a) net realized capital gains retained by the Fund would not be subject to tax in the Fund by reason of the net loss of the Fund for the Taxation Year determined in accordance with the provisions of the Tax Act other than paragraph 82(1)(b) and subsection 104(6) thereof and excluding any capital gains and capital losses;
- (b) net realized capital gains retained by the Fund would not be subject to tax in the Fund by reason of the carryforward of "non-capital losses" as defined in the Tax Act, provided that the Trustee exercises its discretion to so apply such loss carryforwards before the end of the Taxation Year;
- (c) any tax payable on net realized capital gains retained by the Fund would be immediately recoverable by it; or
- (d) prior to the end of the Taxation Year, the Trustee exercises its discretion to retain an additional amount of net realized capital gains for the Taxation Year arising

from fluctuations in the exchange rate between the Canadian dollar and the U.S. dollar during the Taxation Year.

The Trustee shall allocate each amount so payable among the Series of Units of the Fund in a manner considered by the Trustee to be equitable to all Participants having regard to the Series Expenses and Series Net Asset Value of each Series, provided however that in the case of a deemed Taxation Year-end if the Trustee does not make any such allocation, the amounts so payable shall be automatically allocated among the Series of Units of the Fund pro rata based on the relative Series Net Asset Value of each Series on the last Valuation Date of the applicable Taxation Year. Each amount payable in respect of a Series of Units shall be payable to Participants holding Units of that Series pro rata in accordance with the number of Units of that Series so held on the last Valuation Date of the Taxation Year (after giving effect to admissions to and withdrawals from the Fund on such Valuation Date but before giving effect to the reinvestment of any amounts payable on such date).

For the purposes of the foregoing, Management Fee Distributions payable in the Taxation Year shall be considered to have been previously made payable to the Participants in the Taxation Year.

For greater certainty, a Participant shall be entitled on the last Valuation Date of a Taxation Year to enforce payment of amounts payable to the Participant pursuant to this Section 4 (other than net realized capital gains retained by the Fund pursuant to paragraphs (a), (b), (c) or (d) of this Section 4). A Participant's share of amounts payable pursuant to this Section 4 (less any amount which represents taxes withheld under the laws of a country other than Canada and less any amount required to be withheld under the laws of Canada) shall be paid to the Participant immediately following the Valuation Time on the last Valuation Date of the Taxation Year through reinvestment in additional Units of the same Series of the Fund at the price per Unit referred to in Section 1 hereof.

Notwithstanding anything to the contrary in the foregoing, all amounts payable pursuant to this Section 4 in respect of a deemed taxation year-end will be automatically reinvested in additional Units of the same Series of the Fund on which the amount was considered payable and immediately following this reinvestment the number of Units of the relevant Series outstanding shall be automatically consolidated so that the Series Net Asset Value per Unit after the reinvestment is the same as it was immediately before the amount was considered to have been declared due and payable by the Fund.

#### **Section 5. Uncollected Income**

In any case where the Fund fails to receive accrued income credited or paid to Participants, the Trustee shall have the right where such income has been credited to Participants to debit such income and where such income has been paid to Participants to recover such income from such Participants.

#### **Section 6. Use of Capital**

For greater certainty, the Trustee may encroach on and pay from the capital of the Fund an amount payable under this Article I if the net income of the Fund, calculated without regard to the provisions of the Tax Act, is insufficient to permit payment of the amount so payable.

**Section 7. Additional Distributions, Designations and Determinations of Amounts for Tax Purposes**

The Trustee may on such date or dates and in such manner as it determines, make such additional distributions of monies or properties of the Fund and make such designations, determinations and allocations for tax purposes of amounts or portions of amounts which it has received, paid, declared payable or allocated to Participants and of expenses incurred by the Fund and of tax deductions to which the Fund may be entitled as the Trustee may in its discretion determine. Distributions shall be allocated among the Series of Units in such manner as the Trustee considers appropriate and equitable.

**ARTICLE II  
REDUCED MANAGEMENT FEE DISTRIBUTIONS**

**Section 1. Management Fee Distributions**

Subject as hereinafter provided, the Trustee may agree with a Participant (an “**Eligible Participant**”) to reduce the management fee otherwise payable by the Fund to the Trustee, to the extent attributable to the Series Unit Value of Units owned by the Eligible Participant, on condition that an amount equal to such reduction be paid by the Fund to the Eligible Participant. If the Trustee so agrees with an Eligible Participant, then:

- (a) the management fee that would otherwise be paid to the Trustee on a Valuation Date (the “**Management Fee Payment Date**”) in respect of a period shall, to the extent attributable to the Series Unit Value of Units owned by the Eligible Participant in the period, be reduced by an amount determined as agreed between the Trustee and the Eligible Participant (the “**Management Fee Reduction**”);
- (b) an amount equal to the Management Fee Reduction in respect of the Eligible Participant multiplied by 1 plus the current applicable rate of federal goods and services tax shall be paid (the “**Management Fee Distribution**”) to the Eligible Participant (less any amount which represents taxes withheld under the laws of a country other than Canada and less any amount required to be withheld under the laws of Canada) immediately following the Valuation Time on the Management Fee Payment Date through reinvestment in additional Units of the same Series of the Fund at the price per Unit referred to in Section 1 of Article I on the Management Fee Payment Date, unless the Eligible Participant otherwise directs in writing and complies with any other conditions prescribed by the Trustee for cash distributions or it is otherwise required by law in the case of the Eligible Participant, in which case such Management Fee Distribution (less any amount which represents taxes withheld under the laws of a country other than Canada and less any amount required to be withheld under the laws of Canada) shall be paid in cash on the Management Fee Payment Date and, for greater certainty, the Eligible Participant shall be entitled to enforce payment of the Management Fee Distribution on such date;
- (c) for the purpose of determining the Net Asset Value of the Fund, the management fee payable to the Trustee shall be determined without regard to any Management Fee Reduction and Management Fee Distributions shall be disregarded; and



- (d) the Management Fee Distributions payable to Eligible Participants in a Taxation Year shall, notwithstanding any other provision of the Master Trust Agreement, be payable by the Trustee out of the net income (excluding capital gains and capital losses) of the Fund for such Taxation Year determined in accordance with the provisions of the Tax Act (other than paragraph 82(1)(b) and subsection 104(6) thereof), and out of the amount, if any, by which capital gains realized in the Taxation Year by the Fund exceeds capital losses realized in such Taxation Year all as determined for the purposes of the Tax Act; and thereafter, out of the capital of the Fund.

## **SCHEDULE D**

**(applicable to the RBC Portfolios, the RBC Retirement Portfolios and the RBC Target Funds)**

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### **ARTICLE I COMPUTATION AND DISTRIBUTION OF INCOME AND NET REALIZED CAPITAL GAINS**

#### **Section 1. Computation of Income**

The net income or loss of the Fund for a period shall be computed in accordance with the provisions of the Tax Act regarding the calculation of net income for tax purposes as if that period were a Taxation Year (other than paragraph 82(1)(b) and subsection 104(6) thereof); provided, however, that capital gains and capital losses (as defined in the Tax Act) shall be excluded.

#### **Section 2. Computation of Net Realized Capital Gains**

The net realized capital gains of the Fund for a period means the aggregate of the capital gains realized by the Fund during the period less the aggregate of the capital losses realized by the Fund during such period that are permitted to be deducted from capital gains, all as determined for the purposes of the Tax Act as if such period were a Taxation Year; provided, however, that any net capital gains made payable in the period, or deemed by the Tax Act to be payable in the period, in respect of units of an Underlying Fund held by the Fund shall be included in computing net realized capital gains for the period.

#### **Section 3. Distribution of Net Income and Net Realized Capital Gains**

The Trustee may, on any Valuation Date, make payable to the Participants in the Fund on the Valuation Date, all or part of the net income or net realized capital gains of the Fund for the portion of the Taxation Year ending on the Valuation Date to the extent not previously made payable on such Valuation Date (after giving effect to any admissions to and withdrawals from the Fund on such Valuation Date but before giving effect to the reinvestment of amounts payable on such Valuation Date). The Trustee shall allocate each amount so payable among the Series of Units of the Fund in a manner considered by the Trustee to be equitable to all Participants having regard to the Series Expenses and Series Net Asset Value of each Series. All distributions in respect of a Series of Units shall be payable to Participants holding Units of that Series pro rata in accordance with the number of Units of that Series so held (after giving effect to admissions to and withdrawals from the Fund on such Valuation Date but before giving effect to the reinvestment of any amounts payable on such date).

#### **Section 4. Automatic Distributions**

Subject to Section 5, on the last Valuation Date of each Taxation Year, an amount equal to the net income of the Fund for such Taxation Year not previously made payable in the Taxation Year, less the amount of any “non-capital losses” as defined in the Tax Act of the Fund that are

permitted to be carried forward and deducted in computing taxable income for that Taxation Year, and, an amount equal to the net realized capital gains of the Fund for such Taxation Year not previously made payable in the Taxation Year shall be automatically payable to Participants in the Fund except to the extent that:

- (a) net realized capital gains retained by the Fund would not be subject to tax in the Fund by reason of the net loss of the Fund for the Taxation Year or the carryforward of “net capital losses” as defined in the Tax Act;
- (b) net realized capital gains retained by the Fund would not be subject to tax in the Fund by reason of the carryforward of “non-capital losses” as defined in the Tax Act, provided that the Trustee exercises its discretion to so apply such loss carryforwards before the end of the Taxation Year; and
- (c) any tax payable on net realized capital gains retained by the Fund would be immediately recoverable by it.

The Trustee shall allocate each amount so payable among the Series of Units of the Fund in a manner considered by the Trustee to be equitable to all Participants having regard to the Series Expenses and Series Net Asset Value of each Series, provided however that in the case of a deemed Taxation Year-end if the Trustee does not make any such allocation, the amounts so payable shall be automatically allocated among the Series of Units of the Fund pro rata based on the relative Series Net Asset Value of each Series on the last Valuation Date of the applicable Taxation Year. Each amount payable in respect of a Series of Units shall be payable to Participants holding Units of that Series pro rata in accordance with the number of Units of that Series so held on the last Valuation Date of the Taxation Year (after giving effect to admissions to and withdrawals from the Fund on such Valuation Date but before giving effect to the reinvestment of any amounts payable on such date).

Subject to Section 5, a Participant shall be entitled on the last Valuation Date of the Taxation Year to enforce payment of all amounts payable to the Participant pursuant to this Section 4. For greater certainty, it is hereby declared that it is the intention of the Trustee that sufficient income and net realized capital gains of the Fund be payable to Participants in each Taxation Year so that the Fund is not liable to tax under Part I of the Tax Act, except to the extent that any tax payable would be immediately recoverable by the Fund.

Advantage Fee Distributions (as such term is defined in Section 1 of Article II of this Schedule D) payable in the Taxation Year shall be considered to be amounts previously made payable to Participants in the Taxation Year.

#### **Section 5. December 15 Year End Election**

If the Fund qualifies as a mutual fund trust under the Tax Act and the Trustee determines that it is appropriate to do so, the Fund may elect pursuant to subsection 132.11(1) of the Tax Act that its Taxation Year in respect of which the election is made, and each Taxation Year thereafter, end on December 15 of a calendar year rather than December 31. If such election is made, the amounts payable in respect of the net income and net realized capital gains of the Fund for a Taxation Year shall be calculated having regard to subsections 132.11(2) and (3) of the Tax Act and shall be payable on such Valuation Date (the “**Payment Date**”) as is determined by the

Trustee that is in the period December 15 to December 31, inclusive, and in any event, not later than December 31, of the calendar year in which the Taxation Year ends to Participants in the Electing Fund, provided however that if the Electing Fund is deemed to have a taxation year-end that is prior to December 15 the provisions of Section 4 of this Schedule D shall apply to cause sufficient distributions to be made to Unitholders in such amounts, and no later than the last Valuation Day in such short Taxation Year (which shall be the Payment Date in respect of such distributions), as is necessary to ensure that the Electing Fund will not have any liability for income tax under Part I of the Tax Act for such short Taxation Year. The Trustee shall allocate each amount so payable among the Series of Units of the Fund in a manner considered by the Trustee to be equitable to all Participants having regard to the Series Expenses and Series Net Asset Value of each Series. All distributions in respect of a Series of Units shall be payable to Participants holding Units of that Series pro rata in accordance with the number of Units of that Series so held on the Payment Date (after giving effect to admissions to and withdrawals from the Fund on the Payment Date but before giving effect to the reinvestment of any amounts payable on such date). Each such Participant shall be entitled to enforce payment of such amounts payable to the Participant on the Payment Date.

#### **Section 6. Payment of Distributions**

Unless the Participant otherwise directs in writing and complies with any other conditions prescribed by the Trustee for cash distributions or it is otherwise required by law in the case of the Participant, in which case payment will be made in cash, a Participant's share of net income or net realized capital gains payable to the Participant on a Valuation Date in respect of the Unit of a Fund pursuant to Section 3, Section 4 or Section 5 (less any amount which represents taxes withheld under the laws of a country other than Canada and less any amount required to be withheld under the laws of Canada) shall be paid to the Participant immediately following the Valuation Time on such Valuation Date through reinvestment in additional Units of the same Series of the Fund at a price per Unit equal to the amount that would be the Series Unit Value on such Valuation Date if the amount of net income and net realized capital gains of the Fund payable on such Valuation Date were deducted in computing the net asset value of the Fund.

Notwithstanding anything to the contrary in the foregoing, all amounts payable pursuant to Section 4 in respect of a deemed taxation year-end will be automatically reinvested in additional Units of the same Series of the Fund on which the amount was considered payable and immediately following this reinvestment the number of Units of the relevant Series outstanding shall be automatically consolidated so that the Series Net Asset Value per Unit after the reinvestment is the same as it was immediately before the amount was considered to have been declared due and payable by the Fund.

#### **Section 7. Uncollected Income**

In any case where the Fund fails to receive accrued income paid to Participants, the Trustee shall have the right to recover such income from such Participants.

#### **Section 8. Use of Capital**

For greater certainty, the Trustee may encroach on and pay from the capital of the Fund an amount payable under this Article I if the net income of the Fund, calculated without regard to the provisions of the Tax Act, is insufficient to permit payment of the amount so payable.

**Section 9. Additional Distributions, Designations and Determinations of Amounts for Tax Purposes**

The Trustee may on such date or dates and in such manner as it determines, make such additional distributions of monies or properties of the Fund and make such designations, determinations and allocations for tax purposes of amounts or portions of amounts which it has received, paid, declared payable or allocated to Participants and of expenses incurred by the Fund and of tax deductions to which the Fund may be entitled as the Trustee may in its discretion determine. Distributions shall be allocated among the Series of Units in such manner as the Trustee considers appropriate and equitable.

**ARTICLE II  
REDUCED MANAGEMENT FEE DISTRIBUTIONS  
AND ADVANTAGE FEE DISTRIBUTIONS**

**Section 1. Management Fee Distributions**

Subject as hereinafter provided, the Trustee may agree with one or more Participants (“**Eligible Participants**”) that the amount of management fees otherwise payable to the Trustee by Underlying Funds in which the Fund has invested (“**Investee Funds**”) be reduced on condition that amounts (“**Management Fee Distributions**”) equal to such reductions be paid by the Investee Funds to the Fund on a Valuation Date (“**Management Fee Payment Date**”) and that an amount, calculated on a basis agreed with each Eligible Participant (an “**Advantage Fee Distribution**”), be paid by the Fund to each Eligible Participant on the Management Fee Payment Date for the purpose of reducing the management fees payable by the Investee Funds that are effectively borne by Eligible Participants. If the Trustee so agrees with Eligible Participants, then:

- (a) on the Management Fee Payment Date, following the time at which all Management Fee Distributions payable by the Investee Funds on such date are payable, the Advantage Fee Distribution in respect of an Eligible Participant shall be paid to the Eligible Participant (less any amount which represents taxes withheld under the laws of a country other than Canada and less any amount required to be withheld under the laws of Canada) through reinvestment in additional Units of the same Series of the Fund at their Series Unit Value on the Management Fee Payment Date, or, where the Management Fee Payment Date is a day on which net income or net realized capital gains of the Fund are paid to Participants as provided in Section 3, Section 4 or Section 5 of Article I, at the price per Unit determined in accordance with Section 6 of Article I unless the Eligible Participant otherwise directs in writing and complies with any other conditions prescribed by the Trustee or it is otherwise required by law in the case of the Eligible Participant, in which case such Advantage Fee Distribution shall be paid (less any amount which represents taxes withheld under the laws of a country other than Canada and less any amount required to be withheld under the laws of Canada) in cash on the Management Fee Payment Date and, for greater certainty, the Eligible Participant shall be entitled to enforce payment of the Advantage Fee Distribution on such date;

- (b) the net asset value of the Fund shall be determined without regard to any Management Fee Distributions payable to the Fund or Advantage Fee Distributions payable to Eligible Participants; and
- (c) the Advantage Fee Distributions payable to Eligible Participants in a Taxation Year shall, notwithstanding any other provision of the Master Trust Agreement, be payable by the Trustee out of the net income (excluding net realized capital gains) of the Fund for such Taxation Year determined in accordance with the provisions of the Tax Act (other than paragraph 82(1)(b) and subsection 104(6) thereof), and out of the amount, if any, by which capital gains realized in the Taxation Year by the Fund exceeds capital losses realized in such Taxation Year all as determined for the purposes of the Tax Act; and thereafter, out of the capital of the Fund.