



Global Asset
Management

RBC ETFs

2018 Annual Management Report of Fund Performance

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FIXED-INCOME ETF

RBC 1-5 YEAR LADDERED CANADIAN BOND ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide unitholders with exposure primarily to the performance of a diversified portfolio of Canadian corporate and government bonds, divided ("laddered") into five groupings with staggered maturities from one to five years, which will provide regular income while preserving capital.

The ETF will achieve exposure to Canadian corporate and government bonds primarily by investing in a portfolio of five equally weighted sub-portfolios, each of which is targeted to provide at least 30% exposure to government bonds and no more than 70% exposure to corporate bonds. The portfolios may deviate at times from their targeted weights due to market fluctuations between rebalance periods. The government bond exposure will be obtained by direct investment in one or more government bonds. The decision to invest in each government bond is based on RBC GAM's assessment of each bond's term to maturity, credit quality, yield to maturity and an overall emphasis on issuer diversification. The corporate bond exposure will be obtained primarily by investing in an appropriate RBC Target Maturity Corporate Bond ETF. Each sub-portfolio will have remaining terms to maturity ranging from one to five years. At the end of each year, the nearest term sub-portfolio will be sold and proceeds rolled into a new five-year sub-portfolio in order to maintain the one- to five-year ladder. The portfolio holdings will be rebalanced on a quarterly basis. The frequency of the rebalancing may change without notice.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value fell to \$206 million as of December 31, 2018, from \$232 million at the end of 2017. The decrease was due to net redemptions, partially offset by investment returns.

Over the past year, the ETF's units gained 1.5%, which underperformed the 1.9% rise in the benchmark. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

Canadian bonds with maturities of five years or less recorded modest returns in 2018 as the impact of higher bond yields (i.e., interest income) offset overall price declines. Yields on non-government bonds increased after the Bank of Canada (the "BOC") raised interest rates three times during the year, while, in a sign that investors were

seeking a degree of safety, the excess yield earned on corporate and provincial bonds over government bonds widened as investors lowered their exposure to assets perceived to carry higher risks.

Government of Canada bonds with terms of between one and five years outperformed provincial and corporate bonds. Highly rated asset-backed bonds were the best-performing corporate bonds, while bonds in the telecommunications industry and Energy sector lagged slightly. The corporate-bond market peaked early in January but was limited for the rest of the year by tightening monetary policy and the search for relatively safe assets; concerns about Italy's debt load and the U.K.'s plan to leave the European Union; lower oil prices; and the impact of the U.S.-China trade dispute and the renegotiation of the North American Free Trade Agreement on global trade.

Recent Developments

Financial markets ended 2018 with significant declines in the fourth quarter, and U.S. stocks posted their biggest December drop in about 90 years. A sell-off of this magnitude is rare given a healthy economic backdrop, and could weigh on corporate bonds in early 2019. Investors are concerned that steps by the U.S. Federal Reserve, the European Central Bank and the BOC during a period of potentially slower global growth could trigger a recession.

The portfolio manager notes, however, that the Canadian economy is operating at capacity, unemployment is relatively low and the resolution of the U.S.-Canada-Mexico trade talks will encourage investments that have been on hold. Corporate balance sheets and earnings remain generally strong, and default rates are low. The portfolio manager expects therefore that the BOC will need to move rates higher through 2019, although weakness in the Energy sector likely means no increases in the first quarter.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain



bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Brokers and Dealers

The ETF has established standard brokerage and dealing agreements at market rates with related parties. These related-party commissions were \$1,000 (2017 – \$18,000) or 6% (2017 – 100%) of the total transaction costs paid for this ETF.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;

- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	Year/Period
Dec. 31, 2018	19.21	0.51	(0.01)	(0.31)	0.08	0.27	(0.50)	—	—	(0.03)	(0.53)	18.96
Dec. 31, 2017	19.69	0.59	(0.01)	(0.24)	(0.32)	0.02	(0.56)	—	—	(0.01)	(0.57)	19.21
Dec. 31, 2016 ³	20.00 [†]	0.62	(0.02)	(0.18)	(0.30)	0.12	(0.55)	—	—	(0.01)	(0.56)	19.69

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From January 19, 2016.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	205 759	10 850	0.25	0.25	0.01	39.46	18.96	18.87
Dec. 31, 2017	231 507	12 050	0.25	0.25	0.01	55.15	19.21	19.20
Dec. 31, 2016 ⁴	125 017	6 350	0.24	0.24	0.03	79.61	19.69	19.66

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From January 19, 2016.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF.

A management fee is charged indirectly and directly to the ETF:

indirectly as this ETF invests in the units of other RBC ETFs and the other RBC ETFs pay management fees; and directly for other portfolio manager activities. The total management fee will not exceed 0.22%, before GST/HST, of the daily net asset value of the ETF.



PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmark:

FTSE Canada Short Term Bond Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	1.5	—	—	—	1.2
Benchmark	1.9	—	—	—	1.0

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark index.

The ETF's units have been available for sale to unitholders since January 19, 2016.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTION

FTSE Canada Short Term Bond Index* This index is a measure of the performance of Canadian bonds with terms to maturity of one to five years and is a good proxy for a short-term fixed-income investment.

* FTSE Canada benchmarks were known as the FTSE TMX Canada benchmarks before a name change.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
Corporate Bonds	
Financials	43.6
Energy	6.3
Communication Services	5.8
Industrials	3.6
Real Estate	2.8
Infrastructure	2.7
Government and Provincial Bonds	34.5
Other Net Assets	0.7

Top 25 Holdings*

	% of Net Asset Value
RBC Target 2020 Corporate Bond Index ETF	14.0
RBC Target 2021 Corporate Bond Index ETF	14.0
RBC Target 2022 Corporate Bond Index ETF	14.0
RBC Target 2023 Corporate Bond Index ETF	14.0
RBC Target 2024 Corporate Bond Index ETF	14.0
Canada Housing Trust No. 1 2.900% Jun 15, 2024	6.0
Government of Canada 1.750% Aug 01, 2020	6.0
Province of Alberta 1.350% Sep 01, 2021	3.0
Province of British Columbia 3.250% Dec 18, 2021	3.0
Province of Ontario 3.150% Jun 02, 2022	3.0
Province of Ontario 2.850% Jun 02, 2023	3.0
Province of Quebec 3.500% Dec 01, 2022	3.0
Province of Quebec 3.000% Sep 01, 2023	3.0
Total	100.0

* The ETF holds fewer than 25 holdings.

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



FIXED-INCOME ETF

RBC 1-5 YEAR LADDERED CORPORATE BOND ETF

December 31, 2018

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

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A Note on Forward-looking Statements

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MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide unitholders with exposure to the performance of a diversified portfolio of Canadian corporate bonds, divided ("laddered") into five groupings with staggered maturities from one to five years, which will provide regular income while preserving capital.

The ETF will achieve exposure to Canadian corporate bonds primarily by investing in an equal-weighted portfolio of five RBC Target Maturity Corporate Bond ETFs with remaining terms to maturity of one to five years. At the end of each year, the nearest term RBC Target Maturity Corporate Bond ETF will be sold and proceeds invested into a longer-dated RBC Target Maturity Corporate Bond ETF to maintain the one- to five-year ladder. The portfolio holdings will be rebalanced initially on a semi-annual basis. The frequency of the rebalancing may change without notice.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value fell to \$190 million as of December 31, 2018, from \$256 million at the end of 2017. The decrease was due to net redemptions, partially offset by investment returns.

Over the past year, the ETF's units gained 1.4%, which underperformed the 1.8% rise in the benchmark. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

Canadian bonds with maturities of five years or less recorded modest returns in 2018 as the impact of higher bond yields (i.e., interest income) offset overall price declines. Yields on non-government bonds increased after the Bank of Canada (the "BOC") raised interest rates three times during the year, while, in a sign that investors were seeking a degree of safety, the excess yield earned on corporate and provincial bonds over government bonds widened as investors lowered their exposure to assets perceived to carry higher risks.

Government of Canada bonds with terms of between one and five years outperformed provincial and corporate bonds. Highly rated asset-backed bonds were the best-performing corporate bonds, while bonds in the telecommunications industry and Energy sector lagged slightly. The corporate-bond market peaked early in January but was limited for the rest of the year by tightening monetary policy

and the search for relatively safe assets; concerns about Italy's debt load and the U.K.'s plan to leave the European Union; lower oil prices; and the impact of the U.S.-China trade dispute and the renegotiation of the North American Free Trade Agreement on global trade.

Recent Developments

Financial markets ended 2018 with significant declines in the fourth quarter, and U.S. stocks posted their biggest December drop in about 90 years. A sell-off of this magnitude is rare given a healthy economic backdrop, and could weigh on corporate bonds in early 2019. Investors are concerned that steps by the U.S. Federal Reserve, the European Central Bank and the BOC during a period of potentially slower global growth could trigger a recession.

The portfolio manager notes, however, that the Canadian economy is operating at capacity, unemployment is relatively low and the resolution of the U.S.-Canada-Mexico trade talks will encourage investments that have been on hold. Corporate balance sheets and earnings remain generally strong, and default rates are low. The portfolio manager expects therefore that the BOC will need to move rates higher through 2019, although weakness in the Energy sector likely means no increases in the first quarter.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

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RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.



Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Brokers and Dealers

The ETF has established standard brokerage and dealing agreements at market rates with related parties. These related-party commissions were \$1,000 (2017 – \$29,000) or 5% (2017 – 100%) of the total transaction costs paid for this ETF.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	Year/Period
Dec. 31, 2018	19.07	0.49	—	(0.44)	0.19	0.24	(0.50)	—	—	(0.05)	(0.55)	18.78
Dec. 31, 2017	19.51	0.58	—	(0.18)	(0.30)	0.10	(0.56)	—	—	(0.02)	(0.58)	19.07
Dec. 31, 2016	19.73	0.65	—	(0.14)	(0.11)	0.40	(0.63)	—	—	(0.01)	(0.64)	19.51
Dec. 31, 2015	20.00	0.70	(0.01)	(0.13)	(0.23)	0.33	(0.70)	—	—	—	(0.70)	19.73
Dec. 31, 2014 ³	20.00 [†]	0.73	—	—	(0.19)	0.54	(0.65)	—	—	—	(0.65)	20.00

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From January 15, 2014.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	189 629	10 100	0.28	0.28	0.01	28.59	18.78	18.70
Dec. 31, 2017	255 527	13 400	0.28	0.28	0.01	31.39	19.07	19.02
Dec. 31, 2016	190 238	9 750	0.28	0.28	0.02	25.30	19.51	19.55
Dec. 31, 2015	148 923	7 550	0.28	0.28	0.04	42.39	19.73	19.68
Dec. 31, 2014 ⁴	72 016	3 600	0.28	0.28	—	0.64	20.00	20.00

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From January 15, 2014.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF. A management fee is not charged directly to the ETF as this ETF invests in the units of other RBC ETFs. It pays management fees indirectly because the ETFs in which it invests pay management fees.

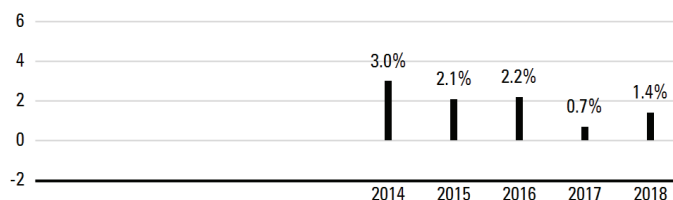


PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmark:

FTSE Canada Short Term Corporate Bond Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	1.4	1.4	—	—	1.9
Benchmark	1.8	1.7	—	—	2.2

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark index.

The ETF's units have been available for sale to unitholders since January 15, 2014.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTION

FTSE Canada Short Term Corporate Bond Index* This index measures the performance of investment-grade Canadian corporate bonds with terms to maturity of more than one year and fewer than five years.

* FTSE Canada benchmarks were known as the FTSE TMX Canada benchmarks before a name change.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
Corporate Bonds	
Financials	62.4
Energy	9.0
Communication Services	8.2
Industrials	5.1
Real Estate	4.0
Infrastructure	3.9
Provincial Bonds	6.6
Other Net Assets	0.8

Top 25 Holdings*

	% of Net Asset Value
RBC Target 2020 Corporate Bond Index ETF	20.0
RBC Target 2021 Corporate Bond Index ETF	20.0
RBC Target 2022 Corporate Bond Index ETF	20.0
RBC Target 2023 Corporate Bond Index ETF	20.0
RBC Target 2024 Corporate Bond Index ETF	20.0
Total	100.0

* The ETF holds fewer than 25 holdings.

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



FIXED-INCOME ETF

RBC 6-10 YEAR LADDERED CANADIAN CORPORATE BOND ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide unitholders with exposure to the performance of a diversified portfolio of Canadian corporate bonds, divided ("laddered") into five groupings with successive maturities ranging from six to ten years, that will provide regular income while preserving capital.

The ETF will achieve exposure to Canadian corporate bonds primarily by investing in a portfolio of five sub-portfolios of bonds with targeted weights and remaining terms to maturity ranging from six to ten years. The sub-portfolios may deviate at times from their targeted weights due to market fluctuations and from their remaining terms to maturity due to a possible lack of availability of bonds of the desired maturity. Bond exposure is obtained by direct investment in corporate bonds (and government bonds, if necessary, due to a lack of availability of corporate bonds of the desired maturity). Bonds must meet screening criteria before being considered for a sub-portfolio. The decision to invest in each bond is based on RBC GAM's assessment of each bond's key characteristics including term to maturity, credit quality, yield to maturity and duration, with consideration given to issuer diversification. Each sub-portfolio will have a remaining term to maturity ranging from six to ten years. At the end of each year, the nearest term sub-portfolio will be sold, and proceeds rolled into a new ten-year sub-portfolio in order to maintain the six- to ten-year ladder. If there are not enough ten-year bonds to facilitate a one-time roll, the ETF may need to gradually roll from five- to ten-year bonds over time as the supply of bonds increases.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value rose to \$14 million as of December 31, 2018, from \$3 million at the end of 2017. The increase was due to net inflows.

Over the past year, the ETF's units gained 0.9%, which underperformed the 1.3% rise in the benchmark. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

Canadian bonds with maturities of six to 10 years recorded modest returns in 2018 as the impact of interest income offset overall price declines. Corporate-bond yields were up slightly over the period, and, in a sign of investor concern, the extra income that they offered over government bonds widened.

Government of Canada bonds with terms of six to 10 years outperformed provincial and corporate bonds. Highly rated asset-backed bonds were the best-performing corporate bonds, while bonds in the telecommunications industry and Energy sector lagged slightly. The corporate-bond market peaked early in January but was limited for the rest of the year by tightening monetary policy and the search for relatively safe assets; concerns about Italy's debt load and the U.K.'s plan to leave the European Union; lower oil prices; and the impact of the U.S.-China trade dispute and the renegotiation of the North American Free Trade Agreement on global trade.

Corporate bonds with six to 10 years until maturity outperformed bonds dated 10 years and longer, but underperformed shorter-term securities. Given that interest rates rose for much of 2018, the ETF was generally overweight 6- and 7-year maturities and underweight 9- and 10-year bonds.

Recent Developments

Financial markets ended 2018 with significant declines in the fourth quarter, and U.S. stocks posted their biggest December drop in about 90 years. A sell-off of this magnitude is rare given a healthy economic backdrop, and could weigh on corporate bonds in early 2019.

Investors are concerned that steps by the U.S. Federal Reserve, the European Central Bank and the Bank of Canada ("the BOC") during a period of potentially slower global growth could trigger a recession.

The portfolio manager notes, however, that the Canadian economy is operating at capacity, unemployment is relatively low and the resolution of the U.S.-Canada-Mexico trade talks will encourage investments that have been on hold. In addition, corporate balance sheets and earnings remain generally strong, and default rates are low. The portfolio manager expects therefore that the BOC will need to move rates higher through 2019, although weakness in the Energy sector likely means no increases in the first quarter.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for these services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.



RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	Year/Period
Dec. 31, 2018	20.03	0.66	(0.05)	(0.04)	(0.16)	0.41	(0.56)	—	—	—	(0.56)	19.64
Dec. 31, 2017³	20.00[†]	0.14	(0.01)	0.05	(0.04)	0.14	(0.12)	—	(0.04)	—	(0.16)	20.03

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From September 8, 2017.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	13 750	700	0.28	0.28	—	31.11	19.64	19.58
Dec. 31, 2017⁴	3 004	150	0.29	0.29	—	129.53	20.03	19.99

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From September 8, 2017.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF.

The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

Management Fees	
RBC 6-10 Year Laddered Canadian Corporate Bond ETF	0.25%



PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmark:

FTSE Canada Mid Term Corporate Bond Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	0.9	—	—	—	1.2
Benchmark	1.3	—	—	—	1.6

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark index.

The ETF's units have been available for sale to unitholders since October 19, 2017.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTION

FTSE Canada Mid Term Corporate Bond Index This index is a measure of the performance of Canadian corporate bonds with terms to maturity of five to 10 years and is a good proxy for a mid-term fixed-income investment.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
Canadian Bonds	
Financials	26.5
Energy	24.9
Infrastructure	14.7
Real Estate	13.0
Communication Services	12.3
Industrials	7.5
Other Net Assets	1.1

Top 25 Holdings

	% of Net Asset Value
Toronto-Dominion Bank 3.226% Jul 24, 2024	5.2
Royal Bank of Canada 4.930% Jul 16, 2025	3.6
AIMCo Realty Investors LP 3.043% Jun 01, 2028	3.6
Bank of Nova Scotia 3.100% Feb 02, 2028	3.5
bcIMC Realty Corp. 2.840% Jun 03, 2025	2.7
Canadian Imperial Bank of Commerce 3.300% May 26, 2025	2.4
Hydro One Inc. 2.770% Feb 24, 2026	2.3
Great-West Lifeco Inc. 3.337% Feb 28, 2028	2.2
Bruce Power LP 3.969% Jun 23, 2026	2.2
Alectra Inc. 2.488% May 17, 2027	2.1
407 International Inc. 2.430% May 04, 2027	2.0
OMERS Realty Corp. 3.244% Oct 04, 2027	2.0
bcIMC Realty Corp. 3.000% Mar 31, 2027	2.0
Brookfield Renewable Energy Partners ULC 3.752% Jun 02, 2025	2.0
AltaLink LP 2.747% May 29, 2026	2.0
AltaLink LP 3.399% Jun 06, 2024	2.0
North West Redwater Partnership 3.200% Jul 22, 2024	2.0
Enbridge Pipelines Inc. 3.000% Aug 10, 2026	2.0
Shaw Communications Inc. 4.350% Jan 31, 2024	1.9
Bank of Montreal 4.609% Sep 10, 2025	1.8
Greater Toronto Airports Authority 6.450% Dec 03, 2027	1.6
Brookfield Infrastructure Finance ULC 4.193% Sep 11, 2028	1.5
Enbridge Pipelines Inc. 3.450% Sep 29, 2025	1.5
Bell Canada 3.550% Mar 02, 2026	1.5
OMERS Realty Corp. 2.858% Feb 23, 2024	1.5
Top 25 Holdings	57.1

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



FIXED-INCOME ETF

RBC TARGET 2019 CORPORATE BOND INDEX ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide income for a limited period of time ending on its termination date by replicating, to the extent possible, the investment results that correspond generally to the performance, before fees and expenses, of the FTSE Canada 2019 Maturity Corporate Bond Index*. The FTSE Canada 2019 Maturity Corporate Bond Index is designed to represent the performance of a held-to-maturity portfolio consisting of, primarily, Canadian dollar-denominated investment grade corporate bonds with effective maturities in 2019.

The ETF intends to invest at least 90% of its assets in and hold the securities that comprise the FTSE Canada 2019 Maturity Corporate Bond Index and/or securities that have economic characteristics that are substantially similar to those that comprise the index.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value fell to \$39 million as of December 31, 2018, from \$163 million at the end of 2017. The decrease was due to net redemptions, partially offset by investment returns.

Over the past year, the ETF's units gained 1.8%, which underperformed the 2.1% rise in the benchmark. The broad-based index rose 1.4%. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

* "FTSE Canada 2019 Maturity Corporate Bond Index" is a trademark of FTSE Debt Capital Markets Inc. ("FTDCM"). "FTSE" is a trademark of the London Stock Exchange Group companies (the "Exchange") and is used by FTDCM under licence. The "FTSE Canada 2019 Maturity Corporate Bond Index" trademark has been licensed for use for certain purposes to RBC GAM. The RBC ETFs are not sponsored, endorsed, sold or promoted by FTDCM, FTSE International Limited or the Exchange (together, the "Licensor Parties"). The Licensor Parties make no warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the index and/or the figure at which the said index stands at any particular time on any particular day or otherwise. The index is compiled and calculated by FTDCM and all copyright in the index values and constituent lists vests in FTDCM. The Licensor Parties shall not be liable (whether in negligence or otherwise) to any person for any error in the index and the Licensor Parties shall not be under any obligation to advise any person of any error therein.

Returns in corporate bonds with one year left until maturity were minimal in 2018, as the income they generated offset a drop in prices. Corporate-bond yields were up slightly due to the Bank of Canada (the "BOC") raising interest rates, and, in a sign of investor concern, the extra income that corporate bonds offered over government bonds widened.

The overall corporate-bond market peaked early in January, in contrast to equities, which crested quite late in 2018. Over 2018, returns on Canadian corporate bonds were limited by tightening monetary policy and higher interest rates; concerns about Italy's debt load and the U.K.'s plan to leave the European Union; lower oil prices; and the impact of the U.S.-China trade dispute and the renegotiation of the North American Free Trade Agreement on global trade.

Returns on corporate bonds maturing in one to five years were about the same as those on federal and provincial bonds. High-quality asset-backed securities were the best-performing type of corporate bond in 2018.

Recent Developments

Financial markets ended 2018 with significant declines in the fourth quarter, and U.S. stocks posted their biggest December drop in about 90 years. A sell-off of this magnitude is rare given a healthy economic backdrop, and could weigh on corporate bonds in early 2019. Investors are concerned that steps by the U.S. Federal Reserve, the European Central Bank and the BOC during a period of potentially slower global growth could trigger a recession.

The portfolio manager notes, however, that the Canadian economy is operating at capacity, unemployment is relatively low and the resolution of the U.S.-Canada-Mexico trade talks will encourage investments that have been on hold. Corporate balance sheets and earnings remain generally strong, and default rates are low. The portfolio manager expects therefore that the BOC will need to move rates higher through 2019, although weakness in the Energy sector likely means no increases in the first quarter.

Effective on or about November 30, 2019, the ETF will reach its maturity date as per the prospectus and investment mandate.

The ETF has applied International Financial Reporting Standards ("IFRS") on a non-going concern basis for the period ended December 31, 2018. In this case, the non-going concern basis of preparation in accordance with IFRS does not result in any material adjustments to the carrying amounts of assets and liabilities of the ETF prepared on a going concern basis in accordance with IFRS.



Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	Year/Period
Dec. 31, 2018	19.22	0.81	(0.05)	(1.04)	0.61	0.33	(0.89)	—	—	—	(0.89)	18.68
Dec. 31, 2017	19.88	0.88	(0.05)	(0.22)	(0.46)	0.15	(0.83)	—	—	—	(0.83)	19.22
Dec. 31, 2016	20.15	0.84	(0.06)	(0.04)	(0.26)	0.48	(0.76)	—	—	—	(0.76)	19.88
Dec. 31, 2015	20.27	0.83	(0.06)	(0.01)	(0.23)	0.53	(0.76)	—	—	—	(0.76)	20.15
Dec. 31, 2014	19.77	0.87	(0.06)	—	0.27	1.08	(0.76)	—	(0.01)	—	(0.77)	20.27

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	39 219	2 100	0.28	0.28	—	24.13	18.68	18.66
Dec. 31, 2017	163 342	8 500	0.28	0.28	—	16.44	19.22	19.23
Dec. 31, 2016	127 224	6 400	0.28	0.28	—	18.51	19.88	19.85
Dec. 31, 2015	90 666	4 500	0.28	0.28	—	15.33	20.15	20.10
Dec. 31, 2014	60 811	3 000	0.28	0.28	—	20.04	20.27	20.28

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF.
The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

Management Fees	
RBC Target 2019 Corporate Bond Index ETF	0.25%
Effective January 1, 2019	0.20%

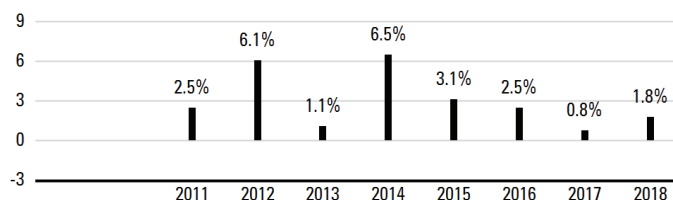


PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmarks:

FTSE Canada 2019 Maturity Corporate Bond Index

The broad-based index is the FTSE Canada Universe Bond Index.

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	1.8	1.7	2.9	—	3.4
Benchmark	2.1	2.0	3.2	—	3.7
Broad-based index	1.4	1.9	3.5	—	3.1

The Benchmark and broad-based index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark and broad-based indexes.

The ETF's units have been available for sale to unitholders since September 15, 2011.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTIONS

FTSE Canada 2019 Maturity Corporate Bond Index* This index is designed to measure the performance of a held-to-maturity portfolio consisting primarily of Canadian-dollar-denominated investment-grade corporate bonds maturing in 2019.

FTSE Canada Universe Bond Index* This index is designed as a broad measure of the Canadian investment-grade fixed-income market and includes bonds with maturities of at least one year.

* FTSE Canada benchmarks were known as the FTSE TMX Canada benchmarks before a name change.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
Corporate Bonds	
Financials	52.5
Industrials	14.8
Communication Services	13.9
Energy	10.8
Infrastructure	7.7
Other Net Assets	0.3

Top 25 Holdings*

	% of Net Asset Value
National Bank of Canada 2.404% Oct 28, 2019	11.2
Bank of Nova Scotia, FRN 3.036% Oct 18, 2024	10.8
Wells Fargo Canada Corp. 2.944% Jul 25, 2019	10.7
Shaw Communications Inc. 5.650% Oct 01, 2019	9.5
Brookfield Asset Management Inc. 3.950% Apr 09, 2019	9.0
Enbridge Inc. 4.770% Sep 02, 2019	6.0
Royal Bank of Canada 2.980% May 07, 2019	5.6
Royal Bank of Canada, FRN 2.990% Dec 06, 2024	5.1
CU Inc. 6.800% Aug 13, 2019	4.6
Rogers Communications Inc. 5.380% Nov 04, 2019	4.4
Sun Life Financial Inc. 5.700% Jul 02, 2019	4.3
Toronto Hydro Corp. 4.490% Nov 12, 2019	3.8
Cameco Corp. 5.670% Sep 02, 2019	3.8
NAV Canada 5.304% Apr 17, 2019	3.8
Intact Financial Corp. 5.410% Sep 03, 2019	3.6
SNC-Lavalin Group Inc. 6.190% Jul 03, 2019	2.1
Canadian Imperial Bank of Commerce 2.350% Jun 24, 2019	1.2
Westcoast Energy Inc. 5.600% Jan 16, 2019	0.2
Total	99.7

* The ETF holds fewer than 25 holdings.

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



FIXED-INCOME ETF

RBC TARGET 2020 CORPORATE BOND INDEX ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide income for a limited period of time ending on its termination date by replicating, to the extent possible, the investment results that correspond generally to the performance, before fees and expenses, of the FTSE Canada 2020 Maturity Corporate Bond Index*. The FTSE Canada 2020 Maturity Corporate Bond Index is designed to represent the performance of a held-to-maturity portfolio consisting of, primarily, Canadian dollar-denominated investment grade corporate bonds with effective maturities in 2020.

The ETF intends to invest at least 90% of its assets in and hold the securities that comprise the FTSE Canada 2020 Maturity Corporate Bond Index and/or securities that have economic characteristics that are substantially similar to those that comprise the index.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value rose to \$164 million as of December 31, 2018, from \$129 million at the end of 2017. The increase was due to net inflows.

Over the past year, the ETF's units gained 1.6%, which underperformed the 1.9% rise in the benchmark. The broad-based index rose 1.4%. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

* "FTSE Canada 2020 Maturity Corporate Bond Index" is a trademark of FTSE Debt Capital Markets Inc. ("FTDCM"). "FTSE" is a trademark of the London Stock Exchange Group companies (the "Exchange") and is used by FTDCM under licence. The "FTSE Canada 2020 Maturity Corporate Bond Index" trademark has been licensed for use for certain purposes to RBC GAM. The RBC ETFs are not sponsored, endorsed, sold or promoted by FTDCM, FTSE International Limited or the Exchange (together, the "Licensor Parties"). The Licensor Parties make no warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the index and/or the figure at which the said index stands at any particular time on any particular day or otherwise. The index is compiled and calculated by FTDCM and all copyright in the index values and constituent lists vests in FTDCM. The Licensor Parties shall not be liable (whether in negligence or otherwise) to any person for any error in the index and the Licensor Parties shall not be under any obligation to advise any person of any error therein.

Returns in corporate bonds with two years left until maturity were minimal in 2018, as the income they generated offset a drop in prices. Corporate-bond yields were up slightly due to the Bank of Canada (the "BOC") raising interest rates, and, in a sign of investor concern, the extra income that corporate bonds offered over government bonds widened.

The overall corporate-bond market peaked early in January, in contrast to equities, which crested quite late in 2018. Over 2018, returns on Canadian corporate bonds were limited by tightening monetary policy and higher interest rates; concerns about Italy's debt load and the U.K.'s plan to leave the European Union; lower oil prices; and the impact of the U.S.-China trade dispute and the renegotiation of the North American Free Trade Agreement on global trade.

Returns on corporate bonds maturing in one to five years were about the same as those on federal and provincial bonds. High-quality asset-backed securities were the best-performing type of corporate bond in 2018.

Recent Developments

Financial markets ended 2018 with significant declines in the fourth quarter, and U.S. stocks posted their biggest December drop in about 90 years. A sell-off of this magnitude is rare given a healthy economic backdrop, and could weigh on corporate bonds in early 2019. Investors are concerned that steps by the U.S. Federal Reserve, the European Central Bank and the BOC during a period of potentially slower global growth could trigger a recession.

The portfolio manager notes, however, that the Canadian economy is operating at capacity, unemployment is relatively low and the resolution of the U.S.-Canada-Mexico trade talks will encourage investments that have been on hold. Corporate balance sheets and earnings remain generally strong, and default rates are low. The portfolio manager expects therefore that the BOC will need to move rates higher through 2019, although weakness in the Energy sector likely means no increases in the first quarter.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.



RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	Year/Period
Dec. 31, 2018	20.07	0.59	(0.06)	(0.18)	(0.01)	0.34	(0.53)	—	—	—	(0.53)	19.87
Dec. 31, 2017	20.47	0.61	(0.06)	(0.10)	(0.34)	0.11	(0.55)	—	—	—	(0.55)	20.07
Dec. 31, 2016	20.52	0.63	(0.06)	(0.01)	(0.11)	0.45	(0.56)	—	—	—	(0.56)	20.47
Dec. 31, 2015	20.49	0.70	(0.06)	(0.06)	(0.26)	0.32	(0.63)	—	—	—	(0.63)	20.52
Dec. 31, 2014	19.81	0.84	(0.06)	(0.03)	0.62	1.37	(0.76)	—	—	—	(0.76)	20.49

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	163 891	8 250	0.28	0.28	—	29.49	19.87	19.83
Dec. 31, 2017	129 464	6 450	0.28	0.28	—	24.90	20.07	20.08
Dec. 31, 2016	94 176	4 600	0.28	0.28	—	14.05	20.47	20.45
Dec. 31, 2015	58 490	2 850	0.29	0.29	—	49.49	20.52	20.51
Dec. 31, 2014	14 343	700	0.29	0.29	—	31.67	20.49	20.51

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF.
The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

Management Fees	
RBC Target 2020 Corporate Bond Index ETF	0.25%

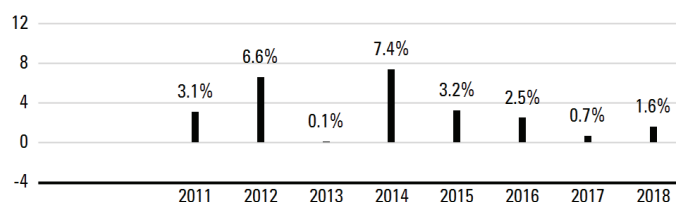


PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmarks:

FTSE Canada 2020 Maturity Corporate Bond Index

The broad-based index is the FTSE Canada Universe Bond Index.

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	1.6	1.6	3.1	—	3.4
Benchmark	1.9	1.9	3.4	—	3.8
Broad-based index	1.4	1.9	3.5	—	3.1

The Benchmark and broad-based index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark and broad-based indexes.

The ETF's units have been available for sale to unitholders since September 15, 2011.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTIONS

FTSE Canada 2020 Maturity Corporate Bond Index* This index is designed to measure the performance of a held-to-maturity portfolio consisting primarily of Canadian-dollar-denominated investment-grade corporate bonds maturing in 2020.

FTSE Canada Universe Bond Index* This index is designed as a broad measure of the Canadian investment-grade fixed-income market and includes bonds with maturities of at least one year.

* FTSE Canada benchmarks were known as the FTSE TMX Canada benchmarks before a name change.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
Corporate Bonds	
Financials	74.9
Energy	10.0
Communication Services	5.5
Industrials	4.0
Infrastructure	3.3
Real Estate	1.6
Other Net Assets	0.7

Top 25 Holdings

	% of Net Asset Value
Canadian Imperial Bank of Commerce 1.660% Jan 20, 2020	7.9
Royal Bank of Canada 1.920% Jul 17, 2020	7.9
Caisse Centrale Desjardins 1.748% Mar 02, 2020	7.1
Bank of Nova Scotia 2.270% Jan 13, 2020	6.4
Toronto-Dominion Bank 2.563% Jun 24, 2020	6.0
Bank of Montreal 2.840% Jun 04, 2020	5.9
HSBC Bank Canada 2.938% Jan 14, 2020	5.6
National Bank of Canada 1.742% Mar 03, 2020	5.3
Capital Desjardins Inc. 5.187% May 05, 2020	5.0
Canadian Natural Resources Ltd. 2.050% Jun 01, 2020	4.7
Great-West Lifeco Inc. 4.650% Aug 13, 2020	2.7
Enbridge Inc. 4.530% Mar 09, 2020	2.7
General Motors Financial of Canada Ltd. 3.080% May 22, 2020	2.7
Sun Life Financial Inc., FRN 2.600% Sep 25, 2025	2.7
Nissan Canada Financial Services Inc. 2.420% Oct 19, 2020	2.6
BMW Canada Inc. 1.880% Dec 11, 2020	2.6
Rogers Communications Inc. 4.700% Sep 29, 2020	2.5
Enbridge Pipelines Inc. 4.450% Apr 06, 2020	1.9
Nissan Canada Financial Services Inc. 1.750% Apr 09, 2020	1.8
Bank of Nova Scotia 2.090% Sep 09, 2020	1.7
407 International Inc. 4.990% Jun 16, 2020	1.7
TELUS Corp. 5.050% Jul 23, 2020	1.7
Hydro One Inc. 4.400% Jun 01, 2020	1.6
OMERS Realty Corp. 3.203% Jul 24, 2020	1.6
Shaw Communications Inc. 5.500% Dec 07, 2020	1.4
Top 25 Holdings	93.7

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



FIXED-INCOME ETF

RBC TARGET 2021 CORPORATE BOND INDEX ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide income for a limited period of time ending on its termination date by replicating, to the extent possible, the investment results that correspond generally to the performance, before fees and expenses, of the FTSE Canada 2021 Maturity Corporate Bond Index*. The FTSE Canada 2021 Maturity Corporate Bond Index is designed to represent the performance of a held-to-maturity portfolio consisting of, primarily, Canadian dollar-denominated investment grade corporate bonds with effective maturities in 2021.

The ETF intends to invest at least 90% of its assets in and hold the securities that comprise the FTSE Canada 2021 Maturity Corporate Bond Index and/or securities that have economic characteristics that are substantially similar to those that comprise the index.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value fell to \$107 million as of December 31, 2018, from \$122 million at the end of 2017. The decrease was due to net redemptions, partially offset by investment returns.

Over the past year, the ETF's units gained 1.2%, which underperformed the 1.5% rise in the benchmark. The broad-based index rose 1.4%. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

* "FTSE Canada 2021 Maturity Corporate Bond Index" is a trademark of FTSE Debt Capital Markets Inc. ("FTDCM"). "FTSE" is a trademark of the London Stock Exchange Group companies (the "Exchange") and is used by FTDCM under licence. The "FTSE Canada 2021 Maturity Corporate Bond Index" trademark has been licensed for use for certain purposes to RBC GAM. The RBC ETFs are not sponsored, endorsed, sold or promoted by FTDCM, FTSE International Limited or the Exchange (together, the "Licensor Parties"). The Licensor Parties make no warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the index and/or the figure at which the said index stands at any particular time on any particular day or otherwise. The index is compiled and calculated by FTDCM and all copyright in the index values and constituent lists vests in FTDCM. The Licensor Parties shall not be liable (whether in negligence or otherwise) to any person for any error in the index and the Licensor Parties shall not be under any obligation to advise any person of any error therein.

Returns in corporate bonds with three years left until maturity were minimal in 2018, as the income they generated offset a drop in prices. Corporate-bond yields were up due to the Bank of Canada (the "BOC") raising interest rates, and, in a sign of investor concern, the extra income that corporate bonds offered over government bonds widened.

The overall corporate-bond market peaked early in January, in contrast to equities, which crested quite late in 2018. Over 2018, returns on Canadian corporate bonds were limited by tightening monetary policy and higher interest rates; concerns about Italy's debt load and the U.K.'s plan to leave the European Union; lower oil prices; and the impact of the U.S.-China trade dispute and the renegotiation of the North American Free Trade Agreement on global trade.

Returns on corporate bonds maturing in one to five years were about the same as those on federal and provincial bonds. High-quality asset-backed securities were the best-performing type of corporate bond in 2018.

Recent Developments

Financial markets ended 2018 with significant declines in the fourth quarter, and U.S. stocks posted their biggest December drop in about 90 years. A sell-off of this magnitude is rare given a healthy economic backdrop, and could weigh on corporate bonds in early 2019. Investors are concerned that steps by the U.S. Federal Reserve, the European Central Bank and the BOC during a period of potentially slower global growth could trigger a recession.

The portfolio manager notes, however, that the Canadian economy is operating at capacity, unemployment is relatively low and the resolution of the U.S.-Canada-Mexico trade talks will encourage investments that have been on hold. Corporate balance sheets and earnings remain generally strong, and default rates are low. The portfolio manager expects therefore that the BOC will need to move rates higher through 2019, although weakness in the Energy sector likely means no increases in the first quarter.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.



RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	Year/Period
Dec. 31, 2018	19.88	0.59	(0.05)	(0.21)	(0.11)	0.22	(0.54)	—	—	—	(0.54)	19.58
Dec. 31, 2017	20.24	0.60	(0.06)	(0.02)	(0.38)	0.14	(0.53)	—	—	—	(0.53)	19.88
Dec. 31, 2016	20.21	0.68	(0.06)	0.03	(0.14)	0.51	(0.61)	—	(0.02)	—	(0.63)	20.24
Dec. 31, 2015	20.13	0.73	(0.06)	(0.01)	0.01	0.67	(0.56)	—	—	(0.09)	(0.65)	20.21
Dec. 31, 2014	19.17	0.78	(0.06)	0.03	0.63	1.38	(0.68)	—	—	(0.02)	(0.70)	20.13

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	106 702	5 450	0.28	0.28	—	18.09	19.58	19.51
Dec. 31, 2017	122 285	6 150	0.28	0.28	—	14.62	19.88	19.93
Dec. 31, 2016	90 047	4 450	0.28	0.28	—	58.14	20.24	20.15
Dec. 31, 2015	46 475	2 300	0.28	0.28	—	34.15	20.21	20.24
Dec. 31, 2014	9 060	450	0.29	0.29	—	63.45	20.13	20.51

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF.
The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

Management Fees	
RBC Target 2021 Corporate Bond Index ETF	0.25%

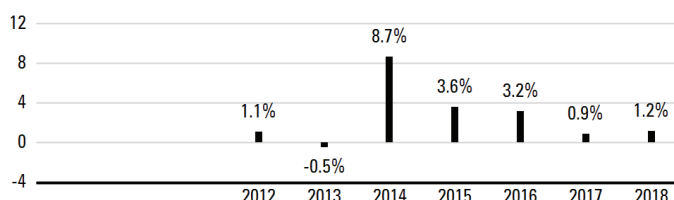


PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmarks:

FTSE Canada 2021 Maturity Corporate Bond Index

The broad-based index is the FTSE Canada Universe Bond Index.

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	1.2	1.8	3.5	—	2.9
Benchmark	1.5	2.1	3.8	—	3.2
Broad-based index	1.4	1.9	3.5	—	2.8

The Benchmark and broad-based index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark and broad-based indexes.

The ETF's units have been available for sale to unitholders since October 10, 2012.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTIONS

FTSE Canada 2021 Maturity Corporate Bond Index* This index is designed to measure the performance of a held-to-maturity portfolio consisting primarily of Canadian-dollar-denominated investment-grade corporate bonds maturing in 2021.

FTSE Canada Universe Bond Index* This index is designed as a broad measure of the Canadian investment-grade fixed-income market and includes bonds with maturities of at least one year.

* FTSE Canada benchmarks were known as the FTSE TMX Canada benchmarks before a name change.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
Corporate Bonds	
Financials	67.9
Communication Services	9.9
Energy	9.2
Infrastructure	5.2
Real Estate	4.7
Industrials	2.4
Other Net Assets	0.7

Top 25 Holdings

	% of Net Asset Value
Royal Bank of Canada 1.583% Sep 13, 2021	6.1
National Bank of Canada 1.809% Jul 26, 2021	5.3
Ford Credit Canada Co. 2.580% May 10, 2021	5.3
HSBC Bank Canada 2.908% Sep 29, 2021	5.0
Thomson Reuters Corp. 3.309% Nov 12, 2021	4.0
Bank of Montreal 3.400% Apr 23, 2021	3.8
TransCanada PipeLines Ltd. 3.650% Nov 15, 2021	3.7
Nissan Canada Financial Services Inc. 3.150% Sep 14, 2021	3.6
Rogers Communications Inc. 5.340% Mar 22, 2021	3.6
Capital Desjardins Inc., FRN 4.954% Dec 15, 2026	3.5
Daimler Canada Finance Inc. 1.910% Jul 08, 2021	3.5
Daimler Canada Finance Inc. 2.230% Dec 16, 2021	3.2
407 International Inc. 4.300% May 26, 2021	3.0
Enbridge Inc. 3.160% Mar 11, 2021	2.9
Toyota Credit Canada Inc. 2.200% Feb 25, 2021	2.9
Honda Canada Finance Inc. 2.155% Feb 18, 2021	2.9
Honda Canada Finance Inc. 1.823% Dec 07, 2021	2.8
Bruce Power LP 2.844% Jun 23, 2021	2.6
Sun Life Financial Inc., FRN 3.100% Feb 19, 2026	2.6
Bank of Nova Scotia 3.270% Jan 11, 2021	2.5
Wells Fargo Canada Corp. 3.040% Jan 29, 2021	2.5
bcIMC Realty Corp. 2.100% Jun 03, 2021	2.5
Royal Bank of Canada 2.860% Mar 04, 2021	2.5
Brookfield Asset Management Inc. 5.300% Mar 01, 2021	2.4
Bank of Nova Scotia 2.873% Jun 04, 2021	2.4
Top 25 Holdings	85.1

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



FIXED-INCOME ETF

RBC TARGET 2022 CORPORATE BOND INDEX ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide income for a limited period of time ending on its termination date by replicating, to the extent possible, the investment results that correspond generally to the performance, before fees and expenses, of the FTSE Canada 2022 Maturity Corporate Bond Index*. The FTSE Canada 2022 Maturity Corporate Bond Index is designed to represent the performance of a held-to-maturity portfolio consisting of, primarily, Canadian dollar-denominated investment grade corporate bonds with effective maturities in 2022.

The ETF intends to invest at least 90% of its assets in and hold the securities that comprise the FTSE Canada 2022 Maturity Corporate Bond Index and/or securities that have economic characteristics that are substantially similar to those that comprise the index.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value fell to \$89 million as of December 31, 2018, from \$104 million at the end of 2017. The decrease was due to net redemptions, partially offset by investment returns.

Over the past year, the ETF's units gained 0.9%, which underperformed the 1.2% rise in the benchmark. The broad-based index rose 1.4%. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

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Returns in corporate bonds with four years left until maturity were minimal in 2018, as the income they generated offset a drop in prices. Corporate-bond yields were up due to the Bank of Canada (the "BOC") raising interest rates, and, in a sign of investor concern, the extra income that corporate bonds offered over government bonds widened.

The overall corporate-bond market peaked early in January, in contrast to equities, which crested quite late in 2018. Over 2018, returns on Canadian corporate bonds were limited by tightening monetary policy and higher interest rates; concerns about Italy's debt load and the U.K.'s plan to leave the European Union; lower oil prices; and the impact of the U.S.-China trade dispute and the renegotiation of the North American Free Trade Agreement on global trade.

Returns on corporate bonds maturing in one to five years were about the same as those on federal and provincial bonds. High-quality asset-backed securities were the best-performing type of corporate bond in 2018.

Recent Developments

Financial markets ended 2018 with significant declines in the fourth quarter, and U.S. stocks posted their biggest December drop in about 90 years. A sell-off of this magnitude is rare given a healthy economic backdrop, and could weigh on corporate bonds in early 2019. Investors are concerned that steps by the U.S. Federal Reserve, the European Central Bank and the BOC during a period of potentially slower global growth could trigger a recession.

The portfolio manager notes, however, that the Canadian economy is operating at capacity, unemployment is relatively low and the resolution of the U.S.-Canada-Mexico trade talks will encourage investments that have been on hold. Corporate balance sheets and earnings remain generally strong, and default rates are low. The portfolio manager expects therefore that the BOC will need to move rates higher through 2019, although weakness in the Energy sector likely means no increases in the first quarter.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.



RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	Year/Period
Dec. 31, 2018	19.42	0.47	(0.05)	(0.16)	(0.11)	0.15	(0.42)	—	—	—	(0.42)	19.17
Dec. 31, 2017	19.67	0.48	(0.05)	(0.04)	(0.32)	0.07	(0.41)	—	—	(0.01)	(0.42)	19.42
Dec. 31, 2016 ³	20.00 [†]	0.21	(0.02)	—	(0.41)	(0.22)	(0.10)	—	—	(0.03)	(0.13)	19.67

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From September 14, 2016.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	89 138	4 650	0.28	0.28	—	14.00	19.17	19.21
Dec. 31, 2017	103 892	5 350	0.28	0.28	—	102.17	19.42	19.46
Dec. 31, 2016 ⁴	61 953	3 150	0.29	0.29	—	0.04	19.67	19.70

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From September 14, 2016.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF.

The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

Management Fees	
RBC Target 2022 Corporate Bond Index ETF	0.25%



PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmarks:

FTSE Canada 2022 Maturity Corporate Bond Index

The broad-based index is the FTSE Canada Universe Bond Index.

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	0.9	—	—	—	0.3
Benchmark	1.2	—	—	—	0.5
Broad-based index	1.4	—	—	—	0.6

The Benchmark and broad-based index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark and broad-based indexes.

The ETF's units have been available for sale to unitholders since September 20, 2016.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTIONS

FTSE Canada 2022 Maturity Corporate Bond Index* This index is designed to measure the performance of a held-to-maturity portfolio consisting primarily of Canadian-dollar-denominated investment-grade corporate bonds maturing in 2022.

FTSE Canada Universe Bond Index* This index is designed as a broad measure of the Canadian investment-grade fixed-income market and includes bonds with maturities of at least one year.

* FTSE Canada benchmarks were known as the FTSE TMX Canada benchmarks before a name change.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
Corporate Bonds	
Financials	78.2
Communication Services	9.1
Infrastructure	4.7
Industrials	3.4
Energy	3.0
Real Estate	0.9
Other Net Assets	0.7

Top 25 Holdings

	% of Net Asset Value
Bank of Montreal 2.270% Jul 11, 2022	5.7
Canadian Imperial Bank of Commerce 2.300% Jul 11, 2022	5.3
Toronto-Dominion Bank 1.994% Mar 23, 2022	5.2
Bank of Nova Scotia 2.360% Nov 08, 2022	5.2
Bank of Nova Scotia 1.830% Apr 27, 2022	4.3
Canadian Imperial Bank of Commerce 2.040% Mar 21, 2022	3.8
The Manufacturers Life Insurance Co., FRN 3.181% Nov 22, 2027	3.6
Bell Canada 3.000% Oct 03, 2022	3.5
Caisse Centrale Desjardins 2.091% Jan 17, 2022	3.5
TELUS Corp. 2.350% Mar 28, 2022	3.5
HSBC Bank Canada 2.170% Jun 29, 2022	3.5
Bank of Montreal 2.120% Mar 16, 2022	3.5
Royal Bank of Canada 2.000% Mar 21, 2022	3.2
Federation des Caisses Desjardins du Quebec 2.394% Aug 25, 2022	3.0
National Bank of Canada 2.105% Mar 18, 2022	2.6
National Bank of Canada 1.957% Jun 30, 2022	2.6
Royal Bank of Canada 1.968% Mar 02, 2022	2.6
Rogers Communications Inc. 4.000% Jun 06, 2022	2.2
Hydro One Inc. 3.200% Jan 13, 2022	2.2
Toyota Credit Canada Inc. 2.020% Feb 28, 2022	2.1
Ford Credit Canada Co. 3.349% Sep 19, 2022	2.0
Ford Credit Canada Co. 2.766% Jun 22, 2022	2.0
VW Credit Canada Inc. 3.700% Nov 14, 2022	1.8
Daimler Canada Finance Inc. 3.050% May 16, 2022	1.8
Central 1 Credit Union 2.600% Nov 07, 2022	1.8
Top 25 Holdings	80.5

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



FIXED-INCOME ETF

RBC TARGET 2023 CORPORATE BOND INDEX ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide income for a limited period of time ending on its termination date by replicating, to the extent possible, the investment results that correspond generally to the performance, before fees and expenses, of the FTSE Canada 2023 Maturity Corporate Bond Index*. The FTSE Canada 2023 Maturity Corporate Bond Index is designed to represent the performance of a held-to-maturity portfolio consisting of, primarily, Canadian dollar-denominated investment grade corporate bonds with effective maturities in 2023.

The ETF intends to invest at least 90% of its assets in and hold the securities that comprise the FTSE Canada 2023 Maturity Corporate Bond Index and/or securities that have economic characteristics that are substantially similar to those that comprise the index.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value fell to \$76 million as of December 31, 2018, from \$93 million at the end of 2017. The decrease was due to net redemptions, partially offset by investment returns.

Over the past year, the ETF's units gained 1.0%, which underperformed the 1.3% rise in the benchmark. The broad-based index rose 1.4%. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

* "FTSE Canada 2023 Maturity Corporate Bond Index" is a trademark of FTSE Debt Capital Markets Inc. ("FTDCM"). "FTSE" is a trademark of the London Stock Exchange Group companies (the "Exchange") and is used by FTDCM under licence. The "FTSE Canada 2023 Maturity Corporate Bond Index" trademark has been licensed for use for certain purposes to RBC GAM. The RBC ETFs are not sponsored, endorsed, sold or promoted by FTDCM, FTSE International Limited or the Exchange (together, the "Licensor Parties"). The Licensor Parties make no warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the index and/or the figure at which the said index stands at any particular time on any particular day or otherwise. The index is compiled and calculated by FTDCM and all copyright in the index values and constituent lists vests in FTDCM. The Licensor Parties shall not be liable (whether in negligence or otherwise) to any person for any error in the index and the Licensor Parties shall not be under any obligation to advise any person of any error therein.

Returns in corporate bonds with five years left until maturity were minimal in 2018, as the income they generated offset a drop in prices. Corporate-bond yields were up due to the Bank of Canada (the "BOC") raising interest rates, and, in a sign of investor concern, the extra income that corporate bonds offered over government bonds widened.

The overall corporate-bond market peaked early in January, in contrast to equities, which crested quite late in 2018. Over 2018, returns on Canadian corporate bonds were limited by tightening monetary policy and higher interest rates; concerns about Italy's debt load and the U.K.'s plan to leave the European Union; lower oil prices; and the impact of the U.S.-China trade dispute and the renegotiation of the North American Free Trade Agreement on global trade.

Returns on corporate bonds maturing in one to five years were about the same as those on federal and provincial bonds. High-quality asset-backed securities were the best-performing type of corporate bond in 2018.

Recent Developments

Financial markets ended 2018 with significant declines in the fourth quarter, and U.S. stocks posted their biggest December drop in about 90 years. A sell-off of this magnitude is rare given a healthy economic backdrop, and could weigh on corporate bonds in early 2019. Investors are concerned that steps by the U.S. Federal Reserve, the European Central Bank and the BOC during a period of potentially slower global growth could trigger a recession.

The portfolio manager notes, however, that the Canadian economy is operating at capacity, unemployment is relatively low and the resolution of the U.S.-Canada-Mexico trade talks will encourage investments that have been on hold. Corporate balance sheets and earnings remain generally strong, and default rates are low. The portfolio manager expects therefore that the BOC will need to move rates higher through 2019, although weakness in the Energy sector likely means no increases in the first quarter.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.



RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	Year/Period
Dec. 31, 2018	19.26	0.61	(0.05)	(0.29)	(0.11)	0.16	(0.56)	—	—	—	(0.56)	18.88
Dec. 31, 2017	19.56	0.63	(0.06)	(0.05)	(1.63)	(1.11)	(0.30)	—	—	(0.24)	(0.54)	19.26
Dec. 31, 2016 ³	20.00 [†]	0.24	(0.02)	(0.06)	(0.48)	(0.32)	(0.16)	—	—	(0.02)	(0.18)	19.56

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From September 14, 2016.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	76 481	4 050	0.29	0.29	—	41.80	18.88	18.83
Dec. 31, 2017	93 419	4 850	0.29	0.29	—	40.66	19.26	19.31
Dec. 31, 2016 ⁴	3 912	200	0.29	0.29	—	11.25	19.56	19.61

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From September 14, 2016.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF.

The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

Management Fees

RBC Target 2023 Corporate Bond Index ETF	0.25%
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PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmarks:

FTSE Canada 2023 Maturity Corporate Bond Index

The broad-based index is the FTSE Canada Universe Bond Index.

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	1.0	—	—	—	0.3
Benchmark	1.3	—	—	—	0.6
Broad-based index	1.4	—	—	—	0.6

The Benchmark and broad-based index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark and broad-based indexes.

The ETF's units have been available for sale to unitholders since September 20, 2016.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTIONS

FTSE Canada 2023 Maturity Corporate Bond Index* This index is designed to measure the performance of a held-to-maturity portfolio consisting primarily of Canadian-dollar-denominated investment-grade corporate bonds maturing in 2023.

FTSE Canada Universe Bond Index* This index is designed as a broad measure of the Canadian investment-grade fixed-income market and includes bonds with maturities of at least one year.

* FTSE Canada benchmarks were known as the FTSE TMX Canada benchmarks before a name change.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
Corporate Bonds	
Financials	58.3
Energy	10.8
Industrials	9.7
Communication Services	8.6
Real Estate	7.2
Infrastructure	4.6
Other Net Assets	0.8

Top 25 Holdings*

	% of Net Asset Value
HSBC Bank Canada 2.542% Jan 31, 2023	8.5
Sun Life Financial Inc., FRN 3.050% Sep 19, 2028	7.1
Royal Bank of Canada 2.333% Dec 05, 2023	7.1
Toronto-Dominion Bank 1.909% Jul 18, 2023	7.1
TransCanada PipeLines Ltd. 3.690% Jul 19, 2023	6.8
Manulife Financial Corp., FRN 3.317% May 09, 2028	5.3
Brookfield Asset Management Inc. 4.540% Mar 31, 2023	5.0
Honda Canada Finance Inc. 3.176% Aug 28, 2023	4.9
AltaLink LP 3.668% Nov 06, 2023	4.6
OMERS Realty Corp. 3.358% Jun 05, 2023	4.5
Wells Fargo Canada Corp. 3.460% Jan 24, 2023	4.5
TELUS Corp. 3.350% Mar 15, 2023	4.4
VW Credit Canada Inc. 3.250% Mar 29, 2023	4.4
Enbridge Inc. 3.940% Jun 30, 2023	4.1
Industrial Alliance Insurance & Financial Services Inc., FRN 3.300% Sep 15, 2028	3.5
Laurentian Bank of Canada 3.450% Jun 27, 2023	2.8
Royal Bank of Canada 3.296% Sep 26, 2023	2.8
First Capital Realty Inc. 3.900% Oct 30, 2023	2.7
Bell Canada 3.350% Mar 22, 2023	2.6
Saputo Inc. 2.827% Nov 21, 2023	2.6
Loblaw Companies Ltd. 4.860% Sep 12, 2023	2.2
Bell Canada 4.700% Sep 11, 2023	1.6
HSBC Bank Canada 3.245% Sep 15, 2023	0.3
Total	99.4

* The ETF holds fewer than 25 holdings.

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



FIXED-INCOME ETF

RBC TARGET 2024 CORPORATE BOND INDEX ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide income for a limited period of time ending on its termination date by replicating, to the extent possible, the investment results that correspond generally to the performance, before fees and expenses, of the FTSE Canada 2024 Maturity Corporate Bond Index*. The FTSE Canada 2024 Maturity Corporate Bond Index is designed to represent the performance of a held-to-maturity portfolio consisting of, primarily, Canadian-dollar-denominated investment grade corporate bonds with effective maturities in 2024.

The ETF intends to invest at least 90% of its assets in and hold the securities that comprise the FTSE Canada 2024 Maturity Corporate Bond Index and/or securities that have economic characteristics that are substantially similar to those that comprise the index.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF was launched on September 15, 2018, and its net asset value was \$73 million as of December 31, 2018. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

Financial markets ended 2018 with significant declines in the fourth quarter, and U.S. stocks posted their biggest December drop in about 90 years. A sell-off of this magnitude is rare given a healthy economic backdrop, and could weigh on corporate bonds in early 2019. Investors are concerned that steps by the U.S. Federal Reserve, the European Central Bank and the Bank of Canada (the "BOC") during a period of potentially slower global growth could trigger a recession.

The portfolio manager notes, however, that the Canadian economy is operating at capacity, unemployment is relatively low and the resolution of the U.S.-Canada-Mexico trade talks will encourage investments that have been on hold. Corporate balance sheets and

earnings remain generally strong, and default rates are low. The portfolio manager expects therefore that the BOC will need to move rates higher through 2019, although weakness in the Energy sector likely means no increases in the first quarter.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

* "FTSE Canada 2024 Maturity Corporate Bond Index" is a trademark of FTSE Debt Capital Markets Inc. ("FTDCM"). "FTSE" is a trademark of the London Stock Exchange Group companies (the "Exchange") and is used by FTDCM under licence. The "FTSE Canada 2024 Maturity Corporate Bond Index" trademark has been licensed for use for certain purposes to RBC GAM. The RBC ETFs are not sponsored, endorsed, sold or promoted by FTDCM, FTSE International Limited or the Exchange (together, the "Licensor Parties"). The Licensor Parties make no warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the index and/or the figure at which the said index stands at any particular time on any particular day or otherwise. The index is compiled and calculated by FTDCM and all copyright in the index values and constituent lists vests in FTDCM. The Licensor Parties shall not be liable (whether in negligence or otherwise) to any person for any error in the index and the Licensor Parties shall not be under any obligation to advise any person of any error therein.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

							Annual Distributions ²				
Increase (Decrease) from Operations ¹							From		From		Net Assets
For the Year/ Period Ended	Net Assets Beginning of Year/Period	Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	Income (Excluding Dividends)	Dividends	Capital Gains	Return of Capital	End of Year/Period
Dec. 31, 2018 ³	20.00 [†]	0.22	(0.02)	0.02	0.36	0.58	(0.15)	—	—	—	20.02

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From August 16, 2018.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018⁴	73 069	3 650	0.29	0.29	—	65.99	20.02	19.96

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From August 16, 2018.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF.
The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

	Management Fees
RBC Target 2024 Corporate Bond Index ETF	0.25%

PAST PERFORMANCE

Investment performance in respect of a fund that has been available for less than one year is not provided. The ETF was launched September 2018.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
Corporate Bonds	
Financials	32.9
Energy	12.0
Communication Services	7.7
Industrials	5.8
Real Estate	5.8
Infrastructure	1.8
Provincial Bonds	33.2
Other Net Assets	0.8

Top 25 Holdings*

	% of Net Asset Value
Province of Ontario 3.500% Jun 02, 2024	10.0
Toronto-Dominion Bank 3.226% Jul 24, 2024	9.9
Province of Quebec 3.750% Sep 01, 2024	9.9
Bank of Nova Scotia 2.290% Jun 28, 2024	9.5
Bank of Montreal 2.700% Sep 11, 2024	8.5
Province of Saskatchewan 3.200% Jun 03, 2024	4.8
Bell Canada 2.700% Feb 27, 2024	4.7
Province of Manitoba 3.300% Jun 02, 2024	4.6
Province of Alberta 3.100% Jun 01, 2024	4.0
Manulife Financial Corp., FRN 3.049% Aug 20, 2029	3.6
Alimentation Couche-Tard Inc. 3.056% Jul 26, 2024	3.3
Pembina Pipeline Corp. 2.990% Jan 22, 2024	3.1
OMERS Realty Corp. 2.858% Feb 23, 2024	2.7
Shaw Communications Inc. 4.350% Jan 31, 2024	2.5
Brookfield Asset Management Inc. 5.040% Mar 08, 2024	2.5
Enbridge Inc. 3.950% Nov 19, 2024	2.5
Canadian Natural Resources Ltd. 3.550% Jun 03, 2024	2.4
Inter Pipeline Ltd. 2.734% Apr 18, 2024	2.3
AltaLink LP 3.399% Jun 06, 2024	1.8
Bruce Power LP 3.000% Jun 21, 2024	1.7
OMERS Realty Corp. 3.328% Nov 12, 2024	1.6
First Capital Realty Inc. 4.790% Aug 30, 2024	1.5
TMX Group Ltd. 2.997% Dec 11, 2024	1.5
TELUS Corp. 3.350% Apr 01, 2024	0.5
Total	99.4

* The ETF holds fewer than 25 holdings.

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



FIXED-INCOME ETF

RBC TARGET 2025 CORPORATE BOND INDEX ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide income for a limited period of time ending on its termination date by replicating, to the extent possible, the investment results that correspond generally to the performance, before fees and expenses, of the FTSE Canada 2025 Maturity Corporate Bond Index*. The FTSE Canada 2025 Maturity Corporate Bond Index is designed to represent the performance of a held-to-maturity portfolio consisting of, primarily, Canadian-dollar-denominated investment grade corporate bonds with effective maturities in 2025.

The ETF intends to invest at least 90% of its assets in and hold the securities that comprise the FTSE Canada 2025 Maturity Corporate Bond Index and/or securities that have economic characteristics that are substantially similar to those that comprise the index.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF was launched on September 15, 2018, and its net asset value was \$2 million as of December 31, 2018. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

Financial markets ended 2018 with significant declines in the fourth quarter, and U.S. stocks posted their biggest December drop in about 90 years. A sell-off of this magnitude is rare given a healthy economic backdrop, and could weigh on corporate bonds in early 2019. Investors are concerned that steps by the U.S. Federal Reserve, the European Central Bank and the Bank of Canada (the "BOC") during a period of potentially slower global growth could trigger a recession.

* "FTSE Canada 2025 Maturity Corporate Bond Index" is a trademark of FTSE Debt Capital Markets Inc. ("FTDCM"). "FTSE" is a trademark of the London Stock Exchange Group companies (the "Exchange") and is used by FTDCM under licence. The "FTSE Canada 2025 Maturity Corporate Bond Index" trademark has been licensed for use for certain purposes to RBC GAM. The RBC ETFs are not sponsored, endorsed, sold or promoted by FTDCM, FTSE International Limited or the Exchange (together, the "Licensor Parties"). The Licensor Parties make no warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the index and/or the figure at which the said index stands at any particular time on any particular day or otherwise. The index is compiled and calculated by FTDCM and all copyright in the index values and constituent lists vests in FTDCM. The Licensor Parties shall not be liable (whether in negligence or otherwise) to any person for any error in the index and the Licensor Parties shall not be under any obligation to advise any person of any error therein.

The portfolio manager notes, however, that the Canadian economy is operating at capacity, unemployment is relatively low and the resolution of the U.S.-Canada-Mexico trade talks will encourage investments that have been on hold. Corporate balance sheets and earnings remain generally strong, and default rates are low. The portfolio manager expects therefore that the BOC will need to move rates higher through 2019, although weakness in the Energy sector likely means no increases in the first quarter.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.



Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Dec. 31, 2018 ³	20.00 [†]	0.21	(0.02)	—	(0.05)	0.14	(0.19)	—	—	—	(0.19)	19.95

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From August 16, 2018.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018⁴	1 995	100	0.29	0.29	—	0.68	19.95	19.86

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From August 16, 2018.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF.
The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

	Management Fees
RBC Target 2025 Corporate Bond Index ETF	0.25%

PAST PERFORMANCE

Investment performance in respect of a fund that has been available for less than one year is not provided. The ETF was launched September 2018.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
Corporate Bonds	
Financials	24.8
Energy	23.3
Industrials	7.3
Real Estate	4.0
Infrastructure	2.5
Communication Services	2.2
Provincial Bonds	35.3
Other Net Assets	0.6

Top 25 Holdings*

	% of Net Asset Value
Canadian Imperial Bank of Commerce 3.300% May 26, 2025	10.0
Province of Alberta 2.350% Jun 01, 2025	10.0
Province of Ontario 4.400% Sep 05, 2025	10.0
Province of Manitoba 2.600% Jun 02, 2025	7.3
Royal Bank of Canada 4.930% Jul 16, 2025	6.3
Province of Quebec 5.350% Jun 01, 2025	5.3
TransCanada Pipelines Ltd. 3.300% Jul 17, 2025	5.3
Husky Energy Inc. 3.550% Mar 12, 2025	5.2
Bank of Montreal 4.609% Sep 10, 2025	5.0
Alimentation Couche-Tard Inc. 3.600% Jun 02, 2025	4.9
Honda Canada Finance Inc. 3.444% May 23, 2025	3.6
Pembina Pipeline Corp. 3.540% Feb 03, 2025	3.1
Enbridge Gas Distribution Inc. 3.310% Sep 11, 2025	2.9
Brookfield Renewable Energy Partners ULC 3.752% Jun 02, 2025	2.8
Province of Manitoba 2.450% Jun 02, 2025	2.7
Canadian National Railway Co. 2.800% Sep 22, 2025	2.5
Hydro One Inc. 2.970% Jun 26, 2025	2.5
Bell Canada 3.350% Mar 12, 2025	2.2
First Capital Realty Inc. 4.323% Jul 31, 2025	2.2
Westcoast Energy Inc. 3.770% Dec 08, 2025	2.2
AltaGas Ltd. 3.840% Jan 15, 2025	2.1
OMERS Realty Corp. 3.331% Jun 05, 2025	1.8
Total	99.9

* The ETF holds fewer than 25 holdings.

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



FIXED-INCOME ETF

RBC PH&N SHORT TERM CANADIAN BOND ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide unitholders with regular monthly income and the potential for modest capital growth by investing primarily in a well-diversified portfolio of short-term fixed-income securities issued by Canadian corporations and governments.

The ETF invests primarily in an actively managed portfolio of high-quality, short-duration Canadian corporate and government bonds, treasury bills and term deposits. Fixed-income securities are selected on the basis of the portfolio manager's assessment of each security's key characteristics including term to maturity, credit quality, yield to maturity and duration, with consideration given to issuer diversification, in order to build a diversified portfolio with competitive risk-adjusted rates of return.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value rose to \$66 million as of December 31, 2018, from \$9 million at the end of 2017. The increase was due to net inflows.

Over the past year, the ETF's units gained 1.5%, which underperformed the 1.9% rise in the benchmark. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

Domestic bond yields rose for most of 2018 in response to interest-rate hikes from the Bank of Canada (the "BOC") and faster global economic growth, but yields fell toward the end of the year as investors flocked to the relative safety of government fixed income amid declines in equity markets. Canadian bonds outperformed U.S. bonds on expectations that relatively fast U.S. growth would prompt the U.S. Federal Reserve to raise benchmark interest rates at a quicker pace than the BOC.

Short-term bonds recorded gains in 2018, as interest income offset slight declines in prices. The portfolio manager's efforts to increase returns through adjustments to the ETF's maturity profile had a slightly negative impact on the ETF's performance relative to the benchmark. However, the ETF's significant bias toward federal agency bonds, specifically government-guaranteed Canada Housing Trust ("CHT") bonds, benefited relative performance. CHT bonds offer an attractive yield over comparable Government of Canada securities without undue risk.

Recent Developments

A commitment from central banks in Canada and the U.S. to raise benchmark interest rates helped drive bond yields higher for much of 2018. However, concerns about Canadian competitiveness, trade uncertainty, falling energy prices and high household-debt levels are prompting the BOC to reassess the pace of rate increases from the current rate of 1.75%. It is even possible that the BOC does not raise rates at all in 2019.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.



Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	Year/Period
Dec. 31, 2018	19.93	0.49	(0.08)	(0.10)	0.13	0.44	(0.37)	—	—	—	(0.37)	19.85
Dec. 31, 2017³	20.00[†]	0.09	(0.02)	0.02	(0.08)	0.01	(0.01)	—	—	(0.09)	(0.10)	19.93

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From September 8, 2017.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	65 508	3 300	0.39	0.39	—	326.97	19.85	19.95
Dec. 31, 2017⁴	8 967	450	0.42	0.42	—	250.85	19.93	19.94

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From September 8, 2017.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF. The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

Management Fees	
RBC PH&N Short Term Canadian Bond ETF	0.35%



PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmark:

FTSE Canada Short Term Bond Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	1.5	—	—	—	1.2
Benchmark	1.9	—	—	—	1.6

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark index.

The ETF's units have been available for sale to unitholders since October 19, 2017.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTION

FTSE Canada Short Term Bond Index This index is a measure of the performance of Canadian bonds with terms to maturity of one to five years and is a good proxy for a short-term fixed-income investment.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
Canadian Bonds	
Federal	40.8
Corporate	35.1
Provincial	11.1
Municipal	0.1
Mortgage-Backed Bonds	4.6
Foreign Corporate Bonds	2.9
Other Net Assets	5.4

Top 25 Holdings

	% of Net Asset Value
Government of Canada 2.250% Feb 01, 2021	10.3
Canada Housing Trust No. 1 2.350% Jun 15, 2023	4.9
Canada Housing Trust No. 1 2.550% Dec 15, 2023	4.8
Canada Housing Trust No. 1 1.450% Jun 15, 2020	4.1
Canada Housing Trust No. 1 1.250% Dec 15, 2020	4.1
Canada Housing Trust No. 1 2.400% Dec 15, 2022	4.0
Bank of Montreal 1.610% Oct 28, 2021	3.7
Province of Ontario 2.850% Jun 02, 2023	3.2
Province of Ontario 3.150% Jun 02, 2022	2.5
Canadian Mortgage Pools 1.300% Aug 01, 2021	2.4
Province of Ontario 4.000% Jun 02, 2021	2.3
Province of Ontario 2.600% Sep 08, 2023	2.3
Government of Canada Treasury Bills 1.722% Jan 04, 2019	2.1
Canadian Government Real Return Bond 6.842% Dec 01, 2021	2.1
Royal Bank of Canada 2.030% Mar 15, 2021	1.9
Enbridge Gas Distribution Inc. 4.040% Nov 23, 2020	1.6
Government of Canada 3.750% Jun 01, 2019	1.5
Government of Canada 2.000% Sep 01, 2023	1.5
Canadian Mortgage Pools 1.890% Sep 01, 2022	1.5
Government of Canada 3.250% Jun 01, 2021	1.4
AltaLink Investments LP 3.265% Jun 05, 2020	1.2
Government of Canada Treasury Bills 1.637% Jan 10, 2019	1.1
Government of Canada Treasury Bills 1.630% Mar 07, 2019	1.1
Hydro One Inc. 3.200% Jan 13, 2022	1.1
Toronto-Dominion Bank 2.621% Dec 22, 2021	1.1
Top 25 Holdings	67.8

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



FIXED-INCOME ETF

RBC CANADIAN SHORT TERM BOND INDEX ETF

December 31, 2018

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

Sub-Advisor: State Street Global Advisors, Ltd.

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to replicate, to the extent possible and before fees and expenses, the performance of a broad Canadian bond index with a short-term average maturity. Currently, the ETF seeks to track the FTSE Canada Universe + Maple Short Term Overall Bond Index (or any successor thereto). The investment strategy of the ETF is to invest in and hold the constituent securities of the FTSE Canada Universe + Maple Short Term Overall Bond Index in the same proportion as they are reflected in the index or securities intended to replicate the performance of the index.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value rose to \$53 million as of December 31, 2018, from \$46 million at the end of 2017. The increase was due to net inflows.

Over the past year, the ETF's units gained 1.9%, which matched the 1.9% rise in the benchmark. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

The best-performing areas of the market by contribution to the ETF's returns were treasury, government agency and Financials. The worst-performing sectors were securitized, Industrials and Utilities.

Recent Developments

RBC GAM has called and will hold a special meeting of unitholders of the ETF on March 22, 2019. Subject to unitholder and regulatory approvals, the ETF will be merged into the iShares Core Canadian Short Term Bond Index ETF, an ETF managed by BlackRock Asset Management Canada Limited, effective on or about April 5, 2019. The ETF will terminate following completion of the merger.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	Year/Period
Dec. 31, 2018	19.96	0.50	(0.02)	(0.06)	(0.03)	0.39	(0.46)	—	—	—	(0.46)	19.88
Dec. 31, 2017³	20.00[†]	0.13	(0.01)	—	(0.01)	0.11	(0.09)	—	—	(0.06)	(0.15)	19.96

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From August 9, 2017.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	52 669	2 650	0.12	0.12	—	52.64	19.88	19.84
Dec. 31, 2017⁴	45 919	2 300	0.11	0.11	—	53.00	19.96	20.02

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From August 9, 2017.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF. The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

Management Fees	
RBC Canadian Short Term Bond Index ETF	0.10%



PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmark:

FTSE Canada Universe + Maple Short Term Overall Bond Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	1.9	—	—	—	1.9
Benchmark	1.9	—	—	—	1.9

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark index.

The ETF's units have been available for sale to unitholders since September 21, 2017.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTION

FTSE Canada Universe + Maple Short Term Overall Bond Index This index is a measure of the performance of Canadian-dollar-denominated bonds with maturities of between one and five years, including securities issued by non-Canadian companies.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
Canadian Bonds	
Federal	49.3
Corporate	30.7
Provincial	17.0
Municipal	1.0
Foreign Corporate Bonds	1.5
Other Net Assets	0.5

Top 25 Holdings

	% of Net Asset Value
Government of Canada 1.500% Mar 01, 2020	2.7
Government of Canada 0.750% Sep 01, 2020	2.7
Government of Canada 0.750% Mar 01, 2021	2.7
Canada Housing Trust No. 1 2.400% Dec 15, 2022	2.5
Government of Canada 0.750% Sep 01, 2021	2.3
Government of Canada 1.000% Sep 01, 2022	2.3
Government of Canada 1.500% Jun 01, 2023	2.1
Government of Canada 2.750% Jun 01, 2022	1.9
Canada Housing Trust No. 1 1.250% Dec 15, 2020	1.8
Canada Housing Trust No. 1 2.350% Jun 15, 2023	1.8
Government of Canada 3.500% Jun 01, 2020	1.8
Government of Canada 0.500% Mar 01, 2022	1.8
Government of Canada 1.750% Mar 01, 2023	1.8
Government of Canada 2.000% Sep 01, 2023	1.8
Province of Ontario 3.150% Jun 02, 2022	1.8
Province of Ontario 2.850% Jun 02, 2023	1.7
Canada Housing Trust No. 1 1.250% Jun 15, 2021	1.6
Government of Canada 1.750% May 01, 2020	1.6
Government of Canada 1.750% Aug 01, 2020	1.6
Government of Canada 2.000% Nov 01, 2020	1.6
Province of Ontario 4.200% Jun 02, 2020	1.6
Canada Housing Trust No. 1 1.750% Jun 15, 2022	1.5
Province of Ontario 4.000% Jun 02, 2021	1.3
Government of Canada 3.250% Jun 01, 2021	1.2
Province of Quebec 4.250% Dec 01, 2021	1.2
Top 25 Holdings	46.7

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FIXED-INCOME ETF

RBC CANADIAN BOND INDEX ETF

December 31, 2018

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

Sub-Advisor: State Street Global Advisors, Ltd.

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A Note on Forward-looking Statements

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MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to replicate, to the extent possible and before fees and expenses, the performance of a broad Canadian bond index. Currently, the ETF seeks to track the FTSE Canada Universe + Maple Bond Index (or any successor thereto). The investment strategy of the ETF is to invest in and hold the constituent securities of the FTSE Canada Universe + Maple Bond Index in the same proportion as they are reflected in the index or securities intended to replicate the performance of the index.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value fell to \$39 million as of December 31, 2018, from \$40 million at the end of 2017. The decrease was due to net redemptions, partially offset by investment returns.

Over the past year, the ETF's units gained 1.4%, which matched the 1.4% rise in the benchmark. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

The best-performing areas by contribution to returns were treasury, government agency and Financials. The worst-performing sectors were Utilities, Industrials and securitized.

Recent Developments

RBC GAM has called and will hold a special meeting of unitholders of the ETF on March 22, 2019. Subject to unitholder and regulatory approvals, the ETF will be merged into the iShares Core Canadian Universe Bond Index ETF, an ETF managed by BlackRock Asset Management Canada Limited, effective on or about April 5, 2019. The ETF will terminate following completion of the merger.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/Period
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
											Total	
Dec. 31, 2018	20.27	0.63	(0.02)	(0.03)	(0.31)	0.27	(0.58)	—	—	—	(0.58)	19.96
Dec. 31, 2017 ³	20.00 [†]	0.18	(0.01)	0.03	0.28	0.48	(0.16)	—	(0.03)	—	(0.19)	20.27

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From August 9, 2017.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	39 249	1 966	0.12	0.12	—	41.47	19.96	19.99
Dec. 31, 2017⁴	39 865	1 966	0.11	0.11	—	120.58	20.27	20.34

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From August 9, 2017.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF. The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

Management Fees	
RBC Canadian Bond Index ETF	0.10%



PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmark:

FTSE Canada Universe + Maple Bond Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	1.4	—	—	—	2.8
Benchmark	1.4	—	—	—	2.9

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark index.

The ETF's units have been available for sale to unitholders since September 21, 2017.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTION

FTSE Canada Universe + Maple Bond Index This index is a measure of the performance of bonds denominated in Canadian dollars, including securities issued by non-Canadian companies.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
Canadian Bonds	
Provincial	33.5
Federal	33.3
Corporate	31.7
Municipal	0.6
Foreign Corporate Bonds	0.3
Other Net Assets	0.6

Top 25 Holdings

	% of Net Asset Value
Canada Housing Trust No. 1 1.250% Jun 15, 2021	2.6
Province of Quebec 9.500% Mar 30, 2023	2.3
Government of Canada 3.500% Dec 01, 2045	1.8
Canada Housing Trust No. 1 2.350% Sep 15, 2023	1.8
Government of Canada 2.750% Dec 01, 2048	1.6
Canada Housing Trust No. 1 3.350% Dec 15, 2020	1.4
TCHC Issuer Trust 4.877% May 11, 2037	1.3
Government of Canada 1.500% Jun 01, 2026	1.3
Province of Ontario 2.600% Jun 02, 2025	1.2
Government of Canada 0.750% Mar 01, 2021	1.1
Government of Canada 0.750% Sep 01, 2020	1.1
Government of Canada 1.000% Jun 01, 2027	1.1
Greater Toronto Airports Authority 3.040% Sep 21, 2022	1.0
Royal Bank of Canada 2.030% Mar 15, 2021	1.0
Government of Canada 2.000% Jun 01, 2028	1.0
Government of Canada 1.500% Jun 01, 2023	0.9
Loblaw Companies Ltd. 6.050% Jun 09, 2034	0.9
Province of Ontario 2.850% Jun 02, 2023	0.9
Province of Ontario 3.150% Jun 02, 2022	0.9
Government of Canada 5.750% Jun 01, 2029	0.9
Government of Canada 1.000% Sep 01, 2022	0.8
Government of Canada 2.250% Jun 01, 2025	0.8
Province of Ontario 2.900% Dec 02, 2046	0.8
Province of Quebec 3.500% Dec 01, 2048	0.8
Government of Canada 1.500% Mar 01, 2020	0.8
Top 25 Holdings	30.1

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



FIXED-INCOME ETF

RBC SHORT TERM U.S. CORPORATE BOND ETF

December 31, 2018

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

Sub-Advisor: RBC Global Asset Management (U.S.) Inc.,
Minneapolis, Minnesota

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

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Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide unitholders with regular monthly income with the potential for modest capital growth by investing primarily in a well-diversified portfolio of short-term fixed-income securities issued in the U.S. market by U.S. and foreign corporations.

The ETF invests primarily in an actively managed portfolio of high-quality short-duration bonds issued in the U.S. market by U.S. (and, in some cases, foreign) corporations. These bonds are selected by the portfolio sub-advisor on the basis of company credit and industry analysis to identify investment opportunities offering higher probabilities of competitive rates of return while simultaneously mitigating interest rate risk.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value rose to \$139 million as of December 31, 2018, from \$10 million at the end of 2017. The increase was due to net inflows.

Over the past year, the ETF's CAD units gained 9.9%, which underperformed the 10.0% rise in the benchmark. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the USD units, which will usually vary because of foreign exchange rates.

Expectations of slower global economic growth, escalating U.S.-China trade tensions and lower oil prices led to the underperformance of riskier assets such as corporate bonds relative to the "risk-free" government benchmark in 2018. Investor concern was reflected in the widening gap between yields on corporate bonds and comparable government securities, and this preference for safety was highlighted by the outperformance of highly rated AAA securities versus lower-rated BBB bonds, while shorter-maturity fixed income performed better than longer maturities. Within the ETF, overweight exposure to larger BBB-rated issuers hurt relative performance but was partially offset by positioning in longer-term securities.

From a sector perspective, the ETF's overweight positions in Utilities and Energy held back performance. The ETF benefited from lower-than-benchmark exposure to the consumer sectors and from positioning in auto-related companies and tobacco. The elimination of positions in Ford and General Electric aided relative returns, as it enabled the ETF to avoid some of the losses associated with securities of these companies during the year.

Recent Developments

The sub-advisor expects economic growth to decelerate in 2019. Corporate profits should remain relatively strong but likely won't achieve the levels of 2018 as tailwinds from U.S. tax reform fade and trade tensions mount.

The sub-advisor continues to favour large companies with stable or improving credit profiles, and that generate consistent cash flow and are in the process of reducing debt. The ETF is overweight banks and the Utilities sector, given the sub-advisor's view that credit profiles will improve in these areas. The ETF is underweight the consumer sectors as well as sectors that are likely to increase debt and are less capable of generating consistent cash flows if the economy weakens.

In the view of the sub-advisor, the ETF is positioned such that changes in interest rates should not have a significant impact on relative returns.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.



Sub-Advisor

RBC Global Asset Management (U.S.) Inc. is the sub-advisor and provides investment advice for the ETF. The sub-advisor earns a fee which is calculated and accrued daily as a percentage of the net asset value of the ETF. The sub-advisor is paid by the manager from the management fee paid by the ETF.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/Period
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	
CAD Units												
Dec. 31, 2018	19.88	0.71	(0.08)	0.01	1.56	2.20	(0.40)	—	—	(0.01)	(0.41)	21.41
Dec. 31, 2017 ³	20.00 [†]	0.14	(0.02)	0.01	(0.36)	(0.23)	(0.12)	—	(0.01)	—	(0.13)	19.88
USD Units*												
Dec. 31, 2018	15.86	0.55	(0.06)	0.01	1.74	2.24	(0.31)	—	—	—	(0.31)	15.67
Dec. 31, 2017 ³	16.03 [†]	0.11	(0.01)	0.01	(0.15)	(0.04)	(0.09)	—	(0.01)	—	(0.10)	15.86

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From September 8, 2017.

* Stated in U.S. dollars.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
CAD Units								
Dec. 31, 2018	10 704	500	0.40	0.40	—	52.62	21.41	21.46
Dec. 31, 2017 ⁴	1 988	100	0.41	0.41	—	24.00	19.88	19.89
USD Units*								
Dec. 31, 2018	94 046	6 000	0.40	0.40	—	52.62	15.67	15.67
Dec. 31, 2017 ⁴	6 345	400	0.41	0.41	—	24.00	15.86	15.96

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From September 8, 2017.

* Stated in U.S. dollars.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF.
The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

	Management Fees
CAD Units	0.35%
USD Units	0.35%

PAST PERFORMANCE

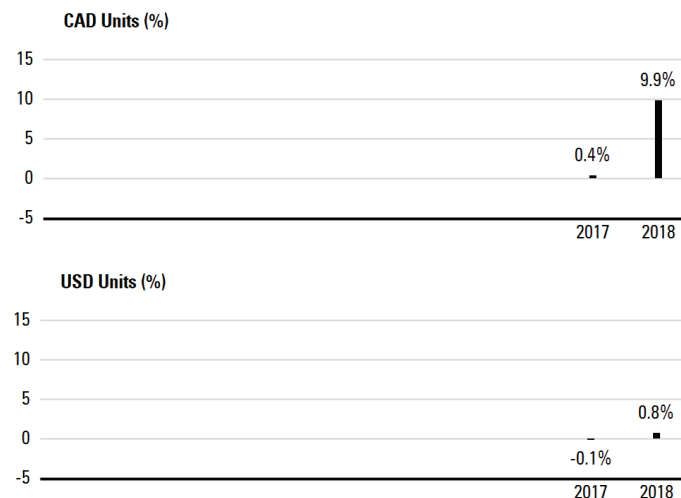
The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.



PAST PERFORMANCE (cont.)

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmarks:

CAD Units

Bloomberg Barclays U.S. 1-5 Year Corporate Bond Index (CAD)

USD Units

Bloomberg Barclays U.S. 1-5 Year Corporate Bond Index (USD)

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
CAD Units	9.9	—	—	—	8.5
Benchmark	10.0	—	—	—	8.7
USD Units	0.8	—	—	—	0.5
Benchmark	1.0	—	—	—	0.7

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark indexes.

The ETF's units have been available for sale to unitholders since October 19, 2017.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTIONS

Bloomberg Barclays U.S. 1-5 Year Corporate Bond Index (CAD) This index is a measure of the Canadian-dollar performance of U.S. corporate bonds with terms to maturity of one to five years.

Bloomberg Barclays U.S. 1-5 Year Corporate Bond Index (USD) This index is a measure of the U.S.-dollar performance of U.S. corporate bonds with terms to maturity of one to five years.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
Corporate Bonds	
United States	83.2
Canada	4.4
Australia	3.3
Netherlands	2.9
United Kingdom	2.0
Other Corporate Bonds	4.0
Other Net Assets	0.2

Top 25 Holdings

	% of Net Asset Value
UnitedHealth Group Inc. 3.500% Feb 15, 2024	1.3
Bank of America Corp. 2.328% Oct 01, 2021	1.2
Citigroup Inc. 2.700% Mar 30, 2021	1.2
JPMorgan Chase & Co. 2.295% Aug 15, 2021	1.1
Bank of America Corp. 2.503% Oct 21, 2022	1.1
Kinder Morgan Energy Partners LP 5.000% Oct 01, 2021	1.0
Eversource Energy 3.800% Dec 01, 2023	1.0
Medtronic Inc. 3.150% Mar 15, 2022	1.0
Anheuser-Busch InBev Worldwide Inc. 3.750% Jan 15, 2022	1.0
JPMorgan Chase & Co. 2.750% Jun 23, 2020	1.0
Anheuser-Busch InBev Finance Inc. 3.300% Feb 01, 2023	1.0
Rockwell Collins Inc. 2.800% Mar 15, 2022	1.0
Shire Acquisitions Investments Ireland DAC USD 2.400% Sep 23, 2021	1.0
JPMorgan Chase & Co. 2.700% May 18, 2023	0.9
Duke Energy Corp. 1.800% Sep 01, 2021	0.9
AT&T Inc. 5.000% Mar 01, 2021	0.9
The Goldman Sachs Group Inc. 2.350% Nov 15, 2021	0.9
ONEOK Inc. 4.250% Feb 01, 2022	0.9
Actavis Funding SCS USD 3.450% Mar 15, 2022	0.9
Becton Dickinson and Co. 2.894% Jun 06, 2022	0.9
CenterPoint Energy Inc. 3.850% Feb 01, 2024	0.8
Citigroup Inc. 4.044% Jun 01, 2024	0.8
The Sherwin-Williams Co. 2.750% Jun 01, 2022	0.8
Becton Dickinson and Co. 2.404% Jun 05, 2020	0.8
Williams Partners LP 3.350% Aug 15, 2022	0.8
Top 25 Holdings	24.2

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



FIXED-INCOME ETF

RBC GLOBAL GOVERNMENT BOND (CAD HEDGED) INDEX ETF

December 31, 2018

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

Sub-Advisor: State Street Global Advisors, Ltd.

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to replicate, to the extent possible and before fees and expenses, the performance of a broad world government bond index that is hedged to Canadian dollars. Currently, the ETF seeks to track the FTSE World Government Bond Index (hedged to CAD) (or any successor thereto). The investment strategy of the ETF is to invest in and hold the constituent securities of the FTSE World Government Bond Index (hedged to CAD) in the same proportion as they are reflected in the index or securities intended to replicate the performance of the index, while seeking to minimize exposure to currency fluctuations between foreign currencies and the Canadian dollar.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value fell to \$19 million as of December 31, 2018, from \$26 million at the end of 2017. The decrease was due to net redemptions, partially offset by investment returns.

Over the past year, the ETF's units gained 1.8%, which underperformed the 1.9% rise in the benchmark. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

The portfolio and index are comprised of treasury bonds only.

Recent Developments

RBC GAM has called and will hold a special meeting of unitholders of the ETF on March 22, 2019. Subject to receipt of necessary unitholder and regulatory approvals, the trustee, investment fund manager and portfolio manager of the ETF will change from RBC GAM to BlackRock Asset Management Canada Limited effective on or about April 5, 2019.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/Period
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
											Total	
Dec. 31, 2018	20.00	(0.59)	(0.08)	0.31	0.56	0.20	(0.33)	—	—	—	(0.33)	20.03
Dec. 31, 2017 ³	20.00 [†]	0.09	(0.02)	(0.97)	0.96	0.06	(0.06)	—	—	—	(0.06)	20.00

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From August 9, 2017.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	19 027	950	0.40	0.40	—	54.34	20.03	19.95
Dec. 31, 2017⁴	26 004	1 300	0.40	0.40	—	21.78	20.00	20.07

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From August 9, 2017.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF.

The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

Management Fees	
RBC Global Government Bond (CAD Hedged) Index ETF	0.35%



PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmark:

FTSE World Government Bond Index (hedged to CAD)

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	1.8	—	—	—	2.3
Benchmark	1.9	—	—	—	1.9

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark index.

The ETF's units have been available for sale to unitholders since September 21, 2017.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTION

FTSE World Government Bond Index (hedged to CAD)* This index measures the performance of fixed-rate, local currency, investment-grade sovereign bonds. The index includes sovereign debt from about 20 countries and is hedged to Canadian dollars.

* The FTSE World Government Bond Index (hedged to CAD) was known as the Citi World Government Bond Index (Currency-Hedged in CAD) before a name change.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
Global Bonds	
United States	38.5
Japan	20.5
France	7.7
Italy	7.4
Germany	5.8
United Kingdom	5.5
Spain	4.9
Other Global Bonds	12.4
Other Net Assets	(2.7)

Top 25 Holdings

	% of Net Asset Value
Japan Government Five Year JPY 0.100% Jun 20, 2022	1.9
United States Treasury 2.000% Apr 30, 2024	1.8
Japan Government Twenty Year JPY 2.100% Dec 20, 2027	1.7
Japan Government Twenty Year JPY 1.700% Jun 20, 2033	1.7
Japan Government Twenty Year JPY 0.500% Sep 20, 2036	1.7
United States Treasury 1.625% Mar 15, 2020	1.4
Japan Government Twenty Year JPY 1.900% Jun 20, 2022	1.3
Japan Government Thirty Year JPY 2.300% Mar 20, 2039	1.2
Japan Government Ten Year JPY 1.300% Mar 20, 2020	1.1
United States Treasury 1.125% Mar 31, 2020	1.1
United States Treasury 3.125% May 15, 2021	1.1
Japan Government Ten Year JPY 0.100% Mar 20, 2028	1.0
Japan Government Twenty Year JPY 2.400% Mar 20, 2028	1.0
United States Treasury 1.500% Jun 15, 2020	1.0
United States Treasury 1.375% May 31, 2021	1.0
United States Treasury 3.750% Nov 15, 2043	1.0
United States Treasury 3.000% Nov 15, 2044	1.0
Bundesrepublik Deutschland EUR 4.000% Jan 04, 2037	0.9
Japan Government Ten Year JPY 0.100% Jun 20, 2027	0.9
Spain Government EUR 2.750% Oct 31, 2024	0.9
United States Treasury 3.625% Feb 15, 2021	0.9
United States Treasury 1.125% Jul 31, 2021	0.9
United States Treasury 2.000% Nov 15, 2021	0.9
United States Treasury 1.750% Mar 31, 2022	0.9
United States Treasury 2.750% Feb 15, 2024	0.9
Top 25 Holdings	29.2

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



FIXED-INCOME ETF

RBC BLUEBAY GLOBAL DIVERSIFIED INCOME (CAD HEDGED) ETF

December 31, 2018

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

Sub-Advisor: BlueBay Asset Management LLP, London, England

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide unitholders with exposure to the performance of a diversified portfolio of global bonds that provide regular monthly income and total returns comprised of interest income and modest capital appreciation, while seeking to minimize the exposure to currency fluctuations between foreign currencies and the Canadian dollar.

The ETF invests primarily in an actively managed portfolio of global investment-grade developed-market corporate bonds, global high-yield bonds and emerging market government and corporate bonds, and may also invest in asset-backed securities and loans. These fixed-income securities are selected by the portfolio sub-advisor on the basis of company credit and industry analysis to identify investment opportunities offering higher probabilities of superior rates of return while simultaneously minimizing the prospect of default.

The ETF uses derivatives to hedge against fluctuations in foreign currencies to minimize exposure to changes of the foreign currencies held by the ETF relative to the Canadian dollar. The ETF may also use derivatives to protect against losses or reduce volatility resulting from changes in interest rates.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value fell to \$14 million as of December 31, 2018, from \$17 million at the end of 2017. The decrease was due to a combination of net redemptions and investment losses.

Over the past year, the ETF's units lost 3.6%, which underperformed the 1.4% rise in the benchmark. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

Corporate bonds and other "risk" assets kicked off the year with strong returns, extending the run of positive performance and low volatility since 2017. This environment was somewhat short-lived, as concern about higher inflation and rising interest rates led to declines in risk assets. U.S. Treasury yields touched four-year highs, with bond prices falling broadly as volatility increased. Returns became more mixed in the second quarter, with corporate high-yield and convertible bonds posting gains, while emerging-market bonds and debt securities designed to cushion bank failures fell.

A broader market rebound unfolded in July and September, driven largely by healthy corporate earnings and optimism that the U.S. would be able to resolve trade disputes. The benchmark price for oil traded in Europe rose above US\$80 a barrel during the third quarter for the first time since 2014, as OPEC and Russia agreed to a production ceiling. However, the gains petered out as emerging markets, Argentina and Turkey in particular, emerged as risks.

The ETF focuses on securities that the sub-advisor believes can generate attractive income without excessive risk. The ETF maintained a BB+ rating over the year with a current yield, hedged in Canadian dollars, of approximately 6%. The highest yield was generated in Western Europe, with banks being the notable contributor in that region. None of the ETF's bond holdings defaulted during the year.

Recent Developments

The financial-market calm of recent years is gradually giving way to a more volatile era in which investors may need to place a greater emphasis on asset diversification and capital preservation. However, in the sub-advisor's view, healthy global economic growth, relatively low inflation and generally accommodative monetary policies should support risk assets such as corporate bonds.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.



Sub-Advisor

BlueBay Asset Management LLP is the sub-advisor and provides investment advice for the ETF. The sub-advisor earns a fee which is calculated and accrued daily as a percentage of the net asset value of the ETF. The sub-advisor is paid by the manager from the management fee paid by the ETF.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/Period
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
											Total	
Dec. 31, 2018	19.50	0.94	(0.13)	(1.27)	(0.25)	(0.71)	(0.84)	—	—	—	(0.84)	17.98
Dec. 31, 2017 ³	20.00 [†]	0.22	(0.03)	(0.49)	0.55	0.25	(0.17)	—	—	(0.57)	(0.74)	19.50

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From September 8, 2017.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	14 385	800	0.73	0.73	—	48.60	17.98	17.92
Dec. 31, 2017⁴	16 575	850	0.71	0.71	—	3.40	19.50	19.54

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From September 8, 2017.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF.

The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

Management Fees	
RBC BlueBay Global Diversified Income (CAD Hedged) ETF	0.60%



PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmark:

FTSE Canada Universe Bond Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	-3.6	—	—	—	-2.2
Benchmark	1.4	—	—	—	2.1

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark index.

The ETF's units have been available for sale to unitholders since October 19, 2017.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTION

FTSE Canada Universe Bond Index This index is designed as a broad measure of the Canadian investment-grade fixed-income market and includes bonds with maturities of at least one year.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
Global Bonds	
United States	17.0
France	12.0
United Kingdom	9.2
Italy	8.1
Netherlands	4.3
Greece	4.0
Sweden	4.0
United Arab Emirates	3.9
Spain	1.1
Other Global Bonds	24.2
Other Net Assets	12.2

Top 25 Holdings

	% of Net Asset Value
Canadian Treasury Bill 4.850% Mar 10, 2078	9.7
Credit Agricole S.A. GBP 7.500% Dec 31, 2049	2.5
Barclays Plc. GBP 7.250% Dec 31, 2049	2.4
Intesa Sanpaolo S.p.A. EUR 7.750% Dec 31, 2049	2.3
UniCredit S.p.A. EUR 9.250% Dec 31, 2049	2.3
TOTAL S.A. EUR 2.708% Dec 31, 2049	2.2
Viridian Power & Energy Ltd. GBP 4.750% Sep 15, 2024	2.2
Intesa Sanpaolo S.p.A. EUR 6.250% Dec 31, 2049	2.1
LSF10 Wolverine Investments S.C.A. EUR 5.000% Mar 15, 2024	2.1
Cooperatieve Rabobank U.A. EUR 4.625% Dec 31, 2049	2.1
Algeco Scotsman Global Finance Plc. EUR 6.500% Feb 15, 2023	2.1
Colombia Telecomunicaciones S.A. E.S.P. USD 8.500% Dec 31, 2049	2.0
Fastighets AB Balder EUR 3.000% Mar 07, 2078	2.0
Emirates NBD 2014 Tier 1 Ltd. USD 6.375% Dec 31, 2049	2.0
Intrum AB EUR 3.125% Jul 15, 2024	1.9
NBK Tier 1 Financing Ltd. USD 5.750% Dec 31, 2049	1.9
Citgo Holding Inc. 10.750% Feb 15, 2020	1.9
Neptune Finco Corp. 6.625% Oct 15, 2025	1.9
Tenet Healthcare Corp. 6.000% Oct 01, 2020	1.9
SURA Asset Management S.A. USD 4.375% Apr 11, 2027	1.8
Arab Republic of Egypt USD 7.500% Jan 31, 2027	1.8
Qatar Reinsurance Co. Ltd. USD 4.950% Dec 31, 2049	1.8
Enbridge Inc. USD 6.000% Jan 15, 2077	1.7
Numericable-SFR S.A. USD 7.375% May 01, 2026	1.7
Nigeria Government USD 7.875% Feb 16, 2032	1.7
Top 25 Holdings	58.0

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



CANADIAN EQUITY ETF

RBC CANADIAN PREFERRED SHARE ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

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This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide unitholders with exposure to the performance of a diversified portfolio of primarily Canadian preferred share securities that will provide regular income and that have the potential for long-term capital growth.

The ETF invests primarily in an actively managed portfolio of rate reset preferred shares issued by Canadian companies, selected on the basis of fundamental analysis, credit research and interest rate sensitivity analysis. The ETF may also hold preferred shares issued by Canadian companies that are not rate reset preferred shares, fixed-income securities issued by Canadian governments or companies, dividend-paying common stock from Canadian issuers or preferred shares from U.S. issuers, as well as other Canadian listed exchange-traded funds. Some of the Canadian listed preferred shares in which the ETF invests may be denominated in U.S. dollars. The ETF may also hold money market instruments and cash.

The ETF may use derivative instruments for hedging purposes, for example, to hedge its U.S. dollar exposure back to the Canadian dollar.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value rose to \$846 million as of December 31, 2018, from \$703 million at the end of 2017. The increase was due to net inflows, partially offset by investment losses.

Over the past year, the ETF's units lost 10.1%, which underperformed the 8.6% decline in the benchmark. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

The Canadian preferred-share market underperformed domestic common-stock and bond markets in 2018, as falling bond yields increased the likelihood that dividends on preferred shares would be reset at lower levels.

Prices of rate-reset preferred shares tend to fall when the yield on the Government of Canada ("GOC") 5-year bond is declining, as was the case in the latter part of 2018, and falling yields imply lower preferred dividends when payouts are reset every five years. In 2018, GOC bond yields were pulled lower by investor perceptions that risks to the global economy were increasing.

From a portfolio perspective, rate-reset securities offer diversification benefits. Traditionally, bond prices rise when interest rates fall, but rate-reset preferred shares move in the opposite direction as rates. The non-correlated nature of the asset class can help to increase risk-adjusted returns.

Recent Developments

The pullback in prices means that rate-resets now offer improved potential for capital appreciation and more attractive dividend yields. The yield on the portfolio has improved to 5.4%, which, in the view of the portfolio manager, is attractive relative to bond yields.

A sustained rise in the 5-year GOC rate, even if gradual, would act as a tailwind for rate-reset preferred shares. From a longer-term perspective, assuming the absence of developments that lead to demand for safe-haven assets, the portfolio manager believes that preferred shares continue to look attractive for their higher yields over bonds and favourable tax treatment.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.



Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Brokers and Dealers

The ETF has established standard brokerage and dealing agreements at market rates with related parties. These related-party commissions were \$26,000 (2017 – \$22,000) or 22% (2017 – 14%) of the total transaction costs paid for this ETF.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹						Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	Total	Total
Dec. 31, 2018	24.27	1.12	(0.14)	(0.21)	(3.43)	(2.66)	—	(0.86)	—	(0.09)	(0.95)	20.97	
Dec. 31, 2017	21.79	1.11	(0.15)	0.20	1.69	2.85	—	(0.75)	(0.16)	(0.05)	(0.96)	24.27	
Dec. 31, 2016 ³	20.00 [†]	0.45	(0.06)	0.08	2.85	3.32	—	(0.12)	(0.06)	(0.07)	(0.25)	21.79	

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From September 14, 2016.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	846 236	40 351	0.59	0.59	0.01	15.80	20.97	21.03
Dec. 31, 2017	702 506	28 944	0.59	0.59	0.04	19.39	24.27	24.32
Dec. 31, 2016 ⁴	147 358	6 764	0.62	0.62	0.09	23.38	21.79	21.80

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From September 14, 2016.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF.

The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

Management Fees

RBC Canadian Preferred Share ETF	0.53%
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PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmark:

Solactive Laddered Canadian Preferred Share Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	-10.1	—	—	—	6.0
Benchmark	-8.6	—	—	—	6.9

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark index.

The ETF's units have been available for sale to unitholders since September 20, 2016.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTION

Solactive Laddered Canadian Preferred Share Index This index is a measure of the performance of Canadian preferred shares that will generally have adjustable dividend rates. Constituents must meet minimum standards for market capitalization, quality and liquidity.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
Canadian Equities	
Financials	57.3
Energy	21.9
Utilities	15.5
Communication Services	4.0
Other Net Assets	1.3

Top 25 Holdings

	% of Net Asset Value
Toronto-Dominion Bank, Preferred Series 14, 4.850%	1.9
Royal Bank of Canada, Preferred Series BK, 5.500%	1.8
Toronto-Dominion Bank, Preferred Series 12, 5.500%	1.6
Royal Bank of Canada, Preferred Series BM, 5.500%	1.6
Enbridge Inc., Preferred Series N, 4.000%	1.5
BCE Inc., Preferred Series AK, 4.150%	1.5
Royal Bank of Canada, Preferred Series BD, 3.600%	1.4
Enbridge Inc., Preferred Series F, 4.000%	1.4
Toronto-Dominion Bank, Preferred Series 5, 3.750%	1.3
Emera Inc., Preferred Series C, 4.100%	1.3
Bank of Montreal, Preferred Series 38, 4.850%	1.3
BCE Inc., Preferred Series AQ, 4.250%	1.3
Fortis Inc., Preferred Series M, 4.100%	1.2
TransCanada Corp., Preferred Series 7, 4.000%	1.2
Pembina Pipeline Corp., Preferred Series 1, 4.250%	1.2
Manulife Financial Corporation, Preferred Series 23, 4.850%	1.2
Bank of Montreal, Preferred Series 27, 4.000%	1.1
TransCanada Corp., Preferred Series 15, 4.900%	1.1
Canadian Imperial Bank of Commerce, Preferred Series 45, 4.400%	1.1
Toronto-Dominion Bank, Preferred Series 1, 3.900%	1.1
Enbridge Inc., Preferred Series D, 4.000%	1.1
Bank of Nova Scotia, Preferred Series 38, 4.850%	1.0
Toronto-Dominion Bank, Preferred Series 3, 3.800%	1.0
Fortis Inc., Preferred Series G, 5.250%	1.0
Toronto-Dominion Bank, Preferred Series 7, 3.600%	1.0
Top 25 Holdings	32.2

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



CANADIAN EQUITY ETF

RBC QUANT CANADIAN DIVIDEND LEADERS ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide unitholders with exposure to the performance of a diversified portfolio of high-quality Canadian dividend-paying equity securities that will provide regular income and that have the potential for long-term capital growth.

Portfolio securities for the RBC Quant Canadian Dividend Leaders ETF will be selected using a rules-based, multifactor investment approach that considers a company's balance sheet strength, the stability and sustainability of its dividend payout and its ability to grow dividends in the future. Securities are weighted in accordance with a modified capitalization weighting methodology designed to reduce the dispersion of weights between larger and smaller capitalization companies. The portfolio holdings will be reconstituted and rebalanced initially on a quarterly basis. The frequency of the reconstitution and rebalancing may change without notice.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value fell to \$110 million as of December 31, 2018, from \$134 million at the end of 2017. The decrease was due to a combination of net redemptions and investment losses.

Over the past year, the ETF's units lost 11.1%, which underperformed the 8.9% decline in the benchmark. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

The ETF's relative exposure to Bank of Montreal, Parkland Fuel and Manulife had the most positive impact on the ETF's returns, while exposure to CI Financial, Sleep Country and PrairieSky Royalty was negative for performance. The ETF had the highest relative exposure to Rogers Communications, Cogeco Communications and Magna International, and the smallest relative exposure to Toronto-Dominion Bank, Enbridge Inc. and Canadian National Railway.

At the sector level, the ETF had the highest relative weightings in Utilities, Communication Services and Financials, and the lowest relative exposure to Materials, Industrials and Information Technology.

Recent Developments

The portfolio manager has no recent developments to report.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.



Brokers and Dealers

The ETF has established standard brokerage and dealing agreements at market rates with related parties. These related-party commissions were \$20,000 (2017 – \$8,000) or 18% (2017 – 10%) of the total transaction costs paid for this ETF.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/Period
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
											Total	
Dec. 31, 2018	21.28	0.87	(0.10)	0.13	(3.16)	(2.26)	—	(0.78)	—	—	(0.78)	18.19
Dec. 31, 2017	20.64	0.86	(0.10)	0.44	0.22	1.42	—	(0.71)	—	(0.04)	(0.75)	21.28
Dec. 31, 2016	17.74	0.82	(0.09)	—	3.06	3.79	—	(0.67)	(0.04)	(0.04)	(0.75)	20.64
Dec. 31, 2015	20.44	0.85	(0.10)	(1.17)	(1.69)	(2.11)	—	(0.68)	—	(0.09)	(0.77)	17.74
Dec. 31, 2014 ³	20.00 [†]	0.90	(0.10)	0.51	(2.20)	(0.89)	—	(0.52)	(0.31)	(0.04)	(0.87)	20.44

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From January 15, 2014.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	110 024	6 050	0.43	0.43	0.08	81.85	18.19	18.18
Dec. 31, 2017	134 050	6 300	0.43	0.43	0.07	66.78	21.28	21.24
Dec. 31, 2016	109 386	5 300	0.43	0.43	0.06	54.10	20.64	20.67
Dec. 31, 2015	61 195	3 450	0.43	0.43	0.09	67.74	17.74	18.01
Dec. 31, 2014 ⁴	47 010	2 300	0.44	0.44	—	44.85	20.44	20.39

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From January 15, 2014.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF.
The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

Management Fees	
RBC Quant Canadian Dividend Leaders ETF	0.39%

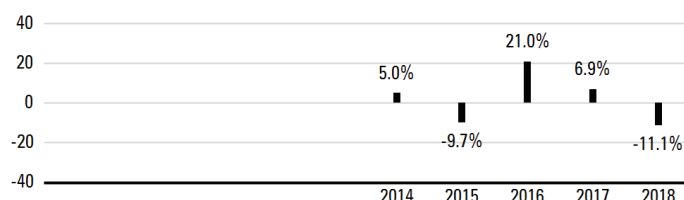


PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmark:

S&P/TSX Capped Composite Total Return Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	-11.1	4.8	—	—	1.8
Benchmark	-8.9	6.4	—	—	3.8

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark index.

The ETF's units have been available for sale to unitholders since January 15, 2014.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTION

S&P/TSX Capped Composite Total Return Index This index is the amended capitalization-weighted index measuring the performance of selected securities listed on the Toronto Stock Exchange, with no individual stock exceeding 10% of the overall weight.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
Canadian Equities	
Financials	36.6
Energy	18.4
Utilities	13.2
Communication Services	11.2
Industrials	5.8
Real Estate	5.4
Consumer Discretionary	4.0
Materials	4.0
Health Care	0.4
Consumer Staples	0.1
Other Net Assets	0.9

Top 25 Holdings

	% of Net Asset Value
Rogers Communications Inc., Class B	8.0
Royal Bank of Canada	7.5
Bank of Nova Scotia	6.4
Sun Life Financial Inc.	4.3
Magna International Inc., Class A	4.0
Intact Financial Corp.	3.4
Thomson Reuters Corp.	3.3
Suncor Energy Inc.	3.2
Cogeco Communications Inc.	3.2
Canadian Natural Resources Ltd.	2.9
Great-West Lifeco Inc.	2.8
Brookfield Infrastructure Partners LP	2.8
Power Financial Corp.	2.6
Hydro One Ltd.	2.4
Industrial Alliance Insurance & Financial Services Inc.	2.3
Inter Pipeline Ltd.	2.2
CI Financial Corp.	2.2
Keyera Corp.	2.0
Canadian Utilities Ltd., Class A	1.9
IGM Financial Inc.	1.9
Parkland Fuel Corp.	1.9
TMX Group Ltd.	1.9
Atco Ltd., Class I, Non-Voting	1.8
Northland Power Inc.	1.8
Gibson Energy Inc.	1.5
Top 25 Holdings	78.2

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



CANADIAN EQUITY ETF

**RBC QUANT CANADIAN
EQUITY LEADERS ETF**

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide unitholders with broad exposure to the performance of a diversified portfolio of high-quality Canadian equity securities that have the potential for long-term capital growth.

Portfolio securities for the ETF will be selected using a rules-based, multi-factor investment approach designed to select companies with a high quality of earnings while filtering out slow-growth companies and securities with expensive valuations. Securities are weighted in accordance with a modified capitalization weighting methodology designed to reduce the dispersion of weights between larger and smaller capitalization companies. The portfolio holdings will be reconstituted and rebalanced on a quarterly basis. The frequency of the reconstitution and rebalancing may change without notice.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value fell to \$13 million as of December 31, 2018, from \$14 million at the end of 2017. The decrease was due to investment losses, partially offset by net inflows.

Over the past year, the ETF's units lost 8.7%, which outperformed the 8.9% decline in the benchmark. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

The ETF's relative exposure to Stars Group, Kirkland Lake and BCE had the most positive impact on the ETF's returns, while exposure to Toronto-Dominion Bank, Shopify and National Bank of Canada was negative for performance. The ETF had the highest relative exposure to Constellation Software, Aecon Group and Magna International, and the smallest relative exposure to Bank of Nova Scotia, Brookfield Asset Management and Shopify.

At the sector level, the ETF had the highest relative weightings in Consumer Discretionary, Materials and Industrials, and the lowest relative exposure to Financials, Utilities and Communication Services.

Recent Developments

The portfolio manager has no recent developments to report.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	Year/Period
Dec. 31, 2018	21.47	0.59	(0.10)	0.37	(2.53)	(1.67)	—	(0.47)	(0.42)	—	(0.89)	19.17
Dec. 31, 2017	20.17	0.62	(0.10)	0.85	0.43	1.80	—	(0.43)	(0.57)	—	(1.00)	21.47
Dec. 31, 2016	16.76	0.61	(0.10)	0.19	3.34	4.04	—	(0.42)	—	—	(0.42)	20.17
Dec. 31, 2015 ³	20.00 [†]	0.42	(0.06)	(0.70)	(2.87)	(3.21)	—	(0.24)	—	—	(0.24)	16.76

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From May 5, 2015.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	13 420	700	0.43	0.43	0.07	110.86	19.17	19.12
Dec. 31, 2017	13 955	650	0.44	0.44	0.06	100.24	21.47	21.43
Dec. 31, 2016	9 078	450	0.44	0.44	0.07	97.09	20.17	20.32
Dec. 31, 2015 ⁴	3 353	200	0.44	0.44	0.03	67.50	16.76	17.02

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From May 5, 2015.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF.

The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

Management Fees	
RBC Quant Canadian Equity Leaders ETF	0.39%

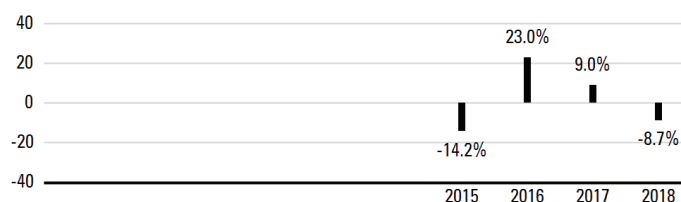


PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmark:

S&P/TSX Capped Composite Total Return Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	-8.7	7.0	—	—	1.4
Benchmark	-8.9	6.4	—	—	1.7

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark index.

The ETF's units have been available for sale to unitholders since May 12, 2015.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTION

S&P/TSX Capped Composite Total Return Index This index is the amended capitalization-weighted index measuring the performance of selected securities listed on the Toronto Stock Exchange, with no individual stock exceeding 10% of the overall weight.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
Canadian Equities	
Financials	31.7
Energy	17.9
Materials	11.8
Industrials	11.2
Communication Services	5.5
Consumer Discretionary	4.8
Information Technology	4.3
Consumer Staples	4.2
Utilities	3.4
Real Estate	3.4
Health Care	1.3
Other Net Assets	0.5

Top 25 Holdings

	% of Net Asset Value
Royal Bank of Canada	7.4
Toronto-Dominion Bank	7.4
Enbridge Inc.	4.3
Suncor Energy Inc.	3.4
Bank of Montreal	3.4
Canadian National Railway Co.	3.2
Canadian Imperial Bank of Commerce	3.0
BCE Inc.	2.8
Canadian Natural Resources Ltd.	2.7
Constellation Software Inc.	2.5
Magna International Inc., Class A	2.1
Manulife Financial Corporation	2.1
Sun Life Financial Inc.	2.0
Canadian Pacific Railway Ltd.	2.0
TransCanada Corp.	1.6
Nutrien Ltd.	1.4
National Bank of Canada	1.4
Alimentation Couche-Tard Inc.	1.4
Pembina Pipeline Corp.	1.4
Rogers Communications Inc., Class B	1.4
Aecon Group Inc.	1.4
Teck Resources Ltd., Class B	1.3
TELUS Corp.	1.2
Empire Co. Ltd., Class A	1.2
Goldcorp Inc.	1.1
Top 25 Holdings	63.1

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



CANADIAN EQUITY ETF

RBC CANADIAN EQUITY INDEX ETF

December 31, 2018

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

Sub-Advisor: State Street Global Advisors, Ltd.

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to replicate, to the extent possible and before fees and expenses, the performance of a broad Canadian equity index. Currently, the ETF seeks to track the FTSE Canada All Cap Domestic Index (or any successor thereto). The investment strategy of the ETF is to invest in and hold the constituent securities of the FTSE Canada All Cap Domestic Index in substantially the same proportion as they are reflected in the index or securities intended to replicate the performance of the index.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value rose to \$15 million as of December 31, 2018, from \$9 million at the end of 2017. The increase was due to net inflows, partially offset by investment losses.

Over the past year, the ETF's units lost 8.8%, which outperformed the 9.0% decline in the benchmark. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

The best-performing sectors by contribution to the ETF's returns were Information Technology, Real Estate and Consumer Staples. The Financials, Energy and Materials sectors ranked last in terms of performance.

Recent Developments

RBC GAM has called and will hold a special meeting of unitholders of the ETF on March 22, 2019. Subject to unitholder and regulatory approvals, the ETF will be merged into the iShares Core S&P/TSX Capped Composite Index ETF, an ETF managed by BlackRock Asset Management Canada Limited, effective on or about April 5, 2019. The ETF will terminate following completion of the merger.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	Year/Period
Dec. 31, 2018	21.45	0.65	(0.01)	0.23	(2.70)	(1.83)	—	(0.49)	(0.24)	(0.03)	(0.76)	19.09
Dec. 31, 2017³	20.00[†]	0.19	—	0.01	1.30	1.50	—	(0.10)	—	—	(0.10)	21.45

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From August 9, 2017.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	15 276	800	0.06	0.06	—	22.60	19.09	19.00
Dec. 31, 2017⁴	8 581	400	0.06	0.06	—	2.72	21.45	21.43

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From August 9, 2017.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF.

The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

Management Fees	
RBC Canadian Equity Index ETF	0.05%



PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmark:

FTSE Canada All Cap Domestic Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	-8.8	—	—	—	-2.8
Benchmark	-9.0	—	—	—	-3.0

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark index.

The ETF's units have been available for sale to unitholders since September 21, 2017.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTION

FTSE Canada All Cap Domestic Index This index is a capitalization-weighted measure of the performance of the broad Canadian stock market.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
Canadian Equities	
Financials	34.1
Energy	18.1
Materials	11.8
Industrials	10.9
Communication Services	6.0
Consumer Discretionary	4.1
Consumer Staples	4.1
Utilities	3.3
Information Technology	3.2
Real Estate	2.6
Health Care	1.3
Other Net Assets	0.5

Top 25 Holdings

	% of Net Asset Value
Royal Bank of Canada	7.0
Toronto-Dominion Bank	6.4
Enbridge Inc.	4.4
Bank of Nova Scotia	4.3
Canadian National Railway Co.	3.8
Suncor Energy Inc.	3.2
Bank of Montreal	3.0
BCE Inc.	2.4
TransCanada Corp.	2.3
Brookfield Asset Management Inc., Class A	2.3
Canadian Imperial Bank of Commerce	2.3
Canadian Natural Resources Ltd.	2.0
Manulife Financial Corporation	2.0
Nutrien Ltd.	2.0
Canadian Pacific Railway Ltd.	1.8
Barrick Gold Corp.	1.6
Alimentation Couche-Tard Inc.	1.5
TELUS Corp.	1.4
Sun Life Financial Inc.	1.4
Waste Connections Inc.	1.4
Rogers Communications Inc., Class B	1.3
CGI Group Inc., Class A	1.1
Magna International Inc., Class A	1.0
Pembina Pipeline Corp.	1.0
National Bank of Canada	1.0
Top 25 Holdings	61.9

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



CANADIAN EQUITY ETF

**RBC VISION WOMEN'S LEADERSHIP
MSCI CANADA INDEX ETF**

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to replicate, to the extent possible and before fees and expenses, the performance of a broad Canadian equity markets index with a focus on companies domiciled in Canada that have demonstrated commitment to gender diversity as part of their corporate social responsibility strategy. Currently, the ETF seeks to track the MSCI Canada IMI Women's Leadership Select Index (or any successor thereto). The investment strategy of the ETF is to invest in and hold the constituent securities of the MSCI Canada IMI Women's Leadership Select Index in substantially the same proportion as they are reflected in the index or securities intended to replicate the performance of the index.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF was launched on March 8, 2018, and its net asset value was \$184 million as of December 31, 2018. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

The portfolio manager's economic-growth forecast for 2019 is below consensus but nevertheless represents a slight increase from prior estimates thanks to the tentative resolution of trade negotiations between Canada and the U.S. The portfolio manager expects the overall pace of interest-rate increases in Canada to lag that of the U.S. In the portfolio manager's view, economic competitiveness is a cause for concern because Canada's tax rates and regulatory and environmental framework are seen as less business-friendly than in the U.S. The federal government's recent decision to allow accelerated depreciation may help level the playing field.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Brokers and Dealers

The ETF has established standard brokerage and dealing agreements at market rates with related parties. These related-party commissions were \$19,000 or 40% of the total transaction costs paid for this ETF.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.



The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

							Annual Distributions ²					
Increase (Decrease) from Operations ¹							From		From			Net Assets
For the Year/ Period Ended	Net Assets Beginning of Year/Period	Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	Income (Excluding Dividends)	Dividends	Capital Gains	Return of Capital	Total	End of Year/Period
Dec. 31, 2018 ³	20.00 [†]	0.57	(0.05)	0.09	(1.41)	(0.80)	—	(0.42)	(0.13)	—	(0.55)	18.96

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From March 2, 2018.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018⁴	183 946	9 700	0.28	0.28	0.03	33.26	18.96	18.62

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From March 2, 2018.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF.
The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

	Management Fees
RBC Vision Women's Leadership MSCI Canada Index ETF	0.25%

PAST PERFORMANCE

Investment performance in respect of a fund that has been available for less than one year is not provided. The ETF was launched March 2018.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
Canadian Equities	
Financials	35.3
Energy	19.6
Materials	12.0
Industrials	9.8
Consumer Discretionary	4.6
Consumer Staples	4.5
Information Technology	4.4
Communication Services	3.3
Utilities	3.2
Real Estate	2.1
Health Care	1.7
Other Net Assets	(0.5)

Top 25 Holdings

	% of Net Asset Value
Royal Bank of Canada	7.7
Toronto-Dominion Bank	7.1
Enbridge Inc.	6.9
Suncor Energy Inc.	5.0
Canadian National Railway Co.	5.0
Nutrien Ltd.	5.0
Bank of Nova Scotia	4.8
Open Text Corp.	4.4
TransCanada Corp.	3.5
Bank of Montreal	3.3
Magna International Inc., Class A	3.1
Canadian Imperial Bank of Commerce	2.6
Brookfield Asset Management Inc., Class A	2.5
Canadian Pacific Railway Ltd.	2.3
Manulife Financial Corporation	2.2
Teck Resources Ltd., Class B	1.9
Rogers Communications Inc., Class B	1.7
Alimentation Couche-Tard Inc.	1.7
Pembina Pipeline Corp.	1.6
Sun Life Financial Inc.	1.6
Agnico Eagle Mines Ltd.	1.6
Gildan Activewear Inc., Class A	1.3
National Bank of Canada	1.1
Fortis Inc.	1.1
CCL Industries, Class B	0.9
Top 25 Holdings	79.9

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



CANADIAN EQUITY ETF

RBC CANADIAN BANK YIELD INDEX ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to replicate, to the extent possible and before fees and expenses, the performance of a portfolio of Canadian bank stocks. Currently, the ETF seeks to track the Solactive Canada Bank Yield Index (or any successor thereto). The investment strategy of the ETF is to invest in and hold the constituent securities of the index in substantially the same proportion as they are reflected in the index.

The Solactive Canada Bank Yield Index includes equity securities of Canada's six largest banks, determined by market capitalization, weighted based on their indicative annual dividend yields such that the two highest dividend yielding Canadian bank stocks each receive a 1/4 weight, the next two highest dividend yielding Canadian bank stocks each receive a 1/6 weight, and the two lowest dividend yielding Canadian bank stocks each receive a 1/12 weight. The Solactive Canada Bank Yield Index will be rebalanced quarterly.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value rose to \$50 million as of December 31, 2018, from \$20 million at the end of 2017. The increase was due to net inflows, partially offset by investment losses.

Over the past year, the ETF's units lost 9.4%, which underperformed the 9.1% decline in the benchmark. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

The ETF had the most exposure to Bank of Nova Scotia, which had a dividend yield of 5.00% as of December 31, 2018, and the least exposure to Bank of Montreal, which had a dividend yield of 4.48% as of that date. As of December 31, 2018, the ETF's overall dividend yield was 4.75%.

Recent Developments

The portfolio manager has no recent developments to report.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.



Brokers and Dealers

The ETF has established standard brokerage and dealing agreements at market rates with related parties. These related-party commissions were \$2,000 (2017 – \$0) or 100% (2017 – 0%) of the total transaction costs paid for this ETF.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	Year/Period
Dec. 31, 2018	20.85	0.92	(0.07)	(0.56)	(3.05)	(2.76)	—	(0.75)	(0.01)	—	(0.76)	18.21
Dec. 31, 2017³	20.00[†]	0.29	(0.02)	0.03	0.44	0.74	—	—	(0.02)	(0.10)	(0.12)	20.85

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From October 19, 2017.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	50 064	2 750	0.33	0.33	0.01	133.50	18.21	18.20
Dec. 31, 2017⁴	19 804	950	0.34	0.34	0.01	32.34	20.85	20.80

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From October 19, 2017.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF.

The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

Management Fees	
RBC Canadian Bank Yield Index ETF	0.29%



PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmark:

Solactive Canada Bank Yield Index

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	-9.4	—	—	—	-4.8
Benchmark	-9.1	—	—	—	-4.5

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark index.

The ETF's units have been available for sale to unitholders since October 19, 2017.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTION

Solactive Canada Bank Yield Index This index tracks the price movement of the six largest Canadian banks. Index components are weighted based on the most recently announced dividend amount, which is annualized and divided by the last share price.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
Canadian Equities	
Financials	99.1
Other Net Assets	0.9

Top 25 Holdings*

	% of Net Asset Value
Bank of Nova Scotia	25.5
Canadian Imperial Bank of Commerce	23.7
Royal Bank of Canada	17.2
National Bank of Canada	16.5
Toronto-Dominion Bank	8.2
Bank of Montreal	8.0
Total	99.1

* The ETF holds fewer than 25 holdings.

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



U.S. EQUITY ETF

RBC QUANT U.S. DIVIDEND LEADERS ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide unitholders with exposure to the performance of a diversified portfolio of high-quality U.S. dividend-paying equity securities that will provide regular income and that have the potential for long-term capital growth.

Portfolio securities for the RBC Quant U.S. Dividend Leaders ETF will be selected using a rules-based, multifactor investment approach that considers a company's balance sheet strength, the stability and sustainability of its dividend payout and its ability to grow dividends in the future. Securities are weighted in accordance with a modified capitalization weighting methodology designed to reduce the dispersion of weights between larger and smaller capitalization companies. The portfolio holdings will be reconstituted and rebalanced initially on a quarterly basis. The frequency of the reconstitution and rebalancing may change without notice.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value fell to \$417 million as of December 31, 2018, from \$451 million at the end of 2017. The decrease was due to net redemptions, partially offset by investment returns.

Over the past year, the ETF's CAD units gained 2.7%, which underperformed the 3.2% rise in the benchmark. The broad-based index rose 3.8%. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the USD units, which will usually vary because of foreign exchange rates.

The ETF's relative exposure to DowDuPont, Amgen and Becton Dickinson had the most positive impact on the ETF's returns, while exposure to Microsoft, Alphabet and AT&T was negative for relative performance. The ETF had the highest relative exposure to Verizon Communications, AT&T and Broadcom, and the smallest relative exposure to Apple Inc., Amazon.com and Facebook.

At the sector level, the ETF had the highest relative weightings in Consumer Staples, Utilities and Real Estate, and the lowest relative exposure to Information Technology, Consumer Discretionary and Health Care.

Recent Developments

The portfolio manager has no recent developments to report.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/Period
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	
CAD Units												
Dec. 31, 2018	31.98	0.92	(0.15)	3.10	(2.87)	1.00	—	(0.74)	(3.12)	(0.01)	(3.87)	32.09
Dec. 31, 2017	29.93	0.79	(0.14)	1.66	0.50	2.81	—	(0.68)	(1.14)	—	(1.82)	31.98
Dec. 31, 2016	26.69	0.61	(0.10)	0.97	1.74	3.22	—	(0.60)	(0.92)	—	(1.52)	29.93
Dec. 31, 2015	23.79	0.73	(0.12)	1.41	1.09	3.11	—	(0.59)	(1.26)	—	(1.85)	26.69
Dec. 31, 2014 ³	20.00 [†]	0.75	(0.10)	0.46	3.91	5.02	—	(0.37)	(0.27)	(0.01)	(0.65)	23.79
USD Units*												
Dec. 31, 2018	25.52	0.71	(0.11)	2.39	(2.25)	0.74	—	(0.57)	(2.28)	(0.01)	(2.86)	23.50
Dec. 31, 2017	22.31	0.61	(0.11)	1.28	0.04	1.82	—	(0.51)	(0.90)	—	—	25.52
Dec. 31, 2016	19.22	0.26	(0.04)	0.41	0.74	1.37	—	(0.46)	(0.68)	—	(1.14)	22.31
Dec. 31, 2015	20.54	0.57	(0.09)	1.11	0.86	2.45	—	(0.46)	(0.92)	—	(1.38)	19.22
Dec. 31, 2014 ³	18.42 [†]	0.68	(0.09)	0.42	3.55	4.56	—	(0.33)	(0.24)	(0.01)	(0.58)	20.54

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From January 15, 2014.

* Stated in U.S. dollars.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
CAD Units								
Dec. 31, 2018	377 074	11 750	0.43	0.43	0.02	68.80	32.09	31.81
Dec. 31, 2017	404 548	12 650	0.43	0.43	0.02	70.75	31.98	32.12
Dec. 31, 2016	330 675	11 050	0.43	0.43	0.03	68.57	29.93	29.96
Dec. 31, 2015	224 455	8 300	0.43	0.43	0.05	110.87	26.69	26.64
Dec. 31, 2014 ⁴	107 044	4 500	0.44	0.44	0.01	47.29	23.79	23.95
USD Units*								
Dec. 31, 2018	29 371	1 250	0.43	0.43	0.02	68.80	23.50	23.29
Dec. 31, 2017	37 010	1 450	0.43	0.43	0.02	70.75	25.52	25.62
Dec. 31, 2016	29 009	1 300	0.43	0.43	0.03	68.57	22.31	22.42
Dec. 31, 2015	21 485	1 100	0.43	0.43	0.05	110.87	19.22	19.55
Dec. 31, 2014 ⁴	21 564	1 050	0.44	0.44	0.01	47.29	20.54	20.84

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From January 15, 2014.

* Stated in U.S. dollars.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF. The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

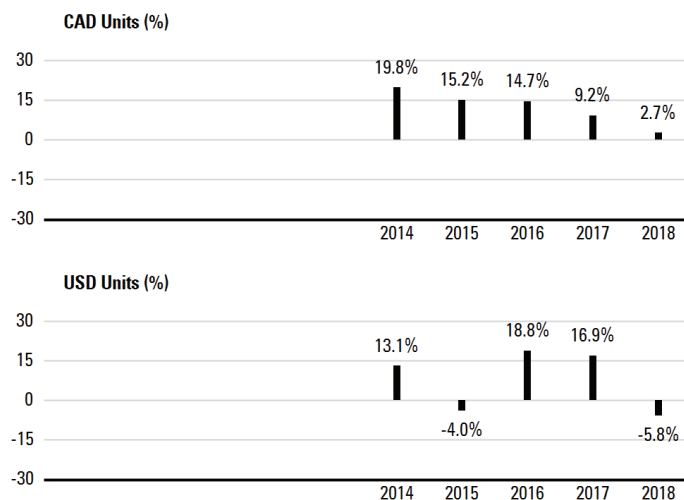
	Management Fees
CAD Units	0.39%
USD Units	0.39%

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmarks:

CAD Units

S&P Composite 1500 Total Return Index (CAD)

The broad-based index is the S&P 500 Total Return Index (CAD).

USD Units

S&P Composite 1500 Total Return Index (USD)

The broad-based index is the S&P 500 Total Return Index (USD).

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
CAD Units	2.7	8.7	—	—	12.2
Benchmark	3.2	8.7	—	—	13.2
Broad-based index	3.8	8.8	—	—	13.5
USD Units	-5.8	9.3	—	—	7.3
Benchmark	-5.0	9.2	—	—	8.3
Broad-based index	-4.4	9.3	—	—	8.6

The Benchmark and broad-based index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark and broad-based indexes.

The ETF's units have been available for sale to unitholders since January 15, 2014.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTIONS

S&P Composite 1500 Total Return Index (CAD) This index combines the S&P 500, the S&P 400 and the S&P 600 to cover approximately 90% of the U.S. stock-market capitalization, and is measured in Canadian dollars. It is designed for investors seeking to replicate the performance of the U.S. equity market.

S&P 500 Total Return Index (CAD) This index is a capitalization-weighted index measuring the Canadian dollar performance of 500 widely held common stocks representing all major industries in the United States. The index gives investors a broad measure of the overall performance of the U.S. stock market.

S&P Composite 1500 Total Return Index (USD) This index combines the S&P 500, the S&P 400 and the S&P 600 to cover approximately 90% of the U.S. stock-market capitalization, and is measured in U.S. dollars. It is designed for investors seeking to replicate the performance of the U.S. equity market.

S&P 500 Total Return Index (USD) This index is a capitalization-weighted index measuring the U.S. dollar performance of 500 widely held common stocks representing all major industries in the United States. The index gives investors a broad measure of the overall performance of the U.S. stock market.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
United States Equities	
Financials	17.6
Health Care	13.8
Consumer Staples	12.1
Industrials	10.2
Information Technology	9.7
Utilities	6.9
Consumer Discretionary	6.8
Real Estate	6.7
Energy	6.6
Communication Services	5.9
Materials	3.3
Other Net Assets	0.4

Top 25 Holdings

	% of Net Asset Value
Johnson & Johnson	2.0
Verizon Communications Inc.	1.9
Pfizer Inc.	1.9
AT&T Inc.	1.8
Merck & Co. Inc.	1.8
Comcast Corp., Class A	1.6
The Procter & Gamble Co.	1.6
Amgen Inc.	1.6
Exxon Mobil Corp.	1.5
Eli Lilly & Co.	1.5
Medtronic Plc.	1.5
PepsiCo Inc.	1.4
The Coca-Cola Co.	1.4
McDonald's Corp.	1.3
Walmart Inc.	1.3
Bristol-Myers Squibb Co.	1.3
Gilead Sciences Inc.	1.2
Cisco Systems Inc.	1.2
Intel Corp.	1.2
Starbucks Corp.	1.1
Altria Group Inc.	1.0
Colgate-Palmolive Company	1.0
Philip Morris International Inc.	1.0
JPMorgan Chase & Co.	1.0
International Business Machines	0.9
Top 25 Holdings	35.0

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



U.S. EQUITY ETF

RBC QUANT U.S. DIVIDEND LEADERS (CAD HEDGED) ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide unitholders with exposure, either directly or indirectly through investment in other mutual funds managed by RBC GAM or an affiliate, to the performance of a diversified portfolio of high-quality U.S. dividend-paying equity securities that will provide regular income and that have the potential for long-term capital growth, while seeking to minimize the exposure to currency fluctuations between the U.S. and Canadian dollars.

The ETF intends to invest substantially all of its assets in units of the RBC Quant U.S. Dividend Leaders ETF (the “underlying fund”) but may also invest directly in a portfolio of U.S. dividend-paying equity securities. Portfolio securities for the underlying fund (and for the ETF, to the extent it invests directly in equity securities) will be selected using a rules-based, multifactor investment approach that considers a company’s balance sheet strength, the stability and sustainability of its dividend payout and its ability to grow dividends in the future. Securities are weighted in accordance with a modified capitalization weighting methodology designed to reduce the dispersion of weights between larger and smaller capitalization companies. The portfolio holdings will be reconstituted and rebalanced on a quarterly basis. The frequency of the reconstitution and rebalancing may change without notice.

The ETF uses derivatives to hedge against fluctuations in the U.S. dollar to minimize exposure to changes of the U.S. dollar relative to the Canadian dollar.

Risk

There were no significant changes to the ETF that materially affected the ETF’s overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF’s net asset value fell to \$98 million as of December 31, 2018, from \$120 million at the end of 2017. The decrease was due to a combination of net redemptions and investment losses.

Over the past year, the ETF’s units lost 6.7%, which underperformed the 6.3% decline in the benchmark. The broad-based index declined 5.7%. The ETF’s return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

The ETF’s relative exposure to DowDuPont, Amgen and Becton Dickinson had the most positive impact on the ETF’s returns, while exposure to Microsoft, Alphabet and AT&T was negative for relative performance. The ETF had the highest relative exposure to Verizon Communications, AT&T and Broadcom, and the smallest relative exposure to Apple Inc., Amazon.com and Facebook.

At the sector level, the ETF had the highest relative weightings in Consumer Staples, Utilities and Real Estate, and the lowest relative exposure to Information Technology, Consumer Discretionary and Health Care.

Recent Developments

The portfolio manager has no recent developments to report.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF’s day-to-day operations, holds title to the ETF’s property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust (“RBC IS”) is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.



Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Brokers and Dealers

The ETF has established standard brokerage and dealing agreements at market rates with related parties. These related-party commissions were \$6,000 (2017 – \$9,000) or 100% (2017 – 100%) of the total transaction costs paid for this ETF.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	Year/Period
Dec. 31, 2018	26.29	(1.84)	—	1.00	(0.63)	(1.47)	—	(0.59)	(1.62)	—	(2.21)	23.98
Dec. 31, 2017	23.17	0.53	—	1.72	1.36	3.61	—	(0.53)	(1.52)	—	(2.05)	26.29
Dec. 31, 2016	20.16	0.48	—	2.42	1.02	3.92	—	(0.50)	(0.87)	—	(1.37)	23.17
Dec. 31, 2015	21.47	0.56	—	(2.70)	1.53	(0.61)	(0.01)	(0.49)	—	—	(0.50)	20.16
Dec. 31, 2014 ³	20.00 [†]	0.14	—	(0.09)	0.71	0.76	—	(0.08)	(0.03)	(0.01)	(0.12)	21.47

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From October 22, 2014.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	98 335	4 100	0.43	0.43	0.02	19.54	23.98	23.85
Dec. 31, 2017	119 631	4 550	0.43	0.43	0.02	28.27	26.29	26.39
Dec. 31, 2016	105 429	4 550	0.43	0.43	0.03	36.83	23.17	23.24
Dec. 31, 2015	52 405	2 600	0.43	0.43	0.06	38.13	20.16	20.28
Dec. 31, 2014 ⁴	10 735	500	0.44	0.44	—	5.69	21.47	21.73

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From October 22, 2014.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF. A management fee is not charged directly to the ETF as this ETF invests in the units of other RBC ETFs. It pays management fees indirectly because the ETFs in which it invests pay management fees.

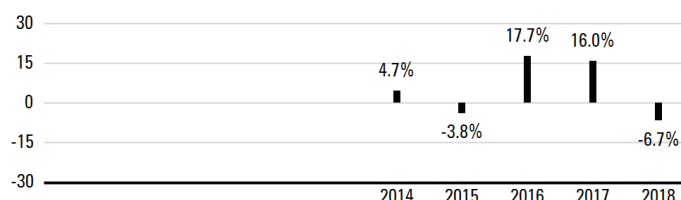


PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmarks:

S&P Composite 1500 Total Return Index (hedged to CAD)

The broad-based index is the S&P 500 Total Return Index (hedged to CAD).

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	-6.7	8.4	—	—	6.1
Benchmark	-6.3	8.3	—	—	8.0
Broad-based index	-5.7	8.4	—	—	8.1

The Benchmark and broad-based index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark and broad-based indexes.

The ETF's units have been available for sale to unitholders since October 22, 2014.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTIONS

S&P Composite 1500 Total Return Index (hedged to CAD) This index combines the S&P 500, the S&P 400 and the S&P 600 to cover approximately 90% of the U.S. stock-market capitalization. It is designed for investors seeking to replicate the performance of the U.S. equity market. The index is hedged to Canadian dollars.

S&P 500 Total Return Index (hedged to CAD) This index is a capitalization-weighted index measuring the performance of 500 widely held common stocks representing all major industries in the United States. The index gives investors a broad measure of the overall performance of the U.S. stock market and is hedged to Canadian dollars.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
United States Equities	
Financials	17.6
Health Care	13.8
Consumer Staples	12.1
Industrials	10.2
Information Technology	9.7
Utilities	6.9
Consumer Discretionary	6.8
Real Estate	6.7
Energy	6.6
Communication Services	5.9
Materials	3.3
Other Net Assets	0.4

Top 25 Holdings*

	% of Net Asset Value
Johnson & Johnson	2.0
Verizon Communications Inc.	1.9
Pfizer Inc.	1.9
AT&T Inc.	1.8
Merck & Co. Inc.	1.8
Comcast Corp., Class A	1.6
The Procter & Gamble Co.	1.6
Amgen Inc.	1.6
Exxon Mobil Corp.	1.5
Eli Lilly & Co.	1.5
Medtronic Plc.	1.5
PepsiCo Inc.	1.4
The Coca-Cola Co.	1.4
McDonald's Corp.	1.3
Walmart Inc.	1.3
Bristol-Myers Squibb Co.	1.3
Gilead Sciences Inc.	1.2
Cisco Systems Inc.	1.2
Intel Corp.	1.2
Starbucks Corp.	1.1
Altria Group Inc.	1.0
Colgate-Palmolive Company	1.0
Philip Morris International Inc.	1.0
JPMorgan Chase & Co.	1.0
International Business Machines	0.9
Top 25 Holdings	35.0

* The ETF invests substantially all of its assets directly in the RBC Quant U.S. Dividend Leaders ETF. The above are the Top 25 holdings of the RBC Quant U.S. Dividend Leaders ETF.

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



U.S. EQUITY ETF

RBC QUANT U.S. EQUITY LEADERS ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide unitholders with broad exposure to the performance of a diversified portfolio of high-quality U.S. equity securities that have the potential for long-term capital growth.

Portfolio securities for the ETF will be selected using a rules-based, multi-factor investment approach designed to select companies with a high quality of earnings while filtering out slow-growth companies and securities with expensive valuations. Securities are weighted in accordance with a modified capitalization weighting methodology designed to reduce the dispersion of weights between larger and smaller capitalization companies. The portfolio holdings will be reconstituted and rebalanced on a quarterly basis. The frequency of the reconstitution and rebalancing may change without notice.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value fell to \$29 million as of December 31, 2018, from \$34 million at the end of 2017. The decrease was due to net redemptions, partially offset by investment returns.

Over the past year, the ETF's CAD units gained 1.6%, which underperformed the 3.8% rise in the benchmark. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the USD units, which will usually vary because of foreign exchange rates.

The ETF's relative exposure to General Electric, Red Hat and AT&T had the most positive impact on the ETF's returns, while exposure to Amazon.com, Mastercard and NVidia was negative for relative performance. The ETF had the highest relative exposure to Mastercard, Intuit and S&P Global, and the smallest relative exposure to Alphabet, Berkshire Hathaway and DowDuPont.

At the sector level, the ETF had the highest relative weightings in Information Technology and Utilities, and the lowest relative exposure to Consumer Discretionary, Communication Services and Energy.

Recent Developments

The portfolio manager has no recent developments to report.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/Period
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	
CAD Units												
Dec. 31, 2018	26.21	0.51	(0.13)	3.61	(2.99)	1.00	—	(0.40)	(3.50)	—	(3.90)	26.25
Dec. 31, 2017	23.63	0.41	(0.11)	1.53	1.04	2.87	—	(0.33)	(0.82)	—	(1.15)	26.21
Dec. 31, 2016	22.13	0.42	(0.10)	1.13	1.24	2.69	—	(0.27)	(0.48)	—	(0.75)	23.63
Dec. 31, 2015 ³	20.00 [†]	0.30	(0.07)	0.23	2.17	2.63	—	(0.17)	(0.11)	(0.09)	(0.37)	22.13
USD Units*												
Dec. 31, 2018	20.92	0.40	(0.10)	2.82	(1.53)	1.59	—	(0.31)	(2.56)	—	(2.87)	19.22
Dec. 31, 2017	17.62	0.46	(0.12)	1.72	(0.30)	1.76	—	(0.25)	(0.64)	—	(0.89)	20.92
Dec. 31, 2016	15.93	0.32	(0.08)	0.85	0.26	1.35	—	(0.21)	(0.35)	—	(0.56)	17.62
Dec. 31, 2015 ³	16.66 [†]	0.22	(0.05)	0.17	1.59	1.93	—	(0.13)	(0.09)	(0.07)	(0.29)	15.93

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From May 5, 2015.

* Stated in U.S. dollars.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
CAD Units								
Dec. 31, 2018	26 252	1 000	0.44	0.44	0.03	197.17	26.25	26.11
Dec. 31, 2017	28 832	1 100	0.43	0.43	0.02	109.54	26.21	26.32
Dec. 31, 2016	23 625	1 000	0.44	0.44	0.03	116.39	23.63	23.67
Dec. 31, 2015 ⁴	11 226	500	0.44	0.44	0.01	93.28	22.13	22.40
USD Units*								
Dec. 31, 2018	1 922	100	0.44	0.44	0.03	197.17	19.22	18.53
Dec. 31, 2017	4 184	200	0.43	0.43	0.02	109.54	20.92	21.02
Dec. 31, 2016	1 762	100	0.44	0.44	0.03	116.39	17.62	17.87
Dec. 31, 2015 ⁴	1 622	100	0.44	0.44	0.01	93.28	15.93	15.82

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From May 5, 2015.

* Stated in U.S. dollars.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF. The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

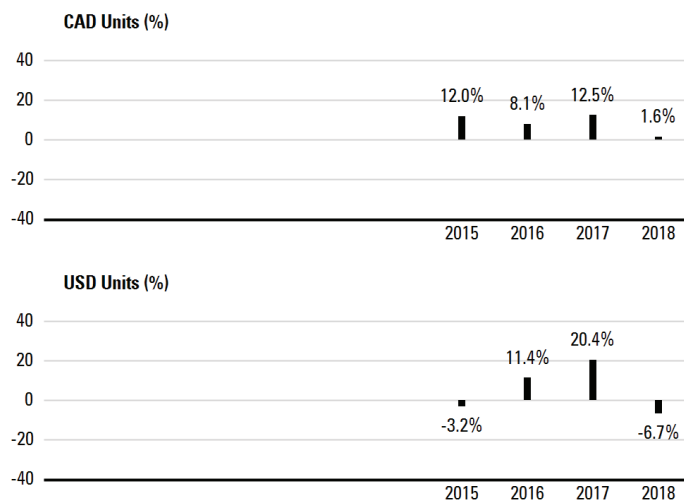
	Management Fees
CAD Units	0.39%
USD Units	0.39%

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmarks:

CAD Units

S&P 500 Total Return Index (CAD)

USD Units

S&P 500 Total Return Index (USD)

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
CAD Units	1.6	7.3	—	—	9.4
Benchmark	3.8	8.8	—	—	11.0
USD Units	-6.7	7.9	—	—	5.5
Benchmark	-4.4	9.3	—	—	7.2

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark indexes.

The ETF's units have been available for sale to unitholders since May 12, 2015.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTIONS

S&P 500 Total Return Index (CAD) This index is a capitalization-weighted index measuring the Canadian dollar performance of 500 widely held common stocks representing all major industries in the United States. The index gives investors a broad measure of the overall performance of the U.S. stock market.

S&P 500 Total Return Index (USD) This index is a capitalization-weighted index measuring the U.S. dollar performance of 500 widely held common stocks representing all major industries in the United States. The index gives investors a broad measure of the overall performance of the U.S. stock market.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
United States Equities	
Information Technology	24.4
Health Care	15.6
Financials	13.2
Consumer Discretionary	9.9
Industrials	8.6
Communication Services	7.2
Consumer Staples	6.9
Utilities	4.5
Energy	4.2
Real Estate	2.8
Materials	2.5
Other Net Assets	0.2

Top 25 Holdings

	% of Net Asset Value
Apple Inc.	3.7
Microsoft Corp.	3.4
Amazon.com, Inc.	2.9
Mastercard Inc.	2.9
Boeing Co.	2.3
Intuit Inc.	2.2
Alphabet Inc., Class C	2.1
Exelon Corp.	2.0
Verizon Communications Inc.	1.8
JPMorgan Chase & Co.	1.8
Amgen Inc.	1.7
Pfizer Inc.	1.7
Simon Property Group Inc.	1.7
Bank of America Corp.	1.6
Merck & Co. Inc.	1.6
Accenture Plc., Class A	1.6
Centerpoint Energy Inc.	1.5
Chevron Corp.	1.4
Johnson & Johnson	1.4
Facebook Inc., Class A	1.3
S&P Global Inc.	1.3
Honeywell International Inc.	1.3
Home Depot Inc.	1.2
ConocoPhillips	1.2
Citigroup Inc.	1.2
Top 25 Holdings	46.8

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



U.S. EQUITY ETF

RBC QUANT U.S. EQUITY LEADERS (CAD HEDGED) ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide unitholders with broad exposure, either directly or indirectly through investment in other mutual funds managed by RBC GAM or an affiliate, to the performance of a diversified portfolio of high-quality U.S. equity securities that have the potential for long-term capital growth, while seeking to minimize the exposure to currency fluctuations between the U.S. and Canadian dollars.

The ETF intends to invest substantially all of its assets in units of the RBC Quant U.S. Equity Leaders ETF (the “underlying RBC ETF”) but may also invest directly in a portfolio of U.S. equity securities. Portfolio securities for the underlying RBC ETF (and for the ETF, to the extent it invests directly in equity securities) will be selected using a rules-based, multi-factor investment approach designed to select companies with a high quality of earnings while filtering out slow-growth companies and securities with expensive valuations. Securities are weighted in accordance with a modified capitalization weighting methodology designed to reduce the dispersion of weights between larger and smaller capitalization companies. The portfolio holdings will be reconstituted and rebalanced on a quarterly basis. The frequency of the reconstitution and rebalancing may change without notice.

The ETF uses derivatives to hedge against fluctuations in the U.S. dollar to minimize exposure to changes of the U.S. dollar relative to the Canadian dollar.

Risk

There were no significant changes to the ETF that materially affected the ETF’s overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF’s net asset value fell to \$11 million as of December 31, 2018, from \$15 million at the end of 2017. The decrease was due to net redemptions.

Over the past year, the ETF’s units lost 7.7%, which underperformed the 5.7% decline in the benchmark. The ETF’s return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

The ETF’s relative exposure to General Electric, Red Hat and AT&T had the most positive impact on the ETF’s returns, while exposure to Amazon.com, Mastercard and NVidia was negative for relative performance. The ETF had the highest relative exposure to Mastercard, Intuit and S&P Global, and the smallest relative exposure to Alphabet, Berkshire Hathaway and DowDuPont.

At the sector level, the ETF had the highest relative weightings in Information Technology and Utilities, and the lowest relative exposure to Consumer Discretionary, Communication Services and Energy.

Recent Developments

The portfolio manager has no recent developments to report.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF’s day-to-day operations, holds title to the ETF’s property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust (“RBC IS”) is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm’s length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF’s Prospectus.



Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Brokers and Dealers

The ETF has established standard brokerage and dealing agreements at market rates with related parties. These related-party commissions were \$1,000 (2017 – \$1,000) or 100% (2017 – 100%) of the total transaction costs paid for this ETF.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	Year/Period
Dec. 31, 2018	24.57	(1.98)	—	2.87	(2.05)	(1.16)	—	(0.58)	(4.80)	—	(5.38)	22.13
Dec. 31, 2017	20.85	0.32	—	2.34	1.37	4.03	—	(0.28)	(1.25)	—	(1.53)	24.57
Dec. 31, 2016	19.07	0.27	—	1.06	1.05	2.38	—	(0.25)	(0.07)	—	(0.32)	20.85
Dec. 31, 2015 ³	20.00 [†]	0.44	—	(1.68)	0.68	(0.56)	(0.01)	(0.15)	—	(0.19)	(0.35)	19.07

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From May 5, 2015.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	11 064	500	0.44	0.44	0.03	132.93	22.13	22.02
Dec. 31, 2017	14 744	600	0.43	0.43	0.02	66.08	24.57	24.67
Dec. 31, 2016	9 384	450	0.44	0.44	0.03	65.22	20.85	21.12
Dec. 31, 2015 ⁴	3 814	200	0.44	0.44	0.02	136.86	19.07	19.39

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From May 5, 2015.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF. A management fee is not charged directly to the ETF as this ETF invests in the units of other RBC ETFs. It pays management fees indirectly because the ETFs in which it invests pay management fees.



PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmark:

S&P 500 Total Return Index (hedged to CAD)

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	-7.7	7.0	—	—	4.8
Benchmark	-5.7	8.4	—	—	6.5

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark index.

The ETF's units have been available for sale to unitholders since May 12, 2015.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTION

S&P 500 Total Return Index (hedged to CAD) This index is a capitalization-weighted index measuring the performance of 500 widely held common stocks representing all major industries in the United States. The index gives investors a broad measure of the overall performance of the U.S. stock market and is hedged to Canadian dollars.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
United States Equities	
Information Technology	24.4
Health Care	15.6
Financials	13.2
Consumer Discretionary	9.9
Industrials	8.6
Communication Services	7.2
Consumer Staples	6.9
Utilities	4.5
Energy	4.2
Real Estate	2.8
Materials	2.5
Other Net Assets	0.2

Top 25 Holdings*

	% of Net Asset Value
Apple Inc.	3.7
Microsoft Corp.	3.4
Amazon.com, Inc.	2.9
Mastercard Inc.	2.9
Boeing Co.	2.3
Intuit Inc.	2.2
Alphabet Inc., Class C	2.1
Exelon Corp.	2.0
Verizon Communications Inc.	1.8
JPMorgan Chase & Co.	1.8
Amgen Inc.	1.7
Pfizer Inc.	1.7
Simon Property Group Inc.	1.7
Bank of America Corp.	1.6
Merck & Co. Inc.	1.6
Accenture Plc., Class A	1.6
Centerpoint Energy Inc.	1.5
Chevron Corp.	1.4
Johnson & Johnson	1.4
Facebook Inc., Class A	1.3
S&P Global Inc.	1.3
Honeywell International Inc.	1.3
Home Depot Inc.	1.2
ConocoPhillips	1.2
Citigroup Inc.	1.2
Top 25 Holdings	46.8

* The ETF invests substantially all of its assets directly in the RBC Quant U.S. Equity Leaders ETF. The above are the Top 25 holdings of the RBC Quant U.S. Equity Leaders ETF.

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



U.S. EQUITY ETF

RBC U.S. EQUITY INDEX ETF

December 31, 2018

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

Sub-Advisor: State Street Global Advisors, Ltd.

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to replicate, to the extent possible and before fees and expenses, the performance of a broad U.S. equity index. Currently, the ETF seeks to track the FTSE USA Index (or any successor thereto). The investment strategy of the ETF is to invest in and hold the constituent securities of the FTSE USA Index in substantially the same proportion as they are reflected in the index or securities intended to replicate the performance of the index.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value fell to \$363 million as of December 31, 2018, from \$377 million at the end of 2017. The decrease was due to net redemptions, partially offset by investment returns.

Over the past year, the ETF's units gained 3.7%, which underperformed the 4.1% rise in the benchmark. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

The best-performing sectors by contribution to the ETF's returns were Information Technology, Utilities and Health Care. The Energy, Financials and Industrials sectors ranked last in terms of performance.

Recent Developments

RBC GAM has called and will hold a special meeting of unitholders of the ETF on March 22, 2019. Subject to unitholder and regulatory approvals, the ETF will be merged into the iShares Core S&P 500 Index ETF, an ETF managed by BlackRock Asset Management Canada Limited, effective on or about April 5, 2019. The ETF will terminate following completion of the merger.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/Period
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
											Total	
Dec. 31, 2018	22.02	0.51	(0.10)	0.34	0.09	0.84	—	(0.40)	(0.21)	—	(0.61)	22.45
Dec. 31, 2017 ³	20.00 [†]	0.11	(0.01)	0.09	1.38	1.57	—	(0.06)	(0.02)	—	(0.08)	22.02

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From August 9, 2017.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	362 547	16 150	0.10	0.10	0.02	9.43	22.45	22.35
Dec. 31, 2017⁴	376 617	17 100	0.10	0.10	—	20.28	22.02	22.15

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From August 9, 2017.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF.

The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

Management Fees	
RBC U.S. Equity Index ETF	0.09%



PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmark:

FTSE USA Index (CAD)

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	3.7	—	—	—	10.0
Benchmark	4.1	—	—	—	10.4

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark index.

The ETF's units have been available for sale to unitholders since September 21, 2017.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTION

FTSE USA Index (CAD) This index is a capitalization-weighted measure of the performance of U.S. large- and small-cap stocks, measured in Canadian dollars.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
United States Equities	
Information Technology	20.6
Health Care	15.0
Financials	13.5
Consumer Discretionary	10.3
Communication Services	10.1
Industrials	8.8
Consumer Staples	7.2
Energy	5.2
Utilities	3.2
Real Estate	2.9
Materials	2.7
Other Net Assets	0.5

Top 25 Holdings

	% of Net Asset Value
Microsoft Corp.	3.5
Apple Inc.	3.4
Amazon.com, Inc.	2.8
Johnson & Johnson	1.6
Berkshire Hathaway Inc., Class B	1.6
JPMorgan Chase & Co.	1.5
Alphabet Inc., Class C	1.4
Alphabet Inc., Class A	1.4
Facebook Inc., Class A	1.4
Exxon Mobil Corp.	1.3
Pfizer Inc.	1.2
UnitedHealth Group Incorporated	1.1
Verizon Communications Inc.	1.1
Visa Inc., Class A	1.1
The Procter & Gamble Co.	1.0
Bank of America Corp.	1.0
Intel Corp.	1.0
AT&T Inc.	1.0
Chevron Corp.	0.9
Merck & Co. Inc.	0.9
Home Depot Inc.	0.9
Cisco Systems Inc.	0.9
Wells Fargo & Company	0.9
The Coca-Cola Co.	0.8
Boeing Co.	0.8
Top 25 Holdings	34.5

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



U.S. EQUITY ETF

RBC U.S. EQUITY (CAD HEDGED) INDEX ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF invests substantially all of its assets in units of the RBC U.S. Equity Index ETF (the “underlying RBC ETF”), while seeking to minimize exposure to currency fluctuations between the U.S. and the Canadian dollar. The ETF may also invest directly in and hold the constituent securities of the FTSE USA Hedged 100% to CAD Index or securities intended to replicate the performance of the index, in order to achieve its investment objectives. The ETF uses derivatives to hedge against fluctuations in the U.S. dollar to minimize exposure to changes of the U.S. dollar relative to the Canadian dollar.

Risk

There were no significant changes to the ETF that materially affected the ETF’s overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF was created on April 20, 2018, but has not been launched. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

Effective on or about April 5, 2019, the ETF will be terminated.

The ETF has applied International Financial Reporting Standards (“IFRS”) on a non-going concern basis for the period ended December 31, 2018. In this case, the non-going concern basis of preparation in accordance with IFRS does not result in any material adjustments to the carrying amounts of assets and liabilities of the ETF prepared on a going concern basis in accordance with IFRS.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF’s day-to-day operations, holds title to the ETF’s property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain

bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust (“RBC IS”) is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm’s length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF’s Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF’s securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	Year/Period
Dec. 31, 2018³	20.00[†]	—	—	—	—	—	—	—	—	—	—	20.00

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From April 20, 2018.

[†] Initial offering net asset value per unit.



U.S. EQUITY ETF

RBC U.S. BANKS YIELD INDEX ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to replicate, to the extent possible and before fees and expenses, the performance of a U.S. bank stocks index. Currently, the ETF seeks to track the Solactive U.S. Bank Yield Index (or any successor thereto). The ETF expects to primarily use an index replication strategy to track as closely as possible the performance of the index. However, the ETF may use a sampling strategy to achieve its objective, if such an approach is appropriate.

The Solactive U.S. Bank Yield Index includes equity securities of the 21 largest banks based on market capitalization and weighted based on their indicative annual yields such that the seven highest dividend-yielding U.S. bank stocks each receive a 7.14% weight, the next seven highest dividend-yielding bank stocks receive a 4.76% weight and the seven lowest dividend-yielding U.S. bank stocks each receive a 2.38% weight. The Solactive U.S. Bank Yield Index will be rebalanced quarterly.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF was launched on May 15, 2018, and its net asset value was \$15 million as of December 31, 2018. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

The portfolio manager has no recent developments to report.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which

Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/Period
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	
CAD Units												
Dec. 31, 2018³	20.00[†]	0.30	(0.04)	(1.25)	(3.19)	(4.18)	—	(0.20)	—	—	(0.20)	16.64
USD Units*												
Dec. 31, 2018³	15.55[†]	0.23	(0.03)	(0.96)	(2.40)	(3.16)	—	(0.15)	—	—	(0.15)	12.19

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From April 20, 2018.

* Stated in U.S. dollars.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
CAD Units								
Dec. 31, 2018⁴	9 985	600	0.33	0.33	—	122.02	16.64	16.48
USD Units*								
Dec. 31, 2018⁴	3 656	300	0.33	0.33	—	122.02	12.19	11.86

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From April 20, 2018.

* Stated in U.S. dollars.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF.

The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

	Management Fees
CAD Units	0.29%
USD Units	0.29%

PAST PERFORMANCE

Investment performance in respect of a fund that has been available for less than one year is not provided. The ETF was launched May 2018.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
United States Equities	
Financials	99.6
Other Net Assets	0.4

Top 25 Holdings*

	% of Net Asset Value
PNC Bank Corp.	7.6
BB&T Corporation	7.3
Prudential Financial Inc.	7.2
Wells Fargo & Company	7.2
KeyCorp	6.8
Suntrust Banks Inc.	6.7
Regions Financial Corp.	6.5
State Street Corp.	5.1
JPMorgan Chase & Co.	5.0
Fifth Third Bancorp	4.8
U.S. Bancorp	4.8
Synchrony Financial	4.5
Citigroup Inc.	4.4
Citizens Financial Group Inc.	4.3
Bank of New York Mellon Corp.	2.8
American Express Company	2.6
Bank of America Corp.	2.5
Northern Trust Corp.	2.5
M&T Bank Corp.	2.4
Capital One Financial Corp.	2.3
Discover Financial Services	2.3
Total	99.6

* The ETF holds fewer than 25 holdings.

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



U.S. EQUITY ETF

RBC U.S. BANKS YIELD (CAD HEDGED) INDEX ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

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MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF invests substantially all of its assets in units of the RBC U.S. Banks Yield Index ETF (the “underlying RBC ETF”) while seeking to minimize exposure to currency fluctuations between the U.S. dollar and the Canadian dollar. The ETF may also invest directly in and hold the constituent securities of the Solactive U.S. Bank Yield (CAD Hedged) Index or securities intended to replicate the performance of the index, in order to achieve its investment objectives. The ETF uses derivatives to hedge against fluctuations in the U.S. dollar to minimize exposure to changes in the U.S. dollar relative to the Canadian dollar.

The Solactive U.S. Bank Yield (CAD Hedged) Index is an index that includes equity securities of the 21 largest banks based on market capitalization and weighted based on their indicative annual yields such that the seven highest dividend-yielding U.S. bank stocks each receive a 7.14% weight, the next seven highest dividend-yielding bank stocks receive a 4.76% weight and the seven lowest dividend-yielding U.S. bank stocks each receive a 2.38% weight. The Solactive U.S. Bank Yield (CAD Hedged) Index will be rebalanced quarterly.

Risk

There were no significant changes to the ETF that materially affected the ETF’s overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF was launched on May 15, 2018, and its net asset value was \$2 million as of December 31, 2018. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

The portfolio manager has no recent developments to report.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF’s day-to-day operations, holds title to the ETF’s property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust (“RBC IS”) is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm’s length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF’s Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF’s securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/Period
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
Dec. 31, 2018 ³	20.00 [†]	0.18	—	(1.81)	(1.99)	(3.62)	—	(0.19)	—	—	(0.19)	15.57

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From April 20, 2018.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018⁴	2 336	150	0.33	0.33	0.10	164.29	15.57	15.23

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From April 20, 2018.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF. A management fee is not charged directly to the ETF as this ETF invests in the units of other RBC ETFs. It pays management fees indirectly because the ETFs in which it invests pay management fees.

PAST PERFORMANCE

Investment performance in respect of a fund that has been available for less than one year is not provided. The ETF was launched May 2018.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
United States Equities	
Financials	99.6
Other Net Assets	0.4

Top 25 Holdings*

	% of Net Asset Value
PNC Bank Corp.	7.6
BB&T Corporation	7.3
Prudential Financial Inc.	7.2
Wells Fargo & Company	7.2
KeyCorp	6.8
Suntrust Banks Inc.	6.7
Regions Financial Corp.	6.5
State Street Corp.	5.1
JPMorgan Chase & Co.	5.0
Fifth Third Bancorp	4.8
U.S. Bancorp	4.8
Synchrony Financial	4.5
Citigroup Inc.	4.4
Citizens Financial Group Inc.	4.3
Bank of New York Mellon Corp.	2.8
American Express Company	2.6
Bank of America Corp.	2.5
Northern Trust Corp.	2.5
M&T Bank Corp.	2.4
Capital One Financial Corp.	2.3
Discover Financial Services	2.3
Total	99.6

* The ETF invests substantially all of its assets directly in the RBC U.S. Banks Yield Index ETF. The above are the Top 25 holdings of the RBC U.S. Banks Yield Index ETF.

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



INTERNATIONAL EQUITY ETF

RBC QUANT EUROPEAN DIVIDEND LEADERS ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide unitholders with exposure to the performance of a diversified portfolio of high-quality European dividend-paying equity securities that will provide regular income and that have the potential for long-term capital growth.

Portfolio securities for the ETF will be selected using a rules-based, multi-factor investment approach that considers a company's balance sheet strength, the stability and sustainability of its dividend payout and its ability to grow dividends in the future. Securities are weighted in accordance with a modified capitalization weighting methodology designed to reduce the dispersion of weights between larger and smaller capitalization companies. The portfolio holdings will be reconstituted and rebalanced on a quarterly basis. The frequency of the reconstitution and rebalancing may change without notice.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value fell to \$112 million as of December 31, 2018, from \$204 million at the end of 2017. The decrease was due to net redemptions.

Over the past year, the ETF's CAD units lost 5.7%, which outperformed the 7.2% decline in the benchmark. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the USD units, which will usually vary because of foreign exchange rates.

The ETF's relative exposure to British American Tobacco, Roche Holding and Novo Nordisk had the most positive impact on the ETF's returns, while exposure to Unilever, ABN AMRO and Nestlé was negative for relative performance. The ETF had the highest relative exposure to Royal Dutch Shell, Total SA and Rio Tinto Group, and the smallest relative exposure to Nestlé, HSBC Holdings and Novartis.

At the sector level, the ETF had the highest relative weightings in Financials, Energy and Communication Services, and the lowest relative exposure to Consumer Staples, Industrials and Information Technology.

Recent Developments

The portfolio manager has no recent developments to report.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Brokers and Dealers

The ETF has established standard brokerage and dealing agreements at market rates with related parties. These related-party commissions were \$1,000 (2017 – \$0) or 0% (2017 – 0%) of the total transaction costs paid for this ETF.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/Period
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	
CAD Units												
Dec. 31, 2018	23.50	1.10	(0.21)	1.01	(2.74)	(0.84)	—	(1.11)	(0.93)	—	(2.04)	21.10
Dec. 31, 2017	21.68	0.82	(0.21)	0.30	1.22	2.13	—	(0.64)	—	(0.07)	(0.71)	23.50
Dec. 31, 2016	22.33	0.93	(0.21)	(0.81)	0.45	0.36	—	(0.79)	—	(0.01)	(0.80)	21.68
Dec. 31, 2015	20.49	0.86	(0.25)	(0.18)	0.21	0.64	—	(0.63)	—	(0.06)	(0.69)	22.33
Dec. 31, 2014 ³	20.00 [†]	0.02	(0.09)	(0.17)	0.65	0.41	—	(0.01)	—	(0.07)	(0.08)	20.49
USD Units*												
Dec. 31, 2018	18.76	0.85	(0.17)	0.78	(2.15)	(0.69)	—	(0.84)	(0.68)	—	(1.52)	15.45
Dec. 31, 2017	16.17	0.64	(0.16)	0.24	(0.03)	0.69	—	(0.50)	—	(0.05)	(0.55)	18.76
Dec. 31, 2016	16.07	0.70	(0.16)	(0.61)	0.23	0.16	—	(0.60)	—	—	(0.60)	16.17
Dec. 31, 2015	17.69	0.67	(0.20)	(0.14)	0.16	0.49	—	(0.49)	—	(0.05)	(0.54)	16.07
Dec. 31, 2014 ³	17.66 [†]	0.02	(0.08)	(0.15)	0.58	0.37	—	(0.01)	—	(0.06)	(0.07)	17.69

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From October 22, 2014.

* Stated in U.S. dollars.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
CAD Units								
Dec. 31, 2018	102 342	4 850	0.54	0.54	0.38	154.65	21.10	21.05
Dec. 31, 2017	188 028	8 000	0.54	0.54	0.37	130.97	23.50	23.44
Dec. 31, 2016	100 824	4 650	0.55	0.55	0.44	194.47	21.68	21.77
Dec. 31, 2015	86 989	3 850	0.56	0.56	0.58	234.29	22.33	22.28
Dec. 31, 2014 ⁴	6 146	300	0.57	0.57	0.39	608.53	20.49	20.61
USD Units*								
Dec. 31, 2018	6 952	450	0.54	0.54	0.38	154.65	15.45	15.26
Dec. 31, 2017	13 131	700	0.54	0.54	0.37	130.97	18.76	18.62
Dec. 31, 2016	5 659	350	0.55	0.55	0.44	194.47	16.17	16.05
Dec. 31, 2015	6 528	400	0.56	0.56	0.58	234.29	16.07	16.30
Dec. 31, 2014 ⁴	884	50	0.57	0.57	0.39	608.53	17.69	17.82

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From October 22, 2014.

* Stated in U.S. dollars.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF. The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

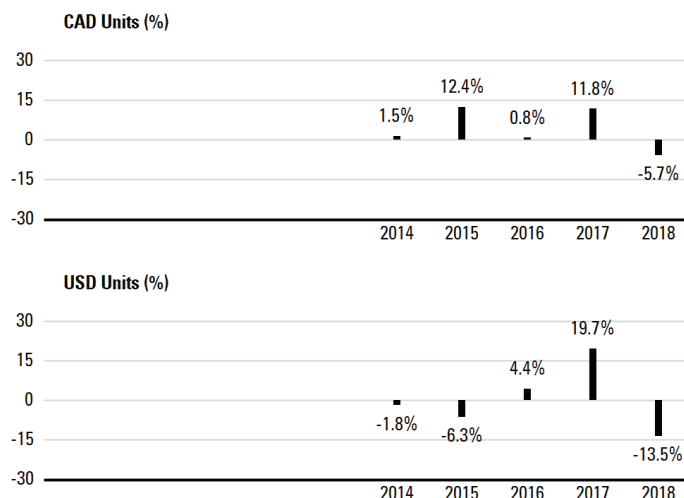
	Management Fees
CAD Units	0.49%
USD Units	0.49%

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmarks:

CAD Units

MSCI Europe Total Return Net Index (CAD)

USD Units

MSCI Europe Total Return Net Index (USD)

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
CAD Units	-5.7	2.1	—	—	4.7
Benchmark	-7.2	1.5	—	—	5.8
USD Units	-13.5	2.7	—	—	-0.1
Benchmark	-14.9	2.1	—	—	0.9

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark indexes.

The ETF's units have been available for sale to unitholders since October 22, 2014.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTIONS

MSCI Europe Total Return Net Index (CAD) This index is a broad measure of the Canadian dollar performance of major stock markets in Europe. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI Europe Total Return Net Index (USD) This index is a broad measure of the U.S.-dollar performance of major stock markets in Europe. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
European Equities	
Financials	34.6
Energy	10.0
Industrials	9.8
Communication Services	9.3
Utilities	9.1
Materials	9.0
Health Care	6.3
Consumer Staples	5.8
Consumer Discretionary	3.9
Real Estate	2.0
Other Net Assets	0.2

Top 25 Holdings

	% of Net Asset Value
Royal Dutch Shell Plc., B Shares	10.0
Rio Tinto Plc.	3.1
SGS S.A.	3.0
BHP Group Plc.	3.0
Unilever N.V.	2.5
Adecco S.A.	2.5
Roche Holdings AG Genusscheine	2.4
Kuehne + Nagel International AG	2.4
Allianz SE	2.3
Novo Nordisk A/S	1.9
Société BIC S.A.	1.9
E.ON SE	1.9
BNP Paribas S.A.	1.8
UBS Group AG	1.8
Telefonica S.A.	1.7
AXA S.A.	1.7
BBVA S.A.	1.7
ING Groep N.V.	1.7
SSE Plc.	1.6
Imperial Brands Plc.	1.5
Assicurazioni Generali S.p.A.	1.5
Nordea Bank Abp	1.5
Covestro AG	1.5
Fortum OYJ	1.5
Red Electrica Corp. S.A.	1.5
Top 25 Holdings	57.9

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



INTERNATIONAL EQUITY ETF

RBC QUANT EUROPEAN DIVIDEND LEADERS (CAD HEDGED) ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide unitholders with exposure, either directly or indirectly through investment in other mutual funds managed by RBC GAM or an affiliate, to the performance of a diversified portfolio of high-quality European dividend-paying equity securities that will provide regular income and that have the potential for long-term capital growth, while seeking to minimize the exposure to currency fluctuations between foreign currencies and the Canadian dollar.

The ETF intends to invest substantially all of its assets in units of the RBC Quant European Dividend Leaders ETF (the “underlying fund”) but may also invest directly in a portfolio of European dividend-paying equity securities. Portfolio securities for the underlying fund (and for the ETF, to the extent it invests directly in equity securities) will be selected using a rules-based, multi-factor investment approach that considers a company’s balance sheet strength, the stability and sustainability of its dividend payout and its ability to grow dividends in the future. Securities are weighted in accordance with a modified capitalization weighting methodology designed to reduce the dispersion of weights between larger and smaller capitalization companies. The portfolio holdings will be reconstituted and rebalanced on a quarterly basis. The frequency of the reconstitution and rebalancing may change without notice.

The ETF uses derivatives to hedge against fluctuations in foreign currencies to minimize exposure to changes of the foreign currencies held by the ETF relative to the Canadian dollar.

Risk

There were no significant changes to the ETF that materially affected the ETF’s overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF’s net asset value fell to \$58 million as of December 31, 2018, from \$95 million at the end of 2017. The decrease was due to net redemptions.

Over the past year, the ETF’s units lost 8.1%, which outperformed the 9.4% decline in the benchmark. The ETF’s return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

The ETF’s relative exposure to British American Tobacco, Roche Holding and Novo Nordisk had the most positive impact on the ETF’s returns, while exposure to Unilever, ABN AMRO and Nestlé was negative for relative performance. The ETF had the highest relative exposure to Royal Dutch Shell, Total SA and Rio Tinto Group, and the smallest relative exposure to Nestlé, HSBC Holdings and Novartis.

At the sector level, the ETF had the highest relative weightings in Financials, Energy and Communication Services, and the lowest relative exposure to Consumer Staples, Industrials and Information Technology.

Recent Developments

The portfolio manager has no recent developments to report.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF’s day-to-day operations, holds title to the ETF’s property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust (“RBC IS”) is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm’s length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF’s Prospectus.



Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Brokers and Dealers

The ETF has established standard brokerage and dealing agreements at market rates with related parties. These related-party commissions were \$7,000 (2017 – \$5,000) or 100% (2017 – 100%) of the total transaction costs paid for this ETF.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	Year/Period
Dec. 31, 2018	23.26	1.11	—	0.27	(2.92)	(1.54)	—	(1.03)	(1.38)	—	(2.41)	20.39
Dec. 31, 2017	22.09	0.73	—	(0.77)	1.63	1.59	—	(0.58)	—	(0.10)	(0.68)	23.26
Dec. 31, 2016	20.61	0.77	—	1.43	(0.15)	2.05	—	(0.84)	—	—	(0.84)	22.09
Dec. 31, 2015	20.96	0.67	—	(2.40)	(0.34)	(2.07)	—	(0.63)	—	(0.01)	(0.64)	20.61
Dec. 31, 2014 ³	20.00 [†]	0.11	—	0.07	0.58	0.76	—	(0.01)	(0.04)	(0.07)	(0.12)	20.96

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From October 22, 2014.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	58 114	2 850	0.54	0.54	0.38	25.87	20.39	20.30
Dec. 31, 2017	95 362	4 100	0.54	0.54	0.37	29.75	23.26	23.21
Dec. 31, 2016	57 447	2 600	0.55	0.55	0.44	39.74	22.09	22.04
Dec. 31, 2015	69 027	3 350	0.56	0.56	0.59	35.27	20.61	20.63
Dec. 31, 2014 ⁴	5 239	250	0.57	0.57	—	3.50	20.96	21.11

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From October 22, 2014.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF. A management fee is not charged directly to the ETF as this ETF invests in the units of other RBC ETFs. It pays management fees indirectly because the ETFs in which it invests pay management fees.

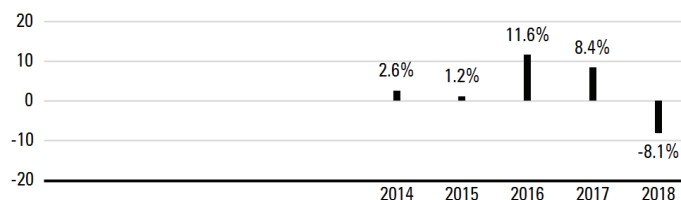


PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmark:

MSCI Europe Total Return Net Index (hedged to CAD)

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	-8.1	3.6	—	—	3.5
Benchmark	-9.4	4.0	—	—	0.0

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark index.

The ETF's units have been available for sale to unitholders since October 22, 2014.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTION

MSCI Europe Total Return Net Index (hedged to CAD) This index is a broad measure of the Canadian dollar performance of major stock markets in Europe. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. The index is hedged to Canadian dollars.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
European Equities	
Financials	34.6
Energy	10.0
Industrials	9.8
Communication Services	9.3
Utilities	9.1
Materials	9.0
Health Care	6.3
Consumer Staples	5.8
Consumer Discretionary	3.9
Real Estate	2.0
Other Net Assets	0.2

Top 25 Holdings*

	% of Net Asset Value
Royal Dutch Shell Plc., B Shares	10.0
Rio Tinto Plc.	3.1
SGS S.A.	3.0
BHP Group Plc.	3.0
Unilever N.V.	2.5
Adecco S.A.	2.5
Roche Holdings AG Genusscheine	2.4
Kuehne + Nagel International AG	2.4
Allianz SE	2.3
Novo Nordisk A/S	1.9
Société BIC S.A.	1.9
E.ON SE	1.9
BNP Paribas S.A.	1.8
UBS Group AG	1.8
Telefonica S.A.	1.7
AXA S.A.	1.7
BBVA S.A.	1.7
ING Groep N.V.	1.7
SSE Plc.	1.6
Imperial Brands Plc.	1.5
Assicurazioni Generali S.p.A.	1.5
Nordea Bank Abp	1.5
Covestro AG	1.5
Fortum OYJ	1.5
Red Elctrica Corp. S.A.	1.5
Top 25 Holdings	57.9

* The ETF invests substantially all of its assets directly in the RBC Quant European Dividend Leaders ETF. The above are the Top 25 holdings of the RBC Quant European Dividend Leaders ETF.

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



INTERNATIONAL EQUITY ETF

RBC QUANT EAFE DIVIDEND LEADERS ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide unitholders with exposure to the performance of a diversified portfolio of high-quality dividend-paying equity securities in markets in Europe, Australasia and the Far East (EAFE) that will provide regular income and that have the potential for long-term capital growth.

Portfolio securities for the RBC Quant EAFE Dividend Leaders ETF will be selected using a rules-based, multifactor investment approach that considers a company's balance sheet strength, the stability and sustainability of its dividend payout and its ability to grow dividends in the future. Securities are weighted in accordance with a modified capitalization weighting methodology designed to reduce the dispersion of weights between larger and smaller capitalization companies. The portfolio holdings will be reconstituted and rebalanced initially on a quarterly basis. The frequency of the reconstitution and rebalancing may change without notice.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value fell to \$351 million as of December 31, 2018, from \$523 million at the end of 2017. The decrease was due to net redemptions.

Over the past year, the ETF's CAD units lost 5.1%, which outperformed the 6.0% decline in the benchmark. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the USD units, which will usually vary because of foreign exchange rates.

The ETF's relative exposure to Royal Dutch Shell, Total SA and Novo Nordisk had the most positive impact on the ETF's returns, while exposure to Nestlé, Novartis and HSBC Holdings was negative for performance. The ETF had the highest relative exposure to Royal Dutch Shell, Total SA and Novo Nordisk, and the smallest relative exposure to Nestlé, Novartis and HSBC Holdings.

At the sector level, the ETF had the highest relative weightings in Financials, Energy and Utilities, and the lowest relative exposure to Consumer Staples, Consumer Discretionary and Industrials.

Recent Developments

The portfolio manager has no recent developments to report.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/Period
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	
CAD Units												
Dec. 31, 2018	24.29	1.06	(0.18)	0.08	(2.05)	(1.09)	—	(1.01)	(0.17)	—	(1.18)	22.07
Dec. 31, 2017	22.66	0.93	(0.26)	0.88	0.71	2.26	—	(0.70)	(0.62)	—	(1.32)	24.29
Dec. 31, 2016	23.13	0.97	(0.27)	(0.15)	(0.11)	0.44	—	(0.76)	—	—	(0.76)	22.66
Dec. 31, 2015	20.33	0.88	(0.18)	0.66	1.49	2.85	—	(0.71)	(0.52)	(0.03)	(1.26)	23.13
Dec. 31, 2014 ³	20.00 [†]	0.73	(0.22)	0.24	(0.86)	(0.11)	—	(0.43)	(0.20)	—	(0.63)	20.33
USD Units*												
Dec. 31, 2018	19.38	0.82	(0.14)	0.06	(1.59)	(0.85)	—	(0.78)	(0.13)	—	(0.91)	16.16
Dec. 31, 2017	16.89	0.96	(0.26)	0.90	0.21	1.81	—	(0.54)	(0.49)	—	(1.03)	19.38
Dec. 31, 2016	16.65	0.74	(0.21)	(0.12)	(0.20)	0.21	—	(0.57)	—	—	(0.57)	16.89
Dec. 31, 2015	17.56	0.69	(0.14)	0.51	1.16	2.22	—	(0.56)	(0.38)	(0.02)	(0.96)	16.65
Dec. 31, 2014 ³	18.42 [†]	0.66	(0.20)	0.22	(0.78)	(0.10)	—	(0.39)	(0.19)	—	(0.58)	17.56

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From January 15, 2014.

* Stated in U.S. dollars.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
CAD Units								
Dec. 31, 2018	313 383	14 200	0.54	0.54	0.24	102.22	22.07	22.18
Dec. 31, 2017	461 436	19 000	0.54	0.54	0.26	106.56	24.29	24.37
Dec. 31, 2016	260 551	11 500	0.54	0.54	0.25	141.18	22.66	22.55
Dec. 31, 2015	242 927	10 450	0.53	0.53	0.27	124.49	23.13	22.94
Dec. 31, 2014 ⁴	105 739	5 200	0.55	0.55	0.32	251.89	20.33	20.35
USD Units*								
Dec. 31, 2018	27 469	1 700	0.54	0.54	0.24	102.22	16.16	16.15
Dec. 31, 2017	49 427	2 550	0.54	0.54	0.26	106.56	19.38	19.39
Dec. 31, 2016	38 857	2 300	0.54	0.54	0.25	141.18	16.89	16.69
Dec. 31, 2015	43 654	2 600	0.53	0.53	0.27	124.49	16.65	16.71
Dec. 31, 2014 ⁴	22 823	1 300	0.55	0.55	0.32	251.89	17.56	17.63

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From January 15, 2014.

* Stated in U.S. dollars.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF. The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

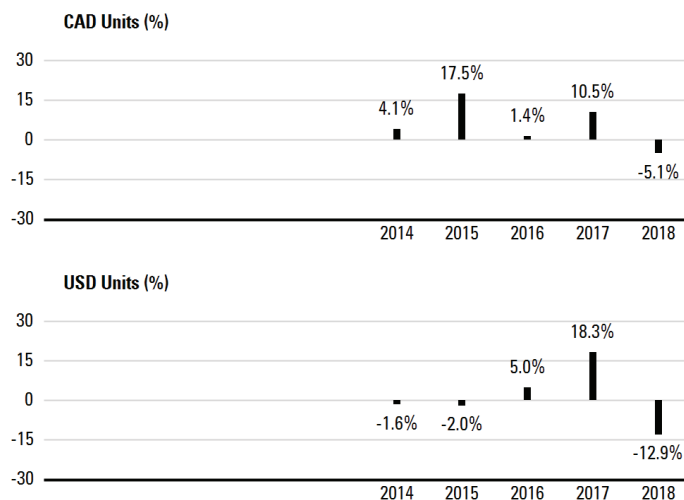
	Management Fees
CAD Units	0.49%
USD Units	0.49%

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmarks:

CAD Units

MSCI EAFE Total Return Net Index (CAD)

USD Units

MSCI EAFE Total Return Net Index (USD)

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
CAD Units	-5.1	2.1	—	—	5.5
Benchmark	-6.0	2.3	—	—	5.1
USD Units	-12.9	2.7	—	—	0.9
Benchmark	-13.8	2.9	—	—	0.5

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark indexes.

The ETF's units have been available for sale to unitholders since January 15, 2014.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTIONS

MSCI EAFE Total Return Net Index (CAD) This index is a broad measure of the Canadian dollar performance of stocks from developed equity markets covering countries in Europe, Australasia and the Far East. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI EAFE Total Return Net Index (USD) This index is a broad measure of the U.S.-dollar performance of stocks from developed equity markets covering countries in Europe, Australasia and the Far East. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
International Equities	
Financials	31.0
Energy	11.8
Health Care	10.4
Materials	8.9
Industrials	8.8
Communication Services	6.9
Utilities	6.2
Consumer Staples	5.3
Consumer Discretionary	5.1
Real Estate	4.3
Information Technology	1.4
Other Net Assets	(0.1)

Top 25 Holdings

	% of Net Asset Value
Royal Dutch Shell Plc., B Shares	6.3
Total S.A.	5.0
Roche Holdings AG Genusscheine	3.3
Novo Nordisk A/S	2.6
Unilever N.V.	2.0
BHP Group Ltd.	2.0
Rio Tinto Limited	1.7
Astellas Pharma Inc.	1.5
Coloplast A/S	1.3
Allianz SE	1.2
Commonwealth Bank of Australia	1.2
Anglo American Plc.	1.2
Imperial Brands Plc.	1.1
Australia & New Zealand Banking Group Ltd.	1.0
National Australia Bank Ltd.	1.0
Westpac Banking Corporation	1.0
Zurich Insurance Group AG	1.0
ABB Ltd.	1.0
AXA S.A.	0.9
BNP Paribas S.A.	0.9
DBS Group Holdings Ltd.	0.9
Sumitomo Mitsui Financial Group Inc.	0.9
UBS Group AG	0.9
Mitsubishi Tanabe Pharma Corp.	0.9
Orion OYJ	0.9
Top 25 Holdings	41.7

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



INTERNATIONAL EQUITY ETF

RBC QUANT EAFE DIVIDEND LEADERS (CAD HEDGED) ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide unitholders with exposure, either directly or indirectly through investment in other mutual funds managed by RBC GAM or an affiliate, to the performance of a diversified portfolio of high-quality dividend-paying equity securities in markets in Europe, Australasia and the Far East ("EAFE") that will provide regular income and that have the potential for long-term capital growth, while seeking to minimize the exposure to currency fluctuations between foreign currencies and the Canadian dollar.

The ETF intends to invest substantially all of its assets in units of the RBC Quant EAFE Dividend Leaders ETF (the "underlying fund") but may also invest directly in a portfolio of dividend-paying equity securities in markets in Europe, Australasia and the Far East. Portfolio securities for the underlying fund (and for the ETF, to the extent it invests directly in equity securities) will be selected using a rules-based, multi-factor investment approach that considers a company's balance sheet strength, the stability and sustainability of its dividend payout and its ability to grow dividends in the future. Securities are weighted in accordance with a modified capitalization weighting methodology designed to reduce the dispersion of weights between larger and smaller capitalization companies. The portfolio holdings will be reconstituted and rebalanced on a quarterly basis. The frequency of the reconstitution and rebalancing may change without notice.

The ETF uses derivatives to hedge against fluctuations in foreign currencies to minimize exposure to changes of the foreign currencies held by the ETF relative to the Canadian dollar.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value fell to \$76 million as of December 31, 2018, from \$124 million at the end of 2017. The decrease was due to net redemptions.

Over the past year, the ETF's units lost 9.0%, which outperformed the 10.1% decline in the benchmark. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

The ETF's relative exposure to Royal Dutch Shell, Total SA and Novo Nordisk had the most positive impact on the ETF's returns, while exposure to Nestlé, Novartis and HSBC Holdings was negative for performance. The ETF had the highest relative exposure to Royal Dutch Shell, Total SA and Novo Nordisk, and the smallest relative exposure to Nestlé, Novartis and HSBC Holdings.

At the sector level, the ETF had the highest relative weightings in Financials, Energy and Utilities, and the lowest relative exposure to Consumer Staples, Consumer Discretionary and Industrials.

Recent Developments

The portfolio manager has no recent developments to report.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.



Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Brokers and Dealers

The ETF has established standard brokerage and dealing agreements at market rates with related parties. These related-party commissions were \$7,000 (2017 – \$7,000) or 100% (2017 – 100%) of the total transaction costs paid for this ETF.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	Year/Period
Dec. 31, 2018	24.01	0.14	—	0.11	(2.16)	(1.91)	—	(0.95)	(0.45)	—	(1.40)	20.95
Dec. 31, 2017	22.47	0.74	—	0.47	0.98	2.19	—	(0.66)	(0.67)	—	(1.33)	24.01
Dec. 31, 2016	21.44	0.72	—	1.30	(0.25)	1.77	—	(0.75)	(0.43)	—	(1.18)	22.47
Dec. 31, 2015	21.26	0.75	—	(2.08)	0.51	(0.82)	—	(0.70)	—	—	(0.70)	21.44
Dec. 31, 2014 ³	20.00 [†]	0.19	—	0.52	1.00	1.71	—	(0.11)	(0.43)	(0.01)	(0.55)	21.26

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From October 22, 2014.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	76 479	3 650	0.54	0.54	0.23	23.63	20.95	20.80
Dec. 31, 2017	123 633	5 150	0.54	0.54	0.26	18.21	24.01	23.91
Dec. 31, 2016	70 774	3 150	0.54	0.54	0.25	56.15	22.47	22.45
Dec. 31, 2015	67 551	3 150	0.54	0.54	0.29	18.17	21.44	21.47
Dec. 31, 2014 ⁴	3 189	150	0.55	0.55	—	—	21.26	21.29

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From October 22, 2014.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF. A management fee is not charged directly to the ETF as this ETF invests in the units of other RBC ETFs. It pays management fees indirectly because the ETFs in which it invests pay management fees.

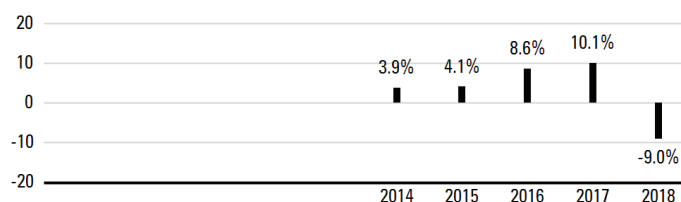


PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmark:

MSCI EAFE Total Return Net Index (hedged to CAD)

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	-9.0	2.8	—	—	4.0
Benchmark	-10.1	3.5	—	—	5.3

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark index.

The ETF's units have been available for sale to unitholders since October 22, 2014.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTION

MSCI EAFE Total Return Net Index (hedged to CAD) This index is a broad measure of the Canadian dollar performance of stocks from developed equity markets covering countries in Europe, Australasia and the Far East. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. The index is hedged to Canadian dollars.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
International Equities	
Financials	31.0
Energy	11.8
Health Care	10.4
Materials	8.9
Industrials	8.8
Communication Services	6.9
Utilities	6.2
Consumer Staples	5.3
Consumer Discretionary	5.1
Real Estate	4.3
Information Technology	1.4
Other Net Assets	(0.1)

Top 25 Holdings*

	% of Net Asset Value
Royal Dutch Shell Plc., B Shares	6.3
Total S.A.	5.0
Roche Holdings AG Genussscheine	3.3
Novo Nordisk A/S	2.6
Unilever N.V.	2.0
BHP Group Ltd.	2.0
Rio Tinto Limited	1.7
Astellas Pharma Inc.	1.5
Coloplast A/S	1.3
Allianz SE	1.2
Commonwealth Bank of Australia	1.2
Anglo American Plc.	1.2
Imperial Brands Plc.	1.1
Australia & New Zealand Banking Group Ltd.	1.0
National Australia Bank Ltd.	1.0
Westpac Banking Corporation	1.0
Zurich Insurance Group AG	1.0
ABB Ltd.	1.0
AXA S.A.	0.9
BNP Paribas S.A.	0.9
DBS Group Holdings Ltd.	0.9
Sumitomo Mitsui Financial Group Inc.	0.9
UBS Group AG	0.9
Mitsubishi Tanabe Pharma Corp.	0.9
Orion OYJ	0.9
Top 25 Holdings	41.7

* The ETF invests substantially all of its assets directly in the RBC Quant EAFE Dividend Leaders ETF. The above are the Top 25 holdings of the RBC Quant EAFE Dividend Leaders ETF.

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



INTERNATIONAL EQUITY ETF

RBC QUANT EAFE EQUITY LEADERS ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide unitholders with broad exposure to the performance of a diversified portfolio of high-quality equity securities in markets in Europe, Australasia and the Far East (EAFE) that have the potential for long-term capital growth.

Portfolio securities for the ETF will be selected using a rules-based, multi-factor investment approach designed to select companies with a high quality of earnings while filtering out slow-growth companies and securities with expensive valuations. Securities are weighted in accordance with a modified capitalization weighting methodology designed to reduce the dispersion of weights between larger and smaller capitalization companies. The portfolio holdings will be reconstituted and rebalanced on a quarterly basis. The frequency of the reconstitution and rebalancing may change without notice.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value fell to \$25 million as of December 31, 2018, from \$31 million at the end of 2017. The decrease was due to a combination of net redemptions and investment losses.

Over the past year, the ETF's CAD units lost 6.8%, which underperformed the 6.0% decline in the benchmark. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the USD units, which will usually vary because of foreign exchange rates.

The ETF's relative exposure to Marine Harvest, Glaxosmithkline and Total SA had the most positive impact on the ETF's returns, while exposure to Tosoh, Smurfit Kappa and WH Group was negative for performance. The ETF had the highest relative exposure to Roche Holding, Novo Nordisk and Munich Re, and the smallest relative exposure to HSBC Holdings, Royal Dutch Shell and Total SA.

At the sector level, the ETF had the highest relative weightings in Communication Services, Health Care and Utilities, and the lowest relative exposure to Consumer Staples, Financials and Industrials.

Recent Developments

The portfolio manager has no recent developments to report.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/Period
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	
CAD Units												
Dec. 31, 2018	22.64	0.77	(0.19)	1.19	(2.85)	(1.08)	—	(0.67)	(0.85)	—	(1.52)	20.48
Dec. 31, 2017	19.72	0.59	(0.19)	1.09	1.55	3.04	—	(0.32)	(0.35)	—	(0.67)	22.64
Dec. 31, 2016	20.71	0.60	(0.17)	(0.49)	0.45	0.39	—	(0.48)	—	—	(0.48)	19.72
Dec. 31, 2015 ³	20.00 [†]	0.38	(0.15)	0.03	0.96	1.22	—	(0.18)	(0.11)	(0.13)	(0.42)	20.71
USD Units*												
Dec. 31, 2018	18.07	0.60	(0.14)	0.92	(2.31)	(0.93)	—	(0.51)	(0.64)	—	(1.15)	14.99
Dec. 31, 2017	14.70	0.29	(0.09)	0.55	1.34	2.09	—	—	—	—	—	18.07
Dec. 31, 2016	14.91	0.45	(0.13)	(0.37)	(0.33)	(0.38)	—	(0.37)	—	—	(0.37)	14.70
Dec. 31, 2015 ³	16.66 [†]	0.29	(0.12)	0.03	0.77	0.97	—	(0.14)	(0.09)	(0.10)	(0.33)	14.91

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From May 5, 2015.

* Stated in U.S. dollars.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
CAD Units								
Dec. 31, 2018	22 524	1 100	0.55	0.55	0.30	206.16	20.48	20.45
Dec. 31, 2017	27 174	1 200	0.54	0.54	0.30	132.64	22.64	22.68
Dec. 31, 2016	13 802	700	0.56	0.56	0.36	226.33	19.72	19.59
Dec. 31, 2015 ⁴	8 328	400	0.56	0.56	0.24	271.60	20.71	20.56
USD Units*								
Dec. 31, 2018	1 499	100	0.55	0.55	0.30	206.16	14.99	14.87
Dec. 31, 2017	2 711	150	0.54	0.54	0.30	132.64	18.07	17.69
Dec. 31, 2016	735	50	0.56	0.56	0.36	226.33	14.70	14.32
Dec. 31, 2015 ⁴	752	50	0.56	0.56	0.24	271.60	14.91	15.22

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From May 5, 2015.

* Stated in U.S. dollars.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF. The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

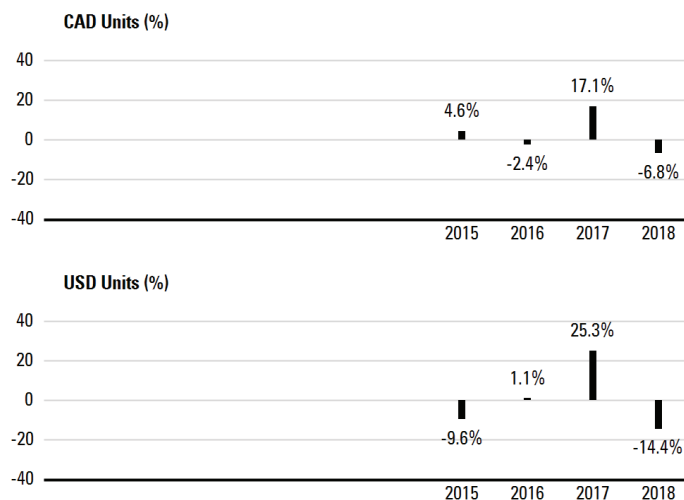
	Management Fees
CAD Units	0.49%
USD Units	0.49%

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmarks:

CAD Units

MSCI EAFE Total Return Net Index (CAD)

USD Units

MSCI EAFE Total Return Net Index (USD)

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
CAD Units	-6.8	2.1	—	—	3.0
Benchmark	-6.0	2.3	—	—	3.2
USD Units	-14.4	2.7	—	—	-0.6
Benchmark	-13.8	2.9	—	—	-0.4

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark indexes.

The ETF's units have been available for sale to unitholders since May 12, 2015.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTIONS

MSCI EAFE Total Return Net Index (CAD) This index is a broad measure of the Canadian dollar performance of stocks from developed equity markets covering countries in Europe, Australasia and the Far East. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI EAFE Total Return Net Index (USD) This index is a broad measure of the U.S.-dollar performance of stocks from developed equity markets covering countries in Europe, Australasia and the Far East. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
International Equities	
Financials	17.2
Industrials	12.9
Health Care	12.4
Consumer Discretionary	10.9
Consumer Staples	8.6
Materials	7.7
Communication Services	7.5
Information Technology	5.3
Energy	5.1
Utilities	4.1
Real Estate	4.0
Underlying Funds	4.1
Other Net Assets	0.2

Top 25 Holdings

	% of Net Asset Value
iShares MSCI EAFE Fund	4.1
Roche Holdings AG Genussscheine	3.5
Novo Nordisk A/S	1.9
Mitsubishi UFJ Financial Group Inc.	1.5
Muenchener Rueckversicherungs-Gesellschaft AG	1.5
Royal Dutch Shell Plc., B Shares	1.4
Allianz SE	1.4
Nestlé S.A.	1.3
BP Plc.	1.2
Novartis AG	1.2
BHP Group Ltd.	1.2
Deutsche Telekom AG	1.1
Peugeot S.A.	1.1
Sony Corp.	1.1
BNP Paribas S.A.	1.1
Kering S.A.	1.0
Astellas Pharma Inc.	1.0
International Consolidated Airlines Group S.A.	1.0
Covestro AG	1.0
NTT DoCoMo Inc.	0.9
Fiat Chrysler Automobiles N.V.	0.9
Diageo Plc.	0.9
Cochlear Limited	0.9
Atlas Copco AB	0.9
AGL Energy Ltd.	0.9
Top 25 Holdings	34.0

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



INTERNATIONAL EQUITY ETF

RBC QUANT EAFE EQUITY LEADERS (CAD HEDGED) ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide unitholders with broad exposure, either directly or indirectly through investment in other mutual funds managed by RBC GAM or an affiliate, to the performance of a diversified portfolio of high-quality equity securities in markets in Europe, Australasia and the Far East (EAFE) that have the potential for long-term capital growth, while seeking to minimize the exposure to currency fluctuations between foreign currencies and the Canadian dollar.

The ETF intends to invest substantially all of its assets in units of the RBC Quant EAFE Equity Leaders ETF (the “underlying RBC ETF”) but may also invest directly in a portfolio of equity securities in markets in Europe, Australasia and the Far East. Portfolio securities for the underlying RBC ETF (and for the ETF, to the extent it invests directly in equity securities) will be selected using a rules-based, multi-factor investment approach designed to select companies with a high quality of earnings while filtering out slow-growth companies and securities with expensive valuations. Securities are weighted in accordance with a modified capitalization weighting methodology designed to reduce the dispersion of weights between larger and smaller capitalization companies. The portfolio holdings will be reconstituted and rebalanced on a quarterly basis. The frequency of the reconstitution and rebalancing may change without notice.

The ETF uses derivatives to hedge against fluctuations in foreign currencies to minimize exposure to changes of the foreign currencies held by the ETF relative to the Canadian dollar.

Risk

There were no significant changes to the ETF that materially affected the ETF’s overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF’s net asset value fell to \$7 million as of December 31, 2018, from \$19 million at the end of 2017. The decrease was due to net redemptions.

Over the past year, the ETF’s units lost 10.6%, which underperformed the 10.1% decline in the benchmark. The ETF’s return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

The ETF’s relative exposure to Marine Harvest, Glaxosmithkline and Total SA had the most positive impact on the ETF’s returns, while exposure to Tosoh, Smurfit Kappa and WH Group was negative for performance. The ETF had the highest relative exposure to Roche Holding, Novo Nordisk and Munich Re, and the smallest relative exposure to HSBC Holdings, Royal Dutch Shell and Total SA.

At the sector level, the ETF had the highest relative weighting in Communication Services, Health Care and Utilities, and the lowest relative exposure to Consumer Staples, Financials and Industrials.

Recent Developments

The portfolio manager has no recent developments to report.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF’s day-to-day operations, holds title to the ETF’s property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust (“RBC IS”) is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm’s length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF’s Prospectus.



Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Brokers and Dealers

The ETF has established standard brokerage and dealing agreements at market rates with related parties. These related-party commissions were \$1,000 (2017 – \$1,000) or 100% (2017 – 100%) of the total transaction costs paid for this ETF.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	Year/Period
Dec. 31, 2018	21.24	0.16	—	2.61	(3.77)	(1.00)	—	(0.62)	(4.69)	—	(5.31)	18.40
Dec. 31, 2017	18.76	0.41	—	0.19	2.33	2.93	—	(0.37)	(0.56)	—	(0.93)	21.24
Dec. 31, 2016	18.38	0.49	—	1.43	0.34	2.26	—	(0.44)	(0.83)	—	(1.27)	18.76
Dec. 31, 2015 ³	20.00 [†]	0.39	—	(1.96)	0.34	(1.23)	—	(0.16)	—	(0.24)	(0.40)	18.38

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From May 5, 2015.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	7 361	400	0.55	0.55	0.30	68.34	18.40	18.40
Dec. 31, 2017	19 112	900	0.54	0.54	0.30	10.26	21.24	21.30
Dec. 31, 2016	10 316	550	0.55	0.55	0.36	5.58	18.76	19.01
Dec. 31, 2015 ⁴	1 838	100	0.57	0.57	0.25	21.17	18.38	18.36

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From May 5, 2015.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF. A management fee is not charged directly to the ETF as this ETF invests in the units of other RBC ETFs. It pays management fees indirectly because the ETFs in which it invests pay management fees.



PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmark:

MSCI EAFE Total Return Net Index (hedged to CAD)

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	-10.6	2.8	—	—	0.5
Benchmark	-10.1	3.5	—	—	1.1

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark index.

The ETF's units have been available for sale to unitholders since May 12, 2015.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTION

MSCI EAFE Total Return Net Index (hedged to CAD) This index is a broad measure of the Canadian dollar performance of stocks from developed equity markets covering countries in Europe, Australasia and the Far East. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties. The index is hedged to Canadian dollars.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
International Equities	
Financials	17.2
Industrials	12.9
Health Care	12.4
Consumer Discretionary	10.9
Consumer Staples	8.6
Materials	7.7
Communication Services	7.5
Information Technology	5.3
Energy	5.1
Utilities	4.1
Real Estate	4.0
Underlying Funds	4.1
Other Net Assets	0.2

Top 25 Holdings*

	% of Net Asset Value
iShares MSCI EAFE Fund	4.1
Roche Holdings AG Genussscheine	3.5
Novo Nordisk A/S	1.9
Mitsubishi UFJ Financial Group Inc.	1.5
Muenchener Rueckversicherungs-Gesellschaft AG	1.5
Royal Dutch Shell Plc., B Shares	1.4
Allianz SE	1.4
Nestlé S.A.	1.3
BP Plc.	1.2
Novartis AG	1.2
BHP Group Ltd.	1.2
Deutsche Telekom AG	1.1
Peugeot S.A.	1.1
Sony Corp.	1.1
BNP Paribas S.A.	1.1
Kering S.A.	1.0
Astellas Pharma Inc.	1.0
International Consolidated Airlines Group S.A.	1.0
Covestro AG	1.0
NTT DoCoMo Inc.	0.9
Fiat Chrysler Automobiles N.V.	0.9
Diageo Plc.	0.9
Cochlear Limited	0.9
Atlas Copco AB	0.9
AGL Energy Ltd.	0.9
Top 25 Holdings	34.0

* The ETF invests substantially all of its assets directly in the RBC Quant EAFE Equity Leaders ETF. The above are the Top 25 holdings of the RBC Quant EAFE Equity Leaders ETF.

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



INTERNATIONAL EQUITY ETF

RBC INTERNATIONAL EQUITY INDEX ETF

December 31, 2018

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

Sub-Advisor: State Street Global Advisors, Ltd.

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to replicate, to the extent possible and before fees and expenses, the performance of a broad international index. Currently, the ETF seeks to track the FTSE Developed ex North America Index (or any successor thereto). The investment strategy of the ETF is to invest in and hold the constituent securities of the FTSE Developed ex North America Index in substantially the same proportion as they are reflected in the index or securities intended to replicate the performance of the index.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value fell to \$398 million as of December 31, 2018, from \$421 million at the end of 2017. The decrease was due to investment losses, partially offset by net inflows.

Over the past year, the ETF's units lost 6.7%, which underperformed the 6.2% decline in the benchmark. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

The best-performing sectors by contribution to the ETF's returns were Utilities, Energy and Health Care. The Consumer Discretionary, Financials and Industrials sectors ranked last in terms of performance.

Recent Developments

RBC GAM has called and will hold a special meeting of unitholders of the ETF on March 22, 2019. Subject to unitholder and regulatory approvals, the ETF will be merged into the iShares Core MSCI EAFE IMI Index ETF, an ETF managed by BlackRock Asset Management Canada Limited, effective on or about April 5, 2019. The ETF will terminate following completion of the merger.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	Year/Period
Dec. 31, 2018	21.61	0.65	(0.05)	0.12	(2.16)	(1.44)	—	(0.61)	(0.14)	—	(0.75)	19.60
Dec. 31, 2017³	20.00[†]	0.15	(0.05)	0.04	0.94	1.08	—	(0.06)	—	(0.01)	(0.07)	21.61

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From August 9, 2017.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	397 788	20 300	0.23	0.23	0.01	8.85	19.60	19.59
Dec. 31, 2017⁴	421 354	19 500	0.25	0.25	0.64	9.22	21.61	21.67

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From August 9, 2017.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF.

The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

Management Fees	
RBC International Equity Index ETF	0.20%



PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmark:

FTSE Developed ex North America Index (CAD)

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	-6.7	—	—	—	-0.3
Benchmark	-6.2	—	—	—	0.2

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark index.

The ETF's units have been available for sale to unitholders since September 21, 2017.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTION

FTSE Developed ex North America Index (CAD) This index is a broad measure of the Canadian-dollar performance of large- and mid-cap stocks in developed markets excluding the U.S. and Canada.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
International Equities	
Financials	19.2
Industrials	14.7
Consumer Discretionary	11.3
Consumer Staples	11.1
Health Care	10.9
Materials	7.6
Information Technology	7.3
Energy	5.6
Communication Services	5.6
Utilities	3.6
Real Estate	3.4
Other Net Assets	(0.3)

Top 25 Holdings

	% of Net Asset Value
Nestlé S.A.	1.8
Novartis AG	1.3
HSBC Holdings Plc. (U.K. Reg.)	1.2
Roche Holdings AG Genussscheine	1.2
Samsung Electronics Co. Ltd.	1.2
Toyota Motor Corp.	1.1
Royal Dutch Shell Plc., A Shares	1.0
Total S.A.	1.0
BP Plc.	0.9
Royal Dutch Shell Plc., B Shares	0.8
AIA Group Ltd.	0.7
Commonwealth Bank of Australia	0.7
AstraZeneca Plc.	0.7
GlaxoSmithKline Plc.	0.7
Sanofi	0.7
SAP SE	0.7
Diageo Plc.	0.6
Unilever N.V.	0.6
Allianz SE	0.6
Novo Nordisk A/S	0.6
Siemens AG	0.6
BHP Group Ltd.	0.6
LVMH Louis Vuitton Moët-Hennessy	0.5
British American Tobacco Plc.	0.5
BCO Santander Central Hispano S.A.	0.5
Top 25 Holdings	20.8

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



INTERNATIONAL EQUITY ETF

RBC INTERNATIONAL EQUITY (CAD HEDGED) INDEX ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF invests substantially all of its assets in units of the RBC International Equity Index ETF (the “underlying RBC ETF”), while seeking to minimize exposure to currency fluctuations between foreign currencies and the Canadian dollar. The ETF may also invest directly in and hold the constituent securities of the FTSE Developed ex North America Hedged 100% to CAD Index or securities intended to replicate the performance of the index, in order to achieve its investment objectives. The ETF uses derivatives to hedge against fluctuations in foreign currencies to minimize exposure to changes of foreign currencies relative to the Canadian dollar.

Risk

There were no significant changes to the ETF that materially affected the ETF’s overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF was created on April 20, 2018, but has not been launched. Investment performance is not provided for a fund that has been available for less than one year.

Recent Developments

Effective on or about April 5, 2019, the ETF will be terminated.

The ETF has applied International Financial Reporting Standards (“IFRS”) on a non-going concern basis for the period ended December 31, 2018. In this case, the non-going concern basis of preparation in accordance with IFRS does not result in any material adjustments to the carrying amounts of assets and liabilities of the ETF prepared on a going concern basis in accordance with IFRS.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”) and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF’s day-to-day operations, holds title to the ETF’s property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated

in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust (“RBC IS”) is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm’s length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF’s Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF’s securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	Year/Period
Dec. 31, 2018³	20.00[†]	—	—	—	—	—	—	—	—	—	—	20.00

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From April 20, 2018.

[†] Initial offering net asset value per unit.



INTERNATIONAL EQUITY ETF

RBC QUANT EMERGING MARKETS DIVIDEND LEADERS ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

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Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

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MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide unitholders with exposure to the performance of a diversified portfolio of high-quality emerging market dividend-paying equity securities that will provide regular income and that have the potential for long-term capital growth.

Portfolio securities for the ETF will be selected using a rules-based, multi-factor investment approach that considers a company's balance sheet strength, the stability and sustainability of its dividend payout and its ability to grow dividends in the future. Securities are weighted in accordance with a modified capitalization weighting methodology designed to reduce the dispersion of weights between larger and smaller capitalization companies. The portfolio holdings will be reconstituted and rebalanced on a quarterly basis. The frequency of the reconstitution and rebalancing may change without notice.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value rose to \$56 million as of December 31, 2018, from \$47 million at the end of 2017. The increase was due to net inflows, partially offset by investment losses.

Over the past year, the ETF's CAD units lost 2.1%, which outperformed the 6.9% decline in the benchmark. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the USD units, which will usually vary because of foreign exchange rates.

The ETF's relative exposure to Naver, Tata Consultancy Services and Tencent Holdings had the most positive impact on the ETF's returns, while exposure to Infosys, China Huarong Asset Management and Türkiye Garanti Bankası was negative for performance. The ETF had the highest relative exposure to Infosys, Tata Consultancy and Tech Mahindra, and the smallest relative exposure to Tencent Holdings, Taiwan Semiconductor and Alibaba Group.

At the sector level, the ETF had the highest relative weightings in Financials, Information Technology and Energy, and the lowest relative exposure to Communication Services, Consumer Discretionary and Consumer Staples.

Recent Developments

The portfolio manager has no recent developments to report.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/Period
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	
CAD Units												
Dec. 31, 2018	21.17	0.78	(0.21)	0.17	(1.20)	(0.46)	—	(0.65)	—	—	(0.65)	20.08
Dec. 31, 2017	18.41	0.74	(0.21)	0.85	1.76	3.14	—	(0.55)	—	(0.02)	(0.57)	21.17
Dec. 31, 2016	18.32	0.82	(0.20)	(1.28)	1.76	1.10	—	(0.67)	—	—	(0.67)	18.41
Dec. 31, 2015	20.36	0.78	(0.27)	(0.86)	(2.61)	(2.96)	—	(0.60)	—	—	(0.60)	18.32
Dec. 31, 2014 ³	20.00 [†]	0.02	(0.10)	(0.19)	0.75	0.48	—	(0.03)	—	(0.07)	(0.10)	20.36
USD Units*												
Dec. 31, 2018	16.89	0.61	(0.16)	0.13	(1.03)	(0.45)	—	(0.50)	—	—	(0.50)	14.70
Dec. 31, 2017	13.73	0.57	(0.16)	0.65	1.31	2.37	—	(0.42)	—	(0.02)	(0.44)	16.89
Dec. 31, 2016	13.19	0.62	(0.15)	(0.97)	1.35	0.85	—	(0.50)	—	—	(0.50)	13.73
Dec. 31, 2015	17.58	0.61	(0.21)	(0.67)	(2.02)	(2.29)	—	(0.47)	—	—	(0.47)	13.19
Dec. 31, 2014 ³	17.66 [†]	0.02	(0.09)	(0.18)	0.69	0.44	—	(0.03)	—	(0.06)	(0.09)	17.58

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From October 22, 2014.

* Stated in U.S. dollars.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
CAD Units								
Dec. 31, 2018	51 203	2 550	0.77	0.77	0.29	136.56	20.08	20.05
Dec. 31, 2017	39 161	1 850	0.74	0.74	0.31	151.96	21.17	21.23
Dec. 31, 2016	22 087	1 200	0.76	0.76	0.41	200.79	18.41	18.33
Dec. 31, 2015	16 620	900	0.76	0.76	0.60	225.06	18.32	18.17
Dec. 31, 2014 ⁴	5 090	250	0.79	0.79	0.22	632.85	20.36	20.61
USD Units*								
Dec. 31, 2018	3 675	250	0.77	0.77	0.29	136.56	14.70	14.45
Dec. 31, 2017	5 913	350	0.74	0.74	0.31	151.96	16.89	16.60
Dec. 31, 2016	2 745	200	0.76	0.76	0.41	200.79	13.73	13.64
Dec. 31, 2015	2 668	200	0.76	0.76	0.60	225.06	13.19	13.27
Dec. 31, 2014 ⁴	879	50	0.79	0.79	0.22	632.85	17.58	17.76

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From October 22, 2014.

* Stated in U.S. dollars.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF.
The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

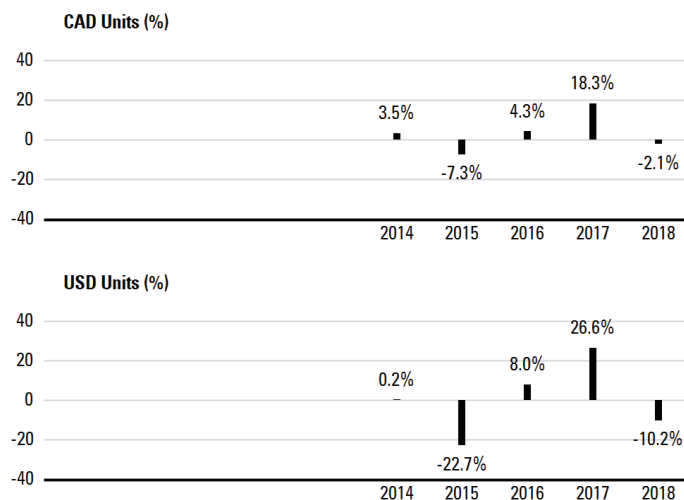
	Management Fees
CAD Units	0.64%
USD Units	0.64%

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmarks:

CAD Units

MSCI Emerging Markets Total Return Net Index (CAD)

USD Units

MSCI Emerging Markets Total Return Net Index (USD)

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
CAD Units	-2.1	6.5	—	—	3.6
Benchmark	-6.9	8.6	—	—	6.7
USD Units	-10.2	7.1	—	—	-1.2
Benchmark	-14.6	9.2	—	—	1.8

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark indexes.

The ETF's units have been available for sale to unitholders since October 22, 2014.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTIONS

MSCI Emerging Markets Total Return Net Index (CAD) This index is a broad measure of the Canadian dollar performance of emerging-market equities. As of May 2010, the index consisted of the following 21 emerging-market country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, South Korea, Taiwan, Thailand and Turkey. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI Emerging Markets Total Return Net Index (USD) This index is a broad measure of the U.S. dollar performance of emerging-market equities. As of May 2010, the index consisted of the following 21 emerging-market country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, South Korea, Taiwan, Thailand and Turkey. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
International Equities	
Financials	34.0
Information Technology	19.3
Energy	10.1
Communication Services	7.5
Materials	7.2
Real Estate	4.9
Industrials	4.7
Consumer Discretionary	4.1
Consumer Staples	3.5
Utilities	2.5
Health Care	0.3
Underlying Funds	1.7
Other Net Assets	0.2

Top 25 Holdings

	% of Net Asset Value
Samsung Electronics Co. Ltd.	4.3
Infosys Ltd.	2.6
Tata Consultancy Services Ltd.	2.4
China Construction Bank Corp.	1.8
iShares MSCI Emerging Markets Index Fund	1.7
Itau Unibanco Holding S.A. Preference	1.5
Bank of China Ltd.	1.4
Ping An Insurance Group Company of China Ltd.	1.4
Tech Mahindra Ltd.	1.4
China Petroleum & Chemical Corp.	1.2
PTT PCL	1.2
Novatek Microelectronics Corp.	1.2
Polski Koncern Naftowy Orlen S.A.	1.1
PT Bank Rakyat Indonesia Tbk	1.1
AAC Technologies Holdings Inc.	1.1
Chunghwa Telecom Co. Ltd.	1.0
Agricultural Bank of China Ltd.	1.0
China Merchants Bank Co. Ltd.	1.0
Credicorp Ltd.	1.0
FirstRand Ltd.	1.0
Itausa – Investimentos Itau S.A. Preference	1.0
Standard Bank Group Ltd.	1.0
Micro-Star International Co. Ltd.	1.0
Nanya Technology Corp.	1.0
Synnex Technology International Corp.	1.0
Top 25 Holdings	35.4

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



INTERNATIONAL EQUITY ETF

RBC QUANT EMERGING MARKETS EQUITY LEADERS ETF

December 31, 2018

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

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MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide unitholders with broad exposure to the performance of a diversified portfolio of high-quality emerging market equity securities that have the potential for long-term capital growth.

Portfolio securities for the ETF will be selected using a rules-based, multi-factor investment approach designed to select companies with a high quality of earnings while filtering out slow growth companies and securities with expensive valuations. Securities are weighted in accordance with a modified capitalization weighting methodology designed to reduce the dispersion of weights between larger and smaller capitalization companies. The portfolio holdings will be reconstituted and rebalanced on a quarterly basis. The frequency of the reconstitution and rebalancing may change without notice.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value rose to \$15 million as of December 31, 2018, from \$12 million at the end of 2017. The increase was due to net inflows, partially offset by investment losses.

Over the past year, the ETF's CAD units lost 7.1%, which underperformed the 6.9% decline in the benchmark. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the USD units, which will usually vary because of foreign exchange rates.

The ETF's relative exposure to Naver, Infosys and Naspers had the most positive impact on the ETF's returns, while exposure to Baidu, Tata Motors and Cielo SA was negative for performance. The ETF had the highest relative exposure to Vedanta, Tata Motors and Nestlé (Malaysia), and the smallest relative exposure to Naspers, Housing Development Finance and Alibaba Group.

At the sector level, the ETF had the highest relative weightings in Consumer Staples, Real Estate and Industrials, and the lowest relative exposure to Consumer Discretionary, Energy and Communication Services.

Recent Developments

The portfolio manager has no recent developments to report.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/Period
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	
CAD Units												
Dec. 31, 2018	26.09	0.84	(0.34)	(2.68)	(2.02)	(4.20)	—	(0.71)	—	(0.06)	(0.77)	23.48
Dec. 31, 2017	21.43	0.58	(0.29)	1.58	2.92	4.79	—	(0.31)	(0.77)	—	(1.08)	26.09
Dec. 31, 2016 ³	20.00 [†]	0.65	(0.24)	(0.16)	1.67	1.92	—	(0.44)	—	(0.02)	(0.46)	21.43
USD Units*												
Dec. 31, 2018	20.82	0.65	(0.26)	(2.06)	(0.48)	(2.15)	—	(0.55)	—	(0.04)	(0.59)	17.19
Dec. 31, 2017	15.98	0.44	(0.22)	1.21	2.50	3.93	—	(0.24)	(0.60)	—	(0.84)	20.82
Dec. 31, 2016 ³	13.77 [†]	0.49	(0.18)	(0.12)	1.26	1.45	—	(0.33)	—	(0.02)	(0.35)	15.98

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From January 19, 2016.

* Stated in U.S. dollars.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
CAD Units								
Dec. 31, 2018	11 741	500	0.81	0.81	0.59	453.93	23.48	23.47
Dec. 31, 2017	10 435	400	0.77	0.77	0.42	362.83	26.09	26.14
Dec. 31, 2016 ⁴	3 214	150	0.75	0.75	0.45	190.14	21.43	21.80
USD Units*								
Dec. 31, 2018	2 579	150	0.81	0.81	0.59	453.93	17.19	17.12
Dec. 31, 2017	1 041	50	0.77	0.77	0.42	362.83	20.82	20.73
Dec. 31, 2016 ⁴	799	50	0.75	0.75	0.45	190.14	15.98	16.06

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From January 19, 2016.

* Stated in U.S. dollars.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF. The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

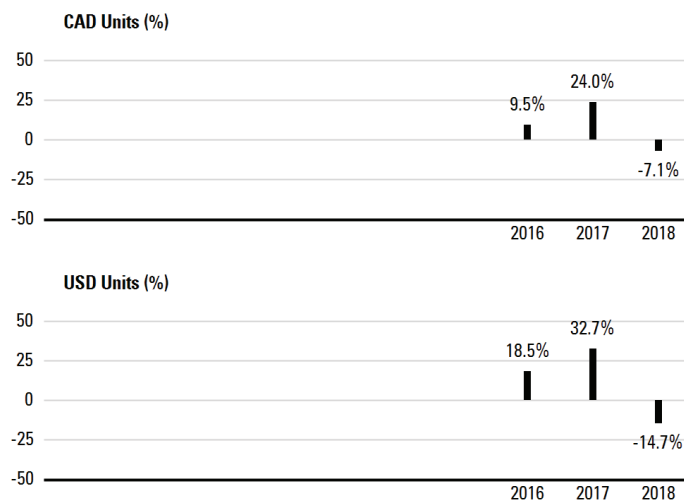
	Management Fees
CAD Units	0.64%
USD Units	0.64%

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmarks:

CAD Units

MSCI Emerging Markets Total Return Net Index (CAD)

USD Units

MSCI Emerging Markets Total Return Net Index (USD)

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
CAD Units	-7.1	—	—	—	8.2
Benchmark	-6.9	—	—	—	11.1
USD Units	-14.7	—	—	—	10.5
Benchmark	-14.6	—	—	—	13.4

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark indexes.

The ETF's units have been available for sale to unitholders since January 19, 2016.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTIONS

MSCI Emerging Markets Total Return Net Index (CAD) This index is a broad measure of the Canadian dollar performance of emerging-market equities. As of May 2010, the index consisted of the following 21 emerging-market country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, South Korea, Taiwan, Thailand and Turkey. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI Emerging Markets Total Return Net Index (USD) This index is a broad measure of the U.S. dollar performance of emerging-market equities. As of May 2010, the index consisted of the following 21 emerging-market country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, South Korea, Taiwan, Thailand and Turkey. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
International Equities	
Financials	23.3
Information Technology	13.5
Communication Services	12.8
Consumer Staples	8.1
Consumer Discretionary	8.1
Materials	7.5
Industrials	5.7
Energy	5.7
Real Estate	3.3
Health Care	2.4
Utilities	1.7
Underlying Funds	7.9

Top 25 Holdings

	% of Net Asset Value
iShares MSCI Emerging Markets Index Fund	7.9
Tencent Holdings Ltd.	4.4
Samsung Electronics Co. Ltd.	4.1
Taiwan Semiconductor Manufacturing Co. Ltd.	3.2
Alibaba Group Holding Ltd. ADR	2.8
China Construction Bank Corp.	1.9
Infosys Technologies Ltd. ADR	1.4
Itau Unibanco Holding S.A. Preference	1.3
Industrial & Commercial Bank of China	1.2
Vedanta Ltd. ADR	1.2
China Mobile (Hong Kong) Ltd.	1.1
Vale S.A.	1.1
Tata Motors Limited ADR	1.0
China Petroleum & Chemical Corp.	1.0
Reliance Industries Ltd. GDR	1.0
Bank of China Ltd.	1.0
Ping An Insurance Group Company of China Ltd.	1.0
America Movil S.A.B. de C.V.	0.9
Petroleo Brasileiro S.A.	0.9
Baidu.com Inc. ADR	0.8
Nestlé (Malaysia) Berhad	0.8
President Chain Store Corp.	0.8
Banco Bradesco S.A. Preference	0.8
Citic Pacific Ltd.	0.8
Emirates Telecommunications Group Co. PJSC	0.7
Top 25 Holdings	43.1

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



INTERNATIONAL EQUITY ETF

RBC EMERGING MARKETS EQUITY INDEX ETF

December 31, 2018

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

Sub-Advisor: State Street Global Advisors, Ltd.

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to replicate, to the extent possible and before fees and expenses, the performance of a broad emerging markets equity index. Currently, the ETF seeks to track the FTSE Emerging Index (or any successor thereto). The investment strategy of the ETF is to invest in and hold the constituent securities of the FTSE Emerging Index in substantially the same proportion as they are reflected in the index or securities intended to replicate the performance of the index.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value rose to \$28 million as of December 31, 2018, from \$27 million at the end of 2017. The increase was due to net inflows, partially offset by investment losses.

Over the past year, the ETF's units lost 5.6%, which underperformed the 5.2% decline in the benchmark. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

The best-performing sectors by contribution to the ETF's returns were Energy, Utilities and Real Estate. The Consumer Discretionary, Financials and Communication Services sectors ranked last in terms of performance.

Recent Developments

Effective on or about April 5, 2019, the ETF will be terminated. In advance of termination, the ETF will voluntarily delist from the Aequitas NEO Exchange Inc., with its last day of trading expected to be on or about April 4, 2019.

The ETF has applied International Financial Reporting Standards ("IFRS") on a non-going concern basis for the year ended December 31, 2018. In this case, the non-going concern basis of preparation in accordance with IFRS does not result in any material adjustments to the carrying amounts of assets and liabilities of the ETF prepared on a going concern basis in accordance with IFRS.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	Year/Period
Dec. 31, 2018	20.00	0.51	(0.06)	0.12	(1.74)	(1.17)	—	(0.42)	(0.17)	(0.03)	(0.62)	18.46
Dec. 31, 2017³	20.00[†]	0.15	(0.04)	0.13	1.17	1.41	—	(0.12)	(0.05)	(1.22)	(1.39)	20.00

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From August 9, 2017.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	27 686	1 500	0.32	0.39	0.08	47.53	18.46	18.50
Dec. 31, 2017⁴	27 004	1 350	0.56	0.56	0.40	75.19	20.00	20.10

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From August 9, 2017.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF.

The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

Management Fees	
RBC Emerging Markets Equity Index ETF	0.25%



PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmark:

FTSE Emerging Index (CAD)

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	-5.6	—	—	—	-0.3
Benchmark	-5.2	—	—	—	0.3

The Benchmark index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark index.

The ETF's units have been available for sale to unitholders since September 21, 2017.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTION

FTSE Emerging Index (CAD) This index is a measure of the performance of the most liquid large- and mid-cap stocks in emerging markets, measured in Canadian dollars.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
International Equities	
Financials	23.4
Communication Services	14.6
Consumer Discretionary	8.6
Information Technology	8.2
Energy	7.3
Materials	6.8
Consumer Staples	5.0
Industrials	4.8
Real Estate	3.3
Utilities	2.8
Health Care	1.9
Underlying Funds	12.3
Other Net Assets	1.0

Top 25 Holdings

	% of Net Asset Value
iShares MSCI India Fund	12.3
Tencent Holdings Ltd.	5.4
Taiwan Semiconductor Manufacturing Co. Ltd.	4.1
Alibaba Group Holding Ltd. ADR	3.9
Naspers Ltd.	2.0
China Construction Bank Corp.	1.7
Industrial & Commercial Bank of China	1.3
China Mobile (Hong Kong) Ltd.	1.2
Vale S.A.	1.1
Baidu.com Inc. ADR	1.0
Itau Unibanco Holding S.A. Preference	1.0
Ping An Insurance Group Company of China Ltd.	1.0
Lukoil PJSC	0.8
Banco Bradesco S.A. Preference	0.8
Bank of China Ltd.	0.8
CNOOC Ltd.	0.6
Petroleo Brasileiro S.A.	0.6
Qatar National Bank SAQ	0.6
Sberbank of Russia	0.6
Hon Hai Precision Industry Co. Ltd.	0.6
America Movil S.A.B. de C.V.	0.5
Gazprom PAO	0.5
Petroleo Brasileiro S.A.	0.5
PTT PCL	0.5
Largan Precision Co. Ltd.	0.5
Top 25 Holdings	43.9

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



GLOBAL EQUITY ETF

RBC STRATEGIC GLOBAL DIVIDEND LEADERS ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide unitholders with exposure, either directly or indirectly through investment in other mutual funds managed by RBC GAM or an affiliate, to the performance of a diversified portfolio of high-quality global dividend-paying equity securities that will provide regular income and that have the potential for long-term capital growth.

The ETF invests substantially all of its assets in RBC Quant Dividend Leaders ETFs (other than RBC Quant U.S. Dividend Leaders (CAD Hedged) ETF, RBC Quant European Dividend Leaders (CAD Hedged) ETF and RBC Quant EAFE Dividend Leaders (CAD Hedged) ETF). The ETF may also invest directly in a portfolio of global dividend-paying equity securities.

The portfolio asset allocation will be reconstituted and rebalanced from time to time, and no less frequently than quarterly. The frequency of the reconstitution and rebalancing may change without notice.

In order to adjust the portfolio's asset mix in a more timely manner, the portfolio manager may use derivatives as a substitute for direct investment in a particular market, on a short-term basis, until the portfolio's assets can be reallocated among the RBC Quant Dividend Leaders ETFs.

Portfolio securities for each of the applicable RBC Quant Dividend Leaders ETFs, and for the ETF, to the extent it invests directly in equity securities, will be selected using a rules-based, multi-factor investment approach designed to select high-quality global dividend-paying equity securities (i.e. companies with strong balance sheets, stable and sustainable dividend payouts and the ability to grow dividends in the future). Securities are weighted in accordance with a modified capitalization weighting methodology designed to reduce the dispersion of weights between larger and smaller capitalization companies.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value rose to \$9 million as of December 31, 2018, from \$7 million at the end of 2017. The increase was due to net inflows, partially offset by investment losses.

Over the past year, the ETF's units lost 4.0%, which underperformed the 3.5% decline in the benchmark. The broad-based index declined 0.5%. The ETF's return is after the deduction of fees and expenses,

while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

The big macroeconomic themes in 2018 were tightening financial conditions, rising protectionism and slowing global growth. Escalating trade conflicts, especially between the U.S. and China, and geopolitical uncertainty helped trigger global stock-market declines. In Europe, U.K. politicians failed to agree on terms by which the U.K. would leave the European Union (the "EU"), while in Italy the formation of a coalition government committed to higher spending led to bond- and equity-market volatility, as well as friction with the EU. In North America, protectionism fears eased following renegotiations culminating in Canada, the U.S. and Mexico agreeing to a trade deal that, if approved by U.S. Congress, would supplant the North American Free Trade Agreement.

The sell-off in equities was led by emerging markets and Europe early in 2018, and U.S. equities, which were quite resilient for most of the year, joined the sell-off in the fourth quarter. The S&P/TSX Composite Index, Canada's equity benchmark, lagged many global markets in 2018 as a result of headwinds such as falling energy prices, poor competitiveness, a cooling housing market and trade uncertainty. Emerging markets underperformed developed markets as interest-rate hikes by the U.S. Federal Reserve and U.S. tax reform bolstered the U.S. dollar. Emerging markets have historically underperformed when the U.S. dollar strengthens.

The ETF's returns were held back by exposure to the RBC Quant Canadian Dividend Leaders ETF, the RBC Quant EAFE Dividend Leaders ETF and the RBC Quant Emerging Markets Dividend Leaders ETF. The ETF's performance benefited from a holding in the RBC Quant U.S. Dividend Leaders ETF.

Recent Developments

The portfolio manager expects the trend of slowing global growth to continue into 2019, although further gradual tightening of monetary policy is expected. While the portfolio manager anticipates more equity-market volatility, stocks still offer modest return potential as long as earnings continue to grow as analysts expect.

Protectionism is arguably the largest macroeconomic risk today, although European politics, the U.S. government shutdown, possible central-bank-policy mistakes and troubles besetting specific emerging-market countries also threaten economic progress and investor confidence.



Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Brokers and Dealers

The ETF has established standard brokerage and dealing agreements at market rates with related parties. These related-party commissions were \$1,000 (2017 – \$0) or 100% (2017 – 0%) of the total transaction costs paid for this ETF.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	Year/Period
Dec. 31, 2018	24.27	1.60	(0.03)	0.15	(2.80)	(1.08)	—	(0.73)	(0.94)	—	(1.67)	22.60
Dec. 31, 2017	22.78	1.31	(0.03)	0.10	0.92	2.30	—	(0.63)	(0.52)	(0.02)	(1.17)	24.27
Dec. 31, 2016 ³	20.00 [†]	0.71	(0.02)	0.48	2.28	3.45	—	(0.64)	(0.51)	—	(1.15)	22.78

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From January 19, 2016.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	9 041	400	0.61	0.61	0.11	8.07	22.60	21.98
Dec. 31, 2017	7 282	300	0.61	0.61	0.11	6.41	24.27	24.33
Dec. 31, 2016 ⁴	3 417	150	0.59	0.59	0.12	21.51	22.78	21.86

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From January 19, 2016.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF.

A management fee is charged indirectly and directly to the ETF:

indirectly as this ETF invests in the units of other RBC ETFs and the other RBC ETFs pay management fees; and directly for other portfolio manager activities. The total management fee will not exceed 0.55%, before GST/HST, of the daily net asset value of the ETF.



PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmarks:

The blended benchmark (the "Benchmark") is composed of:

- 36% S&P 500 Total Return Index (CAD)
- 33% S&P/TSX Capped Composite Total Return Index
- 22% MSCI EAFE Total Return Net Index (CAD)
- 9% MSCI Emerging Markets Total Return Net Index (CAD)

The broad-based index is the MSCI World Total Return Net Index (CAD).

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	-4.0	—	—	—	7.8
Benchmark	-3.5	—	—	—	9.1
Broad-based index	-0.5	—	—	—	8.2

The Benchmark and broad-based index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark and broad-based index.

The ETF's units have been available for sale to unitholders since January 19, 2016.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTIONS

S&P 500 Total Return Index (CAD) This index is a capitalization-weighted index measuring the Canadian dollar performance of 500 widely held common stocks representing all major industries in the United States. The index gives investors a broad measure of the overall performance of the U.S. stock market.

S&P/TSX Capped Composite Total Return Index This index is the amended capitalization-weighted index measuring the performance of selected securities listed on the Toronto Stock Exchange, with no individual stock exceeding 10% of the overall weight.

MSCI EAFE Total Return Net Index (CAD) This index is a broad measure of the Canadian dollar performance of stocks from developed equity markets covering countries in Europe, Australasia and the Far East. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI Emerging Markets Total Return Net Index (CAD) This index is a broad measure of the Canadian dollar performance of emerging-market equities. As of May 2010, the index consisted of the following 21 emerging-market country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, South Korea, Taiwan, Thailand and Turkey. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI World Total Return Net Index (CAD) This index is the capitalization-weighted index measuring the Canadian dollar performance of selected companies listed on stock exchanges in countries around the world. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
International Equities	
Financials	28.5
Energy	12.0
Utilities	8.3
Communication Services	8.0
Industrials	7.9
Health Care	7.3
Consumer Staples	5.7
Information Technology	5.5
Real Estate	5.5
Consumer Discretionary	5.2
Materials	5.2
Underlying Funds	0.2
Other Net Assets	0.7

Top 25 Holdings*

	% of Net Asset Value
RBC Quant U.S. Dividend Leaders ETF	33.5
RBC Quant Canadian Dividend Leaders ETF	32.1
RBC Quant EAFE Dividend Leaders ETF	24.0
RBC Quant Emerging Markets Dividend Leaders ETF	10.0
Total	99.6

* The ETF holds fewer than 25 holdings.

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



GLOBAL EQUITY ETF

RBC STRATEGIC GLOBAL EQUITY LEADERS ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide unitholders with broad exposure, either directly or indirectly through investment in other mutual funds managed by RBC GAM or an affiliate, to the performance of a diversified portfolio of high-quality global equity securities that have the potential for long-term capital growth.

The ETF invests substantially all of its assets in RBC Quant Equity Leaders ETFs (other than RBC Quant U.S. Equity Leaders (CAD Hedged) ETF and RBC Quant EAFE Equity Leaders (CAD Hedged) ETF). The ETF may also invest directly in a portfolio of global equity securities.

The portfolio asset allocation will be reconstituted and rebalanced from time to time, and no less frequently than quarterly. The frequency of the reconstitution and rebalancing may change without notice.

In order to adjust the portfolio's asset mix in a more timely manner, the portfolio manager may use derivatives as a substitute for direct investment in a particular market, on a short-term basis, until the portfolio's assets can be reallocated among the RBC Quant Equity Leaders ETFs.

Portfolio securities for each of the applicable RBC Quant Equity Leaders ETFs, and for the ETF, to the extent it invests directly in equity securities, will be selected using a rules-based, multi-factor investment approach designed to select high-quality global equity securities (i.e. companies with a high quality of earnings) while filtering out slow growth companies and securities with expensive valuations. Securities are weighted in accordance with a modified capitalization weighting methodology designed to reduce the dispersion of weights between larger and smaller capitalization companies.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value rose to \$4 million as of December 31, 2018, from \$3 million at the end of 2017. The increase was due to net inflows, partially offset by investment losses.

Over the past year, the ETF's units lost 4.4%, which underperformed the 3.5% decline in the benchmark. The broad-based index declined 0.5%. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include

any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the ETF.

The big macroeconomic themes in 2018 were tightening financial conditions, rising protectionism and slowing global growth. Escalating trade conflicts, especially between the U.S. and China, and geopolitical uncertainty helped trigger global stock-market declines. In Europe, U.K. politicians failed to agree on terms by which the U.K. would leave the European Union (the "EU"), while in Italy the formation of a coalition government committed to higher spending led to bond- and equity-market volatility, as well as friction with the EU. In North America, protectionism fears eased following renegotiations culminating in Canada, the U.S. and Mexico agreeing to a trade deal that, if approved by U.S. Congress, would supplant the North American Free Trade Agreement.

The sell-off in equities was led by emerging markets and Europe early in 2018, and U.S. equities, which were quite resilient for most of the year, joined the sell-off in the fourth quarter. The S&P/TSX Composite Index, Canada's equity benchmark, lagged many global markets in 2018 as a result of headwinds such as falling energy prices, poor competitiveness, a cooling housing market and trade uncertainty. Emerging markets underperformed developed markets as interest-rate hikes by the U.S. Federal Reserve and U.S. tax reform bolstered the U.S. dollar. Emerging markets have historically underperformed when the U.S. dollar strengthens.

The ETF's returns were held back by exposure to the RBC Quant Canadian Equity Leaders ETF, the RBC Quant EAFE Equity Leaders ETF and the RBC Quant Emerging Markets Equity Leaders ETF. The ETF's performance benefited from a holding in the RBC Quant U.S. Equity Leaders ETF.

Recent Developments

The portfolio manager expects the trend of slowing global growth to continue into 2019, although further gradual tightening of monetary policy is expected. While the portfolio manager anticipates more equity-market volatility, stocks still offer modest return potential as long as earnings continue to grow as analysts expect.

Protectionism is arguably the largest macroeconomic risk today, although European politics, the U.S. government shutdown, possible central-bank-policy mistakes and troubles besetting specific emerging-market countries also threaten economic progress and investor confidence.



Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²				Net Assets End of Year/Period	
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	Year/Period
Dec. 31, 2018	25.24	2.13	(0.04)	0.25	(3.48)	(1.14)	—	(0.50)	(1.72)	(0.01)	(2.23)	23.65
Dec. 31, 2017	22.75	0.46	(0.03)	1.86	0.72	3.01	—	(0.38)	(1.91)	—	(2.29)	25.24
Dec. 31, 2016 ³	20.00 [†]	0.43	(0.03)	0.41	2.39	3.20	—	(0.39)	(0.45)	—	(0.84)	22.75

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From January 19, 2016.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
Dec. 31, 2018	3 547	150	0.63	0.63	0.18	8.94	23.65	24.32
Dec. 31, 2017	2 524	100	0.61	0.61	0.12	55.24	25.24	25.29
Dec. 31, 2016 ⁴	2 275	100	0.60	0.60	0.19	24.27	22.75	21.96

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From January 19, 2016.

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF.

A management fee is charged indirectly and directly to the ETF:

indirectly as this ETF invests in the units of other RBC ETFs and the other RBC ETFs pay management fees; and directly for other portfolio manager activities. The total management fee will not exceed 0.55%, before GST/HST, of the daily net asset value of the ETF.



PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmarks:

The blended benchmark (the "Benchmark") is composed of:

- 36% S&P 500 Total Return Index (CAD)
- 33% S&P/TSX Capped Composite Total Return Index
- 22% MSCI EAFE Total Return Net Index (CAD)
- 9% MSCI Emerging Markets Total Return Net Index (CAD)

The broad-based index is the MSCI World Total Return Net Index (CAD).

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
ETF	-4.4	—	—	—	8.4
Benchmark	-3.5	—	—	—	9.1
Broad-based index	-0.5	—	—	—	8.2

The Benchmark and broad-based index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark and broad-based index.

The ETF's units have been available for sale to unitholders since January 19, 2016.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTIONS

S&P 500 Total Return Index (CAD) This index is a capitalization-weighted index measuring the Canadian dollar performance of 500 widely held common stocks representing all major industries in the United States. The index gives investors a broad measure of the overall performance of the U.S. stock market.

S&P/TSX Capped Composite Total Return Index This index is the amended capitalization-weighted index measuring the performance of selected securities listed on the Toronto Stock Exchange, with no individual stock exceeding 10% of the overall weight.

MSCI EAFE Total Return Net Index (CAD) This index is a broad measure of the Canadian dollar performance of stocks from developed equity markets covering countries in Europe, Australasia and the Far East. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI Emerging Markets Total Return Net Index (CAD) This index is a broad measure of the Canadian dollar performance of emerging-market equities. As of May 2010, the index consisted of the following 21 emerging-market country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, South Korea, Taiwan, Thailand and Turkey. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI World Total Return Net Index (CAD) This index is the capitalization-weighted index measuring the Canadian dollar performance of selected companies listed on stock exchanges in countries around the world. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
International Equities	
Financials	21.0
Information Technology	12.2
Industrials	10.1
Energy	9.0
Health Care	8.8
Consumer Discretionary	8.3
Communication Services	7.4
Materials	7.2
Consumer Staples	6.5
Utilities	3.8
Real Estate	3.3
Underlying Funds	1.8
Other Net Assets	0.6

Top 25 Holdings*

	% of Net Asset Value
RBC Quant U.S. Equity Leaders ETF	34.0
RBC Quant Canadian Equity Leaders ETF	32.2
RBC Quant EAFE Equity Leaders ETF	23.5
RBC Quant Emerging Markets Equity Leaders ETF	9.8
Total	99.5

* The ETF holds fewer than 25 holdings.

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

The Simplified Prospectus and other information about the underlying funds are available on SEDAR website at www.sedar.com.



GLOBAL EQUITY ETF

RBC QUANT GLOBAL INFRASTRUCTURE LEADERS ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide unitholders with exposure to the performance of a diversified global portfolio of high-quality equity securities of companies that own or operate infrastructure assets that will provide regular income and that have the potential for long-term capital growth.

Portfolio securities for the ETF are selected from the global listed infrastructure universe using a rules-based, multi-factor investment approach that considers a combination of the financial strength, growth and stability factors of the company. The global listed infrastructure universe, as determined by the portfolio management team, is made up of companies that own or operate assets primarily in the transportation (toll roads, airports, railroads and marine ports), energy (storage and transportation, renewable energy and pipelines), utilities (electric utilities, gas utilities and water), and communication (wireless towers) sectors, domiciled around the world. Securities are weighted in accordance with a modified capitalization weighting methodology designed to reduce the dispersion of weights between larger and smaller capitalization securities. The portfolio holdings are reconstituted and rebalanced on a quarterly basis. The frequency of the reconstitution and rebalancing may change without notice.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value fell to \$20 million as of December 31, 2018, from \$21 million at the end of 2017. The decrease was due to net redemptions, partially offset by investment returns.

Over the past year, the ETF's CAD units gained 5.1%, which outperformed the 2.0% rise in the benchmark. The broad-based index declined 1.3%. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the USD units, which will usually vary because of foreign exchange rates.

The ETF's relative exposure to AT&T, Telenor and Centrica had the most positive impact on returns, while Superior Plus, Transalta Renewables and China Mobile were negative for relative performance. The ETF had the highest relative exposure to AES Corp., OGE Energy and CenterPoint Energy, and the smallest relative exposure to Comcast Corp., Union Pacific and Naspers.

Recent Developments

The portfolio manager has no recent developments to report.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Brokers and Dealers

The ETF has established standard brokerage and dealing agreements at market rates with related parties. These related-party commissions were \$1,000 (2017 – \$1,000) or 2% (2017 – 1%) of the total transaction costs paid for this ETF.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/Period
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital		
CAD Units												
Dec. 31, 2018	19.48	0.83	(0.15)	(1.08)	1.36	0.96	—	(0.75)	—	—	(0.75)	19.69
Dec. 31, 2017	20.18	0.78	(0.17)	0.23	(1.56)	(0.72)	—	(0.68)	(0.33)	—	(1.01)	19.48
Dec. 31, 2016 ³	20.00 [†]	0.27	(0.10)	(0.09)	1.25	1.33	—	(0.21)	—	—	(0.21)	20.18
USD Units*												
Dec. 31, 2018	15.55	0.64	(0.12)	(0.83)	0.88	0.57	—	(0.58)	—	—	(0.58)	14.41
Dec. 31, 2017	15.05	1.26	(0.27)	0.37	(1.94)	(0.58)	—	(0.52)	(0.26)	—	(0.78)	15.55
Dec. 31, 2016 ³	15.16 [†]	0.20	(0.08)	(0.07)	0.32	0.37	—	(0.08)	—	(0.08)	(0.16)	15.05

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From September 14, 2016.

* Stated in U.S. dollars.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
CAD Units								
Dec. 31, 2018	17 719	900	0.62	0.62	0.20	194.35	19.69	19.53
Dec. 31, 2017	18 510	950	0.60	0.60	0.34	317.06	19.48	19.55
Dec. 31, 2016 ⁴	8 074	400	0.64	0.64	0.76	125.38	20.18	20.30
USD Units*								
Dec. 31, 2018	1 441	100	0.62	0.62	0.20	194.35	14.41	14.64
Dec. 31, 2017	2 333	150	0.60	0.60	0.34	317.06	15.55	15.61
Dec. 31, 2016 ⁴	753	50	0.64	0.64	0.76	125.38	15.05	15.01

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From September 14, 2016.

* Stated in U.S. dollars.



FINANCIAL HIGHLIGHTS (cont.)

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF. The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

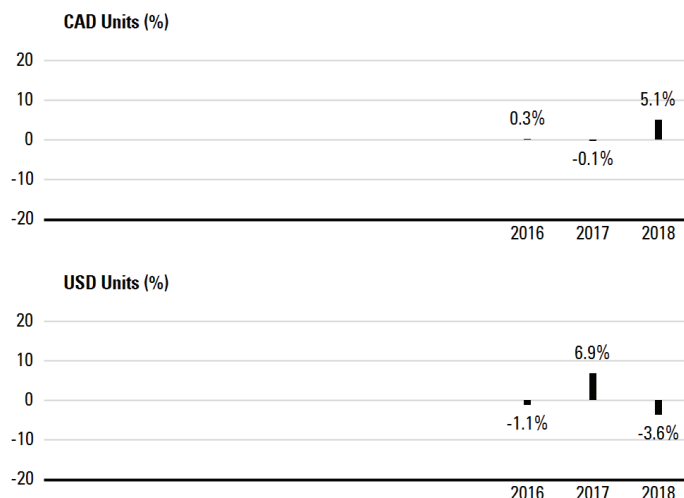
	Management Fees
CAD Units	0.55%
USD Units	0.55%

PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmarks:

CAD Units

MSCI All Country World Infrastructure Total Return Net Index (CAD)

The broad-based index is the MSCI All Country World Total Return Net Index (CAD).

USD Units

MSCI All Country World Infrastructure Total Return Net Index (USD)

The broad-based index is the MSCI All Country World Total Return Net Index (USD).

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
CAD Units	5.1	—	—	—	2.3
Benchmark	2.0	—	—	—	2.1
Broad-based index	-1.3	—	—	—	7.9
USD Units	-3.6	—	—	—	0.9
Benchmark	-6.5	—	—	—	0.7
Broad-based index	-9.4	—	—	—	6.4

The Benchmark and broad-based index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark and broad-based indexes.

The ETF's units have been available for sale to unitholders since September 20, 2016.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTIONS

MSCI All Country World Infrastructure Total Return Net Index (CAD) This index measures the performance of companies that own or operate infrastructure assets. Constituents are selected from the equity universe of mid- and large-cap securities across 23 developed markets and 24 emerging markets.

MSCI All Country World Total Return Net Index (CAD) This index is a broad measure of the Canadian-dollar performance of large and mid-cap stocks across developed and emerging markets. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI All Country World Infrastructure Total Return Net Index (USD) The index measures the U.S.-dollar performance of companies that own or operate infrastructure assets. Constituents are selected from the equity universe of mid- and large-cap securities across 23 developed markets and 24 emerging markets.

MSCI All Country World Total Return Net Index (USD) This index is a broad measure of the U.S.-dollar performance of large and mid-cap stocks across developed and emerging markets. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
Global Equities	
Utilities	50.5
Communication Services	29.7
Energy	18.9
Industrials	2.3
Other Net Assets	(1.4)

Top 25 Holdings

	% of Net Asset Value
Verizon Communications Inc.	7.3
Centerpoint Energy Inc.	4.9
ONEOK, Inc.	4.6
OGE Energy Corp.	4.6
Nippon Telegraph & Telephone Corp.	4.4
Inter Pipeline Ltd.	4.1
AGL Energy Ltd.	4.1
Entergy Corp.	4.1
Telenor ASA	4.0
Telkom SA Ltd.	4.0
Northland Power Inc.	3.9
Cia de Saneamento Basico do Estado de Sao Paulo	3.7
Kansai Electric Power Co. Inc.	3.7
Centrica Plc.	3.6
Chubu Electric Power Co. Inc.	3.6
Superior Plus Corp.	3.4
Enagas	3.1
Electric Power Development Co. Ltd.	2.8
AT&T Inc.	2.6
Kinder Morgan Canada Ltd.	2.4
Daqin Railway Co. Ltd.	2.3
TransAlta Renewables Inc.	2.3
Gibson Energy Inc.	2.2
China Yangtze Power Co. Ltd.	2.2
Enbridge Inc.	2.0
Top 25 Holdings	89.9

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



GLOBAL EQUITY ETF

RBC QUANT GLOBAL REAL ESTATE LEADERS ETF

December 31, 2018

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

The Board of Directors of RBC Global Asset Management Inc. approved this annual management report of fund performance on March 11, 2019.

A Note on Forward-looking Statements

This report may contain forward-looking statements about the ETF, its future performance, strategies or prospects, and possible future ETF action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective" and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the ETF and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made in relation to the ETF. These factors include, but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.

This annual management report of fund performance ("MRFP") contains financial highlights but does not contain the complete annual financial statements of the ETF. You can get a copy of the financial statements at your request, and at no cost, by calling 1-855-RBC-ETFS (722-3837), by writing to us at RBC Global Asset Management Inc., P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, or by visiting our website at www.rbcgam.com/etf/reports or SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the ETF's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.



MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Investment Objective and Strategies

The ETF seeks to provide unitholders with exposure to the performance of a diversified global portfolio of high-quality Real Estate Investment Trusts ("REITs") and equity securities of real estate management and development companies that will provide regular income and that have the potential for long-term capital growth.

Portfolio securities for the ETF are selected from the global real estate universe using a rules-based, multi-factor investment approach that considers a combination of the financial strength, growth and stability factors of the company. The global real estate universe, as determined by the portfolio management team, includes REITs and real estate management and development companies domiciled around the world. Securities are weighted in accordance with a modified capitalization weighting methodology designed to reduce the dispersion of weights between larger and smaller capitalization securities. The portfolio holdings are reconstituted and rebalanced on a quarterly basis. The frequency of the reconstitution and rebalancing may change without notice.

Risk

There were no significant changes to the ETF that materially affected the ETF's overall level of risk during the reporting period. The risks of investing in the ETF and the suitability of the ETF for investors remain as discussed in the Prospectus.

Results of Operations

The ETF's net asset value fell to \$4 million as of December 31, 2018, from \$9 million at the end of 2017. The decrease was due to net redemptions.

Over the past year, the ETF's CAD units lost 1.9%, which underperformed the 0.6% rise in the benchmark. The broad-based index declined 1.3%. The ETF's return is after the deduction of fees and expenses, while benchmark and broad-based index returns do not include any costs of investing. See the Financial Highlights section for the management expense ratios and the Past Performance section for the returns of the USD units, which will usually vary because of foreign exchange rates.

The ETF's relative exposure to Digital Realty Trust, Equinix and Piedmont Office Realty Trust had the most positive impact on returns, while Fibra Uno Administracion, Yuzhou Properties and Weyerhaeuser were negative for relative performance. The ETF had the highest relative exposure to Tanger Factory Outlet Centers, Taubman Centers and Omega Healthcare Investments, and the smallest relative exposure to ProLogis, Equinix and Public Storage.

Recent Developments

The portfolio manager has no recent developments to report.

Related-Party Transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect, wholly owned subsidiary of Royal Bank of Canada ("Royal Bank") and is the manager, trustee and portfolio manager of the ETF. RBC GAM is responsible for the ETF's day-to-day operations, holds title to the ETF's property on behalf of its unitholders, and provides investment advice and portfolio management services to the ETF. RBC GAM is paid a management fee by the ETF as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the net asset value of the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETF, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders buy and sell ETF units denominated in different currencies. The ETF may also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the ETF in the course of their normal businesses are discussed below.

Custodian and Valuation Agent

RBC Investor Services Trust ("RBC IS") is the custodian and valuation agent and holds the assets of the ETF and provides administrative services to the ETF. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker

RBC GAM has entered into an agreement with RBC Dominion Securities Inc., an affiliate of RBC GAM, to act as designated broker and/or authorized dealer for the distribution of units of the ETF, on terms and conditions that are comparable to arm's length agreements in the ETF industry. The material terms and conditions of the agreement have been disclosed in the ETF's Prospectus.

Securities Lending Agent

To the extent the ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.



Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETF relied on the standing instructions from the Independent Review Committee with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the ETF, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETF.



FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the ETF and are intended to help you understand the ETF's financial performance for the past five years or for the periods since inception. This information is derived from the ETF's audited annual financial statements.

Change in Net Assets Per Unit (\$)

For the Year/ Period Ended	Net Assets Beginning of Year/Period	Increase (Decrease) from Operations ¹					Annual Distributions ²					Net Assets End of Year/Period
		Total Revenue (Loss)	Total Expenses	Realized Gains (Losses)	Unrealized Gains (Losses)	Total	From Income (Excluding Dividends)	From Dividends	From Capital Gains	Return of Capital	Total	
CAD Units												
Dec. 31, 2018	19.34	0.91	(0.18)	0.45	(1.21)	(0.03)	—	(1.05)	(1.11)	—	(2.16)	17.95
Dec. 31, 2017 ³	20.00 [†]	0.67	(0.12)	(0.60)	0.29	0.24	—	(0.34)	—	(0.04)	(0.38)	19.34
USD Units*												
Dec. 31, 2018	15.44	0.71	(0.14)	0.35	(0.95)	(0.03)	—	(0.80)	(0.83)	—	(1.63)	13.14
Dec. 31, 2017 ³	14.64 [†]	0.51	(0.10)	(0.45)	0.73	0.69	—	(0.28)	—	(0.03)	(0.31)	15.44

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

² Distributions are either paid in cash, reinvested in additional units of the ETF, or both.

³ From April 20, 2017.

* Stated in U.S. dollars.

[†] Initial offering net asset value per unit.

Ratios and Supplemental Data

As at	Net Asset Value (\$000s)	Number of Units Outstanding (000s)	Management Expense Ratio (%) ¹	MER Before Absorption (%) ¹	Trading Expense Ratio (%) ²	Portfolio Turnover Rate (%) ³	Net Asset Value Per Unit (\$)	Closing Market Price (\$)
CAD Units								
Dec. 31, 2018	2 692	150	0.64	0.64	0.30	294.89	17.95	18.20
Dec. 31, 2017 ⁴	5 803	300	0.63	0.63	0.36	413.94	19.34	19.45
USD Units*								
Dec. 31, 2018	657	50	0.64	0.64	0.30	294.89	13.14	13.73
Dec. 31, 2017 ⁴	2 316	150	0.63	0.63	0.36	413.94	15.44	14.94

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

² The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The trading expense ratio is not applicable to fixed-income transactions.

³ The ETF's portfolio turnover rate gives an indication of the level of activity employed by the portfolio manager. A portfolio turnover rate of 100% is equivalent to the ETF buying and selling all of the securities in its portfolio once in the course of the year. The higher the ETF's portfolio turnover rate in a year, the greater the trading costs payable by the ETF in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the ETF.

⁴ From April 20, 2017.

* Stated in U.S. dollars

Management Fees

RBC GAM is the manager, trustee and portfolio manager of the ETF.

The management fee of the ETF is calculated at the annual percentage, before GST/HST, of the daily net asset value of the ETF.

	Management Fees
CAD Units	0.55%
USD Units	0.55%

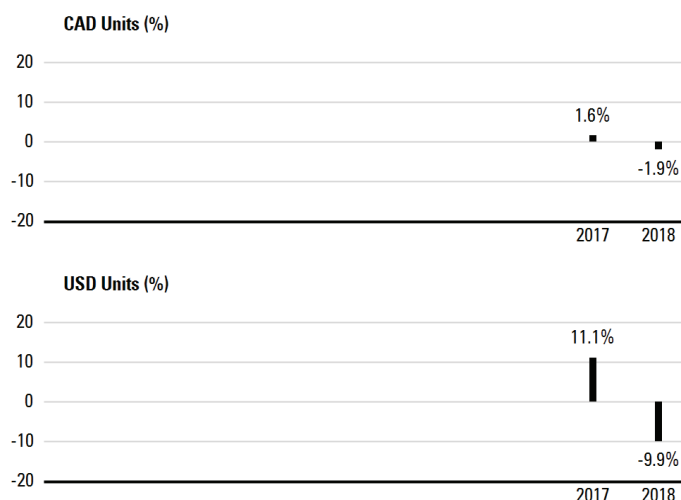


PAST PERFORMANCE

The performance information shown assumes that all distributions made by the ETF in the periods shown were reinvested in additional units of the ETF and would be lower if distributions were not reinvested. The performance information does not take into account sales, redemption, distribution, optional charges or income taxes payable that would have reduced returns or performance. Past performance does not necessarily indicate how the ETF may perform in the future. A fund with more than 10 years of performance history is only permitted to disclose the past 10 years.

Year-by-Year Returns (%)

The bar chart indicates the ETF's performance for each of the years shown, and illustrates how the ETF's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the end of the financial year.



Annual Compound Returns (%)

The table shows the annual compound returns of the ETF for each of the periods indicated ended on December 31, 2018, compared with the following benchmarks:

CAD Units

MSCI All Country World Real Estate Net Index (CAD)

The broad-based index is the MSCI All Country World Total Return Net Index (CAD).

USD Units

MSCI All Country World Real Estate Net Index (USD)

The broad-based index is the MSCI All Country World Total Return Net Index (USD).

	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Since Inception
CAD Units	-1.9	—	—	—	-0.2
Benchmark	0.6	—	—	—	1.1
Broad-based index	-1.3	—	—	—	1.3
USD Units	-9.9	—	—	—	0.0
Benchmark	-7.7	—	—	—	1.3
Broad-based index	-9.4	—	—	—	1.5

The Benchmark and broad-based index returns do not include any costs of investing. See Management Discussion of Fund Performance for a discussion of performance relative to the Benchmark and broad-based indexes.

The ETF's units have been available for sale to unitholders since May 9, 2017.

Inception dates are not provided for Funds that have been in existence for more than 10 years.

INDEX DESCRIPTIONS

MSCI All Country World Real Estate Net Index (CAD) This index measures the Canadian-dollar performance of large- and mid-cap real estate equities in 23 developed-market countries and 24 emerging markets. All securities in the index are classified in the Real Estate Sector, according to the Global Industry Classification Standard.

MSCI All Country World Total Return Net Index (CAD) This index is a broad measure of the Canadian-dollar performance of large and mid-cap stocks across developed and emerging markets. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

MSCI All Country World Real Estate Net Index (USD) This index measures the U.S.-dollar performance of large- and mid-cap real estate equities in 23 developed-market countries and 24 emerging markets. All securities in the index are classified in the Real Estate Sector, according to the Global Industry Classification Standard.

MSCI All Country World Total Return Net Index (USD) This index is a broad measure of the U.S.-dollar performance of large and mid-cap stocks across developed and emerging markets. The net total return index reinvests dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.



SUMMARY OF INVESTMENT PORTFOLIO

(after consideration of derivative products, if any)

As at December 31, 2018

Investment Mix

	% of Net Asset Value
Global Equities	
Real Estate	99.4
Other Net Assets	0.6

Top 25 Holdings

	% of Net Asset Value
Simon Property Group Inc.	4.8
Sun Hung Kai Properties Ltd.	4.6
Nomura Real Estate Holdings Inc.	4.3
Omega Healthcare Investors Inc. Real Estate Investment Trust	4.3
Mirvac Group Real Estate Investment Trust	4.2
Medical Properties Trust Inc. Real Estate Investment Trust	4.1
Stockland Real Estate Investment Trust	4.1
Host Marriott Corp.	4.0
Shimao Property Holdings Ltd.	3.8
Vicinity Centres Real Estate Investment Trust	3.8
Hospitality Properties Trust	3.7
SL Green Realty Corp. Real Estate Investment Trust	3.6
Apple Hospitality Inc. Real Estate Investment Trust	3.6
Park Hotels & Resorts Inc. Real Estate Investment Trust	3.6
Spirit Realty Capital Inc. Real Estate Investment Trust	3.5
Kerry Properties Ltd.	3.5
RioCan Real Estate Investment Trust	3.5
Sino-Ocean Group Holding Ltd.	3.2
Yuzhou Properties Co. Ltd.	2.9
SmartCentres Real Estate Investment Trust	2.8
Covivio Real Estate Investment Trust	2.3
The Wharf Holdings Ltd.	2.1
Life Storage Inc. Real Estate Investment Trust	2.0
Fibra Uno Administracion S.A. de C.V. Real Estate Investment Trust	1.9
China Fortune Land Development Co. Ltd.	1.8
Top 25 Holdings	86.0

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

If you have questions regarding RBC ETFs, you can contact us using the following options:

By Phone

Investors: **1-855-RBC-ETFS (722-3837)**
Dealers: **1-800-662-0652**

On the Internet

Visit our website at: **www.rbcgam.com/etfs**

By Mail

Head office:

RBC Global Asset Management Inc.
155 Wellington Street West
Suite 2200
Toronto, Ontario
M5V 3K7

For general mutual fund enquiries, write to:

RBC Global Asset Management Inc.
P.O. Box 7500, Station A
Toronto, Ontario
M5W 1P9



**Global Asset
Management**