The accompanying financial statements have been prepared by RBC Global Asset Management Inc. ("RBC GAM") as manager of the RBC Corporate Class Funds (the "Funds") and approved by the Board of Directors of RBC Corporate Class Inc. We are responsible for the information contained within the financial statements.

We have maintained appropriate procedures and controls to ensure that timely and reliable financial information is produced. The financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") (and they include certain amounts that are based on estimates and judgments). The significant accounting policies, which we believe are appropriate for the Funds, are described in Note 3 to the financial statements.

PricewaterhouseCoopers LLP, Chartered Professional Accountants, have performed an independent audit of the financial statements in accordance with Canadian generally accepted auditing standards. Their report is set out on the next page.

Damon G. Williams, FSA, FCIA, CFA
Chief Executive Officer
RBC Global Asset Management Inc.

Heidi Johnston, CPA, CA
Chief Financial Officer
RBC GAM Funds

June 10, 2021

To the Shareholders of

RBC Short Term Income Class
RBC $U.S. Short Term Income Class
BlueBay Global Convertible Bond Class (Canada)
BlueBay $U.S. Global Convertible Bond Class (Canada)
Phillips, Hager & North Monthly Income Class
RBC Balanced Growth & Income Class
RBC Canadian Dividend Class
RBC Canadian Equity Class
RBC QUBE Low Volatility Canadian Equity Class
Phillips, Hager & North Canadian Equity Value Class
RBC Canadian Equity Income Class
RBC Canadian Mid-Cap Equity Class
RBC North American Value Class
RBC U.S. Dividend Class
RBC U.S. Equity Class
RBC QUBE Low Volatility U.S. Equity Class
RBC U.S. Equity Value Class
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Class
RBC U.S. Mid-Cap Value Equity Class
RBC U.S. Small-Cap Core Equity Class
RBC International Equity Class
Phillips, Hager & North Overseas Equity Class
RBC European Equity Class
RBC Emerging Markets Equity Class
RBC Global Equity Class
RBC QUBE Low Volatility Global Equity Class
RBC Global Resources Class
(individually, a Fund)

Our opinion

In our opinion, the accompanying financial statements of each Fund present fairly, in all material respects, the financial position of each Fund as at March 31, 2021 and 2020 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The financial statements of each Fund comprise:

- the statements of financial position as at March 31, 2021 and 2020;
- the statements of comprehensive income for the years then ended;
- the statements of cash flow for the years then ended;
- the statements of changes in net assets attributable to holders of redeemable mutual fund shares (NAV) for the years then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of each Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information of each Fund. The other information comprises the Annual Management Report of Fund Performance of each Fund.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of each Fund, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of each Fund or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the ability of each Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of each Fund.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole for each Fund are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements of each Fund.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of each Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of each Fund.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each Fund to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of each Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause any Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of each Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

June 10, 2021

SCHEDULE OF INVESTMENT PORTFOLIO (in $000s)

RBC EUROPEAN EQUITY CLASS

March 31, 2021

Holdings	Security	Cost	Fair Value	% of Net Assets
UNDERLYING FUNDS				
151 339	RBC European Equity Fund - Series O*	$ 3 538	$ 4 020	
TOTAL UNDERLYING FUNDS		$ 3 538	4 020	**100.0**
OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES			2	–
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES			$ 4 022	**100.0**

* Investment in related party (see note 7 in the generic notes).

Statements of Financial Position

(in $000s except per mutual fund share amounts)

(see note 2 in the generic notes)	March 31 2021	March 31 2020
ASSETS		
Investments at fair value	**$ 4 020**	$ 3 275
Cash	**6**	3
TOTAL ASSETS	**4 026**	3 278
LIABILITIES		
Accounts payable and accrued expenses	**4**	4
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE MUTUAL FUND SHARES	**4**	4
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE MUTUAL FUND SHARES ("NAV")	**$ 4 022**	$ 3 274
Investments at cost	**$ 3 538**	$ 3 762
NAV		
SERIES A	**$ 1 089**	$ 528
ADVISOR SERIES	**$ –**	$ 601
SERIES D	**$ 1 851**	$ 1 089
SERIES F	**$ 1 079**	$ 1 054
SERIES I	**$ 1**	$ 1
SERIES O	**$ 2**	$ 1
NAV PER MUTUAL FUND SHARE		
SERIES A	**$ 12.25**	$ 9.38
ADVISOR SERIES	**$ –**	$ 9.40
SERIES D	**$ 12.94**	$ 9.82
SERIES F	**$ 13.16**	$ 9.97
SERIES I	**$ 13.36**	$ 10.09
SERIES O	**$ 13.97**	$ 10.48

Statements of Comprehensive Income

(in $000s except per mutual fund share amounts)

For the periods ended March 31 (see note 2 in the generic notes)	2021	2020
INCOME (see note 3 in the generic notes)		
Income from investment trusts	**$ 99**	$ 106
Net realized gain (loss) on investments	**36**	(76)
Change in unrealized gain (loss) on investments	**969**	(137)
TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES	**1 104**	(107)
TOTAL INCOME (LOSS)	**1 104**	(107)
EXPENSES (see notes – Fund Specific Information)		
Management fees	**45**	49
Administration fees	**3**	8
Independent Review Committee costs	**2**	2
GST/HST	**4**	5
Income tax	**5**	–
Expenses reimbursed by manager	**–**	(2)
TOTAL EXPENSES	**59**	62
INCREASE (DECREASE) IN NAV	**$ 1 045**	$ (169)
INCREASE (DECREASE) IN NAV		
SERIES A	**$ 196**	$ (28)
ADVISOR SERIES	**$ 101**	$ (37)
SERIES D	**$ 429**	$ (89)
SERIES F	**$ 318**	$ (15)
SERIES I	**$ –**	$ –
SERIES O	**$ 1**	$ –
INCREASE (DECREASE) IN NAV PER MUTUAL FUND SHARE		
SERIES A	**$ 2.48**	$ (0.41)
ADVISOR SERIES	**$ 1.83**	$ (0.53)
SERIES D	**$ 3.03**	$ (0.98)
SERIES F	**$ 3.32**	$ (0.09)
SERIES I	**$ 3.27**	$ (0.61)
SERIES O	**$ 3.49**	$ (0.56)

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

Statements of Cash Flow *(in $000s)*

For the periods ended March 31 (see note 2 in the generic notes)	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in NAV	**$ 1 045**	$ (169)
ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS		
Interest for distribution purposes	**–**	–
Non-cash distributions from underlying funds	**(99)**	(106)
Net realized loss (gain) on investments	**(36)**	76
Change in unrealized loss (gain) on investments	**(969)**	137
(Increase) decrease in accrued receivables	**–**	–
Increase (decrease) in accrued payables	**–**	(3)
(Increase) decrease in margin accounts	**–**	–
Cost of investments purchased	**(415)**	(840)
Proceeds from sale and maturity of investments	**774**	3 358
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	**300**	2 453
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable mutual fund shares	**580**	1 040
Cash paid on redemption of redeemable mutual fund shares	**(877)**	(3 381)
Distributions paid to holders of redeemable mutual fund shares	**–**	(107)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**$ (297)**	$ (2 448)
Net increase (decrease) in cash for the period	**3**	5
Cash (bank overdraft), beginning of period	**3**	(2)
CASH (BANK OVERDRAFT), END OF PERIOD	**$ 6**	$ 3
Interest received (paid)*	**$ –**	$ –
Income from investment trusts received (paid)*†	**$ –**	$ –
Dividends received (paid)*†	**$ –**	$ –

* Classified as part of operating activities.
† Net of withholding taxes, if applicable.

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

Statements of Changes in NAV *(in $000s)*

For the periods ended March 31 (see note 2 in the generic notes)	Series A		Advisor Series		Series D		Series F	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
NAV AT BEGINNING OF PERIOD	**$ 528**	$ 894	**$ 601**	$ 739	**$ 1 089**	$ 727	**$ 1 054**	$ 3 497
INCREASE (DECREASE) IN NAV	**196**	(28)	**101**	(37)	**429**	(89)	**318**	(15)
Early redemption fees	**–**	–	**–**	–	**–**	–	**–**	–
Proceeds from redeemable mutual fund shares issued	**628**	85	**1**	54	**444**	656	**105**	295
Reinvestments of distributions to holders of redeemable mutual fund shares	**–**	67	**–**	51	**–**	76	**–**	230
Redemption of redeemable mutual fund shares	**(263)**	(414)	**(703)**	(133)	**(111)**	(204)	**(398)**	(2 648)
NET INCREASE (DECREASE) FROM REDEEMABLE MUTUAL FUND SHARE TRANSACTIONS	**365**	(262)	**(702)**	(28)	**333**	528	**(293)**	(2 123)
Distributions from net income	**–**	–	**–**	–	**–**	–	**–**	–
Distributions from net gains	**–**	(76)	**–**	(73)	**–**	(77)	**–**	(305)
Distributions from capital	**–**	–	**–**	–	**–**	–	**–**	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE MUTUAL FUND SHARES	**–**	(76)	**–**	(73)	**–**	(77)	**–**	(305)
NET INCREASE (DECREASE) IN NAV	**561**	(366)	**(601)**	(138)	**762**	362	**25**	(2 443)
NAV AT END OF PERIOD	**$ 1 089**	$ 528	**$ –**	$ 601	**$ 1 851**	$ 1 089	**$ 1 079**	$ 1 054

For the periods ended March 31 (see note 2 in the generic notes)	Series I		Series O		Total	
	2021	2020	**2021**	2020	**2021**	2020
NAV AT BEGINNING OF PERIOD	**$ 1**	$ 1	**$ 1**	$ 1	**$ 3 274**	$ 5 859
INCREASE (DECREASE) IN NAV	**–**	–	**1**	–	**1 045**	(169)
Early redemption fees	**–**	–	**–**	–	**–**	–
Proceeds from redeemable mutual fund shares issued	**–**	–	**–**	–	**1 178**	1 090
Reinvestments of distributions to holders of redeemable mutual fund shares	**–**	–	**–**	–	**–**	424
Redemption of redeemable mutual fund shares	**–**	–	**–**	–	**(1 475)**	(3 399)
NET INCREASE (DECREASE) FROM REDEEMABLE MUTUAL FUND SHARE TRANSACTIONS	**–**	–	**–**	–	**(297)**	(1 885)
Distributions from net income	**–**	–	**–**	–	**–**	–
Distributions from net gains	**–**	–	**–**	–	**–**	(531)
Distributions from capital	**–**	–	**–**	–	**–**	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE MUTUAL FUND SHARES	**–**	–	**–**	–	**–**	(531)
NET INCREASE (DECREASE) IN NAV	**–**	–	**1**	–	**748**	(2 585)
NAV AT END OF PERIOD	**$ 1**	$ 1	**$ 2**	$ 1	**$ 4 022**	$ 3 274

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

Effective June 26, 2020, Advisor Series mutual fund shares were capped and were re-designated as Series A mutual fund shares effective August 4, 2020.

Series I mutual fund shares have been capped and are no longer available for purchase by new investors effective June 30, 2016. Existing investors who hold Series I mutual fund shares of the Fund can continue to make additional investments into this series. In addition, RBC GAM may maintain capacity for certain investors, including other related funds, that may invest in this series.

General information (see note 1 in the generic notes)

The investment objective of the Fund is to provide long-term capital growth by investing primarily in European stocks in order to provide exposure to growth opportunities in the European economy and diversification benefits beyond North America.

Financial instrument risk and capital management (see note 5 in the generic notes)

The Fund invests in the RBC European Equity Fund. The Fund's exposure to financial instrument risk is based on the underlying fund asset mix. The following tables present the Fund's direct risks and pro rata exposure to the risks of the underlying fund.

Concentration risk (%)

The table below summarizes the Fund's investment exposure (after consideration of derivative products, if any) as at:

Investment mix	**March 31 2021**	March 31 2020
United Kingdom	**38.9**	39.2
France	**12.5**	8.0
Netherlands	**12.3**	7.7
Switzerland	**8.7**	10.6
Denmark	**6.0**	7.6
Germany	**5.3**	9.7
Ireland	**5.3**	3.7
Sweden	**4.6**	3.2
Finland	**4.0**	2.1
Spain	**2.1**	4.4
Other Countries	**0.3**	1.9
Cash/Other	**–**	1.9
Total	**100.0**	100.0

Currency risk (% of NAV)

The table below summarizes the Fund's net exposure (after hedging, if any) to currency risk from investments in the underlying fund as at:

Currency	**March 31 2021**	March 31 2020
Euro	**52.1**	49.0
Pound sterling	**22.7**	24.2
Swiss franc	**14.5**	17.2
Swedish krona	**5.8**	4.4
Danish krone	**3.7**	3.7
Norwegian krone	**0.9**	1.0
Other currencies	**0.2**	0.4
Total	**99.9**	99.9

As at March 31, 2021, if the Canadian dollar had strengthened or weakened by 5% in relation to the above currencies, with all other factors kept constant, the Fund's NAV may have decreased or increased, respectively, by approximately 5.0% (March 31, 2020 – 5.0%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Other price risk (% impact on NAV)

In light of current market volatility related to COVID-19, management has applied 10% for other price risk sensitivity.

The table below shows the impact of a 10% change in the broad-based index (noted below) on the Fund's NAV, using a 36-month historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	March 31 2021		March 31 2020	
MSCI Europe Total Return Net Index (CAD)	**+ or -**	**9.3**	+ or -	9.0

Since historical correlation may not be representative of future correlation, actual results could differ from this sensitivity analysis and the difference could be material.

Fair value hierarchy ($000s except % amounts)
(see note 3 in the generic notes)

The following is a summary of the inputs used as of March 31, 2021 and 2020.

March 31, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Equities	**–**	**–**	**–**	**–**
Underlying funds	**4 020**	**–**	**–**	**4 020**
Fixed-income and debt securities	**–**	**–**	**–**	**–**
Short-term investments	**–**	**–**	**–**	**–**
Derivatives – assets	**–**	**–**	**–**	**–**
Derivatives – liabilities	**–**	**–**	**–**	**–**
Total financial instruments	**4 020**	**–**	**–**	**4 020**
% of total portfolio	**100.0**	**–**	**–**	**100.0**

March 31, 2020	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Underlying funds	3 275	–	–	3 275
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	3 275	–	–	3 275
% of total portfolio	100.0	–	–	100.0

For the periods ended March 31, 2021 and 2020, there were no transfers of financial instruments between Level 1, Level 2 and Level 3.

Management fees and administration fees (see note 7 in the generic notes)

Management fees and administration fees of each series of the Fund are payable to RBC GAM and calculated at the following annual percentages, before GST/HST, of the daily NAV of each series of the Fund.

	Management fees	Administration fees
Series A	1.75%	0.13%
Advisor Series	1.75%	0.13%
Series D	1.00%	0.13%
Series F	0.75%	0.13%
Series I	0.60%	0.13%
Series O	n/a*	0.02%

* Series O shareholders pay a negotiated management fee directly to RBC GAM for investment-counselling services.

Investments by related parties ($000s except mutual fund share amounts)

Royal Bank of Canada, or one of its subsidiaries, held the following investments in the Fund as at:

	March 31 2021	March 31 2020
Mutual fund shares held		
Series A	**220**	110
Advisor Series	**–**	110
Series D	**110**	110
Series F	**110**	110
Series I	**110**	110
Series O	**110**	110
Value of all mutual fund shares	**9**	7

Unconsolidated structured entities (%) (see note 3 in the generic notes)

The table below summarizes the Fund's interest in the sponsored funds as a percentage of NAV, and the Fund's ownership interest as a percentage of NAV of the sponsored funds ("Ownership"). All sponsored funds are established and conduct business in Canada.

	March 31 2021		March 31 2020	
	NAV	**Ownership**	NAV	Ownership
RBC European Equity Fund	**100.0**	**0.1**	100.0	–

Taxes ($000s) (see note 6 in the generic notes)

The Fund had no capital or non-capital losses as at March 31, 2021.

Redeemable mutual fund shares (000s)

There is no limitation on the number of mutual fund shares available for issue. Mutual fund shares are purchased and redeemed at the NAV per mutual fund share.

For the periods ended March 31 (see note 2 in the generic notes)	**2021**	2020
Series A		
Opening mutual fund shares	**56**	81
Issued number of mutual fund shares	**56**	8
Reinvested number of mutual fund shares	**–**	6
Redeemed number of mutual fund shares	**(23)**	(39)
Ending number of mutual fund shares	**89**	56
Advisor Series		
Opening mutual fund shares	**64**	66
Issued number of mutual fund shares	**–**	5
Reinvested number of mutual fund shares	**–**	5
Redeemed number of mutual fund shares	**(64)**	(12)
Ending number of mutual fund shares	**–**	64

For the periods ended March 31 (see note 2 in the generic notes)	**2021**	2020
Series D		
Opening mutual fund shares	**111**	63
Issued number of mutual fund shares	**41**	60
Reinvested number of mutual fund shares	**–**	7
Redeemed number of mutual fund shares	**(9)**	(19)
Ending number of mutual fund shares	**143**	111
Series F		
Opening mutual fund shares	**106**	300
Issued number of mutual fund shares	**9**	25
Reinvested number of mutual fund shares	**–**	21
Redeemed number of mutual fund shares	**(33)**	(240)
Ending number of mutual fund shares	**82**	106
Series I		
Opening mutual fund shares	**–**	–
Issued number of mutual fund shares	**–**	–
Reinvested number of mutual fund shares	**–**	–
Redeemed number of mutual fund shares	**–**	–
Ending number of mutual fund shares	**–**	–
Series O		
Opening mutual fund shares	**–**	–
Issued number of mutual fund shares	**–**	–
Reinvested number of mutual fund shares	**–**	–
Redeemed number of mutual fund shares	**–**	–
Ending number of mutual fund shares	**–**	–

March 31, 2021

1. The Funds

The funds ("Fund" or "Funds") are classes of mutual fund shares of RBC Corporate Class Inc. (the "Corporation"). The Corporation is a mutual fund corporation incorporated under the laws of Canada by articles of incorporation dated July 8, 2011. RBC GAM is the manager and portfolio manager of the Funds and its head office is located at 155 Wellington Street West, 22nd Floor, Toronto, Ontario. These financial statements were approved for issuance by the Board of Directors of the Corporation on June 10, 2021.

The Funds may issue an unlimited number of mutual fund shares in some or all of Series A, Series T5, Series H, Series D, Series F, Series FT5, Series I and Series O.

Series A and Series T5 mutual fund shares have no sales charges and are available to all investors. Series T5 shareholders receive regular monthly distributions.

Effective August 4, 2020, Advisor Series and Advisor T5 Series mutual fund shares were re-designated as Series A and Series T5 mutual fund shares, respectively.

Series H mutual fund shares have no sales charges, have lower fees than Series A mutual fund shares and are only available to investors who invest and maintain the required minimum balance through authorized dealers.

Series D mutual fund shares have no sales charges and have lower fees than Series A mutual fund shares. Series D mutual fund shares are only available to investors who have accounts with RBC Direct Investing Inc. or Phillips, Hager & North Investment Funds Ltd.

Series F and Series FT5 mutual fund shares have no sales charges and have lower fees than Series A mutual fund shares. Series F mutual fund shares are only available to investors who have accounts with dealers who have signed a fee-based agreement with RBC GAM. Series FT5 shareholders receive regular monthly distributions.

Series I mutual fund shares have no sales charges, have lower fees than Series F mutual fund shares and are only available to investors who invest and maintain the required minimum balance and who have accounts with dealers who have signed a fee-based agreement with RBC GAM.

Series O mutual fund shares have no management fees. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

2. Financial year

The information provided in these financial statements and notes thereto is as at March 31, 2021 and March 31, 2020, as applicable, and for the 12-month periods ended March 31, 2021 and March 31, 2020, as applicable, except for Funds or series established during either period, in which case the information for the Fund, or series, is provided for the period from the start date as described in the Notes to Financial Statements – Fund Specific Information of the Fund.

3. Summary of significant accounting policies

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The significant accounting policies of the Funds are as follows:

Classification and Measurement of Financial Assets, Liabilities and Derivatives Each of the Funds classifies its investment portfolio based on the business model for managing the portfolio and the contractual cash flow characteristics. The investment portfolio of financial assets and liabilities is managed and performance is evaluated on a fair value basis. The contractual cash flows of the Funds' debt securities that are solely principal and interest are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Funds' business model objectives. Consequently, all investments and derivative contracts are measured at fair value through profit and loss ("FVTPL"). Derivative assets and liabilities are also measured at FVTPL.

The Funds' obligation for net assets attributable to holders of redeemable mutual fund shares represents a financial liability and is measured at the redemption amount, which approximates fair value as of the reporting date. All other financial assets and liabilities are measured at amortized cost.

Classification of Redeemable Shares The Funds have multiple features across the different series of the Funds. Consequently, the Funds' outstanding redeemable shares are classified as financial liabilities in accordance with the requirements of IAS 32 Financial Instruments: Presentation.

Unconsolidated Structured Entities The Funds may invest in other Funds and exchange-traded funds ("ETFs") managed by the manager or an affiliate of the manager ("sponsored funds") and may invest in other funds and ETFs managed by unaffiliated entities ("unsponsored funds"); collectively, "underlying funds." The underlying funds are determined to

be unconsolidated structured entities, as decision making in the underlying fund is not governed by the voting rights or other similar rights held by the Fund. The investments in underlying funds are subject to the terms and conditions of the offering documents of the respective underlying funds and are susceptible to market price risk arising from uncertainties about future values of those underlying funds. The underlying funds' objectives are generally to achieve long-term capital appreciation and/or current income by investing in a portfolio of securities and other funds in line with each of their documented investment strategies. The underlying funds apply various investment strategies to accomplish their respective investment objectives.

The underlying funds finance their operations by issuing redeemable units which are puttable at the unitholder's option, and entitle the unitholder to a proportional stake in the respective underlying funds' NAV.

The Funds do not consolidate their investment in underlying funds but account for these investments at fair value. The manager has determined that the Funds are investment entities in accordance with IFRS 10 Consolidated Financial Statements, since the Funds meet the following criteria:

(i) The Funds obtain capital from one or more investors for the purpose of providing those investors with investment management services,

(ii) The Funds commit to their investors that their business purpose is to invest funds solely for the returns from capital appreciation, investment income or both, and

(iii) The Funds measure and evaluate the performance of substantially all of their investments on a fair value basis.

Therefore, the fair value of investments in the underlying funds is included in the Schedule of Investment Portfolio and included in "Investments at fair value" in the Funds' Statements of Financial Position. The change in fair value of the investment held in the underlying funds is included in "Change in unrealized gain (loss) on investments" in the Statements of Comprehensive Income.

Certain Funds may indirectly invest in mortgage-related or other asset-backed securities through investment in underlying funds. These securities include commercial mortgage-backed securities, asset-backed securities, collateralized debt obligations and other securities that directly or indirectly represent a participation in, or are securitized by and payable from, mortgage loans on real property. Mortgage-related securities are created from pools of residential or commercial mortgage loans while asset-backed securities are created from many types of assets, including auto loans, credit card receivables, home equity loans and student loans. The Funds account for these investments at fair value. The fair value of such securities, as disclosed in the Schedule of Investment Portfolio, represents the maximum exposure to losses at that date.

Determination of Fair Value The fair value of a financial instrument is the amount at which the financial instrument could be exchanged in an arm's-length transaction between knowledgeable and willing parties under no compulsion to act. In determining fair value, a three-tier hierarchy based on inputs is used to value the Funds' financial instruments. The hierarchy of inputs is summarized below:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), including broker quotes, vendor prices and vendor fair value factors; and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Changes in valuation methods may result in transfers into or out of an investment's assigned level.

The three-tier hierarchy of investments and derivatives is included in Notes to Financial Statements – Fund Specific Information.

Investments and derivatives are recorded at fair value, which is determined as follows:

Underlying Funds – Underlying funds that are not exchange-traded funds are valued at their respective NAV per unit from fund companies on the relevant valuation dates and underlying funds that are exchange-traded funds are valued at market close on the relevant valuation dates.

Short-Term Investments – Short-term investments are valued at cost plus accrued interest, which approximates fair value.

Fair Valuation of Investments – The Funds have procedures to determine the fair value of securities and other financial instruments for which market prices are not readily available or which may not be reliably priced. Procedures are in place to determine the fair value of foreign securities traded in

countries outside of North America daily to avoid stale prices and to take into account, among other things, any significant events occurring after the close of a foreign market.

Management also has procedures where the Funds primarily employ a market-based approach, which may use related or comparable assets or liabilities, NAV per unit (for exchange-traded funds), recent transactions, market multiples, book values and other relevant information for the investment to determine its fair value. The Funds may also use an income-based valuation approach in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments, but only if they arise as a feature of the instrument itself. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

All security valuation techniques are periodically reviewed by the Valuation Committee ("VC") of the manager and are approved by the manager. The VC provides oversight of the Funds' valuation policies and procedures.

Cash Cash is comprised of cash and deposits with banks and is recorded at amortized cost. The carrying amount of cash approximates its fair value because it is short-term in nature.

Functional Currency The Funds, with the exceptions below, have their subscriptions, redemptions and performance denominated in Canadian dollars and, consequently, the Canadian dollar is the functional currency for the Funds. RBC $U.S. Short Term Income Class and BlueBay $U.S. Global Convertible Bond Class (Canada) (collectively, the "USD Funds") have their subscriptions, redemptions and performance denominated in U.S. dollars and, consequently, the U.S. dollar is the functional currency for these Funds.

Foreign Exchange The value of investments and other assets and liabilities in foreign currencies is translated into Canadian dollars (U.S. dollars in the case of the USD Funds) at the rate of exchange on each valuation date. Gains/losses on foreign cash balances are included in "Net gain (loss) on foreign cash balances" in the Statements of Comprehensive Income. Purchases and sales of investments, income and expenses are translated at the rate of exchange prevailing on the respective dates of such transactions. Realized foreign exchange gains/losses on spot and forward currency contracts are included in "Derivative income" in the Statements of Comprehensive Income.

Valuation of Series A different NAV is calculated for each series of mutual fund shares of a Fund. The NAV of a particular series of mutual fund shares is computed by calculating the value of the series' proportionate share of the assets and liabilities of the Fund common to all series less the liabilities of the Fund attributable only to that series. Expenses directly attributable to a series are charged to that series. Other expenses are allocated proportionately to each series based upon the relative NAV of each series. Expenses are accrued daily.

Investment Transactions Investment transactions are accounted for as of the trade date. The unrealized gain and loss on investments is the difference between fair value and average cost for the period. The basis of determining the cost of portfolio assets, and realized and unrealized gains and losses on investments, is average cost which does not include amortization of premiums or discounts on fixed-income and debt securities with the exception of zero coupon bonds.

Income Recognition Dividend income is recognized on the ex-dividend date and interest for distribution purposes is coupon interest recognized on an accrual basis and/or imputed interest on zero coupon bonds. "Income from investment trusts" includes income from underlying funds and other trusts. Any premiums paid or discounts received on the purchase of zero coupon bonds are amortized. Interest payments made by the Funds to counterparties on the payable leg of derivative contracts are recorded as "Interest expense" in the Statements of Comprehensive Income.

Increase (Decrease) in NAV Per Mutual Fund Share Increase (decrease) in NAV per mutual fund share in the Statements of Comprehensive Income represents the increase (decrease) in net assets attributable to holders of redeemable mutual fund shares by series, divided by the average mutual fund shares outstanding per series during the period.

Early Redemption Fees Early redemption fees (short-term trading fees) are paid directly to a Fund and are designed to deter excessive trading and its associated costs. With the exception of money market funds, a Fund may apply a fee of 2% of the current value of mutual fund shares if the shareholder redeems or switches out mutual fund shares within seven days of purchasing or previously switching into a Fund. These amounts are included in the Statements of Changes in NAV.

4. Critical accounting judgments and estimates

The preparation of financial statements requires the use of judgment in applying the Funds' accounting policies and making estimates and assumptions about the future. There were no critical accounting judgements and estimates made to prepare these financial statements.

5. Financial instrument risk and capital management

RBC GAM is responsible for managing each Fund's capital, which is its NAV and consists primarily of its financial instruments.

A Fund's investment activities expose it to a variety of financial risks. RBC GAM seeks to minimize potential adverse effects of these risks on a Fund's performance by employing professional, experienced portfolio managers, daily monitoring of the Fund's holdings and market events, diversifying its investment portfolio within the constraints of its investment objectives, and, in some cases, periodically hedging certain risk exposures through the use of derivatives. To assist in managing risks, RBC GAM also uses internal guidelines, maintains a governance structure that oversees each Fund's investment activities and monitors compliance with the Fund's investment strategies, internal guidelines and securities regulations.

The financial markets experienced significant volatility as a result of the developing COVID-19 global pandemic. The effects of the pandemic and its impact on individual companies, nations and the market in general can not necessarily be foreseen at the present time and may have an adverse impact on the financial performance of the Funds. The impact of the pandemic may be short-term or may last for an extended period of time.

Financial instrument risk, as applicable to a Fund, is disclosed in its Notes to Financial Statements – Fund Specific Information. These risks include a Fund's direct risks and pro rata exposure to the risks of underlying funds, as applicable.

Liquidity risk

Liquidity risk is the possibility that investments in a Fund cannot be readily converted into cash when required. A Fund is exposed to daily cash redemptions of redeemable mutual fund shares. Liquidity risk is managed by investing the majority of a Fund's assets in investments that are traded in an active market and that can be readily disposed. In accordance with securities regulations, a Fund must maintain at least 90% of its assets in liquid investments. In addition, a Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its NAV for the purpose of funding redemptions. All non-derivative financial liabilities, other than redeemable units, are due within 90 days.

Credit risk

Credit risk is the risk that a loss could arise from a security issuer or counterparty not being able to meet its financial obligations. The carrying amount of investments and other assets represents the maximum credit risk exposure as disclosed in a Fund's Statements of Financial Position. The Funds measure credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. All other receivables, amounts due from brokers, cash and short-term deposits are held with counterparties with a credit rating of AA/Aa or higher. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Funds. The fair value of fixed-income and debt securities includes a consideration of the creditworthiness of the debt issuer. Credit risk exposure to over-the-counter derivative instruments is based on a Fund's unrealized gain on the contractual obligations with the counterparty. RBC GAM monitors each Fund's credit exposure and counterparty ratings daily.

Concentration risk

Concentration risk arises as a result of net financial instrument exposures to the same category, such as geographical region, asset type, industry sector or market segment. Financial instruments in the same category have similar characteristics and may be affected similarly by changes in economic or other conditions.

Interest rate risk

Interest rate risk is the risk that the fair value of a Fund's interest-bearing investments will fluctuate due to changes in market interest rates. The value of fixed-income and debt securities, such as bonds, debentures, mortgages or other income-producing securities, is affected by interest rates. Generally, the value of these securities increases if interest rates fall and decreases if interest rates rise.

Currency risk

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of a Fund, will fluctuate due to changes in foreign exchange rates. The value of investments denominated in a currency other than the functional currency is affected by changes in the value of the functional currency in relation to the value of the currency in which the investment is denominated. When the value of the functional currency falls in relation to foreign currencies, then the value of the foreign investments rises. When the value of the functional currency rises, the value of the foreign investments falls. The currency risk as disclosed in the Fund Specific Information in the Notes to Financial Statements represents the monetary and non-monetary foreign exchange exposure of a Fund.

Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment.

6. Taxes

The Corporation qualifies as a mutual fund corporation under the *Income Tax Act* (Canada) and is subject to tax on the amount of its taxable income in each taxation year, ending March 31.

Each Fund represents a class of mutual fund shares of the Corporation. All classes of the mutual fund shares of the Corporation are combined as a single legal entity for tax purposes in computing the net income (loss) and net capital gains (losses). Net losses of one class may be used to offset net gains of another class to reduce the net income or net gain of the Corporation as a whole.

Taxable dividends received from taxable Canadian corporations are subject to a tax of 38⅓% effective January 1, 2016 (previously 33⅓%). Such taxes are fully refundable upon payment of taxable dividends to its shareholders when sufficient dividends are paid. Any such tax paid is reported as an amount receivable until recovered through the payment to shareholders of dividends out of net investment income. The Corporation will pay out sufficient Canadian dividends to ensure that such tax is fully refunded. Interest income and foreign dividends, net of applicable expense, are taxed at full corporate rates applicable to mutual fund corporations with credits, subject to certain limitations for foreign taxes paid. All tax on net realized taxable capital gains is refundable when the gains are distributed to shareholders as capital gains dividends or through redemption of shares at the request of shareholders. The Corporation will pay out sufficient capital gains dividends, to the extent necessary, such that tax on net realized taxable capital gains is fully refunded. Income taxes, if any, are allocated to the classes of shares of the Corporation on a fair and reasonable basis.

For the taxation year ended March 31, 2021, the Corporation has no capital losses and non-capital losses to carry forward.

Effective tax rate

The Corporation's marginal and effective corporate tax rates on net investment income for the period ended March 31, 2021 were 39.50% and 0.12% (March 31, 2020 – 39.50% and 0.00%) respectively.

Below is a breakdown of these rates:

	2021 %	2020 %
Statutory tax rate	**39.50**	39.50
Realized and unrealized gain (loss) on investments	**(37.63)**	(45.64)
Canadian dividends	**(1.40)**	4.59
Foreign taxes	**0.23**	(0.61)
Income tax credits	**(0.58)**	–
Other	**–**	2.16
Effective tax rate	**0.12**	0.00

On December 15, 2016, the Canadian government enacted new tax rules that eliminate the ability of investors to switch among different classes of RBC Corporate Class Funds on a tax-deferred basis. The new rules do not apply to switches between different series of the same fund.

7. Administrative and other related-party transactions

Manager and Portfolio Manager

RBC GAM is an indirect wholly owned subsidiary of Royal Bank of Canada ("Royal Bank"). RBC GAM is the manager and portfolio manager of the Funds. RBC GAM is responsible for the Funds' day-to-day operations, provides investment advice and portfolio management services to the Funds and appoints distributors for the Funds. RBC GAM is paid a management fee by the Funds as compensation for its services. The management fee is calculated and accrued daily as a percentage of the NAV of each series of mutual fund shares of the Funds. No management fees are paid by the Funds with

respect to Series O mutual fund shares. Series O shareholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

The Funds pay a fixed administration fee to RBC GAM. The fixed administration fee is calculated and accrued daily as a percentage of the NAV of each series of mutual fund shares of the Funds. RBC GAM in turn pays certain operating expenses of the Funds. These expenses include regulatory filing fees and other day-to-day operating expenses including, but not limited to, recordkeeping, accounting and fund valuation costs, custody fees, audit and legal fees and the costs of preparing and distributing annual and interim reports, prospectuses, statements and investor communications.

Notwithstanding the fixed administration fee, the Funds also pay certain operating expenses directly, including the costs related to the Board of Directors of the Corporation, the Independent Review Committee of the Funds and the trustees of the Corporate Class Trust (the holders of the Common Shares of the Corporation), the cost of any new government or regulatory requirements introduced and any borrowing costs (collectively, "other fund costs"), and taxes (including, but not limited to, GST/HST). Effective January 1, 2020, RBC GAM, not the Funds, is responsible for the costs related to annual fees, meeting fees and reimbursement for expenses to members of the Independent Review Committee. The Funds will continue to be responsible for paying any Independent Review Committee costs that are not related to annual fees, meeting fees and reimbursement for expenses to members of the Independent Review Committee. Other fund costs will be allocated proportionately to each series based upon the relative NAV of each series. RBC GAM may, in some years and in certain cases, absorb a portion of operating expenses. The decision to absorb the operating expenses is reviewed annually and determined at the discretion of RBC GAM, without notice to shareholders.

Certain Funds may invest in units of other Funds managed by RBC GAM or its affiliates ("underlying funds"). A Fund will not invest in units of an underlying fund if the Fund would be required to pay any management or incentive fees in respect of that investment that a reasonable person would believe duplicates a fee payable by the underlying fund for the same service. To the extent a Fund invests in underlying funds managed by RBC GAM or its affiliates, the fees and expenses payable by the underlying funds are in addition to the fees and expenses payable by the Fund. However, a Fund may only invest in one or more underlying funds provided that no management fees or incentive fees are payable that would duplicate a fee payable by the underlying fund for the same service. The Fund's ownership interest in underlying funds is disclosed in the Notes to Financial Statements – Fund Specific Information.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the Funds, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when shareholders switch between series of funds denominated in different currencies. The Funds 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 Funds in the course of their normal business, all of which are wholly owned subsidiaries of Royal Bank of Canada, are discussed below.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and Phillips, Hager & North Investment Funds Ltd. are principal distributors of, or may distribute certain series of mutual fund shares of, the Funds. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, Advisor T5 Series, Series T5, Series H and Series D mutual fund shares.

Custodian

RBC Investor Services Trust ("RBC IS") is the custodian and holds the assets of the Funds. RBC IS earns a fee as the custodian, which is paid by the manager from the fixed administration fee paid by the Funds.

Registrars

RBC GAM, RBC IS or Royal Bank (or a combination thereof) are the registrars of the Funds and keep records of who owns the mutual fund shares of the Funds. The registrars also process orders and issue account statements. The registrars earn a fee, which is paid by the manager from the fixed administration fee paid by the Funds.

Other Related-Party Transactions

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

Related-Party Trading Activities

(a) trades in securities of Royal Bank;

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

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

Inter-Fund Trading

(d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

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