

The accompanying financial statements have been prepared by RBC Global Asset Management Inc. ("RBC GAM") as manager of the RBC GAM Investment Funds (the "Funds") and approved by the Board of Directors of RBC GAM. 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, Licensed Public Accountants, have performed an independent audit of the financial statements in accordance with IFRS. Their report is set out on the next page.



Damon G. Williams, FSA, FCIA, CFA
Chief Executive Officer
RBC Global Asset Management Inc.
March 9, 2023



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

To the Unitholders and Trustee of

RBC FUNDS

RBC Canadian T-Bill Fund
 RBC Canadian Money Market Fund
 RBC Premium Money Market Fund
 RBC \$U.S. Money Market Fund
 RBC Premium \$U.S. Money Market Fund
 RBC Canadian Short-Term Income Fund
 RBC \$U.S. Short-Term Government Bond Fund
 RBC \$U.S. Short-Term Corporate Bond Fund
 RBC Short-Term Global Bond Fund
 RBC Vision Fossil Fuel Free Short-Term Bond Fund
 RBC Monthly Income Bond Fund
 RBC Canadian Bond Index ETF Fund
(formerly, RBC Canadian Bond Index Fund)
 RBC Canadian Government Bond Index Fund
 RBC Bond Fund
 RBC Vision Bond Fund
 RBC Vision Fossil Fuel Free Bond Fund
 RBC Global Bond Fund
 RBC \$U.S. Global Bond Fund
 RBC Global Bond Index ETF Fund
 RBC Canadian Corporate Bond Fund
(formerly, RBC Private Canadian Corporate Bond Pool)
 RBC \$U.S. Investment Grade Corporate Bond Fund
 RBC Global Corporate Bond Fund
 RBC High Yield Bond Fund
 RBC \$U.S. High Yield Bond Fund
 RBC Global High Yield Bond Fund
 RBC Strategic Income Bond Fund
 RBC \$U.S. Strategic Income Bond Fund
 RBC Emerging Markets Foreign Exchange Fund
 RBC Emerging Markets Bond Fund
 RBC Emerging Markets Bond Fund (CAD Hedged)
 BlueBay Global Monthly Income Bond Fund
 BlueBay Global Sovereign Bond Fund (Canada)
 BlueBay Global Investment Grade Corporate Bond Fund (Canada)
 BlueBay \$U.S. Global Investment Grade Corporate Bond Fund (Canada)
 BlueBay European High Yield Bond Fund (Canada)
 BlueBay Global High Yield Bond Fund (Canada)
 BlueBay \$U.S. Global High Yield Bond Fund (Canada)
 BlueBay Emerging Markets Bond Fund (Canada)
 BlueBay Emerging Markets Local Currency Bond Fund (Canada)
 BlueBay Emerging Markets Corporate Bond Fund
 BlueBay Emerging Markets High Yield Corporate Bond Fund (Canada)
 BlueBay Global Convertible Bond Fund (Canada)
 RBC Conservative Bond Pool
 RBC Core Bond Pool
 RBC \$U.S. Core Bond Pool
 RBC Core Plus Bond Pool
 RBC \$U.S. Core Plus Bond Pool
 RBC Managed Payout Solution
 RBC Managed Payout Solution – Enhanced
 RBC Managed Payout Solution – Enhanced Plus
 RBC Monthly Income Fund
 RBC U.S. Monthly Income Fund
 RBC Balanced Fund
 RBC Global Balanced Fund
 RBC Vision Balanced Fund
 RBC Vision Fossil Fuel Free Balanced Fund
 RBC Emerging Markets Balanced Fund
 RBC Conservative Growth & Income Fund
 RBC Balanced Growth & Income Fund
 RBC Global Growth & Income Fund
 RBC Select Very Conservative Portfolio

RBC Select Conservative Portfolio
 RBC Select Balanced Portfolio
 RBC Select Growth Portfolio
 RBC Select Aggressive Growth Portfolio
 RBC Select Choices Conservative Portfolio
 RBC Select Choices Balanced Portfolio
 RBC Select Choices Growth Portfolio
 RBC Select Choices Aggressive Growth Portfolio
 RBC Global Very Conservative Portfolio
 RBC Global Conservative Portfolio
 RBC Global Balanced Portfolio
 RBC \$U.S. Global Balanced Portfolio
 RBC Global Growth Portfolio
 RBC Global All-Equity Portfolio
 RBC Global Choices Very Conservative Portfolio
 RBC Global Choices Conservative Portfolio
 RBC Global Choices Balanced Portfolio
 RBC Global Choices Growth Portfolio
 RBC Global Choices All-Equity Portfolio
 RBC Retirement Income Solution
 RBC Retirement 2020 Portfolio
 RBC Retirement 2025 Portfolio
 RBC Retirement 2030 Portfolio
 RBC Retirement 2035 Portfolio
 RBC Retirement 2040 Portfolio
 RBC Retirement 2045 Portfolio
 RBC Retirement 2050 Portfolio
 RBC Retirement 2055 Portfolio
 RBC Retirement 2060 Portfolio
 RBC Target 2025 Education Fund
 RBC Target 2030 Education Fund
 RBC Target 2035 Education Fund
 RBC Target 2040 Education Fund
 RBC Canadian Dividend Fund
 RBC Canadian Equity Fund
 RBC Vision Canadian Equity Fund
 RBC QUBE Canadian Equity Fund
 RBC QUBE Low Volatility Canadian Equity Fund
 RBC Vision QUBE Fossil Fuel Free Low Volatility Canadian Equity Fund
 RBC Trend Canadian Equity Fund
 RBC Canadian Equity Index ETF Fund
 RBC Canadian Index Fund
 RBC O'Shaughnessy Canadian Equity Fund
 RBC O'Shaughnessy All-Canadian Equity Fund
 RBC Canadian Equity Income Fund
 RBC Canadian Mid-Cap Equity Fund
 RBC Canadian Small & Mid-Cap Resources Fund
 RBC North American Value Fund
 RBC North American Growth Fund
 RBC U.S. Dividend Fund
 RBC U.S. Dividend Currency Neutral Fund
 RBC U.S. Equity Fund
 RBC U.S. Equity Currency Neutral Fund
 RBC QUBE U.S. Equity Fund
 RBC QUBE Low Volatility U.S. Equity Fund
 RBC QUBE Low Volatility U.S. Equity Currency Neutral Fund
 RBC U.S. Equity Value Fund
 RBC U.S. Equity Index ETF Fund
 RBC U.S. Equity Currency Neutral Index ETF Fund
(formerly, RBC U.S. Index Currency Neutral Fund)
 RBC U.S. Index Fund
 RBC O'Shaughnessy U.S. Value Fund (Unhedged)
 RBC O'Shaughnessy U.S. Value Fund
 RBC U.S. Mid-Cap Growth Equity Fund
 RBC U.S. Mid-Cap Growth Equity Currency Neutral Fund
 RBC U.S. Mid-Cap Value Equity Fund
 RBC U.S. Small-Cap Core Equity Fund
 RBC U.S. Small-Cap Value Equity Fund

RBC O'Shaughnessy U.S. Growth Fund
 RBC O'Shaughnessy U.S. Growth Fund II
 RBC Life Science and Technology Fund
 RBC International Dividend Growth Fund
 RBC International Equity Fund
 RBC International Equity Currency Neutral Fund
 RBC International Equity Currency Neutral Index ETF Fund *(formerly, RBC International Index Currency Neutral Fund)*
 RBC O'Shaughnessy International Equity Fund
 RBC European Equity Fund
 RBC European Mid-Cap Equity Fund
 RBC Asian Equity Fund
 RBC Asia Pacific ex-Japan Equity Fund
 RBC China Equity Fund
 RBC Japanese Equity Fund
 RBC Emerging Markets Multi-Strategy Equity Fund
 RBC Emerging Markets Dividend Fund
 RBC Emerging Markets ex-China Dividend Fund
 RBC Emerging Markets Equity Fund
 RBC Emerging Markets Equity Focus Fund
 RBC Vision Fossil Fuel Free Emerging Markets Equity Fund
 RBC QUBE Low Volatility Emerging Markets Equity Fund
 RBC Emerging Markets Equity Index ETF Fund
 RBC Emerging Markets Small-Cap Equity Fund
 RBC Global Dividend Growth Fund
 RBC Global Dividend Growth Currency Neutral Fund
 RBC Global Equity Fund
 RBC Vision Global Equity Fund
 RBC Vision Fossil Fuel Free Global Equity Fund
 RBC Global Equity Focus Fund
 RBC Global Equity Focus Currency Neutral Fund
 RBC Global Equity Leaders Fund
 RBC Global Equity Leaders Currency Neutral Fund
 RBC QUBE Global Equity Fund
 RBC QUBE Low Volatility Global Equity Fund
 RBC QUBE Low Volatility Global Equity Currency Neutral Fund
 RBC Global Equity Index ETF Fund
 RBC O'Shaughnessy Global Equity Fund
 RBC QUBE Low Volatility All Country World Equity Fund
 RBC Global Equity Fund
 RBC Global Precious Metals Fund
 RBC Global Resources Fund
 RBC Global Technology Fund

RBC PRIVATE POOLS

RBC Private Short-Term Income Pool
 RBC Private Income Pool
 RBC Private Canadian Dividend Pool
 RBC Private Fundamental Canadian Equity Pool
 RBC Private Canadian Equity Pool
 RBC Private U.S. Large-Cap Value Equity Pool
 RBC Private U.S. Large-Cap Value Equity Currency Neutral Pool
 RBC Private U.S. Growth Equity Pool
 RBC Private U.S. Large-Cap Core Equity Pool
 RBC Private U.S. Large-Cap Core Equity Currency Neutral Pool
 RBC Private U.S. Small-Cap Equity Pool
 RBC Private EAFE Equity Pool
 RBC Private Overseas Equity Pool
 RBC Private Global Growth Equity Pool
 RBC Private World Equity Pool

RBC ALTERNATIVE FUNDS

BlueBay Global Alternative Bond Fund (Canada)

PH&N FUNDS

Phillips, Hager & North Canadian Money Market Fund
 Phillips, Hager & North \$U.S. Money Market Fund

PH&N FUNDS (cont.)

Phillips, Hager & North Short Term Bond & Mortgage Fund
 Phillips, Hager & North Bond Fund
 Phillips, Hager & North Total Return Bond Fund
 Phillips, Hager & North Inflation-Linked Bond Fund
 Phillips, Hager & North High Yield Bond Fund
 Phillips, Hager & North Long Inflation-linked Bond Fund
 Phillips, Hager & North Monthly Income Fund
 Phillips, Hager & North Balanced Fund
 Phillips, Hager & North Dividend Income Fund
 Phillips, Hager & North Canadian Equity Fund
 Phillips, Hager & North Canadian Equity Value Fund
 Phillips, Hager & North Conservative Equity Income Fund
 Phillips, Hager & North Canadian Equity Underlying Fund
 Phillips, Hager & North Canadian Equity Underlying Fund II

Phillips, Hager & North Canadian Growth Fund
 Phillips, Hager & North Canadian Income Fund
 Phillips, Hager & North Vintage Fund
 Phillips, Hager & North Small Float Fund
 Phillips, Hager & North U.S. Dividend Income Fund
 Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund
 Phillips, Hager & North U.S. Equity Fund
 Phillips, Hager & North Currency-Hedged U.S. Equity Fund
 Phillips, Hager & North U.S. Growth Fund
 Phillips, Hager & North Overseas Equity Fund
 Phillips, Hager & North Currency-Hedged Overseas Equity Fund
 Phillips, Hager & North Global Equity Fund
 Phillips, Hager & North LifeTime 2015 Fund

Phillips, Hager & North LifeTime 2020 Fund
 Phillips, Hager & North LifeTime 2025 Fund
 Phillips, Hager & North LifeTime 2030 Fund
 Phillips, Hager & North LifeTime 2035 Fund
 Phillips, Hager & North LifeTime 2040 Fund
 Phillips, Hager & North LifeTime 2045 Fund
 Phillips, Hager & North LifeTime 2050 Fund
 Phillips, Hager & North LifeTime 2055 Fund
 Phillips, Hager & North LifeTime 2060 Fund
 Phillips, Hager & North Conservative Pension Trust
 Phillips, Hager & North Balanced Pension Trust
 Phillips, Hager & North Growth Pension Trust
 Phillips, Hager & North Canadian Equity Pension Trust
 Phillips, Hager & North Canadian Equity Plus Pension Trust
 (individually, a Fund)

Our opinion

In our opinion, the accompanying December 31, 2022 financial statements of each Fund present fairly, in all material respects, the financial position of each Fund, its financial performance and its cash flows as at and for the periods indicated in note 2 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 the period-end dates indicated in note 2;
- the statements of comprehensive income for the periods indicated in note 2;
- the statements of cash flow for the periods indicated in note 2;
- the statements of changes in net assets attributable to holders of redeemable units (NAV) for the periods indicated in note 2; 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 2022 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

March 16, 2023



SCHEDULE OF INVESTMENT PORTFOLIO (in USD000s)
RBC \$U.S. INVESTMENT GRADE CORPORATE BOND FUND

December 31, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
BONDS				
Australia				
Santos Finance Ltd 3.649% Apr 29, 2031	465	397	370	
		397	370	0.3
Canada				
Bank of Nova Scotia 4.588% May 04, 2037	1 330	1 330	1 138	
Rogers Communications Inc 3.800% Mar 15, 2032	950	948	822	
		2 278	1 960	1.4
France				
Credit Agricole SA 1.247% Jan 26, 2027	675	675	591	
		675	591	0.4
Germany				
Deutsche Bank AG/New York NY 2.311% Nov 16, 2027	970	934	824	
		934	824	0.6
Ireland				
Avolon Holdings Funding Ltd 2.750% Feb 21, 2028	1 000	861	804	
		861	804	0.6
Italy				
Intesa Sanpaolo SpA 4.000% Sep 23, 2029	900	825	772	
		825	772	0.6
Japan				
Mitsubishi UFJ Financial Group Inc 5.133% Jul 20, 2033	1 110	1 096	1 063	
Nissan Motor Co Ltd 4.810% Sep 17, 2030	675	714	574	
		1 810	1 637	1.2
Netherlands				
Enel Finance International NV 7.500% Oct 14, 2032	500	489	530	
Enel Finance International NV 7.750% Oct 14, 2052	300	285	322	
JDE Peet's NV 1.375% Jan 15, 2027	950	861	803	
NXP BV / NXP Funding LLC / NXP USA Inc 2.700% May 01, 2025	600	591	565	
		2 226	2 220	1.6
Norway				
Aker BP ASA 3.100% Jul 15, 2031	700	592	576	
		592	576	0.4
Supranational				
JBS USA LUX SA / JBS USA Food Co / JBS USA Finance Inc 2.500% Jan 15, 2027	725	717	635	
JBS USA LUX SA / JBS USA Food Co / JBS USA Finance Inc 5.750% Apr 01, 2033	950	936	908	
JBS USA LUX SA / JBS USA Food Co / JBS USA Finance Inc 6.500% Dec 01, 2052	800	790	763	
		2 443	2 306	1.7
Switzerland				
Credit Suisse Group AG 2.593% Sep 11, 2025	1 000	1 000	885	
Credit Suisse Group AG 1.305% Feb 02, 2027	700	700	561	
Credit Suisse Group AG 9.016% Nov 15, 2033	550	560	565	
UBS Group AG 4.751% May 12, 2028	580	580	556	
		2 840	2 567	1.8
United Kingdom				
Barclays PLC 2.279% Nov 24, 2027	955	955	827	
Barclays PLC 2.667% Mar 10, 2032	1 575	1 575	1 205	
CSL Finance PLC 4.950% Apr 27, 2062	610	607	545	
Royalty Pharma PLC 3.300% Sep 02, 2040	1 100	812	767	
Vodafone Group PLC 6.150% Feb 27, 2037	1 000	1 239	1 017	
		5 188	4 361	3.1

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



December 31, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
United States				
AbbVie Inc 2.950% Nov 21, 2026	1 000	1 018	931	
AbbVie Inc 4.500% May 14, 2035	900	864	837	
Alcon Finance Corp 3.000% Sep 23, 2029	500	524	437	
Alcon Finance Corp 3.800% Sep 23, 2049	800	756	612	
Alexandria Real Estate Equities Inc 3.550% Mar 15, 2052	710	707	509	
Amcor Flexibles North America Inc 4.000% May 17, 2025	1 150	1 150	1 120	
Amcor Flexibles North America Inc 2.690% May 25, 2031	700	593	570	
American Express Co 4.420% Aug 03, 2033	1 050	1 035	995	
American Tower Corp 3.375% Oct 15, 2026	727	765	681	
American Tower Corp 2.750% Jan 15, 2027	700	699	636	
American Tower Corp 3.600% Jan 15, 2028	500	549	460	
American Tower Corp 4.050% Mar 15, 2032	1 150	1 112	1 029	
Amgen Inc 4.400% May 01, 2045	1 050	1 256	885	
Anheuser-Busch Cos LLC / Anheuser-Busch InBev Worldwide Inc 4.700% Feb 01, 2036	750	799	711	
Anheuser-Busch InBev Worldwide Inc 4.600% Apr 15, 2048	894	876	781	
Aon Corp / Aon Global Holdings PLC 3.900% Feb 28, 2052	645	622	501	
AT&T Inc 4.500% May 15, 2035	1 800	1 944	1 643	
Athene Global Funding 4.904% May 24, 2024	1 900	1 846	1 867	
Bank of America Corp 1.734% Jul 22, 2027	800	800	702	
Bank of America Corp 3.824% Jan 20, 2028	1 300	1 392	1 215	
Bank of America Corp 2.087% Jun 14, 2029	1 275	1 275	1 075	
Bank of America Corp 4.571% Apr 27, 2033	1 950	1 950	1 789	
Bank of America Corp 3.846% Mar 08, 2037	1 000	892	831	
Berkshire Hathaway Energy Co 3.800% Jul 15, 2048	650	728	504	
Broadcom Inc 2.600% Feb 15, 2033	1 075	929	810	
Broadcom Inc 3.469% Apr 15, 2034	658	642	527	
Broadcom Inc 4.926% May 15, 2037	854	793	748	
Charter Communications Operating LLC / Charter Communications Operating Capital 5.750% Apr 01, 2048	600	730	494	
Citigroup Inc 4.140% May 24, 2025	740	740	726	
Citigroup Inc 3.200% Oct 21, 2026	750	741	695	
Citigroup Inc 3.520% Oct 27, 2028	900	900	823	
Citigroup Inc 3.980% Mar 20, 2030	500	533	452	
Citigroup Inc 4.910% May 24, 2033	840	840	789	
Citigroup Inc 6.270% Nov 17, 2033	680	680	704	
Columbia Pipeline Group Inc 5.800% Jun 01, 2045	500	537	485	
Comerica Bank 5.332% Aug 25, 2033	1 050	1 036	1 012	
Consolidated Edison Co of New York Inc 5.500% Dec 01, 2039	500	600	491	
Consolidated Edison Co of New York Inc 4.125% May 15, 2049	750	750	613	
Corebridge Financial Inc 3.850% Apr 05, 2029	800	778	730	
Corebridge Financial Inc 3.900% Apr 05, 2032	600	593	526	
CVS Health Corp 4.875% Jul 20, 2035	600	590	572	
CVS Health Corp 5.050% Mar 25, 2048	1 150	1 121	1 038	
Dominion Energy Inc 4.600% Mar 15, 2049	1 100	1 477	931	
Duke Energy Corp 3.750% Sep 01, 2046	1 270	1 231	948	
Elevance Health Inc 4.550% May 15, 2052	960	955	839	
Emera US Finance LP 4.750% Jun 15, 2046	1 050	1 222	814	
Energy Transfer LP 5.550% Feb 15, 2028	500	500	497	
Enterprise Products Operating LLC 4.450% Feb 15, 2043	900	813	762	
Enterprise Products Operating LLC 4.250% Feb 15, 2048	450	447	363	
Equinix Inc 3.900% Apr 15, 2032	1 145	1 087	1 020	
Essential Utilities Inc 5.300% May 01, 2052	1 100	1 090	1 035	
Eversource Energy 3.450% Jan 15, 2050	700	746	511	
Exelon Corp 4.450% Apr 15, 2046	1 300	1 339	1 104	
FactSet Research Systems Inc 2.900% Mar 01, 2027	1 135	1 101	1 032	
FedEx Corp 4.550% Apr 01, 2046	900	990	734	
Fells Point Funding Trust 3.046% Jan 31, 2027	1 150	1 150	1 048	

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



December 31, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
United States (cont.)				
Fiserv Inc 3.500% Jul 01, 2029	1 300	1 454	1 174	
Flex Intermediate Holdco LLC 3.363% Jun 30, 2031	486	406	380	
FMC Corp 3.200% Oct 01, 2026	800	847	745	
GE HealthCare Technologies Inc 5.857% Mar 15, 2030	678	684	695	
GE HealthCare Technologies Inc 5.905% Nov 22, 2032	710	710	738	
GE HealthCare Technologies Inc 6.377% Nov 22, 2052	350	360	374	
General Motors Co 5.400% Apr 01, 2048	600	530	493	
General Motors Financial Co Inc 5.000% Apr 09, 2027	840	839	815	
General Motors Financial Co Inc 4.300% Apr 06, 2029	1 800	1 749	1 616	
Global Atlantic Fin Co 3.125% Jun 15, 2031	825	823	607	
Global Payments Inc 5.300% Aug 15, 2029	770	761	746	
Global Payments Inc 5.950% Aug 15, 2052	831	800	755	
GLP Capital LP / GLP Financing II Inc 3.250% Jan 15, 2032	1 000	808	801	
Goldman Sachs Group Inc 1.431% Mar 09, 2027	975	945	856	
Goldman Sachs Group Inc 3.691% Jun 05, 2028	1 550	1 662	1 443	
Goldman Sachs Group Inc 2.383% Jul 21, 2032	985	901	767	
HCA Inc 3.625% Mar 15, 2032	950	941	806	
HCA Inc 5.500% Jun 15, 2047	950	1 159	848	
Host Hotels & Resorts LP 2.900% Dec 15, 2031	1 025	945	787	
HP Inc 4.200% Apr 15, 2032	933	933	805	
Huntington Bancshares Inc/OH 5.023% May 17, 2033	1 000	1 000	953	
Huntington National Bank 5.650% Jan 10, 2030	1 148	1 150	1 159	
Illumina Inc 5.750% Dec 13, 2027	410	409	416	
Intel Corp 4.900% Aug 05, 2052	800	701	712	
Intel Corp 5.050% Aug 05, 2062	720	718	636	
Intercontinental Exchange Inc 4.600% Mar 15, 2033	710	710	682	
Intercontinental Exchange Inc 4.950% Jun 15, 2052	940	927	874	
International Flavors & Fragrances Inc 2.300% Nov 01, 2030	650	601	517	
Invitation Homes Operating Partnership LP 2.300% Nov 15, 2028	1 300	1 246	1 077	
JPMorgan Chase & Co 3.845% Jun 14, 2025	1 840	1 840	1 800	
JPMorgan Chase & Co 4.080% Apr 26, 2026	1 430	1 430	1 390	
JPMorgan Chase & Co 1.045% Nov 19, 2026	1 125	1 125	993	
JPMorgan Chase & Co 4.565% Jun 14, 2030	1 100	1 100	1 037	
JPMorgan Chase & Co 4.586% Apr 26, 2033	590	590	548	
Keurig Dr Pepper Inc 4.500% Apr 15, 2052	1 080	1 053	906	
KeyCorp 4.789% Jun 01, 2033	1 170	1 170	1 108	
Kinder Morgan Inc 4.800% Feb 01, 2033	760	760	707	
KKR Group Finance Co XII LLC 4.850% May 17, 2032	650	648	609	
KLA Corp 4.950% Jul 15, 2052	530	525	495	
KLA Corp 5.250% Jul 15, 2062	629	628	608	
Kroger Co 3.950% Jan 15, 2050	1 025	1 051	801	
Kyndryl Holdings Inc 3.150% Oct 15, 2031	930	891	622	
Leidos Inc 2.300% Feb 15, 2031	1 000	941	768	
McDonald's Corp 4.450% Mar 01, 2047	900	830	785	
Meta Platforms Inc 3.850% Aug 15, 2032	1 350	1 324	1 324	
Meta Platforms Inc 4.450% Aug 15, 2052	1 264	1 262	1 262	
Micron Technology Inc 3.366% Nov 01, 2041	700	625	470	
Molson Coors Beverage Co 4.200% Jul 15, 2046	937	982	731	
Morgan Stanley 3.620% Apr 17, 2025	1 650	1 650	1 611	
Morgan Stanley 3.875% Jan 27, 2026	1 600	1 629	1 551	
Morgan Stanley 3.591% Jul 22, 2028	1 175	1 213	1 080	
Morgan Stanley 5.297% Apr 20, 2037	870	870	798	
Nasdaq Inc 3.950% Mar 07, 2052	960	910	734	
ONEOK Inc 2.750% Sep 01, 2024	750	790	719	
Oracle Corp 4.500% Jul 08, 2044	675	883	546	
Oracle Corp 4.000% Nov 15, 2047	1 000	1 003	735	
Piedmont Operating Partnership LP 2.750% Apr 01, 2032	700	563	492	

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



December 31, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
United States (cont.)				
Progress Energy Inc 6.000% Dec 01, 2039	550	753	559	
Public Service Enterprise Group Inc 2.875% Jun 15, 2024	600	600	580	
Puget Energy Inc 2.379% Jun 15, 2028	600	565	512	
Qorvo Inc 1.750% Dec 15, 2024	900	841	830	
Santander Holdings USA Inc 4.260% Jun 09, 2025	1 030	1 020	1 000	
South32 Treasury Ltd 4.350% Apr 14, 2032	640	637	549	
Southern Co 4.475% Aug 01, 2024	400	402	395	
Southern Co 5.113% Aug 01, 2027	470	472	469	
Southern Co 4.250% Jul 01, 2036	1 100	1 108	967	
Southwestern Electric Power Co 3.850% Feb 01, 2048	1 075	1 090	798	
Starbucks Corp 4.500% Nov 15, 2048	600	594	517	
SVB Financial Group 4.570% Apr 29, 2033	750	750	666	
T-Mobile USA Inc 3.750% Apr 15, 2027	800	906	755	
T-Mobile USA Inc 5.200% Jan 15, 2033	680	679	676	
Take-Two Interactive Software Inc 4.000% Apr 14, 2032	687	680	610	
Tapestry Inc 3.050% Mar 15, 2032	715	719	558	
United States Treasury Note/Bond 4.375% Oct 31, 2024	1 500	1 498	1 496	
US Bancorp 4.967% Jul 22, 2033	1 380	1 380	1 312	
Viatis Inc 4.000% Jun 22, 2050	800	558	496	
VICI Properties LP 4.375% May 15, 2025	950	950	924	
VICI Properties LP 5.125% May 15, 2032	710	708	659	
Warnermedia Holdings Inc 3.428% Mar 15, 2024	800	800	777	
Warnermedia Holdings Inc 4.279% Mar 15, 2032	1 350	1 351	1 115	
Warnermedia Holdings Inc 5.141% Mar 15, 2052	1 400	1 401	1 023	
WEC Energy Group Inc 1.800% Oct 15, 2030	700	573	548	
Wells Fargo & Co 3.908% Apr 25, 2026	2 420	2 421	2 354	
Wells Fargo & Co 4.897% Jul 25, 2033	1 070	1 071	1 019	
Western Digital Corp 4.750% Feb 15, 2026	800	877	755	
Williams Cos Inc 4.900% Jan 15, 2045	650	686	556	
Williams Cos Inc 4.850% Mar 01, 2048	500	598	425	
		132 526	117 601	84.5
TOTAL BONDS		<u>153 595</u>	<u>136 589</u>	98.2
OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			2 528	1.8
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			<u>139 117</u>	100.0



Statements of Financial Position

(in \$000s except per unit amounts)

(see note 2 in the generic notes)	December 31 2022	December 31 2021
ASSETS		
Investments at fair value	\$ 136 589	\$ 237 094
Cash	–	5 267
Due from investment dealers	1 962	–
Subscriptions receivable	226	331
Dividends receivable, interest accrued and other assets	1 545	2 161
TOTAL ASSETS	140 322	244 853
LIABILITIES		
Bank overdraft	788	–
Redemptions payable	389	83
Accounts payable and accrued expenses	28	53
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	1 205	136
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (“NAV”)	\$ 139 117	\$ 244 717
Investments at cost	\$ 153 595	\$ 229 509
NAV		
SERIES A	\$ 15 980	\$ 29 767
ADVISOR SERIES	\$ –	\$ 396
SERIES D	\$ 724	\$ 2 411
SERIES F	\$ 13 347	\$ 25 323
SERIES O	\$ 109 066	\$ 186 820
NAV PER UNIT		
SERIES A	\$ 8.16	\$ 10.16
ADVISOR SERIES	\$ –	\$ 10.03
SERIES D	\$ 8.17	\$ 10.17
SERIES F	\$ 8.15	\$ 10.14
SERIES O	\$ 8.11	\$ 10.11

Statements of Comprehensive Income

(in \$000s except per unit amounts)

For the periods ended December 31 (see note 2 in the generic notes)	2022	2021
INCOME (see note 3 in the generic notes)		
Interest for distribution purposes	\$ 7 276	\$ 8 682
Net realized gain (loss) on investments	(18 711)	1 581
Change in unrealized gain (loss) on investments	(24 591)	(14 822)
TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES	(36 026)	(4 559)
Securities lending revenue (see note 7 in the generic notes)	–	2
TOTAL OTHER INCOME (LOSS)	–	2
TOTAL INCOME (LOSS)	(36 026)	(4 557)
EXPENSES (see notes – Fund Specific Information)		
Management fees	335	717
Administration fees	45	73
Independent Review Committee costs	2	2
GST/HST	36	68
Withholding tax	1	–
TOTAL EXPENSES	419	860
INCREASE (DECREASE) IN NAV	\$ (36 445)	\$ (5 417)
INCREASE (DECREASE) IN NAV		
SERIES A	\$ (4 326)	\$ (1 891)
ADVISOR SERIES	\$ (39)	\$ (13)
SERIES D	\$ (310)	\$ (88)
SERIES F	\$ (3 922)	\$ (1 000)
SERIES O	\$ (27 848)	\$ (2 425)
INCREASE (DECREASE) IN NAV PER UNIT		
SERIES A	\$ (1.94)	\$ (0.44)
ADVISOR SERIES	\$ (3.95)	\$ (0.31)
SERIES D	\$ (2.40)	\$ (0.34)
SERIES F	\$ (1.90)	\$ (0.31)
SERIES O	\$ (1.73)	\$ (0.14)



Statements of Cash Flow (in \$000s)

For the periods ended December 31
(see note 2 in the generic notes)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in NAV	\$ (36 445)	\$ (5 417)
ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS		
Interest for distribution purposes	–	–
Non-cash dividends	–	–
Non-cash distributions from underlying funds	–	–
Net realized loss (gain) on investments	18 711	(1 581)
Change in unrealized loss (gain) on investments	24 591	14 822
(Increase) decrease in accrued receivables	616	250
Increase (decrease) in accrued payables	(25)	(46)
(Increase) decrease in margin accounts	–	–
Cost of investments purchased*	(147 769)	(69 872)
Proceeds from sale and maturity of investments*	203 010	91 175
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	62 689	29 331
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units*	77 510	101 669
Cash paid on redemption of redeemable units*	(143 086)	(126 427)
Distributions paid to holders of redeemable units	(3 168)	(3 558)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	\$ (68 744)	\$ (28 316)
Net increase (decrease) in cash for the period	(6 055)	1 015
Cash (bank overdraft), beginning of period	5 267	4 252
CASH (BANK OVERDRAFT), END OF PERIOD	\$ (788)	\$ 5 267
Interest received (paid) [†]	\$ 7 891	\$ 8 932
Income from investment trusts received (paid) ^{††}	\$ –	\$ –
Dividends received (paid) ^{†‡}	\$ –	\$ –

* Excludes in-kind transactions.

† Classified as part of operating activities.

‡ Net of withholding taxes, if applicable.



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

For the periods ended December 31 (see note 2 in the generic notes)	Series A		Advisor Series		Series D		Series F	
	2022	2021	2022	2021	2022	2021	2022	2021
NAV AT BEGINNING OF PERIOD	\$ 29 767	\$ 64 385	\$ 396	\$ 490	\$ 2 411	\$ 3 320	\$ 25 323	\$ 42 489
INCREASE (DECREASE) IN NAV	(4 326)	(1 891)	(39)	(13)	(310)	(88)	(3 922)	(1 000)
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from redeemable units issued	1 026	6 106	–	–	254	1 092	4 376	7 197
Reinvestments of distributions to holders of redeemable units	493	840	–	7	33	62	410	494
Redemption of redeemable units	(10 423)	(38 775)	(354)	(79)	(1 631)	(1 909)	(12 232)	(23 010)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	(8 904)	(31 829)	(354)	(72)	(1 344)	(755)	(7 446)	(15 319)
Distributions from net income	(557)	(898)	(3)	(9)	(33)	(66)	(608)	(847)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	(557)	(898)	(3)	(9)	(33)	(66)	(608)	(847)
NET INCREASE (DECREASE) IN NAV	(13 787)	(34 618)	(396)	(94)	(1 687)	(909)	(11 976)	(17 166)
NAV AT END OF PERIOD	\$ 15 980	\$ 29 767	\$ –	\$ 396	\$ 724	\$ 2 411	\$ 13 347	\$ 25 323

For the periods ended December 31 (see note 2 in the generic notes)	Series O		Total	
	2022	2021	2022	2021
NAV AT BEGINNING OF PERIOD	\$ 186 820	\$ 166 705	\$ 244 717	\$ 277 389
INCREASE (DECREASE) IN NAV	(27 848)	(2 425)	(36 445)	(5 417)
Early redemption fees	–	–	–	–
Proceeds from redeemable units issued	74 085	88 440	79 741	102 835
Reinvestments of distributions to holders of redeemable units	2 831	2 929	3 767	4 332
Redemption of redeemable units	(121 088)	(62 759)	(145 728)	(126 532)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	(44 172)	28 610	(62 220)	(19 365)
Distributions from net income	(5 734)	(6 070)	(6 935)	(7 890)
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	(5 734)	(6 070)	(6 935)	(7 890)
NET INCREASE (DECREASE) IN NAV	(77 754)	20 115	(105 600)	(32 672)
NAV AT END OF PERIOD	\$ 109 066	\$ 186 820	\$ 139 117	\$ 244 717



December 31, 2022

General information (see note 1 in the generic notes)

The investment objective of the Fund is to provide interest income with the potential for modest capital growth by investing primarily in a portfolio of diversified investment-grade fixed-income securities issued by U.S. corporations.

Effective April 11, 2022, all Advisor Series units with a deferred sales charge option were re-designated as Series A units. Any redemption fees associated with such re-designations were waived by RBC GAM.

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

Credit risk (%)

The table below summarizes the Fund's credit risk exposure grouped by credit ratings as at:

Rating	December 31 2022	December 31 2021
AAA	1.1	–
AA	5.4	3.8
A	25.7	26.8
BBB	67.8	67.0
BB	–	2.4
Total	100.0	100.0

Concentration risk (%)

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

Investment mix	December 31 2022	December 31 2021
United States	84.5	81.9
United Kingdom	3.1	4.4
Switzerland	1.8	0.7
Supranational	1.7	0.4
Netherlands	1.6	1.9
Canada	1.4	2.8
Japan	1.2	–
Australia	–	2.9
Other Countries	2.9	1.9
Cash/Other	1.8	3.1
Total	100.0	100.0

Interest rate risk (%)

The table below summarizes the Fund's exposure to interest rate risk by remaining term to maturity as at:

Term to maturity	December 31 2022	December 31 2021
Less than 1 year	–	1.6
1 – 5 years	26.7	27.0
5 – 10 years	29.0	26.6
> 10 years	44.3	44.8
Total	100.0	100.0

As at December 31, 2022, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's NAV may have decreased or increased, respectively, by approximately 7.8% (December 31, 2021 – 8.5%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Fair value hierarchy (USD000s except % amounts) (see note 3 in the generic notes)

The following is a summary of the inputs used as of December 31, 2022 and 2021.

December 31, 2022	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Underlying funds	–	–	–	–
Fixed-income and debt securities	–	136 589	–	136 589
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	–	136 589	–	136 589
% of total portfolio	–	100.0	–	100.0

December 31, 2021	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Underlying funds	–	–	–	–
Fixed-income and debt securities	–	237 094	–	237 094
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	–	237 094	–	237 094
% of total portfolio	–	100.0	–	100.0

For the periods ended December 31, 2022 and 2021, there were no transfers of financial instruments between Level 1, Level 2 and Level 3.



December 31, 2022

**Management fees and administration fees
(see note 8 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	1.10%	0.05%
Advisor Series	1.10%	0.05%
Series D	0.75%	0.05%
Series F	0.60%	0.05%
Series O	n/a*	0.02%

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

**Investments by related parties
(USD000s except unit amounts)**

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

	December 31 2022	December 31 2021
Units held		
Series A	277	268
Series F	146	141
Value of all units	3	4

Taxes (CAD000s) (see note 6 in the generic notes)

The Fund prepares its financial statements in U.S. dollars but is taxable on its income and net realized capital gains (including gains from foreign exchange movements) calculated on a Canadian dollar basis.

The non-capital and capital losses for the Fund were approximately:

As at December 31, 2022	
Capital losses	30 583
Non-capital losses	–

Redeemable units (000s)

There is no limitation on the number of units available for issue. Units are purchased and redeemed at the NAV per unit.

For the periods ended December 31 (see note 2 in the generic notes)	2022	2021
Series A		
Opening units	2 931	6 031
Issued number of units	112	589
Reinvested number of units	58	83
Redeemed number of units	(1 148)	(3 772)
Ending number of units	1 953	2 931

Please see the generic notes at the back of the financial statements.

For the periods ended December 31
(see note 2 in the generic notes)

	2022	2021
Advisor Series		
Opening units	40	46
Issued number of units	–	1
Reinvested number of units	–	1
Redeemed number of units	(40)	(8)
Ending number of units	–	40
Series D		
Opening units	237	311
Issued number of units	26	105
Reinvested number of units	4	6
Redeemed number of units	(179)	(185)
Ending number of units	88	237
Series F		
Opening units	2 497	3 987
Issued number of units	483	693
Reinvested number of units	48	49
Redeemed number of units	(1 394)	(2 232)
Ending number of units	1 634	2 497
Series O		
Opening units	18 482	15 700
Issued number of units	8 563	8 624
Reinvested number of units	334	289
Redeemed number of units	(13 974)	(6 131)
Ending number of units	13 405	18 482

**Securities lending revenue (USD000s except %)
(see note 7 in the generic notes)**

Fair value of securities on loan and collateral received as at:

	December 31 2022	December 31 2021
Fair value of securities loaned	–	1 491
Fair value of collateral received	–	1 521

The table below provides a reconciliation of the gross revenue generated from the securities lending transactions of the Fund to the securities lending revenue disclosed in the Statements of Comprehensive Income.

	December 31 2022		December 31 2021	
	\$	%	\$	%
Gross revenue	–	100	3	100
RBC IS (paid)	–	(25)	(1)	(25)
Tax withheld	–	–	–	–
Fund revenue	–	75	2	75



December 31, 2022

Investments by other related investment funds (%)
(see note 8 in the generic notes)

The table below summarizes, as a percentage, the NAV of the Fund owned by other related investment funds as at:

	December 31 2022	December 31 2021
RBC \$U.S. Core Bond Pool	2.0	2.0
RBC \$U.S. Core Plus Bond Pool	3.2	1.9
RBC \$U.S. Strategic Income Bond Fund	10.0	9.1
Total	15.2	13.0

December 31, 2022

1. The Funds

The Funds (“Fund” or “Funds”) are open-ended mutual fund trusts governed by the laws of the Province of Ontario or British Columbia. 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. RBC GAM is also the trustee of those Funds governed by the laws of the Province of Ontario. These financial statements were approved for issuance by the Board of Directors of RBC GAM on March 9, 2023.

The Funds may issue an unlimited number of units in some or all of Series A, Series AZ, Advisor Series, Advisor T5 Series, Series T5, Series T8, Series H, Series D, Series DZ, Series F, Series FZ, Series FT5, Series FT8, Series I, Series N and Series O. Effective April 11, 2022, Advisor Series and Advisor T5 Series are no longer offered for sale.

Series A units and Series AZ units have no sales charges and are available to all investors through authorized dealers.

Advisor Series units and Advisor T5 Series units were available to all investors through authorized dealers. Effective April 11, 2022, all Advisor Series and Advisor T5 Series units were re-designated as Series A and Series T5 units, as applicable.

Series T5 units and Series T8 units have no sales charges and are available to all investors through authorized dealers.

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

Series D units and Series DZ units have no sales charges and have lower fees than Series A units. Series D units and Series DZ units may be available to investors who have accounts with RBC Direct Investing Inc., Phillips, Hager & North Investment Funds Ltd. (“PH&N IF”) or certain other authorized dealers (primarily discount brokers).

Series F units, Series FZ units, Series FT5 units and Series FT8 units have no sales charges and have lower fees than Series A units. Series F units, Series FT5 units and Series FT8 units are only available to investors who have fee-based accounts with their dealer.

Series I units have no sales charges, have lower fees than Series F units, Series FT5 units and Series FT8 units 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 N units are only available to related funds.

Series O units are only available to large private or institutional investors or dealers. No management fees are payable by the Funds in respect to Series O units. Unitholders 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 December 31, 2022 and December 31, 2021, as applicable, and for the 12-month periods ended December 31, 2022 and December 31, 2021, 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 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 units 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.

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Offsetting Financial Assets and Liabilities In the normal course of business, the Funds may enter into various International Swaps and Derivatives Association master netting agreements or other similar arrangements with certain counterparties that allow for related amounts to be offset in certain circumstances, such as bankruptcy or termination of contracts. Offsetting information, where applicable, is presented in the Notes to Financial Statements – Fund Specific Information.

Collateral received represents amounts held by a counterparty or custodian on behalf of the Funds and accordingly not presented in the Statements of Financial Position. Collateral pledged represents amounts held by the Funds' custodian/counterparty on behalf of the counterparty and can be in the form of cash and securities. Cash pledged as collateral is included in the Statements of Financial Position, while securities pledged as collateral are identified on the respective Fund's Schedule of Investment Portfolio.

Classification of Redeemable Units The Funds have multiple features across the different series of the Funds. Consequently, the Funds' outstanding redeemable units 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 invest in mortgage-related or other asset-backed securities. 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;

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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, vendor fair value factors and prices of underlying funds that are not daily traded; 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:

Equities – Common shares and preferred shares are valued at the closing price recorded by the security exchange on which the security is principally traded. In circumstances where the closing price is not within the bid-ask spread, management will determine the points within the bid-ask spread that are most representative of the fair value.

Fixed-Income and Debt Securities – Bonds, mortgage-backed securities, loans, debentures and other debt securities are valued at the mid price quoted by major dealers or independent pricing vendors in such securities.

NHA-approved mortgages are valued at an amount, which produces a yield equivalent to the prevailing rate of return on mortgages of similar type and term.

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

Options – Options give the purchaser the right, but not the obligation, to buy (call) or sell (put) an underlying security or financial instrument at an agreed exercise or strike price during the specified period or on a specified date.

Listed options are valued at the closing price on the recognized exchange on which the option is traded. In circumstances where the closing price is not within the bid-ask spread, management will determine the points within the bid-ask spread that are most representative of the fair value.

Options purchased and options written (sold) are recorded as investments in the Statements of Financial Position. These investments are reported at fair value in the Statements of Financial Position, and unrealized gain or loss at the close

of business on each valuation date is recorded in "Change in unrealized gain (loss) on investments" in the Statements of Comprehensive Income.

When an option is exercised and the underlying securities are acquired or delivered, the acquisition cost or sale proceeds are adjusted by the amount of the premium. When an option is closed the Fund will realize a gain or loss equal to the difference between the premium and the cost to close the position. When an option expires, gains or losses are realized equivalent to the amount of premiums received or paid, respectively. The net realized gains (losses) on written and purchased options are included in the Statements of Comprehensive Income in "Net realized gain (loss) on investments."

Warrants – Warrants are valued using a recognized option pricing model, which includes factors such as the terms of the warrant, time value of money and volatility inputs that are significant to such valuation.

Forward Contracts – Forward contracts are valued at the gain or loss that would arise as a result of closing the position at the valuation date. The receivable/payable on forward contracts is recorded separately in the Statements of Financial Position. Any unrealized gain or loss at the close of business on each valuation date is recorded as "Change in unrealized gain (loss) on investments" and realized gain or loss on foreign exchange contracts is included in "Derivative income (loss)" in the Statements of Comprehensive Income.

Total Return Swaps – A total return swap is an agreement by which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains. Total return swap contracts are marked to market daily based upon quotations from the market makers and the change in value, if any, is recorded in "Change in unrealized gain (loss) on investments" in the Statements of Comprehensive Income. When the swap contract is terminated early, the Fund records a realized gain or loss equal to the difference between the current net present value and the executed net present value in "Derivative income (loss)" in the Statements of Comprehensive Income. Unrealized gains and losses are recorded as "Receivable on open swap contracts" or "Payable on open swap contracts" in the Statements of Financial Position, as applicable. The risks of total return swap contracts include changes in market conditions and the possible inability of the counterparty to fulfill its obligations under the agreement.

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Futures Contracts – Futures contracts entered into by the Funds are financial agreements to purchase or sell a financial instrument at a contracted price on a specified future date. However, the Funds do not intend to purchase or sell the financial instrument on the settlement date; rather, they intend to close out each futures contract before settlement by entering into equal, but offsetting, futures contracts. Futures contracts are valued at the gain or loss that would arise as a result of closing the position at the valuation date. Any gain or loss at the close of business on each valuation date is recorded as “Derivative income (loss)” in the Statements of Comprehensive Income. The receivable/payable on futures contracts is recorded separately in the Statements of Financial Position.

Credit Default Swap Contracts – Credit default swaps are agreements between a protection buyer and protection seller. The protection buyer pays a periodic fee in exchange for a payment by the protection seller contingent on the occurrence of a credit event, such as a default, bankruptcy or restructuring, with respect to a referenced entity. Periodic fees paid or received are recorded as “Interest for distribution purposes” in the Statements of Comprehensive Income. When the contract is terminated or expires, the payments received or paid are recorded as “Derivative income (loss)” in the Statements of Comprehensive Income. Credit default swap contracts are valued based on quotations from independent sources.

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.

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.

Margin Margin accounts represent margin deposits held with brokers in respect of derivatives contracts.

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. Phillips, Hager & North \$U.S. Money Market Fund, RBC \$U.S. Money Market Fund, RBC Premium \$U.S. Money Market Fund, RBC \$U.S. Short-Term Government Bond Fund, RBC \$U.S. Short-Term Corporate Bond Fund, RBC \$U.S. Global Bond Fund, RBC \$U.S. Investment Grade Corporate Bond Fund, RBC \$U.S. High Yield Bond Fund, RBC \$U.S. Strategic Income Bond Fund, BlueBay \$U.S. Global Investment Grade Corporate Bond Fund (Canada), BlueBay \$U.S. Global High Yield Bond Fund (Canada), BlueBay Emerging Markets Bond Fund (Canada), BlueBay Emerging Markets Local Currency Bond Fund (Canada), BlueBay Emerging Markets Corporate Bond Fund, BlueBay Emerging Markets High Yield Corporate Bond Fund (Canada), RBC \$U.S. Core Bond Pool, RBC \$U.S. Core Plus Bond Pool, RBC U.S. Monthly Income Fund and RBC \$U.S. Global Balanced Portfolio (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)

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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 (loss)” in the Statements of Comprehensive Income.

Valuation of Series A different NAV is calculated for each series of units of a Fund. The NAV of a particular series of units 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. Transaction costs, such as brokerage commissions, incurred by the Funds are recorded in the Statements of Comprehensive Income for the period. 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 and short-term investments.

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 Unit Increase (decrease) in NAV per unit in the Statements of Comprehensive Income represents the increase (decrease) in net assets attributable to holders of redeemable units by series, divided by the average units 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 units if the unitholder redeems or switches out units within seven days of purchasing or previously switching into a Fund. These amounts are included in the Statements of Changes in NAV.

Foreign Currencies The following is a list of abbreviations used in the Schedule of Investment Portfolio:

AUD – Australian dollar	JPY – Japanese yen
BRL – Brazilian real	KRW – South Korean won
CAD – Canadian dollar	MXN – Mexican peso
CHF – Swiss franc	MYR – Malaysian ringgit
CLP – Chilean peso	NOK – Norwegian krone
CNH/CNY – Chinese renminbi	NZD – New Zealand dollar
COP – Colombian peso	PEN – Peruvian nuevo sol
CZK – Czech koruna	PHP – Philippine peso
DKK – Danish krone	PLN – Polish zloty
EGP – Egyptian pound	RON – Romanian leu
EUR – Euro	RSD – Serbian dinar
GBP – Pound sterling	SEK – Swedish krona
HKD – Hong Kong dollar	SGD – Singapore dollar
HUF – Hungarian forint	THB – Thailand baht
IDR – Indonesian rupiah	TRY – Turkish new lira
ILS – Israeli new shekel	TWD – New Taiwan dollar
INR – Indian rupee	USD – United States dollar
	ZAR – South African rand

In-Kind Transactions and Switches Between Different

Series of the Same Fund In accordance with IAS 7, the Funds exclude non-cash transactions from their operating and financing activities within the Statements of Cash Flow. The primary differences between amounts issued and redeemed within the Statements of Changes in NAV and the Statements of Cash Flow relate to in-kind transactions and switches between series of the same Fund. Similarly, the “Cost of investments purchased” and “Proceeds from sale and maturity of investments” within the Statements of Cash Flow appropriately exclude in-kind transactions.

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. The following discusses the most significant accounting judgments and estimates that management has made in preparing the financial statements.

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Fair value measurement of securities not quoted in an active market

The Funds have established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

The Funds may hold financial instruments that are not quoted in active markets. Note 3 discusses the policies used by management for the estimates used in determining fair value.

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.

In February 2022, Russian forces invaded Ukraine, resulting in an armed conflict and economic sanctions on Russia. Price volatility, trading restrictions, including the potential for extended halting of Russian market trading, and general default risk related to Russian securities may have an adverse impact on the financial performance of a Fund. The manager is actively monitoring the situation.

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 units. 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, margin and short-term deposits are held with counterparties with a credit rating of BBB- 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. Credit risk exposure is mitigated for those Funds participating in a securities lending program (see note 7). 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

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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.

Certain Funds trade in debt securities, some of which are variable rate and have an inter-bank linked interest rate. Such debt securities may potentially be transitioned to an alternative benchmark before the Funds dispose of their investments. The impact of this transition, if any, will be captured in the change in fair value of these investments and is not expected to be significant to each Fund.

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 Funds qualify as open-ended mutual fund trusts or unit trusts under the *Income Tax Act* (Canada) (the "Tax Act"). In general, the Funds are subject to income tax; however, no

income tax is payable on net income and/or net realized capital gains which are distributed to unitholders. Since the Funds do not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statements of Financial Position as a deferred income tax asset. In addition, for mutual fund trusts, income taxes payable on net realized capital gains are refundable on a formula basis when units of the Funds are redeemed. It is the intention of the Funds to pay out all net income and realized capital gains each year so that the Funds will not be subject to income taxes. Accordingly, no provision for income taxes is recorded.

If a Fund is not a mutual fund trust under the Tax Act throughout a taxation year, the Fund (i) may become liable for alternative minimum tax under the Tax Act in such year, (ii) would not be eligible for capital gains refunds under the Tax Act in such year, (iii) may be subject to the "mark-to-market" rules described below and (iv) may be subject to a special tax under Part XII.2 of the Tax Act described below in such year.

If a Fund does not qualify as a mutual fund trust and more than 50% (calculated on a fair market value basis) of the units of the Fund are held by one or more unitholders that are considered to be "financial institutions" for the purposes of certain special mark-to-market rules in the Tax Act, then the Fund itself will be treated as a financial institution under those special rules. Under those rules, the Fund will be required to recognize at least annually on income account any gains and losses accruing on certain types of debt obligations and equity securities that it holds and also will be subject to special rules with respect to income inclusion on these securities. Any income arising from such treatment will be included in amounts to be distributed to unitholders. If more than 50% of the units of the Fund cease to be held by financial institutions, the tax year of the Fund will be deemed to end immediately before that time and any gains or losses accrued before that time will be deemed realized by the Fund and will be distributed to unitholders. A new taxation year for the Fund will then begin and for that and subsequent taxation years, for so long as not more than 50% of the units of the Fund are held by financial institutions, the Fund will not be subject to these special mark-to-market rules.

If at any time in a year a Fund that is not a mutual fund trust under the Tax Act throughout that year has a unitholder that is a "designated beneficiary", the Fund will be subject to a special tax at the rate of 40% under Part XII.2 of the Tax Act

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on its “designated income” within the meaning of the Tax Act. A “designated beneficiary” includes a non-resident, and “designated income” includes taxable capital gains from dispositions of “taxable Canadian property” and income from business carried on in Canada (which could include gains on certain derivatives). Where a Fund is subject to tax under Part XII.2 of the Tax Act, the Fund may make a designation which will result in unitholders that are not designated beneficiaries receiving a tax credit with respect to their share of the Part XII.2 tax paid by the Fund.

Capital losses are available to be carried forward indefinitely and applied against future capital gains. Non-capital losses may be carried forward to reduce future taxable income for up to 20 years.

The total amount of distributions for Series T5 and Series FT5 units for a year may exceed the Series T5 and Series FT5 units’ share of income and capital gains earned by the fund, respectively, in that year. This excess amount will be treated as a return of capital to the unitholder. Return of capital represents a return to the unitholder of a portion of their own invested capital.

7. Securities lending revenue

Certain of the Funds lend portfolio securities from time to time in order to earn additional income. Income from securities lending is included in the Statements of Comprehensive Income of a Fund. Each such Fund will have entered into a securities lending program with its custodian, RBC Investor Services Trust (“RBC IS”). The aggregate market value of all securities loaned by a Fund cannot exceed 50% of the assets of a Fund. The Fund receives collateral, with an approved credit rating of at least A, of at least 102% of the value of securities on loan. The Fund is indemnified by RBC IS for any collateral credit or market loss. As such, the credit risk associated with securities lending is considered minimal.

8. 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 units of the Funds. No management fees are paid by the Funds with respect to Series O units. Unitholders of Series O units 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 units 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 any costs and expenses of the Independent Review Committee (“IRC”) of the Funds that are not related to annual fees, meeting fees and reimbursement for expenses to members of the IRC, 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). RBC GAM, not the Funds, is responsible for the costs related to annual fees, meeting fees and reimbursement for expenses to members of the IRC. Other fund costs are 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 unitholders.

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

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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 unitholders 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.

Sub-Advisors

RBC Global Asset Management (U.S.) Inc. is the sub-advisor for:

- RBC \$U.S. Short-Term Government Bond Fund
- RBC \$U.S. Short-Term Corporate Bond Fund (for the underlying fund)
- RBC Bond Fund (for a portion of the Fund)
- RBC \$U.S. Investment Grade Corporate Bond Fund
- RBC Global Corporate Bond Fund (for a portion of the Fund)
- BlueBay Global Investment Grade Corporate Bond Fund (Canada) (for a portion of the Fund)
- BlueBay \$U.S. Global Investment Grade Corporate Bond Fund (Canada) (for a portion of the Fund)
- BlueBay \$U.S. Global High Yield Bond Fund (Canada) (for a portion of the Fund)
- RBC U.S. Monthly Income Fund (for a portion of the Fund)
- RBC U.S. Small-Cap Core Equity Fund
- RBC U.S. Small-Cap Value Equity Fund
- BlueBay Global Alternative Bond Fund (Canada) (for a portion of the Fund)
- Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund

RBC Global Asset Management (UK) Limited is the sub-advisor for:

- RBC Short-Term Global Bond Fund (for a portion of the Fund)
- RBC Bond Fund (for a portion of the Fund)
- RBC Global Bond Fund (for a portion of the Fund)
- RBC \$U.S. Global Bond Fund (for a portion of the Fund)
- RBC Global Corporate Bond Fund (for a portion of the Fund)
- RBC Global High Yield Bond Fund (for a portion of the Fund)
- RBC Emerging Markets Bond Fund (for a portion of the Fund)
- RBC U.S. Monthly Income Fund (for a portion of the Fund)
- RBC Balanced Fund (for a portion of the Fund)

- RBC Global Balanced Fund (for a portion of the Fund)
 - RBC Vision Balanced Fund (for a portion of the Fund)
 - RBC International Dividend Growth Fund
 - RBC International Equity Fund (for the European equity portion of the Fund)
 - RBC International Equity Currency Neutral Fund (for the European equity portion of the underlying fund)
 - RBC European Equity Fund
 - RBC European Mid-Cap Equity Fund
 - RBC Emerging Markets Multi-Strategy Equity Fund (for the underlying funds)
 - RBC Emerging Markets Dividend Fund
 - RBC Emerging Markets ex-China Dividend Fund
 - RBC Emerging Markets Equity Fund
 - RBC Emerging Markets Equity Focus Fund
 - RBC Vision Fossil Fuel Free Emerging Markets Equity Fund
 - RBC Emerging Markets Small-Cap Equity Fund
 - RBC Global Dividend Growth Fund
 - RBC Global Dividend Growth Currency Neutral Fund
 - RBC Global Equity Fund
 - RBC Vision Global Equity Fund
 - RBC Vision Fossil Fuel Free Global Equity Fund
 - RBC Global Equity Focus Fund
 - RBC Global Equity Focus Currency Neutral Fund (for the underlying fund)
 - RBC Global Equity Leaders Fund
 - RBC Global Equity Leaders Currency Neutral Fund (for the underlying fund)
 - Phillips, Hager & North Overseas Equity Fund
 - Phillips, Hager & North Global Equity Fund
- RBC Global Asset Management (Asia) Limited is the sub-advisor for:
- RBC Balanced Fund (for the Asian equity portion of the Fund)
 - RBC Global Balanced Fund (for the Asian equity portion of the Fund)
 - RBC Vision Balanced Fund (for the Asian equity portion of the Fund)
 - RBC International Dividend Growth Fund (for the Asian equity portion of the Fund)
 - RBC International Equity Fund (for the Asian equity portion of the Fund)
 - RBC International Equity Currency Neutral Fund (for the Asian equity portion of the underlying fund)
 - RBC Asian Equity Fund (for the underlying funds)
 - RBC Asia Pacific ex-Japan Equity Fund
 - RBC China Equity Fund
 - RBC Japanese Equity Fund

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BlueBay Asset Management LLP is the sub-advisor for:
 BlueBay Global Monthly Income Bond Fund
 BlueBay Global Sovereign Bond Fund (Canada)
 BlueBay Global Investment Grade Corporate Bond Fund (Canada) (for a portion of the Fund)
 BlueBay \$U.S. Global Investment Grade Corporate Bond Fund (Canada) (for a portion of the Fund)
 BlueBay European High Yield Bond Fund (Canada)
 BlueBay Global High Yield Bond Fund (Canada)
 BlueBay \$U.S. Global High Yield Bond Fund (Canada) (for a portion of the Fund)
 BlueBay Emerging Markets Bond Fund (Canada)
 BlueBay Emerging Markets Local Currency Bond Fund (Canada)
 BlueBay Emerging Markets Corporate Bond Fund
 BlueBay Emerging Markets High Yield Corporate Bond Fund (Canada)
 BlueBay Global Convertible Bond Fund (Canada)
 BlueBay Global Alternative Bond Fund (Canada) (for a portion of the Fund)

The sub-advisors earn a fee which is calculated and accrued daily as a percentage of the NAV of each series of units of the Funds. The sub-advisors are paid by the manager from the management fee paid by the Funds.

Trustee

RBC GAM is the trustee for the Funds governed by the laws of the Province of Ontario. RBC IS is the trustee for the Funds governed by the laws of the Province of British Columbia. The trustee holds title to the Funds' property on behalf of the unitholders. The trustee earns a fee, which is paid by the manager from the fixed administration fee paid by the Funds.

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and PH&N IF are principal distributors of, or may distribute certain series of units 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 T8, Series H and Series D units.

Custodian

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 units 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.

Brokers and Dealers

The Funds have established or may establish standard brokerage agreements and dealing agreements at market rates with related parties such as RBC Dominion Securities Inc., RBC Capital Markets, LLC, RBC Europe Limited, NBC Securities Inc. and Royal Bank of Canada.

Securities Lending Agent

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

Mortgage Administrator Agent

Royal Bank may administer mortgages on behalf of the Funds. Royal Bank earns 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 IRC 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

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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 IRC 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.

9. Presentation changes in the financial statements

As a result of an accounting system change during the year ended December 31, 2022, the Funds have changed the presentation of certain items related to the cost of investments with accretion of discounts or premiums. In the current year, where applicable, the discount on short-term investments is now accreted into the cost of investments where previously such amounts were recorded as interest receivable. Additionally, the discount or premium related to convertible strip bonds is now accreted or amortized to the cost of investments. Comparatives have not been reclassified in the financial statements as the information required to achieve comparability is not available. As a result of this presentation change, amounts previously presented as “Change in unrealized gain (loss) on investments” are now presented as “Interest for distribution purposes” in the Statements of Comprehensive Income for convertible strip bonds, and there is a non-cash adjustment in the Statements of Cash Flow “Interest for distribution purposes”, for the period ended December 31, 2022. Previously, such amounts were adjusted in the Statements of Cash Flow in “(Increase) decrease in accrued receivables” and “Proceeds from sale and maturity of investments”, where applicable. There is no impact on Statements of Comprehensive Income as a result of the change in the presentation for the short-term investments.

10. Revision to comparatives

With respect to RBC Canadian Mid-Cap Equity Fund, comparative figures on the Statements of Changes in NAV and Comprehensive Income have been revised to reflect the redesignation of Series F-redesignated to Series I. Previously, Series F-redesignated amounts were presented separately, and have now been adjusted to reflect the redesignation to Series I on a combined basis.