

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.

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## 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)  
**BLUEBAY EMERGING MARKETS CORPORATE BOND FUND**

December 31, 2022

	Holdings	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>EQUITIES</b>				
<b>Mexico</b>				
Urbi Desarrollos Urbanos SAB de CV	8 214	6 037	3	
Urbi Desarrollos Urbanos SAB de CV @212.86 May 26, 2026 - Equity Warrant	92 938	–	–	
<b>TOTAL EQUITIES</b>		<b>6 037</b>	<b>3</b>	<b>–</b>

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>BONDS</b>				
<b>Argentina</b>				
Argentine Republic Government International Bond 1.000% Jul 09, 2029	2 291	990	614	
Argentine Republic Government International Bond 0.500% Jul 09, 2030	26 341	11 835	7 165	
Pampa Energia SA 7.500% Jan 24, 2027	2 416	2 117	2 217	
YPF SA 8.750% Apr 04, 2024	20 779	16 666	19 763	
YPF SA 8.500% Mar 23, 2025	6 681	6 288	6 105	
YPF SA 9.000% Feb 12, 2026	744	632	713	
		<b>38 528</b>	<b>36 577</b>	<b>3.5</b>
<b>Austria</b>				
Suzano Austria GmbH 6.000% Jan 15, 2029	3 328	3 847	3 318	
Suzano Austria GmbH 3.750% Jan 15, 2031	3 056	3 109	2 571	
		<b>6 956</b>	<b>5 889</b>	<b>0.6</b>
<b>Brazil</b>				
Aegea Finance Sarl 6.750% May 20, 2029	4 580	4 517	4 524	
Guara Norte Sarl 5.198% Jun 15, 2034	4 052	4 029	3 434	
JSM Global Sarl 4.750% Oct 20, 2030	1 163	1 163	777	
Natura Cosmeticos SA 4.125% May 03, 2028	801	801	655	
Odebrecht Offshore Drilling Finance Ltd 7.720% Dec 01, 2026	6 300	1 674	1 685	
Samarco Mineracao SA 4.125% Nov 01, 2022	25 357	15 715	11 030	
		<b>27 899</b>	<b>22 105</b>	<b>2.1</b>
<b>Canada</b>				
Canacol Energy Ltd 5.750% Nov 24, 2028	8 704	8 286	7 698	
MEGlobal Canada ULC 5.000% May 18, 2025	8 302	8 479	8 170	
		<b>16 765</b>	<b>15 868</b>	<b>1.5</b>
<b>Chile</b>				
AES Andes SA 7.125% Mar 26, 2079	7 274	7 463	6 933	
CAP SA 3.900% Apr 27, 2031	4 047	4 047	3 165	
Cencosud SA 5.150% Feb 12, 2025	1 238	1 303	1 230	
Cencosud SA 4.375% Jul 17, 2027	2 214	2 208	2 099	
Empresa Nacional de Telecomunicaciones SA 3.050% Sep 14, 2032	5 079	5 078	4 045	
Inversiones CMPC SA 3.000% Apr 06, 2031	3 225	3 202	2 704	
Telefonica Moviles Chile SA 3.537% Nov 18, 2031	9 977	9 977	8 188	
		<b>33 278</b>	<b>28 364</b>	<b>2.7</b>
<b>China</b>				
Alibaba Group Holding Ltd 3.150% Feb 09, 2051	5 989	3 595	3 742	
Alibaba Group Holding Ltd 3.250% Feb 09, 2061	5 961	3 430	3 591	
China Evergrande Group 11.500% Jan 22, 2023	14 753	5 389	1 081	
China Evergrande Group 8.750% Jun 28, 2025	6 326	2 647	479	

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



December 31, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>China (cont.)</b>				
Contemporary Ruiding Development Ltd 1.875% Sep 17, 2025	2 945	2 937	2 657	
Country Garden Holdings Co Ltd 6.150% Sep 17, 2025	363	85	238	
Country Garden Holdings Co Ltd 3.125% Oct 22, 2025	864	209	530	
Country Garden Holdings Co Ltd 4.200% Feb 06, 2026	224	53	138	
Country Garden Holdings Co Ltd 3.875% Oct 22, 2030	3 253	989	1 729	
Country Garden Holdings Co Ltd 3.300% Jan 12, 2031	5 386	1 588	2 849	
ENN Energy Holdings Ltd 2.625% Sep 17, 2030	4 931	4 890	4 015	
Huarong Finance 2019 Co Ltd 3.750% May 29, 2024	2 235	2 049	2 125	
Huarong Finance II Co Ltd 4.875% Nov 22, 2026	1 793	1 803	1 605	
Kaisa Group Holdings Ltd 8.500% Jun 30, 2022	4 314	1 542	604	
Kaisa Group Holdings Ltd 10.500% Sep 07, 2022	368	145	52	
Kaisa Group Holdings Ltd 11.950% Oct 22, 2022	4 314	1 512	600	
Kaisa Group Holdings Ltd 11.500% Jan 30, 2023	2 135	764	301	
Kaisa Group Holdings Ltd 10.875% Jul 23, 2023	9 324	3 475	1 312	
Kaisa Group Holdings Ltd 9.750% Sep 28, 2023	929	367	131	
Kaisa Group Holdings Ltd 9.375% Jun 30, 2024	3 933	2 759	553	
Kaisa Group Holdings Ltd 10.875% PERPETUAL	1 892	578	161	
Longfor Group Holdings Ltd 3.950% Sep 16, 2029	2 534	2 593	1 862	
Meituan 2.125% Oct 28, 2025	2 940	2 936	2 604	
MGM China Holdings Ltd 4.750% Feb 01, 2027	2 747	2 198	2 434	
Seazen Group Ltd 4.450% Jul 13, 2025	5 116	1 776	3 606	
Sino-Ocean Land Treasure IV Ltd 4.750% Aug 05, 2029	1 120	1 003	623	
Wanda Properties International Co Ltd 7.250% Jan 29, 2024	898	614	813	
West China Cement Ltd 4.950% Jul 08, 2026	469	321	399	
Zhenro Properties Group Ltd 8.000% Mar 06, 2023	15 747	7 729	921	
Zhenro Properties Group Ltd 9.150% May 06, 2023	1 385	800	78	
Zhenro Properties Group Ltd 8.300% Sep 15, 2023	2 243	1 130	126	
Zhenro Properties Group Ltd 6.630% Jan 07, 2026	3 035	365	162	
Zhenro Properties Group Ltd 6.700% Aug 04, 2026	19 180	11 006	1 074	
		73 277	43 195	4.1
<b>Colombia</b>				
Ecopetrol SA 5.875% May 28, 2045	14 173	15 155	9 899	
Ecopetrol SA 5.875% Nov 02, 2051	10 879	10 879	7 332	
Empresa de Telecomunicaciones de Bogota 7.000% Jan 17, 2023	440	—	—	
Empresas Publicas de Medellin ESP 8.375% Nov 08, 2027	21 930 000	6 951	3 402	
Empresas Publicas de Medellin ESP 4.250% Jul 18, 2029	12 627	13 047	10 045	
Millicom International Cellular SA 4.500% Apr 27, 2031	13 365	12 112	11 265	
Oleoducto Central SA 4.000% Jul 14, 2027	5 766	5 723	5 097	
		63 867	47 040	4.5
<b>Guatemala</b>				
CT Trust 5.125% Feb 03, 2032	8 663	8 663	7 619	
Investment Energy Resources Ltd 6.250% Apr 26, 2029	6 033	6 123	5 776	
		14 786	13 395	1.3
<b>Hong Kong</b>				
Airport Authority 3.250% Jan 12, 2052	4 860	4 814	3 478	
Airport Authority 2.100% PERPETUAL	4 941	4 941	4 504	
Airport Authority 2.400% PERPETUAL	4 749	4 749	4 140	
CAS Capital No 1 Ltd 4.000% PERPETUAL	9 037	9 037	7 070	
HPHT Finance 21 Ltd 2.000% Mar 19, 2026	5 142	5 135	4 656	
Huaxin Cement International Finance Co Ltd 2.250% Nov 19, 2025	2 720	2 710	2 333	
Melco Resorts Finance Ltd 5.625% Jul 17, 2027	648	669	553	
Melco Resorts Finance Ltd 5.750% Jul 21, 2028	6 564	5 146	5 499	
Melco Resorts Finance Ltd 5.375% Dec 04, 2029	756	507	608	
Xiaomi Best Time International Ltd 2.875% Jul 14, 2031	4 602	4 562	3 342	
		42 270	36 183	3.5

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



December 31, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>India</b>				
Adani Electricity Mumbai Ltd 3.867% Jul 22, 2031	2 960	2 960	2 150	
Adani International Container Terminal Pvt Ltd 3.000% Feb 16, 2031	3 525	3 525	2 770	
Adani Ports & Special Economic Zone Ltd 4.200% Aug 04, 2027	1 236	1 267	1 087	
Adani Ports & Special Economic Zone Ltd 4.375% Jul 03, 2029	12 798	13 212	10 791	
Shriram Finance Ltd 4.400% Mar 13, 2024	8 166	8 182	7 865	
Yes Bank Ifsc Banking Unit Branch 3.750% Feb 06, 2023	4 429	4 054	4 392	
		33 200	29 055	<b>2.8</b>
<b>Indonesia</b>				
Indofood CBP Sukses Makmur Tbk PT 3.398% Jun 09, 2031	5 008	5 008	4 170	
		5 008	4 170	<b>0.4</b>
<b>Ireland</b>				
C&W Senior Financing DAC 6.875% Sep 15, 2027	1 779	1 821	1 658	
LCPR Senior Secured Financing DAC 6.750% Oct 15, 2027	5 418	5 516	5 078	
		7 337	6 736	<b>0.6</b>
<b>Israel</b>				
Bank Hapoalim BM 3.255% Jan 21, 2032	13 396	13 099	11 584	
Bank Leumi Le-Israel BM 5.125% Jul 27, 2027	9 780	9 715	9 727	
Bank Leumi Le-Israel BM 3.275% Jan 29, 2031	834	834	742	
Israel Electric Corp Ltd 5.000% Nov 12, 2024	3 412	3 551	3 383	
Mizrahi Tefahot Bank Ltd 3.077% Apr 07, 2031	12 681	12 681	11 175	
		39 880	36 611	<b>3.5</b>
<b>Jamaica</b>				
Digicel Group Holdings Ltd 8.000% Apr 01, 2025	5 023	4 058	1 369	
Digicel Group Holdings Ltd 7.000% PERPETUAL	1 358	257	131	
		4 315	1 500	<b>0.1</b>
<b>Macau</b>				
Sands China Ltd 5.625% Aug 08, 2025	5 747	5 726	5 502	
Sands China Ltd 4.300% Jan 08, 2026	2 470	2 468	2 283	
Sands China Ltd 5.900% Aug 08, 2028	4 179	4 206	3 918	
Studio City Finance Ltd 6.000% Jul 15, 2025	5 570	5 570	4 838	
Studio City Finance Ltd 6.500% Jan 15, 2028	2 137	2 137	1 663	
Wynn Macau Ltd 5.125% Dec 15, 2029	3 666	2 792	2 972	
		22 899	21 176	<b>2.0</b>
<b>Malaysia</b>				
GENM Capital Labuan Ltd 3.882% Apr 19, 2031	9 451	9 451	7 220	
		9 451	7 220	<b>0.7</b>
<b>Mauritius</b>				
Axian Telecom 7.375% Feb 16, 2027	4 750	4 750	4 180	
CA Magnum Holdings 5.375% Oct 31, 2026	2 680	2 680	2 449	
Greenko Power II Ltd 4.300% Dec 13, 2028	4 374	4 374	3 673	
HTA Group Ltd/Mauritius 7.000% Dec 18, 2025	3 420	3 401	3 181	
MTN Mauritius Investments Ltd 6.500% Oct 13, 2026	10 446	10 785	10 463	
Network i2i Ltd 5.650% PERPETUAL	968	974	928	
UPL Corp Ltd 4.500% Mar 08, 2028	2 650	2 489	2 232	
UPL Corp Ltd 4.625% Jun 16, 2030	7 357	7 325	5 815	
UPL Corp Ltd 5.250% PERPETUAL	15 318	14 056	10 723	
		50 834	43 644	<b>4.2</b>
<b>Mexico</b>				
America Movil SAB de CV 5.375% Apr 04, 2032	6 783	6 783	6 131	
America Movil SAB de CV 4.375% Apr 22, 2049	1 176	1 071	1 007	
Banco Mercantil del Norte SA/Grand Cayman 8.375% PERPETUAL	6 459	6 459	6 414	
Banco Santander Mexico SA Institucion de Banca Multiple Grupo Financiero Santand 5.375% Apr 17, 2025	6 555	6 555	6 501	
BBVA Bancomer SA/Texas 5.875% Sep 13, 2034	9 575	8 679	8 856	
Braskem Idesa SAPI 7.450% Nov 15, 2029	3 142	2 993	2 486	

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



December 31, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>Mexico (cont.)</b>				
Braskem Idesa SAPI 6.990% Feb 20, 2032	7 071	7 067	5 023	
Cemex SAB de CV 5.125% PERPETUAL	1 383	1 383	1 280	
Electricidad Firme de Mexico Holdings SA de CV 4.900% Nov 20, 2026	6 736	6 462	5 945	
Fomento Economico Mexicano SAB de CV 3.500% Jan 16, 2050	1 272	979	895	
Infraestructura Energetica Nova SAPI de CV 4.750% Jan 15, 2051	2 310	1 709	1 748	
Mexico City Airport Trust 5.500% Jul 31, 2047	8 345	7 673	6 445	
Minera Mexico SA de CV 4.500% Jan 26, 2050	2 784	2 126	2 107	
Petroleos Mexicanos 8.750% Jun 02, 2029	5 260	5 134	4 939	
Petroleos Mexicanos 6.350% Feb 12, 2048	8 347	6 183	5 122	
		71 256	64 899	<b>6.2</b>
<b>Netherlands</b>				
Bharti Airtel International Netherlands BV 5.350% May 20, 2024	1 072	1 107	1 067	
BOI Finance BV 7.500% Feb 16, 2027	10 420	11 904	9 008	
Braskem Netherlands Finance BV 8.500% Jan 23, 2081	2 633	2 822	2 555	
IHS Netherlands Holdco BV 8.000% Sep 18, 2027	6 987	7 285	6 185	
Metinvest BV 8.500% Apr 23, 2026	3 565	1 616	1 925	
Metinvest BV 7.650% Oct 01, 2027	1 687	963	887	
Metinvest BV 7.750% Oct 17, 2029	1 253	747	636	
MV24 Capital BV 6.748% Jun 01, 2034	13 890	12 985	12 710	
Prosus NV 3.061% Jul 13, 2031	652	500	506	
Prosus NV 1.985% Jul 13, 2033	6 002	7 078	4 363	
Prosus NV 4.987% Jan 19, 2052	6 199	6 199	4 505	
Royal Capital BV 5.000% PERPETUAL	4 788	4 821	4 459	
Teva Pharmaceutical Finance Netherlands III BV 7.125% Jan 31, 2025	3 190	3 190	3 177	
Teva Pharmaceutical Finance Netherlands III BV 3.150% Oct 01, 2026	3 131	2 693	2 744	
Teva Pharmaceutical Finance Netherlands III BV 5.125% May 09, 2029	4 100	4 100	3 657	
		68 010	58 384	<b>5.6</b>
<b>Nigeria</b>				
Access Bank PLC 9.125% PERPETUAL	1 576	1 576	1 134	
IHS Holding Ltd 5.625% Nov 29, 2026	4 250	4 250	3 545	
IHS Holding Ltd 6.250% Nov 29, 2028	2 771	2 771	2 260	
United Bank for Africa PLC 6.750% Nov 19, 2026	5 990	5 990	5 151	
		14 587	12 090	<b>1.2</b>
<b>Oman</b>				
Bank Muscat SAOG 4.750% Mar 17, 2026	10 222	10 222	9 771	
Oryx Funding Ltd 5.800% Feb 03, 2031	6 454	6 584	6 174	
		16 806	15 945	<b>1.5</b>
<b>Pakistan</b>				
Pakistan Government International Bond 7.375% Apr 08, 2031	3 720	1 407	1 346	
		1 407	1 346	<b>0.1</b>
<b>Panama</b>				
AES Panama Generation Holdings SRL 4.375% May 31, 2030	10 000	10 000	8 710	
		10 000	8 710	<b>0.8</b>
<b>Paraguay</b>				
Banco Continental SAECA 2.750% Dec 10, 2025	11 547	11 229	10 345	
Telefonica Celular del Paraguay SA 5.875% Apr 15, 2027	7 277	7 564	7 057	
		18 793	17 402	<b>1.7</b>
<b>Peru</b>				
Banco de Credito del Peru S.A. 3.125% Jul 01, 2030	9 702	9 727	8 809	
Cia de Minas Buenaventura SAA 5.500% Jul 23, 2026	8 453	8 444	7 260	
		18 171	16 069	<b>1.5</b>
<b>Qatar</b>				
Commercial Bank PSQC 4.500% PERPETUAL	3 945	3 945	3 553	
QNB Finance Ltd 2.750% Feb 12, 2027	7 088	7 074	6 524	
		11 019	10 077	<b>1.0</b>

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





December 31, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>Saudi Arabia</b>				
EIG Pearl Holdings Sarl 3.545% Aug 31, 2036	13 529	13 579	11 386	
EIG Pearl Holdings Sarl 4.387% Nov 30, 2046	4 400	3 054	3 394	
		16 633	14 780	1.4
<b>Singapore</b>				
Continuum Energy Levanter Pte Ltd 4.500% Feb 09, 2027	7 711	7 655	6 931	
GLP Pte Ltd 3.875% Jun 04, 2025	1 868	1 822	1 522	
GLP Pte Ltd 4.500% PERPETUAL	8 446	8 446	4 334	
		17 923	12 787	1.2
<b>Spain</b>				
AI Candelaria Spain SA 7.500% Dec 15, 2028	1 391	1 476	1 320	
AI Candelaria Spain SA 5.750% Jun 15, 2033	6 361	6 361	4 848	
		7 837	6 168	0.6
<b>Supranational</b>				
African Export-Import Bank 2.634% May 17, 2026	4 340	4 340	3 906	
Digicel International Finance Ltd/Digicel international Holdings Ltd 8.750% May 25, 2024	8 952	8 793	7 713	
Digicel International Finance Ltd/Digicel international Holdings Ltd 13.000% Dec 31, 2025	769	705	401	
JBS USA LUX SA / JBS USA Food Co / JBS USA Finance Inc 5.750% Apr 01, 2033	6 090	6 003	5 824	
		19 841	17 844	1.7
<b>Tanzania</b>				
AngloGold Ashanti Holdings PLC 3.375% Nov 01, 2028	5 286	5 275	4 618	
		5 275	4 618	0.4
<b>Thailand</b>				
Bangkok Bank PCL/Hong Kong 4.300% Jun 15, 2027	6 510	6 501	6 284	
Thaioil Treasury Center Co Ltd 3.500% Oct 17, 2049	2 176	2 071	1 307	
		8 572	7 591	0.7
<b>Turkey</b>				
Anadolu Efes Biracilik Ve Malt Sanayii AS 3.375% Jun 29, 2028	1 205	1 196	939	
KOC Holding AS 5.250% Mar 15, 2023	2 937	2 613	2 936	
KOC Holding AS 6.500% Mar 11, 2025	5 564	6 093	5 515	
Limak Iskenderun Uluslararası Liman İşletmeciliği AS 9.500% Jul 10, 2036	7 027	6 937	6 075	
Mersin Uluslararası Liman İşletmeciliği AS 5.375% Nov 15, 2024	1 041	971	1 003	
Türk Telekomunikasyon AS 4.875% Jun 19, 2024	1 908	1 714	1 801	
Turkey Government International Bond 9.875% Jan 15, 2028	17 420	17 716	18 087	
Turkey Government International Bond 5.750% May 11, 2047	3 642	2 508	2 484	
		39 748	38 840	3.7
<b>Ukraine</b>				
MHP Lux SA 6.950% Apr 03, 2026	3 738	3 996	1 850	
Ukraine Government International Bond 7.750% Sep 01, 2026	3 984	1 458	857	
Ukraine Government International Bond 7.750% Sep 01, 2027	410	158	88	
Ukraine Government International Bond 7.750% Sep 01, 2028	3 175	1 093	687	
Ukraine Government International Bond 7.375% Sep 25, 2034	14 493	7 432	2 763	
VF Ukraine PAT via VFU Funding PLC 6.200% Feb 11, 2025	4 030	3 962	2 240	
		18 099	8 485	0.8
<b>United Arab Emirates</b>				
Abu Dhabi Commercial Bank PJSC 3.500% Mar 31, 2027	9 888	9 874	9 357	
Abu Dhabi Commercial Bank PJSC 4.500% Sep 14, 2027	10 966	10 944	10 828	
DAE Funding LLC 3.375% Mar 20, 2028	8 461	8 467	7 523	
Emirates NBD Bank PJSC 5.625% Oct 21, 2027	5 680	5 651	5 838	
First Abu Dhabi Bank PJSC 5.125% Oct 13, 2027	25 050	24 874	25 569	
Galaxy Pipeline Assets Bidco Ltd 1.750% Sep 30, 2027	11 669	11 674	10 829	
Galaxy Pipeline Assets Bidco Ltd 2.160% Mar 31, 2034	21 761	21 761	18 569	
Galaxy Pipeline Assets Bidco Ltd 2.940% Sep 30, 2040	18 662	18 718	15 070	
MDGH GMTN RSC Ltd 5.500% Apr 28, 2033	4 130	4 071	4 376	
Nbk Tier 2 Ltd 2.500% Nov 24, 2030	9 916	9 916	8 797	
Sweihan PV Power Co PJSC 3.625% Jan 31, 2049	13 244	13 244	10 680	
		139 194	127 436	12.2

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



December 31, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>United Kingdom</b>				
Antofagasta PLC 5.625% May 13, 2032	5 718	5 616	5 615	
Bidvest Group UK PLC 3.625% Sep 23, 2026	10 004	10 004	9 040	
Endeavour Mining PLC 5.000% Oct 14, 2026	5 160	5 104	4 444	
Fresnillo PLC 4.250% Oct 02, 2050	3 501	3 068	2 762	
Gohl Capital Ltd 4.250% Jan 24, 2027	7 808	7 159	7 004	
Standard Chartered PLC 7.776% Nov 16, 2025	6 800	6 800	7 012	
Tullow Oil PLC 10.250% May 15, 2026	26 751	27 447	21 503	
Ukreximbank Via Biz Finance PLC 9.950% Nov 14, 2029	454	163	145	
		65 361	57 525	<b>5.5</b>
<b>United States</b>				
Kosmos Energy Ltd 7.750% May 01, 2027	3 756	3 756	3 141	
Kosmos Energy Ltd 7.500% Mar 01, 2028	9 906	9 883	7 966	
Resorts World Las Vegas LLC / RWLV Capital Inc 4.625% Apr 06, 2031	8 200	8 011	5 553	
SierraCol Energy Andina LLC 6.000% Jun 15, 2028	5 006	4 971	3 935	
Stillwater Mining Co 4.000% Nov 16, 2026	14 772	14 281	13 064	
Stillwater Mining Co 4.500% Nov 16, 2029	10 899	10 809	8 790	
United States Treasury Note/Bond 2.750% Aug 31, 2023	63 620	62 911	62 837	
United States Treasury Note/Bond 1.375% Nov 15, 2031	14 391	14 310	11 722	
United States Treasury Note/Bond 2.250% Feb 15, 2052	4 930	4 175	3 447	
VTR Finance NV 6.375% Jul 15, 2028	969	969	376	
		134 076	120 831	<b>11.5</b>
<b>TOTAL BONDS</b>		<b>1 193 158</b>	<b>1 020 555</b>	<b>97.4</b>
<b>TOTAL INVESTMENTS</b>		<b>1 199 195</b>	<b>1 020 558</b>	<b>97.4</b>
<b>CREDIT DEFAULT SWAPS (SCHEDULE A)</b>		191	93	–
<b>UNREALIZED GAIN ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE B)</b>		–	198	–
<b>UNREALIZED LOSS ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE B)</b>		–	(1 006)	<b>(0.1)</b>
<b>TOTAL PORTFOLIO</b>		<b>1 199 386</b>	<b>1 019 843</b>	<b>97.3</b>
<b>OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>			28 408	<b>2.7</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>			<b>1 048 251</b>	<b>100.0</b>

**SCHEDULE A**

**Credit Default Swaps**

Reference Entity	Notional Amount (000s)	Currency	Pay/Receive Fixed Rate	Fixed Rate (%)	Expiration Date	Counterparty	Credit Rating	Cost (\$)	Fair Value (\$)	% of Net Assets
Turkey Government International Bond 11.875% Jan 15, 2030	(3 888)	USD	Pay	1.00	20-Dec-2023	Morgan Stanley & Co International PLC	BBB+	191	93	–
<b>TOTAL CREDIT DEFAULT SWAPS</b>								<b>191</b>	<b>93</b>	<b>–</b>



December 31, 2022

**SCHEDULE B**

**Foreign Exchange Contracts**

<b>Contracts</b>	<b>Maturity Date</b>	<b>Unrealized Gain (\$)</b>
Bought USD 4 460 Sold COP 20 941 241 @ 0.0002	19-Jan-2023	157
Bought EUR 529 Sold USD 526 @ 1.0720	19-Jan-2023	41
		<u>198</u>

<b>Contracts</b>	<b>Maturity Date</b>	<b>Unrealized Loss (\$)</b>
Bought USD 12 291 Sold EUR 12 387 @ 1.0720	19-Jan-2023	(988)
Bought USD 1 192 Sold EUR 1 129 @ 1.0720	19-Jan-2023	(18)
		<u>(1 006)</u>
<b>TOTAL FOREIGN EXCHANGE</b>		<u>(808)</u>

All counterparties have a credit rating of at least A.



### Statements of Financial Position

(in \$000s except per unit amounts)

(see note 2 in the generic notes)	December 31 2022	December 31 2021
<b>ASSETS</b>		
Investments at fair value	\$ 1 020 558	\$ 1 278 910
Cash	12 461	115 135
Subscriptions receivable	1 173	1 335
Margin receivable	1 420	–
Unrealized gain on foreign exchange contracts	198	675
Receivable on open swap contracts	93	2 490
Dividends receivable, interest accrued and other assets	14 763	15 880
<b>TOTAL ASSETS</b>	<b>1 050 666</b>	<b>1 414 425</b>
<b>LIABILITIES</b>		
Redemptions payable	1 302	99
Margin payable	–	2 690
Unrealized loss on foreign exchange contracts	1 006	18
Accounts payable and accrued expenses	107	150
<b>TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>	<b>2 415</b>	<b>2 957</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")</b>	<b>\$ 1 048 251</b>	<b>\$ 1 411 468</b>
Investments at cost	\$ 1 199 386	\$ 1 293 478
<b>NAV</b>		
<b>SERIES A</b>	\$ 1 732	\$ 2 584
<b>ADVISOR SERIES</b>	\$ –	\$ –
<b>SERIES D</b>	\$ 886	\$ 2 184
<b>SERIES F</b>	\$ 5 306	\$ 14 020
<b>SERIES O</b>	\$ 1 040 327	\$ 1 392 680
<b>NAV PER UNIT</b>		
<b>SERIES A</b>	\$ 6.65	\$ 7.93
<b>ADVISOR SERIES</b>	\$ –	\$ –
<b>SERIES D</b>	\$ 6.66	\$ 7.94
<b>SERIES F</b>	\$ 6.66	\$ 7.95
<b>SERIES O</b>	\$ 6.68	\$ 7.96

### 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
<b>INCOME (see note 3 in the generic notes)</b>		
Interest for distribution purposes	\$ 59 473	\$ 65 789
Interest expense	(50)	–
Derivative income (loss)	10 540	(1 260)
Net realized gain (loss) on investments	(59 746)	8 308
Change in unrealized gain (loss) on investments	(168 122)	(87 448)
<b>TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES</b>	<b>(157 905)</b>	<b>(14 611)</b>
Other income (loss)	8	52
Net gain (loss) on foreign cash balances	–	(199)
<b>TOTAL OTHER INCOME (LOSS)</b>	<b>8</b>	<b>(147)</b>
<b>TOTAL INCOME (LOSS)</b>	<b>(157 897)</b>	<b>(14 758)</b>
<b>EXPENSES (see notes – Fund Specific Information)</b>		
Management fees	113	178
Administration fees	1 192	1 439
Independent Review Committee costs	2	2
GST/HST	135	181
<b>TOTAL EXPENSES</b>	<b>1 442</b>	<b>1 800</b>
<b>INCREASE (DECREASE) IN NAV</b>	<b>\$ (159 339)</b>	<b>\$ (16 558)</b>
<b>INCREASE (DECREASE) IN NAV</b>		
<b>SERIES A</b>	\$ (314)	\$ (80)
<b>ADVISOR SERIES</b>	\$ –	\$ –
<b>SERIES D</b>	\$ (240)	\$ (50)
<b>SERIES F</b>	\$ (1 622)	\$ (297)
<b>SERIES O</b>	\$ (157 163)	\$ (16 131)
<b>INCREASE (DECREASE) IN NAV PER UNIT</b>		
<b>SERIES A</b>	\$ (1.08)	\$ (0.22)
<b>ADVISOR SERIES</b>	\$ –	\$ (0.15)
<b>SERIES D</b>	\$ (1.31)	\$ (0.18)
<b>SERIES F</b>	\$ (1.23)	\$ (0.16)
<b>SERIES O</b>	\$ (0.94)	\$ (0.09)



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

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

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in NAV	\$ (159 339)	\$ (16 558)
<b>ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS</b>		
Interest for distribution purposes	–	(54)
Non-cash dividends	–	–
Non-cash distributions from underlying funds	–	–
Net realized loss (gain) on investments	59 746	(8 308)
Change in unrealized loss (gain) on investments	168 122	87 448
(Increase) decrease in accrued receivables	1 117	(582)
Increase (decrease) in accrued payables	(43)	7
(Increase) decrease in margin accounts	(4 110)	4 090
Cost of investments purchased*	(581 967)	(1 179 481)
Proceeds from sale and maturity of investments*	616 313	1 064 846
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
	<b>99 839</b>	<b>(48 592)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of redeemable units*	141 098	181 694
Cash paid on redemption of redeemable units*	(342 932)	(130 654)
Distributions paid to holders of redeemable units	(679)	(546)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		
	<b>\$ (202 513)</b>	<b>\$ 50 494</b>
Net increase (decrease) in cash for the period	<b>(102 674)</b>	1 902
Cash (bank overdraft), beginning of period	<b>115 135</b>	113 233
<b>CASH (BANK OVERDRAFT), END OF PERIOD</b>	<b>\$ 12 461</b>	<b>\$ 115 135</b>
Interest received (paid) <sup>†</sup>	\$ 60 566	\$ 65 153
Income from investment trusts received (paid) <sup>††</sup>	\$ –	\$ –
Dividends received (paid) <sup>†‡</sup>	\$ –	\$ –

\* Excludes in-kind transactions.

<sup>†</sup> Classified as part of operating activities.

<sup>‡</sup> 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
<b>NAV AT BEGINNING OF PERIOD</b>	\$ 2 584	\$ 2 620	\$ –	\$ 10	\$ 2 184	\$ 1 984	\$ 14 020	\$ 12 438
<b>INCREASE (DECREASE) IN NAV</b>	(314)	(80)	–	–	(240)	(50)	(1 622)	(297)
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from redeemable units issued	229	1 185	–	1	401	881	2 563	7 510
Reinvestments of distributions to holders of redeemable units	64	71	–	–	50	75	303	425
Redemption of redeemable units	(755)	(1 130)	–	(11)	(1 452)	(626)	(9 534)	(5 496)
<b>NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS</b>	(462)	126	–	(10)	(1 001)	330	(6 668)	2 439
Distributions from net income	(76)	(82)	–	–	(57)	(80)	(424)	(560)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS</b>	(76)	(82)	–	–	(57)	(80)	(424)	(560)
<b>NET INCREASE (DECREASE) IN NAV</b>	(852)	(36)	–	(10)	(1 298)	200	(8 714)	1 582
<b>NAV AT END OF PERIOD</b>	\$ 1 732	\$ 2 584	\$ –	\$ –	\$ 886	\$ 2 184	\$ 5 306	\$ 14 020

For the periods ended December 31 (see note 2 in the generic notes)	Series O		Total	
	2022	2021	2022	2021
<b>NAV AT BEGINNING OF PERIOD</b>	\$ 1 392 680	\$ 1 360 343	\$ 1 411 468	\$ 1 377 395
<b>INCREASE (DECREASE) IN NAV</b>	(157 163)	(16 131)	(159 339)	(16 558)
Early redemption fees	–	–	–	–
Proceeds from redeemable units issued	138 694	172 709	141 887	182 286
Reinvestments of distributions to holders of redeemable units	62 605	63 401	63 022	63 972
Redemption of redeemable units	(333 345)	(123 846)	(345 086)	(131 109)
<b>NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS</b>	(132 046)	112 264	(140 177)	115 149
Distributions from net income	(63 144)	(63 796)	(63 701)	(64 518)
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
<b>TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS</b>	(63 144)	(63 796)	(63 701)	(64 518)
<b>NET INCREASE (DECREASE) IN NAV</b>	(352 353)	32 337	(363 217)	34 073
<b>NAV AT END OF PERIOD</b>	\$ 1 040 327	\$ 1 392 680	\$ 1 048 251	\$ 1 411 468



December 31, 2022

### General information (see note 1 in the generic notes)

The investment objective of the Fund is to provide total returns comprised of interest income and modest capital appreciation.

Effective October 19, 2021, all outstanding Advisor Series units with a deferred sales charge option were redeemed.

### 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	7.6	1.2
AA	8.4	9.4
A	7.0	4.8
BBB	30.7	26.8
BB	27.6	29.4
B	9.7	17.3
CCC	6.0	7.3
D	0.7	0.8
Unrated	2.3	3.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

#### 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 Arab Emirates	12.2	9.3
United States	11.5	5.4
Mexico	6.2	4.8
Netherlands	5.6	5.3
United Kingdom	5.5	2.9
Colombia	4.5	5.0
Mauritius	4.2	3.8
China	4.1	6.1
Turkey	3.7	2.1
Israel	3.5	2.3
Hong Kong	3.5	2.1
Argentina	3.5	5.1
India	2.8	3.8
Chile	2.7	3.0
Brazil	2.1	3.4
Macao	2.0	2.1
Supranational	1.7	1.1
Paraguay	1.7	1.1
Peru	1.5	1.9

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

Investment mix	December 31 2022	December 31 2021
Oman	1.5	3.0
Other Countries	13.4	17.0
Cash/Other	2.6	9.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

#### 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	8.5	4.0
1 – 5 years	38.7	35.1
5 – 10 years	30.2	36.5
> 10 years	22.6	24.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

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 4.3% (December 31, 2021 – 4.2%). 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
<b>Equities</b>	<b>3</b>	<b>–</b>	<b>–</b>	<b>3</b>
<b>Underlying funds</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Fixed-income and debt securities</b>	<b>–</b>	<b>1 020 555</b>	<b>–</b>	<b>1 020 555</b>
<b>Short-term investments</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Derivatives – assets</b>	<b>–</b>	<b>291</b>	<b>–</b>	<b>291</b>
<b>Derivatives – liabilities</b>	<b>–</b>	<b>(1 006)</b>	<b>–</b>	<b>(1 006)</b>
<b>Total financial instruments</b>	<b>3</b>	<b>1 019 840</b>	<b>–</b>	<b>1 019 843</b>
<b>% of total portfolio</b>	<b>–</b>	<b>100.0</b>	<b>–</b>	<b>100.0</b>

December 31, 2021	Level 1	Level 2	Level 3	Total
<b>Equities</b>	<b>3</b>	<b>–</b>	<b>–</b>	<b>3</b>
<b>Underlying funds</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Fixed-income and debt securities</b>	<b>–</b>	<b>1 278 907</b>	<b>–</b>	<b>1 278 907</b>
<b>Short-term investments</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Derivatives – assets</b>	<b>–</b>	<b>3 165</b>	<b>–</b>	<b>3 165</b>
<b>Derivatives – liabilities</b>	<b>–</b>	<b>(18)</b>	<b>–</b>	<b>(18)</b>
<b>Total financial instruments</b>	<b>3</b>	<b>1 282 054</b>	<b>–</b>	<b>1 282 057</b>
<b>% of total portfolio</b>	<b>–</b>	<b>100.0</b>	<b>–</b>	<b>100.0</b>



December 31, 2022

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

**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	1.50%	0.10%
Advisor Series	1.50%	0.10%
Series D	0.90%	0.10%
Series F	0.75%	0.10%
Series O	n/a <sup>†</sup>	0.10%

\* Effective January 1, 2023, the administration fees for Series O units will be reduced to 0.05% from 0.10%.

<sup>†</sup> Series O unitholders pay a negotiated management fee directly to RBC GAM for investment-counselling services.

**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	97 836
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
<b>Series A</b>		
Opening units	326	312
Issued number of units	31	143
Reinvested number of units	10	9
Redeemed number of units	(107)	(138)
Ending number of units	260	326
<b>Advisor Series</b>		
Opening units	–	1
Issued number of units	–	–
Reinvested number of units	–	–
Redeemed number of units	–	(1)
Ending number of units	–	–

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
<b>Series D</b>		
Opening units	275	236
Issued number of units	55	107
Reinvested number of units	8	9
Redeemed number of units	(205)	(77)
Ending number of units	133	275
<b>Series F</b>		
Opening units	1 764	1 479
Issued number of units	350	906
Reinvested number of units	44	52
Redeemed number of units	(1 362)	(673)
Ending number of units	796	1 764
<b>Series O</b>		
Opening units	175 034	161 542
Issued number of units	19 418	20 887
Reinvested number of units	9 168	7 763
Redeemed number of units	(47 854)	(15 158)
Ending number of units	155 766	175 034

**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
Phillips, Hager & North Core Plus Bond Fund	2.7	6.3
Phillips, Hager & North Multi-Strategy Credit Fund	–	–
Phillips, Hager & North Short Core Plus Bond Fund	0.5	0.9
RBC \$U.S. Core Bond Pool	0.3	0.3
RBC \$U.S. Core Plus Bond Pool	0.3	0.2
RBC \$U.S. Strategic Income Bond Fund	0.6	0.8
RBC Bond Fund	21.4	19.8
RBC Conservative Bond Pool	1.7	1.9
RBC Core Bond Pool	15.0	13.6
RBC Core Plus Bond Pool	7.7	10.4
RBC Emerging Markets Balanced Fund	–	–
RBC Global Bond Fund	11.9	9.3
RBC Global Corporate Bond Fund	19.1	15.3
RBC Global High Yield Bond Fund	8.7	7.3
RBC Strategic Income Bond Fund	7.5	9.6
Total	97.4	95.7





December 31, 2022

**Offsetting financial assets and liabilities (USD000s)**  
**(see note 3 in the generic notes)**

The following is a summary of the amounts for which the Fund has a legal right to offset in the event of default, insolvency or bankruptcy. “Net amount” represents the impact to the Fund if all set-off rights were to be exercised.

December 31, 2022	Assets	Liabilities
<b>Gross amounts – assets (liabilities)</b>	<b>291</b>	<b>(1 006)</b>
<b>Amounts set-off in the</b> <b>Statements of Financial Position</b>	<b>–</b>	<b>–</b>
<b>Net amounts presented in the</b> <b>Statements of Financial Position</b>	<b>291</b>	<b>(1 006)</b>
<b>Related amounts not set-off</b>	<b>–</b>	<b>–</b>
<b>Collateral (received) pledged</b>	<b>(93)</b>	<b>–</b>
<b>Net amount</b>	<b>198</b>	<b>(1 006)</b>

December 31, 2021	Assets	Liabilities
Gross amounts – assets (liabilities)	3 165	(18)
Amounts set-off in the Statements of Financial Position	–	–
Net amounts presented in the Statements of Financial Position	3 165	(18)
Related amounts not set-off	(18)	18
Collateral (received) pledged	(2 690)	–
Net amount	457	–

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## 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)



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.