

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

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

PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, have performed an independent audit of the financial statements in accordance with IFRS. Their report is set out on the next page.



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



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

To the Unitholders and Trustee of

RBC FUNDS

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

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

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

RBC PRIVATE POOLS

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

RBC ALTERNATIVE FUNDS

BlueBay Global Alternative Bond Fund (Canada)

PH&N FUNDS

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

PH&N FUNDS (cont.)

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

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

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

Our opinion

In our opinion, the accompanying December 31, 2022 financial statements of each Fund present fairly, in all material respects, the financial position of each Fund, its financial performance and its cash flows as at and for the periods indicated in note 2 in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The financial statements of each Fund comprise:

- the statements of financial position as at the period-end dates indicated in note 2;
- the statements of comprehensive income for the periods indicated in note 2;
- the statements of cash flow for the periods indicated in note 2;
- the statements of changes in net assets attributable to holders of redeemable units (NAV) for the periods indicated in note 2; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

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

Independence

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

Other information

Management is responsible for the other information of each Fund. The other information comprises the 2022 Annual Management Report of Fund Performance of each Fund.

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

March 16, 2023



SCHEDULE OF INVESTMENT PORTFOLIO (in \$000s)
RBC HIGH YIELD BOND FUND

December 31, 2022

	Holdings	Cost (\$)	Fair Value (\$)	% of Net Assets
EQUITIES				
United States				
Unit Corp	305 788	3 118	23 956	
TOTAL EQUITIES		3 118	23 956	1.0
UNDERLYING FUNDS				
BMO Aggregate Bond Index ETF	900 000	12 344	12 123	
iShares Core Canadian Universe Bond Index ETF	455 000	12 622	12 422	
iShares iBoxx High Yield Corporate Bond ETF	341 500	34 610	34 046	
SPDR Bloomberg High Yield Bond ETF	279 350	34 643	34 042	
TOTAL UNDERLYING FUNDS		94 219	92 633	4.0

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
BONDS				
Canada				
1011778 BC ULC / New Red Finance Inc 3.875% Jan 15, 2028	2 695	3 619	3 272	
407 International Inc 3.650% Sep 08, 2044	7 000	6 112	5 802	
407 International Inc 2.840% Mar 07, 2050	3 500	2 376	2 433	
AIMCo Realty Investors LP 3.367% Jun 01, 2027	5 000	5 130	4 735	
AIMCo Realty Investors LP 3.043% Jun 01, 2028	5 000	4 748	4 594	
Air Canada 4.625% Aug 15, 2029	6 705	6 762	5 912	
Alectra Inc 5.225% Nov 14, 2052	5 000	5 000	5 291	
Algonquin Power & Utilities Corp 5.250% Jan 18, 2082	16 730	16 463	13 079	
Alimentation Couche-Tard Inc 3.056% Jul 26, 2024	5 000	5 007	4 844	
AltaGas Ltd 3.980% Oct 04, 2027	8 000	8 001	7 600	
AltaGas Ltd 5.250% Jan 11, 2082	12 430	12 156	10 140	
AltaGas Ltd 7.350% Aug 17, 2082	4 310	4 317	4 205	
AltaLink LP 2.747% May 29, 2026	5 000	5 040	4 725	
AltaLink LP 1.509% Sep 11, 2030	3 000	2 443	2 414	
ARC Resources Ltd 3.465% Mar 10, 2031	5 000	4 391	4 334	
Bank of Montreal 3.650% Apr 01, 2027	2 500	2 395	2 375	
Bank of Montreal 3.190% Mar 01, 2028	10 000	9 768	9 346	
Bank of Montreal 1.928% Jul 22, 2031	8 000	8 004	7 041	
Bank of Montreal 7.325% Nov 26, 2082	8 500	8 500	8 505	
Bank of Nova Scotia 5.500% May 08, 2026	5 000	5 103	5 077	
Bank of Nova Scotia 3.700% Jul 27, 2081	14 225	14 214	10 768	
Bank of Nova Scotia 7.023% Jul 27, 2082	8 775	8 775	8 577	
Baytex Energy Corp 8.750% Apr 01, 2027	7 503	9 702	10 353	
Bell Telephone Co of Canada or Bell Canada 3.600% Sep 29, 2027	8 500	8 500	8 057	
Bell Telephone Co of Canada or Bell Canada 3.000% Mar 17, 2031	10 000	8 971	8 614	
Bell Telephone Co of Canada or Bell Canada 4.350% Dec 18, 2045	5 000	4 411	4 219	
Bell Telephone Co of Canada or Bell Canada 4.050% Mar 17, 2051	10 000	8 087	7 916	
Brookfield Infrastructure Finance ULC 5.616% Nov 14, 2027	5 000	5 000	5 080	
Brookfield Infrastructure Finance ULC 5.980% Feb 14, 2033	7 000	7 150	7 234	
Brookfield Property Finance ULC 3.930% Jan 15, 2027	5 000	4 872	4 523	
Brookfield Renewable Partners ULC 4.250% Jan 15, 2029	10 000	9 903	9 622	
Brookfield Renewable Partners ULC 4.290% Nov 05, 2049	3 500	3 059	2 919	
Bruce Power LP 2.680% Dec 21, 2028	10 200	9 397	9 059	
Canadian Imperial Bank of Commerce 3.290% Jan 15, 2024	10 000	10 170	9 806	
Canadian Imperial Bank of Commerce 2.250% Jan 07, 2027	10 000	9 173	9 008	
Canadian Imperial Bank of Commerce 7.150% Jul 28, 2082	10 000	10 069	9 817	
Canadian National Railway Co 3.000% Feb 08, 2029	8 000	8 001	7 379	

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



December 31, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
Canada (cont.)				
Canadian Pacific Railway Co 3.150% Mar 13, 2029	5 000	4 723	4 557	
Canadian Western Bank 1.818% Dec 16, 2027	10 000	8 711	8 513	
Capital Power Corp 7.950% Sep 09, 2082	9 100	9 103	8 983	
Choice Properties Real Estate Investment Trust 2.848% May 21, 2027	10 000	9 904	9 084	
Choice Properties Real Estate Investment Trust 2.981% Mar 04, 2030	5 000	4 487	4 278	
CT Real Estate Investment Trust 3.469% Jun 16, 2027	3 000	2 879	2 780	
CT Real Estate Investment Trust 3.865% Dec 07, 2027	10 000	9 774	9 339	
CT Real Estate Investment Trust 3.029% Feb 05, 2029	5 000	4 339	4 367	
CU Inc 2.963% Sep 07, 2049	7 000	5 186	4 986	
Dollarama Inc 1.505% Sep 20, 2027	3 100	2 727	2 662	
Dollarama Inc 2.443% Jul 09, 2029	10 000	8 689	8 579	
Enbridge Gas Inc 4.150% Aug 17, 2032	3 500	3 460	3 334	
Enbridge Gas Inc 3.650% Apr 01, 2050	5 000	3 949	4 014	
Enbridge Inc 3.950% Nov 19, 2024	5 000	5 017	4 885	
Enbridge Inc 2.990% Oct 03, 2029	10 000	9 063	8 779	
Enbridge Inc 5.500% Jul 15, 2077	7 890	9 187	9 462	
Enbridge Inc 6.250% Mar 01, 2078	2 800	2 819	3 455	
Enbridge Inc 7.375% Jan 15, 2083	3 600	4 753	4 750	
Enbridge Pipelines Inc 3.000% Aug 10, 2026	8 000	7 610	7 491	
Enbridge Pipelines Inc 3.520% Feb 22, 2029	7 000	7 078	6 461	
Enbridge Pipelines Inc 4.200% May 12, 2051	5 000	3 803	3 915	
Enerflex Ltd 9.000% Oct 15, 2027	7 150	9 214	9 667	
EPCOR Utilities Inc 2.411% Jun 30, 2031	5 000	4 380	4 233	
EPCOR Utilities Inc 3.106% Jul 08, 2049	6 400	4 906	4 716	
Equitable Bank 1.939% Mar 10, 2025	6 500	5 971	5 989	
Fairfax Financial Holdings Ltd 4.950% Mar 03, 2025	5 000	5 065	4 939	
Federation des Caisses Desjardins du Quebec 5.200% Oct 01, 2025	5 000	4 997	5 016	
Federation des Caisses Desjardins du Quebec 1.587% Sep 10, 2026	10 000	9 005	8 879	
Ford Credit Canada Co 6.777% Sep 15, 2025	13 150	13 163	13 266	
Fortis Inc/Canada 4.431% May 31, 2029	4 000	4 000	3 891	
General Motors Financial of Canada Ltd 1.750% Apr 15, 2026	6 935	6 073	6 116	
Gibson Energy Inc 2.450% Jul 14, 2025	9 000	8 372	8 383	
Greater Toronto Airports Authority 1.540% May 03, 2028	10 000	8 799	8 678	
Greater Toronto Airports Authority 3.260% Jun 01, 2037	4 350	3 741	3 632	
H&R Real Estate Investment Trust 4.071% Jun 16, 2025	2 000	1 923	1 922	
Honda Canada Finance Inc 1.337% Mar 17, 2026	5 500	4 873	4 901	
Hydro One Inc 1.690% Jan 16, 2031	13 000	10 753	10 528	
Hydro One Inc 3.630% Jun 25, 2049	4 000	4 437	3 270	
Hyundai Capital Canada Inc 3.196% Feb 16, 2027	5 500	4 953	5 006	
Inter Pipeline Ltd/AB 4.232% Jun 01, 2027	5 000	5 015	4 788	
Inter Pipeline Ltd/AB 6.875% Mar 26, 2079	8 250	8 503	7 906	
Inter Pipeline Ltd/AB 6.625% Nov 19, 2079	4 835	4 637	4 499	
Keyera Corp 6.875% Jun 13, 2079	13 660	13 814	12 939	
Mattamy Group Corp 5.250% Dec 15, 2027	14 645	18 715	17 620	
Metro Inc/CN 3.390% Dec 06, 2027	5 000	4 671	4 698	
National Bank of Canada 5.296% Nov 03, 2025	7 000	7 000	7 045	
National Bank of Canada 4.050% Aug 15, 2081	14 025	13 740	10 776	
National Bank of Canada 7.500% Nov 16, 2082	3 690	3 690	3 652	
North West Redwater Partnership / NWR Financing Co Ltd 2.800% Jun 01, 2027	7 000	6 679	6 476	
North West Redwater Partnership / NWR Financing Co Ltd 2.800% Jun 01, 2031	5 000	4 448	4 262	
NOVA Chemicals Corp 4.250% May 15, 2029	10 200	12 675	11 311	
OMERS Realty Corp 3.628% Jun 05, 2030	5 000	4 799	4 595	
Ontario Power Generation Inc 3.215% Apr 08, 2030	7 500	6 710	6 799	
Open Text Corp 6.900% Dec 01, 2027	2 290	3 065	3 105	
Open Text Corp 3.875% Feb 15, 2028	1 628	2 168	1 895	
Open Text Corp 3.875% Dec 01, 2029	3 755	4 672	4 096	
Open Text Holdings Inc 4.125% Dec 01, 2031	6 071	7 036	6 401	

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



December 31, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
Canada (cont.)				
Parkland Corp/Alberta 4.375% Mar 26, 2029	7 135	7 158	6 161	
Parkland Corp/Alberta 4.500% Oct 01, 2029	4 490	5 673	5 075	
Parkland Corp/Alberta 4.625% May 01, 2030	2 138	2 660	2 400	
Pembina Pipeline Corp 4.240% Jun 15, 2027	5 000	5 183	4 838	
Pembina Pipeline Corp 3.530% Dec 10, 2031	3 000	2 708	2 610	
Pembina Pipeline Corp 4.800% Jan 25, 2081	18 675	18 078	15 307	
Precision Drilling Corp 7.125% Jan 15, 2026	6 930	7 337	9 093	
Precision Drilling Corp 6.875% Jan 15, 2029	1 245	1 577	1 572	
Reliance LP 3.836% Mar 15, 2025	3 500	3 411	3 364	
RioCan Real Estate Investment Trust 1.974% Jun 15, 2026	2 500	2 214	2 209	
Rogers Communications Inc 4.000% Mar 13, 2024	2 500	2 630	2 463	
Rogers Communications Inc 5.000% Dec 17, 2081	18 065	18 064	16 322	
Royal Bank of Canada 3.296% Sep 26, 2023*	3 700	3 773	3 651	
Royal Bank of Canada 4.612% Jul 26, 2027*	11 300	11 283	11 154	
Royal Bank of Canada 3.650% Nov 24, 2081*	15 000	15 018	11 341	
Saputo Inc 5.250% Nov 29, 2029	2 500	2 500	2 519	
Secure Energy Services Inc 7.250% Dec 30, 2026	8 700	8 765	8 559	
Shaw Communications Inc 4.350% Jan 31, 2024	5 000	5 299	4 936	
Stantec Inc 2.048% Oct 08, 2027	6 000	5 205	5 248	
Summit Industrial Income REIT 2.440% Jul 14, 2028	9 000	7 681	7 721	
Sun Life Financial Inc 2.460% Nov 18, 2031	4 000	3 615	3 585	
Sun Life Financial Inc 2.580% May 10, 2032	5 000	4 634	4 478	
Superior Plus LP / Superior General Partner Inc 4.500% Mar 15, 2029	6 115	7 748	7 091	
Superior Plus LP 4.250% May 18, 2028	6 724	6 752	5 860	
TELUS Corp 3.625% Mar 01, 2028	5 000	5 068	4 696	
TELUS Corp 3.300% May 02, 2029	7 500	7 045	6 812	
TELUS Corp 2.050% Oct 07, 2030	5 000	4 786	4 018	
TELUS Corp 4.100% Apr 05, 2051	5 000	3 924	3 896	
Toronto-Dominion Bank 1.128% Dec 09, 2025	5 000	4 930	4 481	
Toronto-Dominion Bank 1.888% Mar 08, 2028	5 000	4 461	4 309	
Toronto-Dominion Bank 1.896% Sep 11, 2028	10 000	8 837	8 506	
Toronto-Dominion Bank 4.680% Jan 08, 2029	9 500	9 500	9 357	
Toronto-Dominion Bank 7.283% Oct 31, 2082	7 300	7 300	7 256	
Tourmaline Oil Corp 2.077% Jan 25, 2028	4 000	3 468	3 476	
TransCanada PipeLines Ltd 5.330% May 12, 2032	9 200	9 342	9 180	
TransCanada PipeLines Ltd 4.340% Oct 15, 2049	4 000	4 267	3 204	
TransCanada PipeLines Ltd 5.920% May 12, 2052	1 500	1 498	1 522	
Transcanada Trust 4.650% May 18, 2077	13 375	13 089	11 970	
Vermilion Energy Inc 5.625% Mar 15, 2025	6 010	7 601	7 830	
Videotron Ltd 5.625% Jun 15, 2025	450	434	444	
Videotron Ltd 4.500% Jan 15, 2030	10 620	10 694	9 264	
Videotron Ltd 3.125% Jan 15, 2031	10 675	10 672	8 214	
		914 594	865 236	37.8
France				
Altice France SA/France 5.500% Jan 15, 2028	10 630	14 653	11 302	
Iliad Holding SASU 6.500% Oct 15, 2026	4 340	5 467	5 460	
Iliad Holding SASU 7.000% Oct 15, 2028	3 430	4 348	4 204	
		24 468	20 966	0.9
Germany				
Deutsche Bank AG/New York NY 3.742% Jan 07, 2033	9 550	10 411	9 210	
		10 411	9 210	0.4
Italy				
Telecom Italia Capital SA 6.375% Nov 15, 2033	5 910	9 066	6 559	
Telecom Italia Capital SA 7.200% Jul 18, 2036	2 655	4 351	2 925	
		13 417	9 484	0.4

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



December 31, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
Luxembourg				
Altice Financing SA 5.000% Jan 15, 2028	4 705	6 257	5 142	
ArcelorMittal SA 6.750% Mar 01, 2041	4 345	7 119	5 699	
		13 376	10 841	0.5
Netherlands				
Alcoa Nederland Holding BV 5.500% Dec 15, 2027	9 095	12 451	11 888	
Alcoa Nederland Holding BV 4.125% Mar 31, 2029	75	95	90	
OI European Group BV 2.875% Feb 15, 2025	1 840	2 468	2 574	
OI European Group BV 4.750% Feb 15, 2030	13 385	16 383	15 897	
Sensata Technologies BV 5.875% Sep 01, 2030	7 000	9 066	8 996	
Ziggo Bond Co BV 5.125% Feb 28, 2030	12 790	17 254	14 012	
		57 717	53 457	2.3
Supranational				
American Airlines Inc/AAAdvantage Loyalty IP Ltd 5.500% Apr 20, 2026	2 010	2 605	2 622	
American Airlines Inc/AAAdvantage Loyalty IP Ltd 5.750% Apr 20, 2029	3 115	4 061	3 862	
Ardagh Packaging Finance PLC / Ardagh Holdings USA Inc 4.125% Aug 15, 2026	8 760	11 530	10 299	
Axalta Coating Systems LLC / Axalta Coating Systems Dutch Holding B BV 4.750% Jun 15, 2027	7 525	10 079	9 434	
JBS USA LUX SA / JBS USA Food Co / JBS USA Finance Inc 5.500% Jan 15, 2030	7 100	9 726	9 170	
		38 001	35 387	1.5
United Kingdom				
Atlantica Sustainable Infrastructure PLC 4.125% Jun 15, 2028	8 300	10 180	9 986	
International Game Technology PLC 5.250% Jan 15, 2029	3 875	5 219	4 898	
Virgin Media Secured Finance PLC 5.500% May 15, 2029	14 165	19 752	17 224	
		35 151	32 108	1.4
United States				
ADT Security Corp 4.875% Jul 15, 2032	4 700	6 632	5 419	
Albertsons Cos Inc / Safeway Inc / New Albertsons LP / Albertsons LLC 5.875% Feb 15, 2028	10 170	14 513	13 115	
Albertsons Cos Inc / Safeway Inc / New Albertsons LP / Albertsons LLC 4.875% Feb 15, 2030	1 165	1 634	1 411	
American Airlines Inc 11.750% Jul 15, 2025	4 285	5 756	6 236	
American Axle & Manufacturing Inc 6.500% Apr 01, 2027	7 895	10 266	9 659	
American Axle & Manufacturing Inc 6.875% Jul 01, 2028	4 485	5 932	5 424	
Antero Resources Corp 5.375% Mar 01, 2030	8 850	10 817	11 126	
Avantor Funding Inc 3.875% Jul 15, 2028	4 040	5 659	5 427	
Avantor Funding Inc 3.875% Nov 01, 2029	1 945	2 403	2 215	
Avis Budget Car Rental LLC / Avis Budget Finance Inc 5.750% Jul 15, 2027	8 570	10 996	10 543	
Avis Budget Finance Plc 4.750% Jan 30, 2026	3 395	4 780	4 614	
Bath & Body Works Inc 9.375% Jul 01, 2025	1 430	1 887	2 071	
Bath & Body Works Inc 6.694% Jan 15, 2027	2 570	3 406	3 464	
Bath & Body Works Inc 5.250% Feb 01, 2028	6 455	8 823	8 130	
Bath & Body Works Inc 6.625% Oct 01, 2030	745	1 030	948	
Bath & Body Works Inc 6.750% Jul 01, 2036	2 475	3 633	2 951	
Berry Global Inc 4.875% Jul 15, 2026	4 110	5 266	5 370	
Blue Racer Midstream LLC / Blue Racer Finance Corp 6.625% Jul 15, 2026	3 090	3 938	4 056	
Boyd Gaming Corp 4.750% Dec 01, 2027	5 155	6 351	6 511	
Boyd Gaming Corp 4.750% Jun 15, 2031	4 080	4 954	4 813	
Builders FirstSource Inc 5.000% Mar 01, 2030	11 140	14 884	13 390	
Caesars Entertainment Inc 6.250% Jul 01, 2025	5 130	7 011	6 763	
Caesars Resort Collection LLC / CRC Finco Inc 5.750% Jul 01, 2025	5 855	8 042	7 772	
Calpine Corp 5.000% Feb 01, 2031	15 335	19 783	17 452	
Carnival Corp 7.625% Mar 01, 2026	8 330	10 218	8 959	
Carnival Corp 9.875% Aug 01, 2027	7 900	11 307	10 126	
Carnival Corp 6.000% May 01, 2029	7 390	9 140	6 687	
Carnival Holdings Bermuda Ltd 10.375% May 01, 2028	5 400	7 359	7 519	
CCO Holdings LLC / CCO Holdings Capital Corp 5.375% Jun 01, 2029	11 450	15 208	14 054	
CCO Holdings LLC / CCO Holdings Capital Corp 4.500% Aug 15, 2030	21 255	28 239	23 841	
Chemours Co 5.750% Nov 15, 2028	3 575	4 751	4 355	
Chemours Co 4.625% Nov 15, 2029	5 500	6 863	6 098	

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December 31, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
United States (cont.)				
CHS/Community Health Systems Inc 5.625% Mar 15, 2027	8 055	10 423	9 372	
CHS/Community Health Systems Inc 6.000% Jan 15, 2029	5 130	6 496	5 819	
CHS/Community Health Systems Inc 5.250% May 15, 2030	2 505	3 023	2 564	
Cinemark USA Inc 5.875% Mar 15, 2026	855	1 029	966	
Cinemark USA Inc 5.250% Jul 15, 2028	11 320	13 522	11 400	
Clarivate Science Holdings Corp 3.875% Jul 01, 2028	5 195	6 328	6 103	
Cleveland-Cliffs Inc 4.625% Mar 01, 2029	3 825	4 802	4 604	
Cloud Software Group Holdings Inc 6.500% Mar 31, 2029	7 965	9 056	9 103	
CNX Midstream Partners LP 4.750% Apr 15, 2030	4 750	6 079	5 286	
CNX Resources Corp 7.250% Mar 14, 2027	1 014	1 318	1 365	
CNX Resources Corp 7.375% Jan 15, 2031	7 200	9 338	9 358	
CommScope Inc 6.000% Mar 01, 2026	5 530	7 524	6 926	
CommScope Technologies LLC 5.000% Mar 15, 2027	995	1 243	917	
CSC Holdings LLC 5.500% Apr 15, 2027	11 970	16 324	13 631	
CSC Holdings LLC 4.125% Dec 01, 2030	12 957	17 411	12 422	
Directv Financing LLC / Directv Financing Co-Obligor Inc 5.875% Aug 15, 2027	10 560	13 662	12 819	
DISH DBS Corp 5.875% Nov 15, 2024	6 930	8 779	8 739	
DISH DBS Corp 5.750% Dec 01, 2028	16 710	20 537	18 100	
DISH Network Corp 11.750% Nov 15, 2027	3 985	5 279	5 564	
EnLink Midstream LLC 6.500% Sep 01, 2030	10 500	13 513	14 090	
Entegris Escrow Corp 5.950% Jun 15, 2030	8 425	10 077	10 535	
EQM Midstream Partners LP 6.000% Jul 01, 2025	749	1 024	980	
EQM Midstream Partners LP 6.500% Jul 01, 2027	4 068	5 577	5 274	
EQM Midstream Partners LP 5.500% Jul 15, 2028	1 250	1 567	1 516	
EQM Midstream Partners LP 4.750% Jan 15, 2031	2 600	3 243	2 885	
EQM Midstream Partners LP 6.500% Jul 15, 2048	5 840	7 089	5 941	
Ford Motor Co 7.450% Jul 16, 2031	2 175	2 982	3 017	
Ford Motor Credit Co LLC 4.687% Jun 09, 2025	3 955	5 275	5 104	
Ford Motor Credit Co LLC 4.542% Aug 01, 2026	7 780	10 414	9 724	
Ford Motor Credit Co LLC 4.125% Aug 17, 2027	1 400	1 732	1 701	
Ford Motor Credit Co LLC 5.113% May 03, 2029	22 225	27 515	27 318	
Ford Motor Credit Co LLC 4.000% Nov 13, 2030	275	345	306	
Goodyear Europe BV 2.750% Aug 15, 2028	4 355	5 488	5 097	
Goodyear Tire & Rubber Co 5.250% Apr 30, 2031	4 500	5 299	5 067	
Goodyear Tire & Rubber Co 5.250% Jul 15, 2031	4 000	5 352	4 437	
Herc Holdings Inc 5.500% Jul 15, 2027	7 970	10 605	10 088	
Hilton Domestic Operating Co Inc 3.625% Feb 15, 2032	14 680	18 738	15 953	
Howmet Aerospace Inc 3.000% Jan 15, 2029	7 940	10 053	9 154	
Icahn Enterprises LP / Icahn Enterprises Finance Corp 4.750% Sep 15, 2024	5 570	7 383	7 248	
Icahn Enterprises LP / Icahn Enterprises Finance Corp 5.250% May 15, 2027	6 360	8 222	7 904	
Imola Merger Corp 4.750% May 15, 2029	4 950	6 288	5 829	
Iron Mountain Inc 4.875% Sep 15, 2027	5 375	7 279	6 704	
Iron Mountain Inc 5.250% Mar 15, 2028	1 400	1 909	1 747	
Iron Mountain Inc 4.875% Sep 15, 2029	4 260	5 789	5 041	
Level 3 Financing Inc 4.250% Jul 01, 2028	7 600	9 685	8 129	
Level 3 Financing Inc 3.625% Jan 15, 2029	1 500	1 976	1 491	
Macy's Retail Holdings LLC 6.700% Sep 15, 2028	3 000	4 325	3 798	
Macy's Retail Holdings LLC 5.875% Apr 01, 2029	13 285	16 211	15 953	
Macy's Retail Holdings LLC 6.125% Mar 15, 2032	600	763	684	
Medline Borrower LP 3.875% Apr 01, 2029	6 460	8 188	7 065	
Medline Borrower LP 5.250% Oct 01, 2029	1 920	2 452	2 069	
Mercer International Inc 5.125% Feb 01, 2029	8 665	11 162	9 826	
MGM Resorts International 5.750% Jun 15, 2025	3 937	5 298	5 189	
MGM Resorts International 5.500% Apr 15, 2027	8 841	11 391	11 153	
Mileage Plus Holdings LLC / Mileage Plus Intellectual Property Assets Ltd 6.500% Jun 20, 2027	6 633	8 647	8 949	
MPT Operating Partnership LP / MPT Finance Corp 2.550% Dec 05, 2023	3 150	4 566	4 909	
MPT Operating Partnership LP / MPT Finance Corp 5.000% Oct 15, 2027	5 765	7 307	6 578	

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	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
United States (cont.)				
MPT Operating Partnership LP / MPT Finance Corp 4.625% Aug 01, 2029	7 655	9 602	7 923	
MPT Operating Partnership LP / MPT Finance Corp 3.500% Mar 15, 2031	2 330	3 047	2 169	
Nationstar Mortgage Holdings Inc 5.500% Aug 15, 2028	6 450	8 199	7 135	
Nationstar Mortgage Holdings Inc 5.125% Dec 15, 2030	3 840	4 765	4 023	
Navient Corp 6.125% Mar 25, 2024	6 290	8 285	8 357	
Navient Corp 5.875% Oct 25, 2024	1 745	2 460	2 290	
Newell Brands Inc 5.625% Apr 01, 2036	1 770	2 282	2 062	
Newell Brands Inc 5.750% Apr 01, 2046	12 015	17 701	12 996	
Nordstrom Inc 4.375% Apr 01, 2030	1 535	2 000	1 566	
Nordstrom Inc 4.250% Aug 01, 2031	11 020	12 920	10 692	
Novelis Corp 4.750% Jan 30, 2030	8 500	11 314	10 229	
NRG Energy Inc 5.750% Jan 15, 2028	3 445	4 624	4 386	
NRG Energy Inc 3.375% Feb 15, 2029	250	264	273	
NRG Energy Inc 5.250% Jun 15, 2029	4 880	6 597	5 844	
NRG Energy Inc 3.875% Feb 15, 2032	2 375	2 992	2 421	
Olin Corp 5.625% Aug 01, 2029	6 750	8 924	8 699	
OneMain Finance Corp 6.625% Jan 15, 2028	11 950	16 761	14 928	
OneMain Finance Corp 3.875% Sep 15, 2028	5 280	6 625	5 694	
OneMain Finance Corp 5.375% Nov 15, 2029	1 375	1 555	1 526	
Open Text Holdings Inc 4.125% Feb 15, 2030	5 225	6 116	5 688	
Park Intermediate Holdings LLC / PK Domestic Property LLC / PK Finance Co-Issuer 5.875% Oct 01, 2028	6 670	8 914	8 201	
Pilgrim's Pride Corp 5.875% Sep 30, 2027	6 345	8 620	8 348	
Pilgrim's Pride Corp 4.250% Apr 15, 2031	1 705	2 241	1 967	
Pilgrim's Pride Corp 3.500% Mar 01, 2032	2 500	3 219	2 654	
Post Holdings Inc 5.750% Mar 01, 2027	753	1 002	987	
Post Holdings Inc 5.500% Dec 15, 2029	12 045	15 691	14 792	
Prime Security Services Borrower LLC / Prime Finance Inc 5.750% Apr 15, 2026	2 095	2 968	2 736	
Prime Security Services Borrower LLC / Prime Finance Inc 6.250% Jan 15, 2028	5 110	6 210	6 312	
Range Resources Corp 8.250% Jan 15, 2029	1 900	2 555	2 654	
Range Resources Corp 4.750% Feb 15, 2030	7 440	9 377	8 891	
Rockcliff Energy II LLC 5.500% Oct 15, 2029	10 175	12 992	12 623	
Royal Caribbean Cruises Ltd 11.500% Jun 01, 2025	3 200	4 609	4 656	
Royal Caribbean Cruises Ltd 5.500% Aug 31, 2026	850	1 004	970	
Royal Caribbean Cruises Ltd 11.625% Aug 15, 2027	11 700	15 296	15 936	
Royal Caribbean Cruises Ltd 7.500% Oct 15, 2027	2 250	3 097	2 597	
Royal Caribbean Cruises Ltd 5.500% Apr 01, 2028	2 650	3 091	2 870	
Royal Caribbean Cruises Ltd 9.250% Jan 15, 2029	4 000	5 504	5 572	
Sabre Global Inc 9.250% Apr 15, 2025	5 360	7 444	7 242	
Sabre Global Inc 7.375% Sep 01, 2025	6 050	8 366	7 886	
Seagate HDD Cayman 4.125% Jan 15, 2031	1 285	1 659	1 361	
Seagate HDD Cayman 9.625% Dec 01, 2032	7 053	11 488	10 487	
Seagate HDD Cayman 5.750% Dec 01, 2034	460	589	529	
Sonic Automotive Inc 4.625% Nov 15, 2029	460	527	500	
Sonic Automotive Inc 4.875% Nov 15, 2031	7 905	9 818	8 429	
Spirit AeroSystems Inc 7.500% Apr 15, 2025	3 595	4 882	4 820	
Spirit Loyalty Cayman Ltd / Spirit IP Cayman Ltd 8.000% Sep 20, 2025	9 546	13 092	12 995	
Suburban Propane Partners LP/Suburban Energy Finance Corp 5.000% Jun 01, 2031	5 225	6 383	6 022	
Targa Resources Partners LP / Targa Resources Partners Finance Corp 6.500% Jul 15, 2027	9 314	12 312	12 712	
Targa Resources Partners LP / Targa Resources Partners Finance Corp 6.875% Jan 15, 2029	9 100	11 927	12 441	
Tempur Sealy International Inc 4.000% Apr 15, 2029	8 475	10 586	9 658	
Tenet Healthcare Corp 6.125% Oct 01, 2028	8 710	11 047	10 584	
Tenet Healthcare Corp 4.250% Jun 01, 2029	12 165	14 684	14 300	
Tenet Healthcare Corp 6.125% Jun 15, 2030	1 225	1 552	1 583	
TerraForm Power Operating LLC 5.000% Jan 31, 2028	4 215	5 377	5 146	
TerraForm Power Operating LLC 4.750% Jan 15, 2030	5 360	7 471	6 327	
Toll Brothers Finance Corp 3.800% Nov 01, 2029	12 155	14 012	14 085	

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	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
United States (cont.)				
TransDigm Inc 6.250% Mar 15, 2026	5 520	7 650	7 387	
TransDigm Inc 5.500% Nov 15, 2027	2 930	3 862	3 733	
TransDigm Inc 4.875% May 01, 2029	6 350	7 933	7 510	
Travel + Leisure Co 6.625% Jul 31, 2026	7 225	9 979	9 587	
Tronox Inc 4.625% Mar 15, 2029	4 300	5 469	4 851	
Vistra Operations Co LLC 5.625% Feb 15, 2027	2 000	2 598	2 575	
Vistra Operations Co LLC 5.000% Jul 31, 2027	4 850	6 588	6 109	
Vistra Operations Co LLC 4.375% May 01, 2029	3 955	4 859	4 625	
Western Midstream Operating LP 3.950% Jun 01, 2025	1 000	1 313	1 284	
Williams Scotsman International Inc 6.125% Jun 15, 2025	4 535	6 261	6 089	
Williams Scotsman International Inc 4.625% Aug 15, 2028	1 820	2 318	2 228	
		1 153 852	1 068 782	46.7
TOTAL BONDS		2 260 987	2 105 471	91.9
SHORT-TERM INVESTMENTS†		24 772	24 772	1.1
TOTAL INVESTMENTS		2 383 096	2 246 832	98.0
UNREALIZED GAIN ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE A)		—	7 043	0.3
UNREALIZED LOSS ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE A)		—	(10 060)	(0.4)
TOTAL PORTFOLIO		2 383 096	2 243 815	97.9
OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			44 666	2.1
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			2 288 481	100.0

SCHEDULE A

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Gain (\$)
Bought CAD 12 188 Sold USD 9 000 @ 1.3540	03-Jan-2023	2
Bought CAD 63 727 Sold USD 46 938 @ 1.3539	11-Jan-2023	176
Bought USD 4 000 Sold CAD 5 381 @ 1.3539	11-Jan-2023	35
Bought CAD 31 677 Sold USD 23 019 @ 1.3539	12-Jan-2023	511
Bought CAD 1 836 Sold USD 1 347 @ 1.3539	12-Jan-2023	11
Bought CAD 42 582 Sold USD 31 000 @ 1.3539	17-Jan-2023	611
Bought USD 6 089 Sold CAD 8 202 @ 1.3539	17-Jan-2023	42
Bought CAD 66 340 Sold USD 47 831 @ 1.3538	23-Jan-2023	1 582
Bought CAD 34 767 Sold USD 25 316 @ 1.3538	25-Jan-2023	492
Bought USD 2 000 Sold CAD 2 703 @ 1.3538	25-Jan-2023	5
Bought CAD 25 555 Sold USD 18 594 @ 1.3538	31-Jan-2023	383
Bought CAD 14 856 Sold USD 10 818 @ 1.3538	31-Jan-2023	210
Bought USD 1 549 Sold CAD 2 077 @ 1.3538	31-Jan-2023	21
Bought USD 2 000 Sold CAD 2 657 @ 1.3538	01-Feb-2023	51
Bought CAD 41 485 Sold USD 30 207 @ 1.3537	06-Feb-2023	593
Bought CAD 5 919 Sold USD 4 350 @ 1.3536	17-Feb-2023	31
Bought CAD 3 609 Sold USD 2 650 @ 1.3536	17-Feb-2023	22
Bought CAD 14 997 Sold USD 11 030 @ 1.3535	21-Feb-2023	68
Bought CAD 19 607 Sold USD 14 390 @ 1.3535	22-Feb-2023	130
Bought CAD 60 204 Sold USD 44 215 @ 1.3535	23-Feb-2023	359
Bought USD 4 800 Sold CAD 6 434 @ 1.3534	01-Mar-2023	63
Bought USD 2 201 Sold CAD 2 920 @ 1.3534	01-Mar-2023	60
Bought USD 2 000 Sold CAD 2 675 @ 1.3534	01-Mar-2023	33
Bought USD 8 000 Sold CAD 10 826 @ 1.3534	01-Mar-2023	2
Bought USD 1 945 Sold CAD 2 607 @ 1.3533	07-Mar-2023	25
Bought USD 3 130 Sold CAD 4 199 @ 1.3532	13-Mar-2023	37
Bought CAD 20 424 Sold USD 15 060 @ 1.3532	15-Mar-2023	45
Bought CAD 61 635 Sold USD 45 403 @ 1.3531	21-Mar-2023	199

SCHEDULE A (cont.)

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Gain (\$)
Bought CAD 5 972 Sold USD 4 410 @ 1.3531	24-Mar-2023	5
Bought CAD 92 480 Sold USD 67 825 @ 1.3530	29-Mar-2023	713
Bought CAD 26 400 Sold USD 19 393 @ 1.3530	30-Mar-2023	162
Bought CAD 25 313 Sold USD 18 626 @ 1.3530	31-Mar-2023	112
Bought CAD 50 036 Sold USD 36 797 @ 1.3529	03-Apr-2023	252
		7 043
Contracts	Maturity Date	Unrealized Loss (\$)
Bought CAD 48 992 Sold USD 36 320 @ 1.3540	06-Jan-2023	(184)
Bought USD 6 425 Sold CAD 8 827 @ 1.3540	06-Jan-2023	(126)
Bought USD 12 188 Sold CAD 16 674 @ 1.3540	06-Jan-2023	(171)
Bought CAD 27 560 Sold USD 20 431 @ 1.3539	10-Jan-2023	(103)
Bought CAD 1 339 Sold EUR 985 @ 1.4504	10-Jan-2023	(90)
Bought USD 20 327 Sold CAD 27 904 @ 1.3539	11-Jan-2023	(382)
Bought USD 7 500 Sold CAD 10 341 @ 1.3539	11-Jan-2023	(187)
Bought USD 3 510 Sold CAD 4 759 @ 1.3539	11-Jan-2023	(6)
Bought USD 3 000 Sold CAD 4 087 @ 1.3539	12-Jan-2023	(25)
Bought CAD 1 135 Sold USD 850 @ 1.3539	19-Jan-2023	(17)
Bought USD 4 000 Sold CAD 5 451 @ 1.3538	25-Jan-2023	(35)
Bought USD 2 800 Sold CAD 3 793 @ 1.3538	25-Jan-2023	(2)
Bought CAD 1 302 Sold USD 970 @ 1.3538	25-Jan-2023	(12)
Bought USD 1 000 Sold CAD 1 365 @ 1.3538	31-Jan-2023	(11)
Bought CAD 28 487 Sold USD 21 100 @ 1.3538	01-Feb-2023	(78)
Bought CAD 2 037 Sold GBP 1 316 @ 1.6382	03-Feb-2023	(120)
Bought CAD 2 770 Sold GBP 1 700 @ 1.6383	07-Feb-2023	(16)
Bought USD 3 000 Sold CAD 4 069 @ 1.3536	14-Feb-2023	(8)
Bought CAD 9 195 Sold USD 6 800 @ 1.3536	16-Feb-2023	(10)

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December 31, 2022

SCHEDULE A (cont.)

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Loss (\$)
Bought CAD 7 429 Sold USD 5 600 @ 1.3536	16-Feb-2023	(151)
Bought CAD 1 324 Sold USD 990 @ 1.3536	16-Feb-2023	(17)
Bought CAD 17 987 Sold USD 13 290 @ 1.3536	17-Feb-2023	(3)
Bought CAD 7 596 Sold EUR 5 582 @ 1.4538	17-Feb-2023	(520)
Bought CAD 2 658 Sold USD 2 000 @ 1.3536	17-Feb-2023	(50)
Bought CAD 5 297 Sold USD 4 000 @ 1.3535	21-Feb-2023	(118)
Bought CAD 4 021 Sold USD 3 000 @ 1.3535	21-Feb-2023	(40)
Bought CAD 30 654 Sold USD 22 697 @ 1.3534	27-Feb-2023	(65)
Bought CAD 2 923 Sold USD 2 171 @ 1.3534	01-Mar-2023	(15)
Bought CAD 38 681 Sold USD 28 796 @ 1.3534	01-Mar-2023	(292)
Bought USD 1 450 Sold CAD 1 974 @ 1.3534	01-Mar-2023	(11)
Bought USD 2 090 Sold CAD 2 851 @ 1.3534	01-Mar-2023	(22)
Bought CAD 17 022 Sold USD 12 718 @ 1.3534	02-Mar-2023	(190)
Bought CAD 7 968 Sold USD 6 000 @ 1.3534	02-Mar-2023	(153)
Bought CAD 41 824 Sold USD 31 075 @ 1.3534	03-Mar-2023	(233)
Bought CAD 14 804 Sold USD 11 105 @ 1.3533	06-Mar-2023	(225)
Bought CAD 4 001 Sold USD 3 000 @ 1.3533	06-Mar-2023	(59)
Bought CAD 5 908 Sold USD 4 440 @ 1.3533	06-Mar-2023	(101)
Bought CAD 4 352 Sold USD 3 220 @ 1.3533	07-Mar-2023	(6)
Bought CAD 22 118 Sold USD 16 400 @ 1.3533	07-Mar-2023	(77)
Bought USD 9 000 Sold CAD 12 183 @ 1.3533	07-Mar-2023	(3)
Bought CAD 69 661 Sold USD 52 274 @ 1.3533	08-Mar-2023	(1 082)
Bought CAD 20 770 Sold USD 15 534 @ 1.3533	08-Mar-2023	(252)
Bought CAD 10 297 Sold USD 7 753 @ 1.3533	10-Mar-2023	(195)
Bought CAD 60 346 Sold USD 45 500 @ 1.3532	13-Mar-2023	(1 226)
Bought USD 5 120 Sold CAD 6 953 @ 1.3532	13-Mar-2023	(24)
Bought CAD 3 099 Sold USD 2 319 @ 1.3532	14-Mar-2023	(40)
Bought CAD 2 280 Sold EUR 1 633 @ 1.4560	14-Mar-2023	(98)
Bought USD 1 740 Sold CAD 2 369 @ 1.3532	15-Mar-2023	(14)
Bought CAD 743 Sold EUR 535 @ 1.4561	16-Mar-2023	(37)
Bought CAD 55 471 Sold USD 41 444 @ 1.3532	16-Mar-2023	(611)
Bought CAD 1 764 Sold USD 1 320 @ 1.3532	17-Mar-2023	(22)
Bought USD 105 Sold CAD 143 @ 1.3532	17-Mar-2023	-
Bought CAD 6 710 Sold USD 5 000 @ 1.3531	21-Mar-2023	(57)
Bought USD 3 350 Sold CAD 4 580 @ 1.3531	21-Mar-2023	(46)
Bought USD 505 Sold CAD 687 @ 1.3531	21-Mar-2023	(4)
Bought USD 6 800 Sold CAD 9 242 @ 1.3531	21-Mar-2023	(41)
Bought CAD 141 455 Sold USD 105 412 @ 1.3531	22-Mar-2023	(1 178)
Bought CAD 40 272 Sold USD 29 840 @ 1.3531	23-Mar-2023	(104)
Bought USD 6 815 Sold CAD 9 297 @ 1.3531	23-Mar-2023	(75)
Bought CAD 5 013 Sold EUR 3 533 @ 1.4568	24-Mar-2023	(135)
Bought CAD 67 092 Sold USD 49 992 @ 1.3531	24-Mar-2023	(551)
Bought CAD 44 339 Sold USD 33 000 @ 1.3530	27-Mar-2023	(311)
Bought CAD 62 577 Sold USD 46 272 @ 1.3529	05-Apr-2023	(23)
		(10 060)
TOTAL FOREIGN EXCHANGE		(3 017)

All counterparties have a credit rating of at least A.

\$2 656 Government of Canada Treasury Bills are held as collateral by counterparties with respect to the above foreign exchange contracts.

* Investment in related party (see note 8 in the generic notes).

† Short-term investments, which may be made up of treasury bills, commercial paper, term deposits and discount notes, earn interest at rates ranging from 3.57% to 4.33% and mature between January 23, 2023 and May 25, 2023.

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



Statements of Financial Position

(in \$000s except per unit amounts)

(see note 2 in the generic notes)	December 31 2022	December 31 2021
ASSETS		
Investments at fair value	\$ 2 246 832	\$ 3 411 940
Cash	410	8 151
Due from investment dealers	12 249	–
Subscriptions receivable	1 881	3 254
Margin receivable	236	–
Unrealized gain on foreign exchange contracts	7 043	7 961
Dividends receivable, interest accrued and other assets	32 591	42 532
TOTAL ASSETS	2 301 242	3 473 838
LIABILITIES		
Redemptions payable	2 385	2 541
Unrealized loss on foreign exchange contracts	10 060	30 267
Accounts payable and accrued expenses	316	440
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	12 761	33 248
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")	\$ 2 288 481	\$ 3 440 590
Investments at cost	\$ 2 383 096	\$ 3 374 356
NAV		
SERIES A	\$ 120 470	\$ 154 624
ADVISOR SERIES	\$ –	\$ 2 477
SERIES D	\$ 50 008	\$ 66 172
SERIES F	\$ 109 095	\$ 180 933
SERIES O	\$ 2 008 908	\$ 3 036 384
NAV PER UNIT		
SERIES A	\$ 9.07	\$ 10.64
ADVISOR SERIES	\$ –	\$ 10.73
SERIES D	\$ 9.15	\$ 10.73
SERIES F	\$ 9.17	\$ 10.75
SERIES O	\$ 9.21	\$ 10.80

Statements of Comprehensive Income

(in \$000s except per unit amounts)

For the periods ended December 31 (see note 2 in the generic notes)	2022	2021
INCOME (see note 3 in the generic notes)		
Dividends	\$ 151	\$ 324
Interest for distribution purposes	134 358	155 849
Income from investment trusts	2 939	4 140
Derivative income (loss)	(143 664)	104 125
Net realized gain (loss) on investments	(185 622)	(13 084)
Change in unrealized gain (loss) on investments	(154 559)	(108 584)
TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES	(346 397)	142 770
Other income (loss)	8	833
Securities lending revenue (see note 7 in the generic notes)	644	478
Net gain (loss) on foreign cash balances	(372)	(301)
TOTAL OTHER INCOME (LOSS)	280	1 010
TOTAL INCOME (LOSS)	(346 117)	143 780
EXPENSES (see notes – Fund Specific Information)		
Management fees	3 022	3 669
Administration fees	630	814
Independent Review Committee costs	2	2
GST/HST	396	475
Transaction costs	103	90
Withholding tax	(77)	–
TOTAL EXPENSES	4 076	5 050
INCREASE (DECREASE) IN NAV	\$ (350 193)	\$ 138 730
INCREASE (DECREASE) IN NAV		
SERIES A	\$ (17 080)	\$ 3 852
ADVISOR SERIES	\$ (181)	\$ 66
SERIES D	\$ (6 689)	\$ 1 998
SERIES F	\$ (16 959)	\$ 5 216
SERIES O	\$ (309 284)	\$ 127 598
INCREASE (DECREASE) IN NAV PER UNIT		
SERIES A	\$ (1.24)	\$ 0.28
ADVISOR SERIES	\$ (2.92)	\$ 0.28
SERIES D	\$ (1.28)	\$ 0.34
SERIES F	\$ (1.36)	\$ 0.36
SERIES O	\$ (1.25)	\$ 0.45



Statements of Cash Flow (in \$000s)

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

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in NAV	\$ (350 193)	\$ 138 730
ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS		
Interest for distribution purposes	(1 782)	–
Non-cash dividends	–	(466)
Non-cash distributions from underlying funds	–	–
Net realized loss (gain) on investments	185 622	13 084
Change in unrealized loss (gain) on investments	154 559	108 584
(Increase) decrease in accrued receivables	9 941	(4 019)
Increase (decrease) in accrued payables	(124)	55
(Increase) decrease in margin accounts	(236)	–
Cost of investments purchased*	(4 592 617)	(7 218 192)
Proceeds from sale and maturity of investments*	5 387 788	6 966 960
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
	792 958	4 736
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units*	685 499	768 876
Cash paid on redemption of redeemable units*	(1 463 924)	(731 949)
Distributions paid to holders of redeemable units	(22 274)	(33 891)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
	\$ (800 699)	\$ 3 036
Net increase (decrease) in cash for the period	(7 741)	7 772
Cash (bank overdraft), beginning of period	8 151	379
CASH (BANK OVERDRAFT), END OF PERIOD	\$ 410	\$ 8 151
Interest received (paid) [†]	\$ 142 522	\$ 152 003
Income from investment trusts received (paid) ^{††}	\$ 2 889	\$ 3 550
Dividends received (paid) ^{†‡}	\$ 212	\$ 1 107

* Excludes in-kind transactions.

† Classified as part of operating activities.

‡ Net of withholding taxes, if applicable.



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

For the periods ended December 31 (see note 2 in the generic notes)	Series A		Advisor Series		Series D		Series F	
	2022	2021	2022	2021	2022	2021	2022	2021
NAV AT BEGINNING OF PERIOD	\$ 154 624	\$ 142 414	\$ 2 477	\$ 2 933	\$ 66 172	\$ 63 149	\$ 180 933	\$ 135 557
INCREASE (DECREASE) IN NAV	(17 080)	3 852	(181)	66	(6 689)	1 998	(16 959)	5 216
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from redeemable units issued	18 087	40 646	–	223	13 962	9 927	78 920	81 845
Reinvestments of distributions to holders of redeemable units	4 534	6 780	19	113	2 000	3 238	3 482	6 529
Redemption of redeemable units	(34 789)	(31 684)	(2 295)	(735)	(23 335)	(8 660)	(132 594)	(39 075)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	(12 168)	15 742	(2 276)	(399)	(7 373)	4 505	(50 192)	49 299
Distributions from net income	(4 906)	(4 821)	(20)	(82)	(2 102)	(2 383)	(4 687)	(6 259)
Distributions from net gains	–	(2 563)	–	(41)	–	(1 097)	–	(2 880)
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	(4 906)	(7 384)	(20)	(123)	(2 102)	(3 480)	(4 687)	(9 139)
NET INCREASE (DECREASE) IN NAV	(34 154)	12 210	(2 477)	(456)	(16 164)	3 023	(71 838)	45 376
NAV AT END OF PERIOD	\$ 120 470	\$ 154 624	\$ –	\$ 2 477	\$ 50 008	\$ 66 172	\$ 109 095	\$ 180 933

For the periods ended December 31 (see note 2 in the generic notes)	Series O		Total	
	2022	2021	2022	2021
NAV AT BEGINNING OF PERIOD	\$ 3 036 384	\$ 2 955 699	\$ 3 440 590	\$ 3 299 752
INCREASE (DECREASE) IN NAV	(309 284)	127 598	(350 193)	138 730
Early redemption fees	–	–	–	–
Proceeds from redeemable units issued	597 121	648 762	708 090	781 403
Reinvestments of distributions to holders of redeemable units	101 480	166 068	111 515	182 728
Redemption of redeemable units	(1 294 719)	(665 250)	(1 487 732)	(745 404)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	(596 118)	149 580	(668 127)	218 727
Distributions from net income	(122 074)	(145 640)	(133 789)	(159 185)
Distributions from net gains	–	(50 853)	–	(57 434)
Distributions from capital	–	–	–	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	(122 074)	(196 493)	(133 789)	(216 619)
NET INCREASE (DECREASE) IN NAV	(1 027 476)	80 685	(1 152 109)	140 838
NAV AT END OF PERIOD	\$ 2 008 908	\$ 3 036 384	\$ 2 288 481	\$ 3 440 590



December 31, 2022

General information (see note 1 in the generic notes)

The investment objective of the Fund is to provide a high level of income with the potential for modest capital growth by investing primarily in higher-yielding corporate debt securities issued by Canadian and U.S. corporations.

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

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

Credit risk (%)

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

Rating	December 31 2022	December 31 2021
AA	5.4	0.2
A	5.8	1.8
BBB	30.6	6.0
BB	41.8	57.6
B	15.8	31.7
CCC	0.3	2.7
Unrated	0.3	–
Total	100.0	100.0

Concentration risk (%)

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

Investment mix	December 31 2022	December 31 2021
United States	47.7	68.7
Canada	37.8	15.2
Underlying Funds	4.0	6.7
Netherlands	2.3	1.0
Supranational	1.5	1.5
United Kingdom	1.4	1.3
Other Countries	2.2	2.9
Cash/Other	3.1	2.7
Total	100.0	100.0

Interest rate risk (%)

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

Term to maturity	December 31 2022	December 31 2021
Less than 1 year	0.4	1.0
1 – 5 years	34.0	16.7
5 – 10 years	51.0	69.6
> 10 years	14.6	12.7
Total	100.0	100.0

As at December 31, 2022, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's NAV may have decreased or increased, respectively, by approximately 4.2% (December 31, 2021 – 4.7%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Currency risk (% of NAV)

Since the currency risk of the Fund has been hedged using foreign exchange contracts, the Fund has minimal sensitivity to changes in foreign exchange rates.

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

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

December 31, 2022	Level 1	Level 2	Level 3	Total
Equities	23 956	–	–	23 956
Underlying funds	92 633	–	–	92 633
Fixed-income				
and debt securities	–	2 105 471	–	2 105 471
Short-term investments	–	24 772	–	24 772
Derivatives – assets	–	7 043	–	7 043
Derivatives – liabilities	–	(10 060)	–	(10 060)
Total financial instruments	116 589	2 127 226	–	2 243 815
% of total portfolio	5.2	94.8	–	100.0

December 31, 2021	Level 1	Level 2	Level 3	Total
Equities	12 489	–	–	12 489
Underlying funds	232 479	–	–	232 479
Fixed-income				
and debt securities	–	3 101 675	–	3 101 675
Short-term investments	–	65 297	–	65 297
Derivatives – assets	–	7 961	–	7 961
Derivatives – liabilities	–	(30 267)	–	(30 267)
Total financial instruments	244 968	3 144 666	–	3 389 634
% of total portfolio	7.2	92.8	–	100.0



December 31, 2022

For the period ended December 31, 2022, there were no transfers of financial instruments between Level 1, Level 2 and Level 3. For the period ended December 31, 2021, there were transfers of \$2,822 of financial instruments into Level 1 from Level 2.

**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	1.25%	0.05%
Advisor Series	1.25%	0.05%
Series D	0.90%	0.05%
Series F	0.75%	0.05%
Series O	n/a*	0.02%

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

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

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

	December 31 2022		December 31 2021	
	NAV	Ownership	NAV	Ownership
RBC Emerging Markets Foreign Exchange Fund	–	–	0.5	0.8

The table below summarizes the Fund's interest in the unsponsored funds as a percentage of NAV, and the Fund's ownership interest as a percentage of NAV of the unsponsored funds ("Ownership").

	December 31 2022		December 31 2021	
	NAV	Ownership	NAV	Ownership
BMO Aggregate Bond Index ETF	0.5	0.2	2.0	1.1
iShares Core Canadian Universe Bond Index ETF	0.5	0.3	2.0	1.4
iShares iBoxx High Yield Corporate Bond ETF	1.5	0.2	1.1	0.1
SPDR Bloomberg High Yield Bond ETF	1.5	0.3	1.1	0.3

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

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

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

As at December 31, 2022	
Capital losses	296 554
Non-capital losses	–

Redeemable units (000s)

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

For the periods ended December 31 (see note 2 in the generic notes)	2022	2021
Series A		
Opening units	14 532	13 085
Issued number of units	1 855	3 731
Reinvested number of units	490	633
Redeemed number of units	(3 603)	(2 917)
Ending number of units	13 274	14 532
Advisor Series		
Opening units	231	267
Issued number of units	–	21
Reinvested number of units	2	10
Redeemed number of units	(233)	(67)
Ending number of units	–	231
Series D		
Opening units	6 168	5 755
Issued number of units	1 471	904
Reinvested number of units	214	300
Redeemed number of units	(2 388)	(791)
Ending number of units	5 465	6 168
Series F		
Opening units	16 830	12 326
Issued number of units	8 279	7 461
Reinvested number of units	372	603
Redeemed number of units	(13 584)	(3 560)
Ending number of units	11 897	16 830
Series O		
Opening units	281 232	267 550
Issued number of units	61 710	58 681
Reinvested number of units	10 774	15 268
Redeemed number of units	(135 535)	(60 267)
Ending number of units	218 181	281 232



December 31, 2022

Transaction costs (\$000s except %)

Transaction costs, including brokerage commissions, in consideration of portfolio transactions for the periods ended:

	December 31 2022		December 31 2021	
	\$	%	\$	%
Total transaction costs	103	100	90	100
Related-party brokerage commissions*	35	34	4	4
Commission arrangements†	2	2	–	–

* See note 8 in the generic notes.

† Commission arrangements are part of commission amounts paid to dealers. The Fund uses commission arrangements (formerly known as “soft dollars”) for research and/or order execution goods and services.

**Securities lending revenue (\$000s except %)
(see note 7 in the generic notes)**

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

	December 31 2022	December 31 2021
Fair value of securities loaned	243 850	155 941
Fair value of collateral received	248 728	159 061

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

	December 31 2022		December 31 2021	
	\$	%	\$	%
Gross revenue	904	100	694	100
RBC IS (paid)	(225)	(25)	(174)	(25)
Tax withheld	(35)	(4)	(42)	(6)
Fund revenue	644	71	478	69

**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	1.2	1.3
Phillips, Hager & North Enhanced Corporate Bond Trust	0.1	–
Phillips, Hager & North Enhanced Long Bond Pension Trust	0.1	0.1
Phillips, Hager & North Enhanced Total Return Bond Fund	0.5	0.7
Phillips, Hager & North Long Core Plus Bond Fund	0.5	0.5

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

	December 31 2022	December 31 2021
Phillips, Hager & North Monthly Income Fund	3.4	2.5
Phillips, Hager & North Multi-Strategy Credit Fund	–	–
Phillips, Hager & North PRISM Balanced Fund	0.9	–
Phillips, Hager & North Short Core Plus Bond Fund	–	0.1
Phillips, Hager & North Total Return Bond Fund	1.5	1.8
RBC Balanced Fund	0.4	–
RBC Core Bond Pool	6.2	5.7
RBC Core Plus Bond Pool	5.9	8.2
RBC Global Balanced Fund	0.1	0.1
RBC Monthly Income Bond Fund	2.0	1.9
RBC Monthly Income Fund	0.7	–
RBC Strategic Income Bond Fund	4.4	4.8
RBC Target 2030 Education Fund	2.0	2.4
RBC Target 2035 Education Fund	2.7	1.6
RBC Target 2040 Education Fund	–	–
Total	32.6	31.7

**Offsetting financial assets and liabilities (\$000s)
(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
Gross amounts – assets (liabilities)	7 043	(10 060)
Amounts set-off in the Statements of Financial Position	–	–
Net amounts presented in the Statements of Financial Position	7 043	(10 060)
Related amounts not set-off	(1 913)	1 913
Collateral (received) pledged	(518)	1 963
Net amount	4 612	(6 184)

December 31, 2021	Assets	Liabilities
Gross amounts – assets (liabilities)	7 961	(30 267)
Amounts set-off in the Statements of Financial Position	–	–
Net amounts presented in the Statements of Financial Position	7 961	(30 267)
Related amounts not set-off	(6 116)	6 116
Collateral (received) pledged	–	10 742
Net amount	1 845	(13 409)

December 31, 2022

1. The Funds

The Funds (“Fund” or “Funds”) are open-ended mutual fund trusts governed by the laws of the Province of Ontario or British Columbia. RBC GAM is the manager and portfolio manager of the Funds and its head office is located at 155 Wellington Street West, 22nd Floor, Toronto, Ontario. RBC GAM is also the trustee of those Funds governed by the laws of the Province of Ontario. These financial statements were approved for issuance by the Board of Directors of RBC GAM on March 9, 2023.

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

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

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

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

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

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

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

Series I units have no sales charges, have lower fees than Series F units, Series FT5 units and Series FT8 units and are only available to investors who invest and maintain

the required minimum balance and who have accounts with dealers who have signed a fee-based agreement with RBC GAM.

Series N units are only available to related funds.

Series O units are only available to large private or institutional investors or dealers. No management fees are payable by the Funds in respect to Series O units. Unitholders pay a negotiated fee directly to RBC GAM for investment-counselling services.

2. Financial year

The information provided in these financial statements and notes thereto is as at December 31, 2022 and December 31, 2021, as applicable, and for the 12-month periods ended December 31, 2022 and December 31, 2021, as applicable, except for Funds or series established during either period, in which case the information for the Fund, or series, is provided for the period from the start date as described in the Notes to Financial Statements – Fund Specific Information of the Fund.

3. Summary of significant accounting policies

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

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

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

December 31, 2022

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

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

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

Unconsolidated Structured Entities The Funds may invest in other Funds and exchange-traded funds ("ETFs") managed by the manager or an affiliate of the manager ("sponsored funds") and may invest in other funds and ETFs managed by unaffiliated entities ("unsponsored funds"); collectively, "underlying funds." The underlying funds are determined to be unconsolidated structured entities, as decision making in the underlying fund is not governed by the voting rights or other similar rights held by the Fund. The investments in underlying funds are subject to the terms and conditions of the offering documents of the respective underlying funds and are susceptible to market price risk arising from uncertainties about future values of those underlying funds. The underlying funds' objectives are generally to achieve long-term capital appreciation and/or current income by investing in a portfolio of securities and other funds in line with each of their documented investment strategies. The underlying funds apply various investment strategies to accomplish their respective investment objectives.

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

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

- (i) The Funds obtain capital from one or more investors for the purpose of providing those investors with investment management services,
- (ii) The Funds commit to their investors that their business purpose is to invest funds solely for the returns from capital appreciation, investment income or both, and
- (iii) The Funds measure and evaluate the performance of substantially all of their investments on a fair value basis.

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

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

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

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

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Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), including broker quotes, vendor prices, vendor fair value factors and prices of underlying funds that are not daily traded; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Fair Valuation of Investments – The Funds have procedures to determine the fair value of securities and other financial instruments for which market prices are not readily available or which may not be reliably priced. Procedures are in place to determine the fair value of foreign securities traded in countries outside of North America daily to avoid stale prices and to take into account, among other things, any significant events occurring after the close of a foreign market.

Management also has procedures where the Funds primarily employ a market-based approach, which may use related or comparable assets or liabilities, NAV per unit (for exchange-traded funds), recent transactions, market multiples, book values and other relevant information for

the investment to determine its fair value. The Funds may also use an income-based valuation approach in which the anticipated future cash flows of the investment are discounted to calculate fair value. Discounts may also be applied due to the nature or duration of any restrictions on the disposition of the investments, but only if they arise as a feature of the instrument itself. Due to the inherent uncertainty of valuations of such investments, the fair values may differ significantly from the values that would have been used had an active market existed.

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

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

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

Functional Currency The Funds, with the exceptions below, have their subscriptions, redemptions and performance denominated in Canadian dollars and, consequently, the Canadian dollar is the functional currency for the Funds. Phillips, Hager & North \$U.S. Money Market Fund, RBC \$U.S. Money Market Fund, RBC Premium \$U.S. Money Market Fund, RBC \$U.S. Short-Term Government Bond Fund, RBC \$U.S. Short-Term Corporate Bond Fund, RBC \$U.S. Global Bond Fund, RBC \$U.S. Investment Grade Corporate Bond Fund, RBC \$U.S. High Yield Bond Fund, RBC \$U.S. Strategic Income Bond Fund, BlueBay \$U.S. Global Investment Grade Corporate Bond Fund (Canada), BlueBay \$U.S. Global High Yield Bond Fund (Canada), BlueBay Emerging Markets Bond Fund (Canada), BlueBay Emerging Markets Local Currency Bond Fund (Canada), BlueBay Emerging Markets Corporate Bond Fund, BlueBay Emerging Markets High Yield Corporate Bond Fund (Canada), RBC \$U.S. Core Bond Pool, RBC \$U.S. Core Plus Bond Pool, RBC U.S. Monthly Income Fund and RBC \$U.S. Global Balanced Portfolio (collectively, the “USD Funds”) have their subscriptions, redemptions and performance denominated in U.S. dollars and, consequently, the U.S. dollar is the functional currency for these Funds.

Foreign Exchange The value of investments and other assets and liabilities in foreign currencies is translated into Canadian dollars (U.S. dollars in the case of the USD Funds)

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at the rate of exchange on each valuation date. Gains/losses on foreign cash balances are included in “Net gain (loss) on foreign cash balances” in the Statements of Comprehensive Income. Purchases and sales of investments, income and expenses are translated at the rate of exchange prevailing on the respective dates of such transactions. Realized foreign exchange gains/losses on spot and forward currency contracts are included in “Derivative income (loss)” in the Statements of Comprehensive Income.

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

Investment Transactions Investment transactions are accounted for as of the trade date. Transaction costs, such as brokerage commissions, incurred by the Funds are recorded in the Statements of Comprehensive Income for the period. The unrealized gain and loss on investments is the difference between fair value and average cost for the period. The basis of determining the cost of portfolio assets, and realized and unrealized gains and losses on investments, is average cost which does not include amortization of premiums or discounts on fixed-income and debt securities with the exception of zero coupon bonds and short-term investments.

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

Increase (Decrease) in NAV per Unit Increase (decrease) in NAV per unit in the Statements of Comprehensive Income represents the increase (decrease) in net assets attributable to holders of redeemable units by series, divided by the average units outstanding per series during the period.

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

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

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

In-Kind Transactions and Switches Between Different

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

4. Critical accounting judgments and estimates

The preparation of financial statements requires the use of judgment in applying the Funds’ accounting policies and making estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that management has made in preparing the financial statements.

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.