

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 10, 2022



**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 Fund  
*(renamed RBC Canadian Bond Index ETF 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 \$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)  
*(formerly, BlueBay Canadian Institutional Global High Yield Bond 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)  
 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 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 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  
*(formerly, RBC Private Canadian Mid-Cap Equity Pool)*  
 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. Index Fund  
 RBC U.S. Index Currency Neutral Fund  
*(renamed RBC U.S. Equity Currency Neutral Index ETF 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 Index Currency Neutral Fund  
*(renamed RBC International Equity Currency Neutral Index ETF Fund)*  
 RBC O'Shaughnessy International Equity Fund  
 RBC European Dividend 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 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 QUBE Global Equity Fund  
 RBC QUBE Low Volatility Global Equity Fund  
 RBC QUBE Low Volatility Global Equity Currency Neutral Fund  
 RBC O'Shaughnessy Global Equity Fund  
 RBC QUBE Low Volatility All Country World Equity Fund  
 RBC Global Energy 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 Canadian Corporate Bond 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 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  
 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

**PH&N FUNDS (cont.)**

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, 2021 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 2021 Annual Management Report of Fund Performance of each Fund.

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

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

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

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

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

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

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

## Auditor's responsibilities for the audit of the financial statements

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

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

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

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

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario  
March 10, 2022



SCHEDULE OF INVESTMENT PORTFOLIO (in \$000s)  
**RBC EMERGING MARKETS BOND FUND**

December 31, 2021

Holdings	Security			Cost	Fair Value	% of Net Assets
<b>UNDERLYING FUNDS</b>						
261 000	iShares J.P. Morgan USD Emerging Markets Bond ETF			\$ 37 588	\$ 35 994	
912 000	VanEck J. P. Morgan EM Local Currency Bond ETF			40 408	32 982	
<b>TOTAL UNDERLYING FUNDS</b>				<b>77 996</b>	<b>68 976</b>	<b>3.7</b>
Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>FOREIGN BONDS</b>						
<b>Angola</b>						
5 175	Republic of Angola USD	9.500	12-Nov-2025	\$ 7 610	\$ 7 020	
6 750	Republic of Angola USD	8.250	09-May-2028	9 298	8 592	
13 675	Republic of Angola USD	9.375	08-May-2048	16 926	16 988	
				<b>33 834</b>	<b>32 600</b>	<b>1.7</b>
<b>Argentina</b>						
3 050	Province of Santa Fe USD	6.900	01-Nov-2027	3 825	2 979	
1 173	Provincia de Buenos Aires USD	3.900	01-Sep-2037	1 379	636	
2 519	Provincia de Cordoba USD	7.125	10-Jun-2021	3 324	2 410	
3 475	Provincia de Mendoza Argentina USD	2.750	20-Mar-2029	4 404	2 955	
1 615	Republic of Argentina USD	1.000	09-Jul-2029	1 538	747	
3 990	Republic of Argentina USD	0.125	09-Jul-2030	3 452	1 776	
24 770	Republic of Argentina USD	0.125	09-Jul-2035	23 515	10 028	
				<b>41 437</b>	<b>21 531</b>	<b>1.1</b>
<b>Armenia</b>						
2 600	Republic of Armenia USD	7.150	26-Mar-2025	3 792	3 683	
5 400	Republic of Armenia USD	3.950	26-Sep-2029	6 573	6 648	
				<b>10 365</b>	<b>10 331</b>	<b>0.6</b>
<b>Azerbaijan</b>						
12 170	Republic of Azerbaijan USD	4.750	18-Mar-2024	16 449	16 320	
4 605	State Oil Co. of the Azerbaijan Republic USD	4.750	13-Mar-2023	5 998	6 034	
2 050	State Oil Co. of the Azerbaijan Republic USD	6.950	18-Mar-2030	3 233	3 138	
				<b>25 680</b>	<b>25 492</b>	<b>1.4</b>
<b>Bahamas</b>						
3 900	Bahamas Government USD	5.750	16-Jan-2024	5 150	4 703	
				<b>5 150</b>	<b>4 703</b>	<b>0.3</b>
<b>Bahrain</b>						
13 250	Bahrain Government USD	7.000	12-Oct-2028	18 562	18 220	
8 286	Bahrain Government USD	7.500	20-Sep-2047	11 461	10 640	
				<b>30 023</b>	<b>28 860</b>	<b>1.5</b>
<b>Barbados</b>						
398	Barbados Government USD	6.500	01-Oct-2029	539	506	
				<b>539</b>	<b>506</b>	<b>-</b>
<b>Brazil</b>						
3 475	Banco Nacional de Desenvolvimento Economico e Social USD	5.750	26-Sep-2023	4 977	4 729	
10 950	Petrobras Global Finance BV USD	7.375	17-Jan-2027	16 389	16 132	
5 100	Republic of Brazil USD	6.000	07-Apr-2026	7 214	7 234	
11 650	Republic of Brazil USD	4.625	13-Jan-2028	15 988	15 399	
15 100	Republic of Brazil USD	5.625	07-Jan-2041	20 916	19 578	
1 300	Republic of Brazil USD	4.750	14-Jan-2050	1 487	1 464	
				<b>66 971</b>	<b>64 536</b>	<b>3.5</b>

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



December 31, 2021

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>Chile</b>						
14 050	Corp Nacional del Cobre de Chile USD	4.375	05-Feb-2049	\$ 20 359	\$ 20 339	
14 825	Republic of Chile USD	3.860	21-Jun-2047	20 308	20 830	
				40 667	41 169	<b>2.2</b>
<b>China</b>						
14 125	Sinopec Group Overseas Development 2012 Ltd. USD	4.875	17-May-2042	22 283	22 085	
4 145	State Grid Overseas Investment 2014 Ltd. USD	4.125	07-May-2024	5 566	5 594	
3 550	The Export-Import Bank of China USD	3.625	31-Jul-2024	4 823	4 778	
				32 672	32 457	<b>1.7</b>
<b>Colombia</b>						
7 985	Republic of Colombia USD	8.125	21-May-2024	12 446	11 450	
8 900	Republic of Colombia USD	4.500	28-Jan-2026	11 945	11 792	
9 725	Republic of Colombia USD	3.875	25-Apr-2027	13 116	12 394	
23 480	Republic of Colombia USD	6.125	18-Jan-2041	36 798	30 629	
				74 305	66 265	<b>3.5</b>
<b>Costa Rica</b>						
3 100	Costa Rica Government USD	6.125	19-Feb-2031	4 027	3 974	
10 495	Costa Rica Government USD	7.000	04-Apr-2044	13 196	13 059	
				17 223	17 033	<b>0.9</b>
<b>Croatia</b>						
3 755	Croatia Government USD	5.500	04-Apr-2023	5 382	5 018	
2 340	Hrvatska Elektroprivreda USD	5.875	23-Oct-2022	3 329	3 062	
				8 711	8 080	<b>0.4</b>
<b>Dominican Republic</b>						
6 700	Dominican Republic USD	6.875	29-Jan-2026	9 576	9 670	
7 500	Dominican Republic USD	4.500	30-Jan-2030	9 648	9 675	
18 165	Dominican Republic USD	7.450	30-Apr-2044	26 580	27 258	
11 350	Dominican Republic USD	6.400	05-Jun-2049	15 289	15 150	
				61 093	61 753	<b>3.3</b>
<b>Ecuador</b>						
1 869	Government of Ecuador USD	0.000	31-Jul-2030	2 464	1 334	
6 661	Government of Ecuador USD	0.500	31-Jul-2030	8 721	6 987	
15 085	Government of Ecuador USD	0.500	31-Jul-2035	19 501	12 524	
4 432	Government of Ecuador USD	0.500	31-Jul-2040	5 626	3 279	
				36 312	24 124	<b>1.3</b>
<b>Egypt</b>						
4 570	Arab Republic of Egypt USD	6.125	31-Jan-2022	6 133	5 811	
11 150	Arab Republic of Egypt USD	5.875	11-Jun-2025	14 724	14 538	
3 600	Arab Republic of Egypt EUR	4.750	16-Apr-2026	5 237	5 020	
12 500	Arab Republic of Egypt USD	7.500	31-Jan-2027	17 528	16 500	
16 575	Arab Republic of Egypt USD	8.500	31-Jan-2047	22 030	18 653	
				65 652	60 522	<b>3.2</b>
<b>El Salvador</b>						
14 660	Republic of El Salvador USD	7.650	15-Jun-2035	19 592	10 599	
6 450	Republic of El Salvador USD	7.125	20-Jan-2050	6 872	4 505	
				26 464	15 104	<b>0.8</b>
<b>Ethiopia</b>						
1 250	Government of Ethiopia USD	6.625	11-Dec-2024	1 666	1 071	
				1 666	1 071	<b>0.1</b>
<b>Gabon</b>						
2 655	Gabonese Republic USD	6.375	12-Dec-2024	3 310	3 484	
				3 310	3 484	<b>0.2</b>

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



December 31, 2021

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>Ghana</b>						
7 400	Ghana Government USD	8.125	26-Mar-2032	\$ 8 856	\$ 7 670	
23 400	Ghana Government USD	8.627	16-Jun-2049	29 077	23 500	
				37 933	31 170	1.7
<b>Georgia</b>						
1 300	Georgia Government USD	2.750	22-Apr-2026	1 666	1 641	
				1 666	1 641	0.1
<b>Guatemala</b>						
11 375	Republic of Guatemala USD	4.500	03-May-2026	15 330	15 176	
4 250	Republic of Guatemala USD	6.125	01-Jun-2050	6 415	6 185	
				21 745	21 361	1.1
<b>Honduras</b>						
11 100	Honduras Government USD	6.250	19-Jan-2027	15 394	15 258	
				15 394	15 258	0.8
<b>Hungary</b>						
4 894	Hungary Government USD	5.375	25-Mar-2024	6 848	6 732	
4 850	Hungary Government USD	7.625	29-Mar-2041	9 953	10 049	
				16 801	16 781	0.9
<b>India</b>						
7 650	Export-Import Bank of India USD	3.375	05-Aug-2026	9 953	10 160	
8 250	Export-Import Bank of India USD	3.875	01-Feb-2028	10 859	11 172	
				20 812	21 332	1.1
<b>Indonesia</b>						
6 150	Government of Indonesia USD	4.125	15-Jan-2025	8 426	8 373	
14 510	Government of Indonesia USD	5.250	17-Jan-2042	22 347	23 108	
5 390	Pelabuhan Indonesia II PT USD	5.375	05-May-2045	7 230	8 068	
15 035	Pertamina Persero PT USD	5.625	20-May-2043	21 062	22 521	
6 875	Perusahaan Gas Negara Persero PT USD	5.125	16-May-2024	9 645	9 411	
950	Perusahaan Listrik Negara PT USD	6.150	21-May-2048	1 508	1 484	
				70 218	72 965	3.9
<b>Ivory Coast</b>						
6 383	Ivory Coast Government USD	5.750	31-Dec-2032	7 987	8 127	
				7 987	8 127	0.4
<b>Jordan</b>						
9 005	Jordan Government USD	6.125	29-Jan-2026	12 045	12 173	
				12 045	12 173	0.7
<b>Kazakhstan</b>						
8 595	Government of Kazakhstan USD	5.125	21-Jul-2025	12 383	12 256	
16 040	Government of Kazakhstan USD	4.875	14-Oct-2044	23 043	25 061	
13 525	KazMunayGas National Co. JSC USD	4.750	19-Apr-2027	19 632	18 921	
				55 058	56 238	3.0
<b>Kenya</b>						
3 750	Kenya Government USD	6.875	24-Jun-2024	5 113	5 017	
8 475	Kenya Government USD	7.250	28-Feb-2028	11 612	11 553	
8 400	Kenya Government USD	8.250	28-Feb-2048	11 206	10 815	
				27 931	27 385	1.5
<b>Lebanon</b>						
13 550	Lebanon Government USD	6.600	27-Nov-2026	14 262	1 850	
				14 262	1 850	0.1
<b>Malaysia</b>						
4 127	1MDB Energy Ltd. USD	5.990	11-May-2022	5 791	5 288	
4 585	Petronas Capital Ltd. USD	3.500	18-Mar-2025	6 269	6 147	
3 200	Petronas Capital Ltd. USD	3.500	21-Apr-2030	4 355	4 382	
8 750	Petronas Capital Ltd. USD	4.500	18-Mar-2045	14 071	13 509	
				30 486	29 326	1.6

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



December 31, 2021

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>Mexico</b>						
7 850	Mexico City Airport Trust USD	5.500	31-Jul-2047	\$ 9 981	\$ 9 956	
18 295	Pemex Project Funding Master Trust USD	6.625	15-Jun-2035	23 102	22 267	
9 500	Petroleos Mexicanos USD	6.875	04-Aug-2026	12 892	13 224	
18 865	Petroleos Mexicanos USD	5.950	28-Jan-2031	23 348	23 227	
15 400	Petroleos Mexicanos USD	6.750	21-Sep-2047	15 955	17 321	
9 729	United Mexican States USD	5.750	12-Oct-2110	13 355	14 208	
				98 633	100 203	<b>5.4</b>
<b>Mongolia</b>						
5 250	Mongolia Government USD	5.125	07-Apr-2026	6 946	6 804	
				6 946	6 804	<b>0.4</b>
<b>Morocco</b>						
8 850	Morocco Government USD	3.000	15-Dec-2032	10 758	10 714	
2 225	OCP S.A. USD	5.625	25-Apr-2024	3 029	3 019	
1 955	OCP S.A. USD	6.875	25-Apr-2044	2 914	2 882	
				16 701	16 615	<b>0.9</b>
<b>Nigeria</b>						
2 435	Nigeria Government USD	6.375	12-Jul-2023	3 325	3 186	
15 570	Nigeria Government USD	7.875	16-Feb-2032	21 278	19 431	
13 545	Nigeria Government USD	7.625	28-Nov-2047	16 723	15 383	
				41 326	38 000	<b>2.0</b>
<b>Oman</b>						
1 330	Oman Government USD	3.875	08-Mar-2022	1 730	1 690	
24 165	Oman Government USD	4.750	15-Jun-2026	30 790	31 492	
17 190	Oman Government USD	6.500	08-Mar-2047	20 532	21 636	
				53 052	54 818	<b>2.9</b>
<b>Pakistan</b>						
4 000	Pakistan Government USD	8.250	15-Apr-2024	5 656	5 395	
5 050	Pakistan Government USD	6.875	05-Dec-2027	6 710	6 453	
3 300	The Third Pakistan International Sukuk Co. Ltd. USD	5.625	05-Dec-2022	4 202	4 262	
				16 568	16 110	<b>0.9</b>
<b>Panama</b>						
13 150	Republic of Panama USD	7.125	29-Jan-2026	20 232	19 970	
11 469	Republic of Panama USD	6.700	26-Jan-2036	19 463	19 470	
4 800	Republic of Panama USD	4.500	16-Apr-2050	6 920	6 704	
				46 615	46 144	<b>2.5</b>
<b>Paraguay</b>						
4 435	Republic of Paraguay USD	4.625	25-Jan-2023	5 989	5 816	
2 100	Republic of Paraguay USD	4.950	28-Apr-2031	3 039	2 987	
10 935	Republic of Paraguay USD	6.100	11-Aug-2044	16 451	17 054	
				25 479	25 857	<b>1.4</b>
<b>Peru</b>						
4 350	Peruvian Government USD	7.350	21-Jul-2025	6 691	6 566	
17 113	Peruvian Government USD	8.750	21-Nov-2033	35 359	33 755	
6 200	Peruvian Government USD	5.625	18-Nov-2050	11 302	11 045	
				53 352	51 366	<b>2.8</b>
<b>Philippines</b>						
13 995	Republic of Philippines USD	7.750	14-Jan-2031	25 945	25 799	
7 450	Republic of Philippines USD	3.700	02-Feb-2042	10 766	10 322	
				36 711	36 121	<b>1.9</b>
<b>Poland</b>						
7 930	Government of Poland USD	3.250	06-Apr-2026	10 799	10 766	
				10 799	10 766	<b>0.6</b>

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





December 31, 2021

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>Qatar</b>						
10 700	Qatar Government USD	3.250	02-Jun-2026	\$ 14 398	\$ 14 426	
11 045	Qatar Government USD	6.400	20-Jan-2040	18 748	20 646	
9 450	Qatar Government USD	4.817	14-Mar-2049	15 505	15 709	
3 100	Qatar Petroleum USD	2.250	12-Jul-2031	3 859	3 893	
				52 510	54 674	<b>2.9</b>
<b>Romania</b>						
1 939	Romanian Government USD	6.750	07-Feb-2022	2 801	2 467	
10 650	Romanian Government USD	3.000	14-Feb-2031	13 908	13 695	
7 800	Romanian Government USD	6.125	22-Jan-2044	13 075	12 977	
				29 784	29 139	<b>1.6</b>
<b>Russia</b>						
2 575	Gazprom PAO USD	4.950	19-Jul-2022	3 432	3 317	
8 445	Gazprom PAO USD	7.288	16-Aug-2037	13 339	14 228	
3 200	Russian Foreign Bond – Eurobond USD	4.875	16-Sep-2023	4 342	4 265	
10 000	Russian Foreign Bond – Eurobond USD	4.750	27-May-2026	14 106	13 841	
3 600	Russian Foreign Bond – Eurobond USD	5.250	23-Jun-2047	5 990	5 776	
				41 209	41 427	<b>2.2</b>
<b>Saudi Arabia</b>						
6 350	Saudi Government USD	4.000	17-Apr-2025	8 667	8 665	
20 345	Saudi Government USD	4.500	17-Apr-2030	28 689	30 046	
13 850	Saudi Government USD	5.250	16-Jan-2050	23 122	23 130	
				60 478	61 841	<b>3.3</b>
<b>Senegal</b>						
4 875	Senegal Government USD	6.750	13-Mar-2048	6 073	6 070	
				6 073	6 070	<b>0.3</b>
<b>Serbia</b>						
4 300	Republic of Serbia USD	2.125	01-Dec-2030	5 028	5 114	
				5 028	5 114	<b>0.3</b>
<b>South Africa</b>						
2 470	Eskom Holdings SOC Ltd. USD	7.125	11-Feb-2025	3 272	3 236	
10 625	Republic of South Africa USD	4.665	17-Jan-2024	14 131	14 164	
10 275	Republic of South Africa USD	4.850	27-Sep-2027	13 667	13 732	
13 255	Republic of South Africa USD	6.250	08-Mar-2041	18 624	17 843	
6 600	Republic of South Africa USD	5.650	27-Sep-2047	7 925	8 035	
5 370	Transnet SOC Ltd. USD	4.000	26-Jul-2022	7 007	6 777	
				64 626	63 787	<b>3.4</b>
<b>Sri Lanka</b>						
3 960	Sri Lanka Government USD	5.875	25-Jul-2022	5 406	3 428	
11 850	Sri Lanka Government USD	6.825	18-Jul-2026	15 599	7 714	
				21 005	11 142	<b>0.6</b>
<b>Turkey</b>						
5 425	Export Credit Bank of Turkey USD	5.375	24-Oct-2023	6 680	6 659	
7 050	Republic of Turkey USD	7.375	05-Feb-2025	9 563	9 007	
18 200	Republic of Turkey USD	6.000	25-Mar-2027	23 689	21 737	
6 000	Republic of Turkey USD	6.875	17-Mar-2036	7 866	7 145	
18 600	Republic of Turkey USD	4.875	16-Apr-2043	19 624	18 091	
				67 422	62 639	<b>3.4</b>
<b>Ukraine</b>						
918	JSC Ukreximbank USD	9.625	27-Apr-2022	1 242	1 168	
12 580	Ukraine Government USD	7.750	01-Sep-2022	16 920	15 804	
15 575	Ukraine Government USD	7.750	01-Sep-2024	20 898	19 174	
14 550	Ukraine Government USD	7.375	25-Sep-2032	18 918	16 485	
				57 978	52 631	<b>2.8</b>

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



December 31, 2021

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>United Arab Emirates</b>						
8 225	Abu Dhabi Government USD	3.125	11-Oct-2027	\$ 11 358	\$ 11 189	
13 725	Abu Dhabi Government USD	4.125	11-Oct-2047	21 047	20 884	
6 905	Emirate of Dubai USD	5.250	30-Jan-2043	9 144	10 096	
9 800	MDC-GMTN BV USD	4.500	07-Nov-2028	14 392	14 309	
				55 941	56 478	<b>3.0</b>
<b>United States</b>						
20 200	United States Treasury	2.250	15-Feb-2027	27 722	26 774	
				27 722	26 774	<b>1.4</b>
<b>Uruguay</b>						
3 000	Republic of Uruguay USD	4.500	14-Aug-2024	4 033	4 022	
10 290	Republic of Uruguay USD	7.625	21-Mar-2036	18 118	19 673	
6 800	Republic of Uruguay USD	5.100	18-Jun-2050	10 327	11 431	
				32 478	35 126	<b>1.9</b>
<b>Venezuela</b>						
5 200	Petroleos de Venezuela S.A. USD	6.000	15-Nov-2026	1 793	272	
9 245	Republic of Venezuela USD	7.650	21-Apr-2025	4 997	760	
22 080	Republic of Venezuela USD	7.000	31-Mar-2038	10 967	1 815	
				17 757	2 847	<b>0.2</b>
<b>Vietnam</b>						
6 135	Republic of Vietnam USD	4.800	19-Nov-2024	8 171	8 416	
				8 171	8 416	<b>0.5</b>
<b>Zambia</b>						
2 575	Zambia Government USD	8.970	30-Jul-2027	2 722	2 531	
				2 722	2 531	<b>0.1</b>
<b>TOTAL FOREIGN BONDS</b>				1 871 498	1 758 668	<b>94.2</b>
<b>TOTAL INVESTMENTS</b>				1 949 494	1 827 644	<b>97.9</b>
<b>UNREALIZED GAIN ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE A)</b>				-	37	-
<b>UNREALIZED LOSS ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE A)</b>				-	(13)	-
<b>TOTAL PORTFOLIO</b>				\$ 1 949 494	1 827 668	<b>97.9</b>
<b>OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>					39 601	<b>2.1</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>					\$ 1 867 269	<b>100.0</b>

**SCHEDULE A**

**Foreign Exchange Contracts**

Contracts	Maturity Date	Unrealized Gain
Bought USD 1 131 Sold EUR 973 @ 1.1619	07-Feb-2022	\$ 29
Bought USD 952 Sold EUR 830 @ 1.1468	16-Feb-2022	8
		\$ 37
Contracts	Maturity Date	Unrealized Loss
Bought USD 845 Sold EUR 744 @ 1.1352	18-Feb-2022	\$ (3)
Bought USD 1 000 Sold EUR 884 @ 1.1307	09-Mar-2022	(10)
		\$ (13)
<b>TOTAL FOREIGN EXCHANGE</b>		<b>\$ 24</b>

All counterparties have a credit rating of at least A.



### Statements of Financial Position

(in \$000s except per unit amounts)

(see note 2 in the generic notes)	December 31 2021	December 31 2020
<b>ASSETS</b>		
Investments at fair value	\$ 1 827 644	\$ 1 682 693
Cash	13 965	55 511
Subscriptions receivable	409	1 376
Unrealized gain on foreign exchange contracts	37	–
Dividends receivable, interest accrued and other assets	25 813	21 331
<b>TOTAL ASSETS</b>	<b>1 867 868</b>	<b>1 760 911</b>
<b>LIABILITIES</b>		
Redemptions payable	405	325
Unrealized loss on foreign exchange contracts	13	119
Accounts payable and accrued expenses	181	223
<b>TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>	<b>599</b>	<b>667</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")</b>	<b>\$ 1 867 269</b>	<b>\$ 1 760 244</b>
Investments at cost	\$ 1 949 494	\$ 1 674 584
<b>NAV</b>		
<b>SERIES A</b>	<b>\$ 36 641</b>	<b>\$ 46 675</b>
<b>ADVISOR SERIES</b>	<b>\$ 1 073</b>	<b>\$ 2 443</b>
<b>SERIES D</b>	<b>\$ 14 398</b>	<b>\$ 16 895</b>
<b>SERIES F</b>	<b>\$ 99 188</b>	<b>\$ 139 410</b>
<b>SERIES O</b>	<b>\$ 1 715 969</b>	<b>\$ 1 554 821</b>
<b>NAV PER UNIT</b>		
<b>SERIES A</b>	<b>\$ 10.71</b>	<b>\$ 11.57</b>
<b>ADVISOR SERIES</b>	<b>\$ 10.69</b>	<b>\$ 11.55</b>
<b>SERIES D</b>	<b>\$ 10.84</b>	<b>\$ 11.71</b>
<b>SERIES F</b>	<b>\$ 10.68</b>	<b>\$ 11.54</b>
<b>SERIES O</b>	<b>\$ 10.68</b>	<b>\$ 11.54</b>

### Statements of Comprehensive Income

(in \$000s except per unit amounts)

For the periods ended December 31 (see note 2 in the generic notes)	2021	2020
<b>INCOME (see note 3 in the generic notes)</b>		
Interest for distribution purposes	\$ 86 199	\$ 81 733
Income from investment trusts	3 113	3 012
Derivative income (loss)	508	(2 713)
Net realized gain (loss) on investments	(5 301)	18 574
Change in unrealized gain (loss) on investments	(129 816)	(16 225)
<b>TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES</b>	<b>(45 297)</b>	<b>84 381</b>
Securities lending revenue (see note 7 in the generic notes)	225	219
Net gain (loss) on foreign cash balances	(1 128)	1 280
<b>TOTAL OTHER INCOME (LOSS)</b>	<b>(903)</b>	<b>1 499</b>
<b>TOTAL INCOME (LOSS)</b>	<b>(46 200)</b>	<b>85 880</b>
<b>EXPENSES (see notes – Fund Specific Information)</b>		
Management fees	1 637	1 968
Administration fees	405	393
Independent Review Committee costs	2	2
GST/HST	232	266
Transaction costs	1	8
Withholding tax	329	316
<b>TOTAL EXPENSES</b>	<b>2 606</b>	<b>2 953</b>
<b>INCREASE (DECREASE) IN NAV</b>	<b>\$ (48 806)</b>	<b>\$ 82 927</b>
<b>INCREASE (DECREASE) IN NAV</b>		
<b>SERIES A</b>	<b>\$ (1 993)</b>	<b>\$ 1 162</b>
<b>ADVISOR SERIES</b>	<b>\$ (90)</b>	<b>\$ 582</b>
<b>SERIES D</b>	<b>\$ (644)</b>	<b>\$ 653</b>
<b>SERIES F</b>	<b>\$ (4 211)</b>	<b>\$ 5 733</b>
<b>SERIES O</b>	<b>\$ (41 868)</b>	<b>\$ 74 797</b>
<b>INCREASE (DECREASE) IN NAV PER UNIT</b>		
<b>SERIES A</b>	<b>\$ (0.53)</b>	<b>\$ 0.34</b>
<b>ADVISOR SERIES</b>	<b>\$ (0.67)</b>	<b>\$ 0.59</b>
<b>SERIES D</b>	<b>\$ (0.47)</b>	<b>\$ 0.43</b>
<b>SERIES F</b>	<b>\$ (0.40)</b>	<b>\$ 0.48</b>
<b>SERIES O</b>	<b>\$ (0.29)</b>	<b>\$ 0.59</b>



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

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

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in NAV	\$ (48 806)	\$ 82 927
<b>ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS</b>		
Interest for distribution purposes	1	–
Non-cash dividends	(57)	–
Non-cash distributions from underlying funds	–	–
Net realized loss (gain) on investments	5 301	(18 574)
Change in unrealized loss (gain) on investments	129 816	16 225
(Increase) decrease in accrued receivables	(4 482)	2 228
Increase (decrease) in accrued payables	(42)	(18)
(Increase) decrease in margin accounts	–	–
Cost of investments purchased*	(525 961)	(492 346)
Proceeds from sale and maturity of investments*	245 806	493 995
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>(198 424)</b>	<b>84 437</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of redeemable units*	451 280	1 199 565
Cash paid on redemption of redeemable units*	(285 228)	(1 239 417)
Distributions paid to holders of redeemable units	(9 174)	(12 291)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>\$ 156 878</b>	<b>\$ (52 143)</b>
Net increase (decrease) in cash for the period	(41 546)	32 294
Cash (bank overdraft), beginning of period	55 511	23 217
<b>CASH (BANK OVERDRAFT), END OF PERIOD</b>	<b>\$ 13 965</b>	<b>\$ 55 511</b>
Interest received (paid) <sup>†</sup>	\$ 81 606	\$ 83 945
Income from investment trusts received (paid) <sup>†‡</sup>	\$ 2 741	\$ 2 712
Dividends received (paid) <sup>†‡</sup>	\$ 97	\$ –

\* 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	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>NAV AT BEGINNING OF PERIOD</b>	\$ 46 675	\$ 36 305	\$ 2 443	\$ 18 334	\$ 16 895	\$ 19 315	\$ 139 410	\$ 139 651
<b>INCREASE (DECREASE) IN NAV</b>	(1 993)	1 162	(90)	582	(644)	653	(4 211)	5 733
Early redemption fees	–	1	–	–	–	–	1	–
Proceeds from redeemable units issued	4 070	20 238	–	1 328	4 021	5 849	28 467	32 844
Reinvestments of distributions to holders of redeemable units	1 163	1 614	42	343	516	780	1 818	2 264
Redemption of redeemable units	(11 936)	(10 850)	(1 276)	(17 731)	(5 792)	(8 824)	(61 643)	(33 796)
<b>NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS</b>	(6 703)	11 003	(1 234)	(16 060)	(1 255)	(2 195)	(31 357)	1 312
Distributions from net income	(1 338)	(1 332)	(46)	(389)	(598)	(713)	(4 654)	(5 893)
Distributions from net gains	–	(463)	–	(24)	–	(165)	–	(1 393)
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS</b>	(1 338)	(1 795)	(46)	(413)	(598)	(878)	(4 654)	(7 286)
<b>NET INCREASE (DECREASE) IN NAV</b>	(10 034)	10 370	(1 370)	(15 891)	(2 497)	(2 420)	(40 222)	(241)
<b>NAV AT END OF PERIOD</b>	\$ 36 641	\$ 46 675	\$ 1 073	\$ 2 443	\$ 14 398	\$ 16 895	\$ 99 188	\$ 139 410

For the periods ended December 31 (see note 2 in the generic notes)	Series O		Total	
	2021	2020	2021	2020
<b>NAV AT BEGINNING OF PERIOD</b>	\$ 1 554 821	\$ 1 518 640	\$ 1 760 244	\$ 1 732 245
<b>INCREASE (DECREASE) IN NAV</b>	(41 868)	74 797	(48 806)	82 927
Early redemption fees	–	–	1	1
Proceeds from redeemable units issued	416 624	1 138 106	453 182	1 198 365
Reinvestments of distributions to holders of redeemable units	74 268	81 940	77 807	86 941
Redemption of redeemable units	(207 531)	(1 169 800)	(288 178)	(1 241 001)
<b>NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS</b>	283 361	50 246	242 812	44 306
Distributions from net income	(80 345)	(73 531)	(86 981)	(81 858)
Distributions from net gains	–	(15 331)	–	(17 376)
Distributions from capital	–	–	–	–
<b>TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS</b>	(80 345)	(88 862)	(86 981)	(99 234)
<b>NET INCREASE (DECREASE) IN NAV</b>	161 148	36 181	107 025	27 999
<b>NAV AT END OF PERIOD</b>	\$ 1 715 969	\$ 1 554 821	\$ 1 867 269	\$ 1 760 244



December 31, 2021

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

The investment objective of the Fund is to provide total returns comprised of interest income and capital growth by investing primarily in government debt securities of emerging market countries.

Effective June 26, 2020, Advisor Series units have been capped. On August 4, 2020, Advisor Series units with initial sales charge and/or low-load sales charge options were re-designated as Series A units, as applicable.

Effective April 11, 2022, all Advisor Series units with a deferred sales charge option will be re-designated as Series A units. Any redemption fees associated with such re-designations will be 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 2021	December 31 2020
AAA	1.5	1.8
AA	6.0	4.0
A	9.7	8.6
BBB	27.2	28.3
BB	23.5	20.3
B	28.1	31.5
CCC	2.8	4.0
D	0.6	0.5
Unrated	0.6	1.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

**Concentration risk (%)**

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

Investment mix	December 31 2021	December 31 2020
Mexico	5.4	5.1
Indonesia	3.9	4.3
Underlying Funds	3.7	4.9
Brazil	3.5	3.5
Colombia	3.5	2.8
South Africa	3.4	2.9
Turkey	3.4	2.9

Investment mix	December 31 2021	December 31 2020
Dominican Republic	3.3	2.5
Saudi Arabia	3.3	2.5
Egypt	3.2	3.1
Kazakhstan	3.0	3.1
United Arab Emirates	3.0	2.0
Oman	2.9	2.6
Qatar	2.9	2.0
Ukraine	2.8	3.1
Peru	2.8	2.2
Panama	2.5	1.7
Russia	2.2	3.7
Chile	2.2	2.0
Nigeria	2.0	2.1
Philippines	1.9	2.0
Uruguay	1.9	1.9
China	1.7	1.9
Ghana	1.7	1.9
Angola	1.7	1.6
Malaysia	1.6	1.2
Romania	1.6	1.1
Bahrain	1.5	1.8
Kenya	1.5	1.3
Paraguay	1.4	1.3
Azerbaijan	1.4	1.1
Other Countries	17.1	19.5
Cash/Other	2.1	4.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

**Interest rate risk (%)**

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

Term to maturity	December 31 2021	December 31 2020
Less than 1 year	4.4	4.0
1 – 5 years	25.1	18.5
5 – 10 years	22.6	21.4
> 10 years	47.9	56.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

As at December 31, 2021, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's NAV may have decreased or increased, respectively, by approximately 7.6% (December 31, 2020 – 8.1%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.



December 31, 2021

**Currency risk (% of NAV)**

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

Currency	December 31 2021	December 31 2020
United States dollar	100.0	99.9
Other currencies	–	0.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

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

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

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

December 31, 2021	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Underlying funds</b>	<b>68 976</b>	–	–	<b>68 976</b>
<b>Fixed-income and debt securities</b>	–	<b>1 758 668</b>	–	<b>1 758 668</b>
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	<b>37</b>	–	<b>37</b>
<b>Derivatives – liabilities</b>	–	<b>(13)</b>	–	<b>(13)</b>
<b>Total financial instruments</b>	<b>68 976</b>	<b>1 758 692</b>	–	<b>1 827 668</b>
<b>% of total portfolio</b>	<b>3.8</b>	<b>96.2</b>	–	<b>100.0</b>

December 31, 2020	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Underlying funds</b>	<b>86 489</b>	–	–	<b>86 489</b>
<b>Fixed-income and debt securities</b>	–	<b>1 596 204</b>	–	<b>1 596 204</b>
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	<b>(119)</b>	–	<b>(119)</b>
<b>Total financial instruments</b>	<b>86 489</b>	<b>1 596 085</b>	–	<b>1 682 574</b>
<b>% of total portfolio</b>	<b>5.1</b>	<b>94.9</b>	–	<b>100.0</b>

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

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

**Management fees and administration fees  
(see note 8 in the generic notes)**

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

	Management fees	Administration fees
Series A	1.50%	0.05%
Advisor Series	1.50%	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 un-sponsored funds as a percentage of NAV, and the Fund's ownership interest as a percentage of NAV of the un-sponsored funds ("Ownership").

	December 31 2021		December 31 2020	
	NAV	Ownership	NAV	Ownership
iShares J.P. Morgan USD Emerging Markets Bond ETF	1.9	0.1	3.0	0.2
VanEck J.P. Morgan EM Local Currency Bond ETF	1.8	0.8	1.9	0.7

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

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

As at December 31, 2021	
Capital losses	5 777
Non-capital losses	–



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### 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)

	2021	2020
--	------	------

#### Series A

Opening units	4 034	3 113
Issued number of units	368	1 714
Reinvested number of units	107	142
Redeemed number of units	(1 088)	(935)
Ending number of units	3 421	4 034

#### Advisor Series

Opening units	212	1 575
Issued number of units	–	114
Reinvested number of units	4	31
Redeemed number of units	(116)	(1 508)
Ending number of units	100	212

#### Series D

Opening units	1 443	1 637
Issued number of units	360	496
Reinvested number of units	47	68
Redeemed number of units	(521)	(758)
Ending number of units	1 329	1 443

#### Series F

Opening units	12 081	12 006
Issued number of units	2 605	2 823
Reinvested number of units	168	200
Redeemed number of units	(5 567)	(2 948)
Ending number of units	9 287	12 081

#### Series O

Opening units	134 704	130 537
Issued number of units	38 005	96 406
Reinvested number of units	6 866	7 241
Redeemed number of units	(18 937)	(99 480)
Ending number of units	160 638	134 704

### Transaction costs (\$000s except %)

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

	December 31 2021		December 31 2020	
	\$	%	\$	%
Total transaction costs	1	100	8	100
Related-party brokerage commissions*	–	–	–	–
Commission arrangements <sup>†</sup>	–	–	–	–

\* See note 8 in the generic notes.

<sup>†</sup> 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 2021	December 31 2020
Fair value of securities loaned	214 644	128 434
Fair value of collateral received	218 939	131 004

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 2021		December 31 2020	
	\$	%	\$	%
Gross revenue	301	100	297	100
RBC IS (paid)	(75)	(25)	(74)	(25)
Tax withheld	(1)	–	(4)	(1)
Fund revenue	225	75	219	74

### 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 2021	December 31 2020
RBC \$U.S. Core Bond Pool	0.1	–
RBC \$U.S. Core Plus Bond Pool	0.2	–
RBC \$U.S. Strategic Income Bond Fund	1.3	1.3
RBC Conservative Bond Pool	0.3	–
RBC Core Bond Pool	0.9	–
RBC Core Plus Bond Pool	4.4	2.3
RBC Emerging Markets Balanced Fund	0.1	0.1
RBC Emerging Markets Bond Fund (CAD Hedged)	34.5	35.7
RBC Global Corporate Bond Fund	18.2	17.9
RBC Monthly Income Bond Fund	4.1	5.1
RBC Strategic Income Bond Fund	13.6	12.8
RBC U.S. Monthly Income Fund	3.2	3.5
Total	80.9	78.7





December 31, 2021

**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, 2021	Assets	Liabilities
<b>Gross amounts – assets (liabilities)</b>	<b>37</b>	<b>(13)</b>
<b>Amounts set-off in the</b> <b>Statements of Financial Position</b>	<b>–</b>	<b>–</b>
<b>Net amounts presented in the</b> <b>Statements of Financial Position</b>	<b>37</b>	<b>(13)</b>
<b>Related amounts not set-off</b>	<b>–</b>	<b>–</b>
<b>Collateral (received) pledged</b>	<b>–</b>	<b>–</b>
<b>Net amount</b>	<b>37</b>	<b>(13)</b>

December 31, 2020	Assets	Liabilities
Gross amounts – assets (liabilities)	–	(119)
Amounts set-off in the Statements of Financial Position	–	–
Net amounts presented in the Statements of Financial Position	–	(119)
Related amounts not set-off	–	–
Collateral (received) pledged	–	–
Net amount	–	(119)

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## 1. The Funds

The Funds (“Fund” or “Funds”) are open-ended mutual fund trusts governed by the laws of the Province of Ontario or British Columbia. RBC GAM is the manager and portfolio manager of the Funds and its head office is located at 155 Wellington Street West, 22nd Floor, Toronto, Ontario. RBC GAM is also the trustee of those Funds governed by the laws of the Province of Ontario. These financial statements were approved for issuance by the Board of Directors of RBC GAM on March 10, 2022.

The Funds may issue an unlimited number of units in some or all of Series A, Advisor Series, Advisor T5 Series, Series T5, Series T8, Series H, Series D, Series DZ, Series F, Series FT5, Series FT8, Series I, Series N and Series O.

Series A 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 with an initial sales charge or low-load sales charge option. Effective August 4, 2020, such Advisor Series and Advisor T5 Series were re-designated as Series A and Series T5, respectively. For certain of the Funds, Advisor Series units and Advisor T5 Series units are available with a deferred sales charge option. Under the initial sales charge option, investors pay a sales charge ranging from 0% to 5% of the amount invested. Under the deferred sales charge or low-load sales charge option, sales charges may be applicable, as described in the Simplified Prospectus.

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

## 3. Summary of significant accounting policies

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

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

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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.

**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.

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

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

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

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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.

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

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

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

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

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

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

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

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

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

Bond Fund (Canada), BlueBay Emerging Markets Local Currency Bond Fund (Canada), BlueBay Emerging Markets Corporate Bond Fund, BlueBay Emerging Markets High Yield Corporate Bond Fund (Canada), RBC \$U.S. Core Bond Pool, RBC \$U.S. Core Plus Bond Pool, RBC U.S. Monthly Income Fund and RBC \$U.S. Global Balanced Portfolio (collectively, the “USD Funds”) have their subscriptions, redemptions and performance denominated in U.S. dollars and, consequently, the U.S. dollar is the functional currency for these Funds.

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

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

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

**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	MXN – Mexican peso
BRL – Brazilian real	MYR – Malaysian ringgit
CAD – Canadian dollar	NOK – Norwegian krone
CHF – Swiss franc	NZD – New Zealand dollar
CLP – Chilean peso	PEN – Peruvian nuevo sol
CNY – Chinese renminbi	PHP – Philippine peso
COP – Colombian peso	PLN – Polish zloty
CZK – Czech koruna	RON – Romanian leu
DKK – Danish krone	RSD – Serbian dinar
EUR – Euro	RUB – Russian ruble
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	UAH – Ukrainian hryvnia
JPY – Japanese yen	USD – United States dollar
KRW – South Korean won	UYU – Uruguay peso
KZT – Kazakhstan tenge	ZAR – South African rand

**In-Kind Transactions** 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 difference between amounts issued and redeemed within the Statements of Changes in NAV and the Statements of Cash Flow relates to in-kind transactions. Similarly, the “Cost of investments purchased” and “Proceeds from sale and maturity of investments” within the Statements of Cash Flow appropriately exclude these 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 and short-term deposits are held with counterparties with a credit rating of AA/Aa or higher. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Funds. The fair value of fixed-income and debt securities includes a consideration of the creditworthiness of the debt issuer. Credit risk exposure to over-the-counter derivative instruments is based on a Fund's unrealized gain on the contractual obligations with the counterparty. Credit risk exposure is mitigated for those

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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 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). 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.

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.

**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



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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 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)

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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 Dividend 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  
 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

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.

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**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 administers 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

**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.