

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 U.S. INDEX FUND

December 31, 2021

Holdings	Security	Cost	Fair Value	% of Net Assets
<b>UNITED STATES EQUITIES</b>				
<b>Communication Services</b>				
32 072	Activision Blizzard Inc.	\$ 2 111	\$ 2 698	
12 502	Alphabet Inc., Class A	16 868	45 799	
11 621	Alphabet Inc., Class C	11 727	42 521	
296 793	AT&T Inc.	12 254	9 232	
5 190	Charter Communications Inc.	2 377	4 279	
189 500	Comcast Corp., Class A	7 000	12 060	
6 578	Discovery Inc., Class A	310	196	
13 402	Discovery Inc., Class C	380	388	
10 496	DISH Network Corp., Class A	713	431	
11 694	Electronic Arts Inc.	986	1 950	
12 832	Fox Corp., Class A	676	599	
5 671	Fox Corp., Class B	285	246	
16 679	Interpublic Group of Companies Inc.	482	790	
5 544	Live Nation Inc.	520	839	
41 603	Lumen Technologies Inc.	1 106	660	
11 766	Match Group Inc.	2 335	1 968	
98 347	Meta Platforms Inc., Class A	17 184	41 828	
18 410	Netflix Inc.	5 055	14 024	
17 406	News Corp., Class A	338	491	
5 003	News Corp., Class B	92	142	
8 620	Omnicom Group	658	799	
24 427	T-Mobile US Inc.	3 156	3 582	
4 860	Take-Two Interactive Software Inc.	774	1 092	
75 523	The Walt Disney Company	9 668	14 792	
32 817	Twitter Inc.	1 277	1 794	
172 073	Verizon Communications Inc.	10 398	11 306	
24 872	ViacomCBS Inc., Class B	1 260	949	
		109 990	215 455	10.1
<b>Consumer Discretionary</b>				
2 721	Advance Auto Parts Inc.	585	825	
18 127	Amazon.com, Inc.	29 539	76 428	
11 068	Aptiv Plc.	1 020	2 309	
882	Autozone Inc.	638	2 338	
11 063	Bath & Body Works Inc.	672	976	
9 156	Best Buy Co. Inc.	603	1 176	
1 707	Booking Holdings Inc.	2 736	5 179	
10 470	Borg-Warner Automotive Inc.	528	597	
8 681	Caesars Entertainment Inc.	989	1 027	
6 552	CarMax Inc.	454	1 079	
32 463	Carnival Corp.	1 239	826	
1 153	Chipotle Mexican Grill Inc., Class A	1 048	2 549	
13 554	D.R. Horton Inc.	691	1 859	
5 535	Darden Restaurants Inc.	548	1 054	
9 721	Dollar General Corp.	1 108	2 899	
9 655	Dollar Tree Inc.	904	1 716	
1 543	Domino's Pizza Inc.	835	1 101	
26 018	eBay Inc.	897	2 188	
5 179	Etsy Inc.	895	1 434	
6 091	Expedia Group Inc.	867	1 392	
163 473	Ford Motor Company	2 538	4 293	

Holdings	Security	Cost	Fair Value	% of Net Assets
<b>Consumer Discretionary (cont.)</b>				
9 092	Gap Inc.	\$ 311	\$ 203	
6 229	Garmin Ltd.	557	1 073	
60 342	General Motors Co.	2 967	4 474	
5 778	Genuine Parts Co.	598	1 024	
5 271	Hasbro Inc.	468	678	
11 673	Hilton Worldwide Holdings Inc.	1 266	2 302	
43 863	Home Depot Inc.	7 345	23 018	
14 714	Las Vegas Sands Corp.	1 041	700	
11 311	Lennar Corp.	772	1 661	
11 540	LKQ Corp.	516	876	
28 924	Lowe's Companies	2 650	9 454	
11 432	Marriott International Inc., Class A	1 172	2 389	
31 057	McDonald's Corp.	4 773	10 528	
15 902	MGM Mirage	673	902	
2 327	Mohawk Industries Inc.	427	536	
14 819	Newell Brands Inc.	591	409	
53 108	Nike Inc.	4 235	11 193	
16 232	Norwegian Cruise Line Holdings Ltd.	772	426	
142	NVR Inc.	710	1 061	
2 797	O'Reilly Automotive Inc.	732	2 498	
6 351	Penn National Gaming Inc.	883	416	
1 663	Pool Corp.	747	1 190	
11 044	Pulte Corp.	348	798	
2 831	PVH Corp.	363	382	
1 862	Ralph Lauren Corp.	270	280	
14 804	Ross Stores Inc.	1 071	2 139	
8 930	Royal Caribbean Cruises Ltd.	964	868	
49 043	Starbucks Corp.	3 227	7 254	
11 554	Tapestry Inc.	548	593	
20 243	Target Corporation	2 250	5 924	
33 809	Tesla Inc.	30 528	45 179	
50 037	TJX Companies Inc.	2 149	4 804	
4 656	Tractor Supply Co.	542	1 405	
2 315	Ulta Salon, Cosmetics & Fragrance, Inc.	732	1 207	
9 256	Under Armour Inc.	136	211	
7 064	Under Armour Inc., Class A	291	189	
13 312	V.F. Corporation	911	1 233	
2 625	Whirlpool Corp.	437	779	
4 583	Wynn Resorts Ltd.	696	493	
12 289	Yum! Brands, Inc.	1 106	2 158	
		130 109	266 152	12.4
<b>Consumer Staples</b>				
76 532	Altria Group Inc.	3 657	4 586	
23 482	Archer Daniels Midland Co.	1 180	2 007	
7 554	Brown-Forman Corp., Class B	457	696	
7 924	Campbell Soup Company	430	435	
9 943	Church & Dwight Co. Inc.	745	1 289	
4 973	Clorox Company	717	1 096	
34 697	Colgate-Palmolive Company	2 553	3 744	
20 437	Conagra Brands Inc.	835	883	
6 956	Constellation Brands Inc.	1 084	2 207	
18 363	Costco Wholesale Corp.	4 310	13 182	

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



December 31, 2021

Holdings	Security	Cost	Fair Value	% of Net Assets
<b>Consumer Staples (cont.)</b>				
9 630	Estée Lauder Companies Inc., Class A	\$ 1 575	\$ 4 508	
24 859	General Mills Inc.	1 420	2 118	
11 854	Hormel Foods Corp.	439	732	
10 601	Kellogg Co.	763	864	
13 938	Kimberly-Clark Corp.	1 758	2 519	
5 612	Lamb Weston Holdings Inc.	415	450	
10 438	McCormick & Co. Inc.	675	1 275	
8 185	Molson Coors Beverage Co., Class B	594	480	
57 978	Mondelez International Inc.	2 607	4 861	
15 688	Monster Beverage Corp.	1 003	1 905	
57 466	PepsiCo Inc.	6 795	12 623	
64 705	Philip Morris International Inc.	6 252	7 773	
21 358	Sysco Corp.	1 332	2 121	
161 571	The Coca-Cola Co.	8 292	12 097	
6 102	The Hershey Co.	799	1 493	
4 478	The J.M. Smucker Company	554	769	
29 507	The Kraft Heinz Co.	1 597	1 339	
27 907	The Kroger Co.	836	1 597	
100 577	The Procter & Gamble Co.	11 132	20 804	
12 281	Tyson Foods Inc.	751	1 354	
30 209	Walgreens Boots Alliance Inc.	2 031	1 992	
59 106	Walmart Inc.	6 471	10 814	
		<b>74 059</b>	<b>124 613</b>	<b>5.8</b>

Holdings	Security	Cost	Fair Value	% of Net Assets
<b>Energy</b>				
16 020	APA Corp.	934	545	
36 700	Baker Hughes Co.	1 417	1 116	
80 118	Chevron Corp.	9 693	11 889	
54 791	ConocoPhillips	3 533	5 002	
34 732	Coterra Energy Inc.	940	835	
26 658	Devon Energy Corporation	1 037	1 486	
6 992	Diamondback Energy Inc.	858	955	
24 029	EOG Resources Inc.	2 099	2 699	
175 955	Exxon Mobil Corp.	15 543	13 614	
36 461	Halliburton Co.	1 474	1 054	
11 283	Hess Corp.	830	1 056	
82 234	Kinder Morgan Inc.	2 695	1 649	
33 206	Marathon Oil Corp.	666	689	
25 585	Marathon Petroleum Corp.	1 598	2 070	
36 263	Occidental Petroleum Corp.	2 437	1 329	
18 620	ONEOK, Inc.	1 159	1 384	
18 430	Phillips 66 Company	1 466	1 689	
9 304	Pioneer Natural Resources Co.	1 607	2 140	
57 782	Schlumberger Ltd.	4 020	2 188	
51 136	The Williams Companies Inc.	1 916	1 684	
16 969	Valero Energy Corp.	1 036	1 612	
		<b>56 958</b>	<b>56 685</b>	<b>2.6</b>

Holdings	Security	Cost	Fair Value	% of Net Assets
<b>Financials</b>				
24 970	Aflac Inc.	1 006	1 844	
11 899	Allstate Corp.	989	1 770	
26 330	American Express Company	2 749	5 447	
34 992	American International Group Inc.	2 465	2 516	
4 592	Ameriprise Financial Inc.	570	1 752	
9 290	Aon Plc.	1 288	3 531	
8 712	Arthur J. Gallagher & Co.	916	1 869	

Holdings	Security	Cost	Fair Value	% of Net Assets
<b>Financials (cont.)</b>				
2 318	Assurant Inc.	\$ 254	\$ 457	
299 328	Bank of America Corp.	7 954	16 839	
31 577	Bank of New York Mellon Corp.	1 500	2 319	
76 115	Berkshire Hathaway Inc., Class B	17 219	28 778	
5 935	BlackRock Inc.	3 334	6 871	
9 934	Brown & Brown Inc.	731	883	
17 690	Capital One Financial Corp.	1 752	3 246	
4 510	CBOE Global Markets Inc.	544	744	
17 952	Chubb Ltd.	2 584	4 388	
6 183	Cincinnati Financial Corp.	516	891	
82 930	Citigroup Inc.	6 004	6 333	
17 952	Citizens Financial Group Inc.	671	1 073	
14 937	CME Group Inc., Class A	2 318	4 315	
5 734	Comerica Inc.	366	631	
12 063	Discover Financial Services	777	1 763	
1 657	Everest Re Group Ltd.	552	574	
1 564	Factset Research Systems Inc.	954	961	
28 222	Fifth Third Bancorp	865	1 554	
7 450	First Republic Bank	1 144	1 945	
11 774	Franklin Resources Inc.	513	499	
3 725	Globe Life Inc.	264	441	
13 895	Hartford Financial Services Inc.	700	1 213	
61 438	Huntington Bancshares	938	1 198	
23 416	Intercontinental Exchange, Inc.	1 780	4 050	
13 443	Invesco Ltd.	394	391	
122 826	JPMorgan Chase & Co.	12 051	24 594	
39 320	KeyCorp	718	1 150	
6 898	Lincoln National Corp.	385	595	
7 932	Loews Corp.	402	579	
5 241	M&T Bank Corp.	836	1 018	
1 561	MarketAxess Holdings Inc.	734	812	
21 020	Marsh & McLennan Companies Inc.	1 847	4 620	
30 146	MetLife Inc.	1 631	2 382	
6 765	Moody's Corp.	1 135	3 341	
59 724	Morgan Stanley	3 492	7 413	
3 398	MSCI Inc.	1 030	2 633	
8 441	Northern Trust Corp.	791	1 277	
16 450	People's United Financial Inc.	323	371	
17 636	PNC Bank Corp.	2 228	4 472	
10 325	Principal Financial Group Inc.	576	944	
16 005	Prudential Financial Inc.	1 493	2 191	
7 910	Raymond James Financial Corp.	631	1 004	
39 013	Regions Financial Corp.	588	1 075	
10 016	S&P Global Inc.	1 914	5 977	
2 519	Signature Bank	986	1 030	
14 947	State Street Corp.	1 240	1 758	
2 453	SVB Financial Group	1 084	2 104	
23 354	Synchrony Financial	970	1 370	
9 411	T. Rowe Price Group Inc.	1 083	2 340	
62 483	The Charles Schwab Corporation	2 998	6 645	
14 109	The Goldman Sachs Group Inc.	3 502	6 825	
4 790	The Nasdaq Stock Market Inc.	455	1 272	
24 316	The Progressive Corp.	1 399	3 156	
10 248	Travelers Cos. Inc.	1 174	2 027	
55 481	Truist Financial Corp.	3 166	4 108	
56 081	U.S. Bancorp	2 764	3 983	
5 852	W.R. Berkley Corp.	526	610	

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





December 31, 2021

Holdings	Security	Cost	Fair Value	% of Net Assets
<b>Financials (cont.)</b>				
165 717	Wells Fargo & Company	\$ 8 025	\$ 10 054	
5 246	Willis Towers Watson Plc.	1 090	1 575	
6 354	Zions Bancorporation	270	507	
		<u>128 148</u>	<u>226 898</u>	<b>10.6</b>
<b>Health Care</b>				
73 493	Abbott Laboratories	5 465	13 079	
73 476	AbbVie Inc.	6 314	12 580	
1 878	Abiomed Inc.	841	853	
12 583	Agilent Technologies Inc.	1 073	2 540	
3 036	Align Technology Inc.	1 015	2 523	
6 063	AmerisourceBergen Corp.	490	1 019	
23 464	Amgen Inc.	3 986	6 675	
9 976	Anthem Inc.	1 949	5 847	
20 529	Baxter International Inc.	1 325	2 228	
11 949	Becton Dickinson & Co.	2 723	3 800	
6 135	Biogen Inc.	1 687	1 861	
873	Bio-Rad Laboratories Inc., Class A	573	834	
1 631	Bio-Techne Corp.	1 019	1 067	
59 653	Boston Scientific Corp.	1 746	3 204	
92 252	Bristol-Myers Squibb Co.	6 165	7 273	
11 935	Cardinal Health Inc.	854	777	
7 223	Catalent Inc.	857	1 169	
23 971	Centene Corp.	1 648	2 498	
12 396	Cerner Corp.	885	1 456	
2 109	Charles River Laboratories International	845	1 005	
13 916	Cigna Corp.	2 532	4 041	
2 087	Cooper Co. Inc.	675	1 106	
54 864	CVS Health Corp.	4 540	7 157	
26 432	Danaher Corp.	3 499	10 997	
2 761	DaVita Inc.	187	397	
9 088	Dentsply Sirona Inc.	618	641	
4 028	DexCom Inc.	2 348	2 735	
25 948	Edwards Lifesciences Corp.	1 287	4 251	
32 999	Eli Lilly & Co.	3 977	11 526	
52 134	Gilead Sciences Inc.	3 698	4 787	
10 116	HCA Healthcare Inc.	1 328	3 286	
5 877	Henry Schein Inc.	459	576	
10 643	Hologic Inc.	612	1 030	
5 342	Humana Inc.	1 280	3 133	
3 547	IDEXX Laboratories Inc.	1 032	2 953	
6 496	Illumina Inc.	2 139	3 125	
8 016	Incyte Corporation Ltd.	1 161	744	
14 836	Intuitive Surgical Inc.	2 375	6 741	
7 866	IQVIA Holdings Inc.	1 363	2 806	
109 415	Johnson & Johnson	14 223	23 668	
3 886	Laboratory Corp. of America Holdings	673	1 544	
6 312	McKesson Corp.	1 022	1 984	
55 934	Medtronic Plc.	5 413	7 317	
104 983	Merck & Co. Inc.	7 160	10 174	
946	Mettler-Toledo International Inc.	780	2 030	
14 661	Moderna Inc.	6 014	4 708	
10 852	Organon & Co.	365	418	
5 245	PerkinElmer Inc.	814	1 333	
233 281	Pfizer Inc.	9 328	17 419	
4 985	Quest Diagnostics Inc.	438	1 091	

Holdings	Security	Cost	Fair Value	% of Net Assets
<b>Health Care (cont.)</b>				
4 397	Regeneron Pharmaceutical	\$ 2 308	\$ 3 511	
6 133	Resmed Inc.	912	2 020	
4 139	STERIS Plc.	892	1 274	
13 954	Stryker Corp.	2 331	4 719	
1 898	Teleflex Inc.	739	788	
16 377	Thermo Fisher Scientific Inc.	4 159	13 818	
39 145	UnitedHealth Group Incorporated	8 061	24 855	
3 165	Universal Health Services Inc., Class B	473	519	
10 639	Vertex Pharmaceuticals Inc.	1 716	2 954	
49 072	Viatis Inc.	1 018	840	
2 525	Waters Corp.	437	1 190	
3 080	West Pharmaceutical Services Inc.	1 000	1 827	
8 514	Zimmer Biomet Holdings, Inc.	1 135	1 368	
19 664	Zoetis Inc.	1 812	6 068	
		<u>149 793</u>	<u>281 757</u>	<b>13.1</b>
<b>Industrials</b>				
23 956	3M Co.	4 157	5 381	
4 923	Alaska Airgroup Inc.	384	324	
3 710	Allegion Plc.	337	621	
26 552	American Airlines Group Inc.	952	603	
9 537	Ametek Inc.	826	1 773	
22 960	Boeing Co.	4 739	5 845	
5 599	C.H. Robinson Worldwide Inc.	499	762	
36 017	Carrier Global Corp.	1 396	2 470	
22 401	Caterpillar Inc.	3 093	5 856	
3 620	Cintas Corp.	662	2 029	
8 929	Copart Inc.	829	1 712	
92 684	CSX Corp.	1 709	4 407	
6 016	Cummins Engine Inc.	1 017	1 659	
11 756	Deere & Co.	2 056	5 097	
27 033	Delta Air Lines Inc.	1 649	1 336	
6 074	Dover Corp.	558	1 395	
16 613	Eaton Corp Plc.	1 520	3 630	
24 846	Emerson Electric Co.	1 842	2 921	
5 110	Equifax Inc.	722	1 892	
6 907	Expeditors International of Washington, Inc.	499	1 173	
23 791	Fastenal Co.	838	1 927	
10 064	FedEx Corporation	1 939	3 291	
14 741	Fortive Corp.	930	1 422	
5 752	Fortune Brands Home & Security Inc.	481	778	
2 565	Generac Holdings Inc.	1 016	1 141	
9 605	General Dynamics Corp.	1 495	2 532	
45 641	General Electric Co.	9 034	5 452	
1 756	Grainger (W.W.) Inc.	554	1 151	
28 612	Honeywell International Inc.	4 081	7 544	
16 679	Howmet Aerospace Inc.	625	671	
1 518	Huntington Ingalls Industries Inc.	467	358	
3 092	IDEX Corp.	682	924	
16 449	IHS Markit Ltd.	1 376	2 765	
11 790	Illinois Tool Works Inc.	1 603	3 679	
16 942	Ingersoll-Rand Inc.	842	1 325	
3 410	J.B. Hunt Transport Services Inc.	452	881	
5 559	Jacobs Engineering Group Inc.	536	979	
29 356	Johnson Controls International Plc.	1 583	3 018	
8 269	L3Harris Technologies Inc.	1 507	2 230	
5 656	Leidos Holdings Inc.	650	636	

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



December 31, 2021

Holdings	Security	Cost	Fair Value	% of Net Assets
<b>Industrials (cont.)</b>				
10 226	Lockheed Martin Corporation	\$ 2 710	\$ 4 596	
10 072	Masco Corp.	327	894	
13 952	Nielsen Holdings Plc.	553	362	
10 125	Norfolk Southern Corp.	1 466	3 812	
6 164	Northrop Grumman Corp.	1 449	3 017	
3 789	Old Dominion Freight Line Inc.	698	1 717	
17 350	Otis Worldwide Corp.	1 572	1 910	
14 448	Paccar Inc.	1 092	1 612	
5 428	Parker Hannifin Corp.	993	2 183	
6 738	Pentair Plc.	429	622	
5 769	Quanta Services Inc.	379	836	
62 284	Raytheon Technologies Corp.	3 819	6 778	
8 688	Republic Services Inc.	591	1 532	
4 750	Robert Half International Inc.	318	670	
4 752	Rockwell Automation Inc.	809	2 096	
9 359	Rollins Inc.	361	405	
4 403	Roper Technologies Inc.	1 230	2 738	
5 653	Smith (A.O.) Corp.	419	614	
2 303	Snap-On Inc.	379	627	
24 431	Southwest Airlines	1 441	1 323	
6 879	Stanley Black & Decker Inc.	994	1 641	
9 290	Textron Inc.	466	907	
9 873	Trane Technologies Plc.	1 035	2 522	
2 132	TransDigm Group Inc.	1 044	1 715	
26 683	Union Pacific Corp.	3 428	8 500	
13 978	United Airlines Holdings Inc.	1 134	774	
30 305	United Parcel Service Inc.	4 130	8 214	
3 005	United Rentals Inc.	586	1 263	
6 714	Verisk Analytics Inc.	999	1 942	
7 962	Wabtec Corp.	786	927	
16 047	Waste Management Inc.	1 400	3 387	
7 593	Xylem Inc.	533	1 151	
		<b>97 707</b>	<b>164 877</b>	<b>7.7</b>
<b>Information Technology</b>				
26 252	Accenture Plc., Class A	4 439	13 761	
19 775	Adobe Inc.	4 461	14 180	
50 190	Advanced Micro Devices Inc.	2 429	9 133	
6 678	Akamai Technologies Inc.	522	988	
25 070	Amphenol Corp., Class A	1 075	2 773	
22 336	Analog Devices Inc.	3 162	4 964	
3 567	Ansys Inc.	850	1 809	
647 785	Apple Inc.	34 727	145 452	
37 397	Applied Materials Inc.	1 984	7 441	
9 244	Arista Networks Inc.	686	1 680	
9 188	Autodesk Inc.	1 383	3 267	
17 524	Automatic Data Processing Inc.	2 214	5 464	
17 108	Broadcom Inc.	5 157	14 395	
4 964	Broadridge Financial Solutions Inc.	678	1 148	
11 603	Cadence Design Systems Inc.	955	2 734	
5 659	CDW Corp.	973	1 465	
5 787	Ceridian HCM Holding Inc.	802	764	
175 292	Cisco Systems Inc.	7 136	14 046	
4 953	Citrix Systems Inc.	523	592	
21 555	Cognizant Technology Solutions Corp., Class A	1 382	2 418	
31 841	Corning Inc.	939	1 499	
10 508	DXC Technology Co.	728	428	

Holdings	Security	Cost	Fair Value	% of Net Assets
<b>Information Technology (cont.)</b>				
5 508	Enphase Energy Inc.	\$ 1 380	\$ 1 274	
2 316	EPAM Systems Inc.	2 017	1 958	
2 520	F5 Inc.	413	780	
25 293	Fidelity National Information Services Inc.	3 368	3 491	
24 454	Fiserv Inc.	2 155	3 209	
3 340	FleetCor Technologies Inc.	796	945	
5 656	Fortinet Inc.	842	2 570	
3 481	Gartner Inc.	618	1 472	
12 153	Global Payments Inc.	2 048	2 077	
55 492	Hewlett Packard Enterprise Co.	906	1 107	
48 563	HP Inc.	1 666	2 313	
169 032	Intel Corp.	7 737	11 008	
37 273	International Business Machines	6 650	6 300	
11 769	Intuit Inc.	3 042	9 572	
1 619	IPG Photonics Corp.	440	352	
2 925	Jack Henry & Associates Inc.	563	618	
14 120	Juniper Networks Inc.	425	638	
7 540	Keysight Technologies Inc.	650	1 969	
6 296	KLA Corp.	922	3 424	
5 831	Lam Research Corp.	1 196	5 303	
36 054	Mastercard Inc.	6 198	16 382	
23 061	Microchip Technology Inc.	1 214	2 539	
46 682	Micron Technology Inc.	2 165	5 499	
312 045	Microsoft Corp.	37 927	132 705	
1 840	Monolithic Power Systems Inc.	917	1 148	
7 083	Motorola Solutions Inc.	991	2 433	
9 111	NetApp Inc.	536	1 060	
24 510	NortonLifeLock Inc.	644	805	
103 904	Nvidia Corp.	7 143	38 642	
11 126	NXP Semiconductor N.V.	2 812	3 205	
67 401	Oracle Corporation	3 597	7 433	
13 448	Paychex Inc.	982	2 321	
1 945	Paycom Software Inc.	821	1 021	
48 832	PayPal Holdings Inc.	5 074	11 644	
4 462	PTC Inc.	771	684	
4 587	Qorvo Inc.	580	907	
46 549	QUALCOMM Inc.	4 216	10 764	
40 689	Salesforce.com Inc.	6 759	13 075	
8 728	Seagate Technology Holdings Plc.	525	1 247	
8 271	ServiceNow Inc.	3 709	6 789	
6 868	Skyworks Solutions Inc.	936	1 347	
2 183	SolarEdge Technologies Inc.	813	774	
6 283	SynOpsys Inc.	929	2 928	
13 586	TE Connectivity Ltd.	1 144	2 772	
1 973	Teledyne Technologies Inc.	924	1 090	
6 857	Teradyne Inc.	751	1 418	
38 383	Texas Instruments Inc.	3 822	9 147	
10 250	Trimble Inc.	938	1 130	
1 673	Tyler Technologies Inc.	791	1 138	
3 922	Verisign Inc.	502	1 259	
69 699	Visa Inc., Class A	8 038	19 100	
12 448	Western Digital Corp.	887	1 026	
10 302	Xilinx Inc.	908	2 762	
2 211	Zebra Technologies Corp.	872	1 664	
		<b>224 875</b>	<b>618 639</b>	<b>28.8</b>

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





December 31, 2021

Holdings	Security	Cost	Fair Value	% of Net Assets
<b>Materials</b>				
9 251	Air Products & Chemicals Inc.	\$ 1 803	\$ 3 559	
4 801	Albemarle Corp.	674	1 419	
62 647	Arcor Plc.	928	951	
3 563	Avery Dennison Corp.	428	976	
13 192	Ball Corp.	737	1 606	
4 601	Celanese Corp.	639	978	
9 093	CF Industries Holdings Inc.	456	814	
30 438	Corteva Inc.	1 150	1 820	
30 705	Dow Inc.	2 078	2 202	
21 181	DuPont de Nemours Inc.	1 977	2 164	
5 517	Eastman Chemical Company	494	843	
10 362	Ecolab Inc.	1 543	3 074	
5 436	FMC Corp.	417	755	
61 032	Freeport-McMoRan Inc.	1 674	3 221	
10 579	International Flavors & Fragrances Inc.	1 600	2 015	
15 774	International Paper Co.	855	937	
21 303	Linde Plc.	4 451	9 332	
10 711	LyondellBasell Industries N.V.	943	1 249	
2 589	Martin Marietta Materials	615	1 442	
32 886	Newmont Corp.	1 584	2 579	
11 833	Nucor Corp.	759	1 708	
4 050	Packaging Corp. of America	578	697	
9 889	PPG Industries Inc.	1 091	2 156	
5 866	Sealed Air Corp.	261	500	
10 055	Sherwin-Williams Co.	1 432	4 478	
15 519	The Mosaic Co.	669	771	
5 399	Vulcan Materials Co.	624	1 417	
10 740	WestRock Co.	681	602	
		31 141	54 265	2.5

Holdings	Security	Cost	Fair Value	% of Net Assets
<b>Real Estate</b>				
5 872	Alexandria Real Estate Equities Inc.	1 107	1 656	
18 928	American Tower Corp. Real Estate Investment Trust	3 189	7 001	
5 851	AvalonBay Communities Inc. Real Estate Investment Trust	1 174	1 869	
5 730	Boston Properties Inc.	772	835	
13 833	CBRE Group Inc.	766	1 898	
17 963	Crown Castle International Corp. Real Estate Investment Trust	2 349	4 741	
11 657	Digital Realty Trust Inc.	1 813	2 607	
15 429	Duke Realty Corporation Real Estate Investment Trust	637	1 281	
3 742	Equinix Inc. Real Estate Investment Trust	2 082	4 002	
14 336	Equity Residential Properties Trust	1 131	1 641	
2 727	Essex Property Trust Inc.	764	1 215	
5 512	Extra Space Storage Inc. Real Estate Investment Trust	766	1 580	
3 069	Federal Realty Investment Trust	520	529	
22 801	Healthpeak Properties Inc. Real Estate Investment Trust	961	1 041	
29 808	Host Marriott Corp.	631	655	
12 311	Iron Mountain Inc. Real Estate Investment Trust	520	815	

Holdings	Security	Cost	Fair Value	% of Net Assets
<b>Real Estate (cont.)</b>				
25 374	Kimco Realty Corp.	\$ 639	\$ 791	
4 862	Mid-America Apartment Communities Inc. Real Estate Investment Trust	718	1 411	
30 728	ProLogis Inc. Trust	2 631	6 542	
6 295	Public Storage Inc. Real Estate Investment Trust	1 432	2 982	
23 514	Realty Income Corp. Real Estate Investment Trust	1 876	2 129	
6 129	Regency Centers Corp. Real Estate Investment Trust	529	584	
4 444	SBA Communications Corp., Class A Real Estate Investment Trust	1 050	2 186	
13 771	Simon Property Group Inc.	2 319	2 782	
11 851	UDR Inc. Real Estate Investment Trust	625	899	
16 447	Ventas Inc. Real Estate Investment Trust	1 164	1 063	
6 753	Vornado Realty Trust	584	357	
18 090	Welltower Inc. Real Estate Investment Trust	1 506	1 962	
31 275	Weyerhaeuser Company Ltd.	1 115	1 629	
		35 370	58 683	2.7

Holdings	Security	Cost	Fair Value	% of Net Assets
<b>Utilities</b>				
27 757	AES Corp.	623	853	
10 393	Alliant Energy Corp.	590	808	
10 638	Ameren Corporation	727	1 197	
20 711	American Electric Power	1 525	2 330	
7 418	American Water Works Co. Inc.	919	1 772	
5 280	Atmos Energy Corp.	701	700	
26 710	Centerpoint Energy Inc.	783	943	
12 232	CMS Energy Corp.	636	1 006	
14 776	Consolidated Edison Inc.	1 236	1 594	
33 807	Dominion Energy Inc.	2 812	3 358	
8 198	DTE Energy Company	812	1 239	
31 970	Duke Energy Corp.	3 084	4 241	
15 718	Edison International	1 102	1 356	
8 558	Energy Corp.	893	1 219	
9 243	Evergy Inc.	689	802	
14 535	Eversource Energy	1 025	1 672	
40 243	Exelon Corp.	1 892	2 939	
23 109	FirstEnergy Corporation	1 086	1 215	
81 550	NextEra Energy Inc.	3 834	9 627	
16 672	NiSource Inc.	518	582	
9 680	NRG Energy Inc.	348	527	
4 423	Pinnacle West Capital Corp.	365	395	
31 008	PPL Corporation	1 112	1 179	
21 024	Public Service Enterprise Group	1 100	1 774	
13 166	Sempra	1 669	2 202	
44 122	Southern Co.	2 635	3 826	
13 079	WEC Energy Group Inc.	939	1 605	
22 436	Xcel Energy Inc.	1 166	1 921	
		34 821	52 882	2.5

<b>TOTAL UNITED STATES EQUITIES</b>		1 072 971	2 120 906	98.8
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December 31, 2021

Holdings	Security	Cost	Fair Value	% of Net Assets
<b>UNDERLYING FUNDS</b>				
34 765	iShares Core S&P 500 ETF	\$ 20 689	\$ 20 969	
<b>TOTAL UNDERLYING FUNDS</b>		<u>20 689</u>	<u>20 969</u>	<b>1.0</b>
<b>TOTAL INVESTMENTS</b>		1 093 660	2 141 875	<b>99.8</b>
<b>UNREALIZED LOSS ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE A)</b>				
		–	(1)	–
<b>TOTAL PORTFOLIO</b>		<u>\$1 093 660</u>	<u>2 141 874</u>	<b>99.8</b>
<b>OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>				
			<u>3 998</u>	<b>0.2</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>				
			<u>\$2 145 872</u>	<b>100.0</b>

**SCHEDULE A**

**Foreign Exchange Contracts**

Contracts	Maturity Date	Unrealized Loss
Bought USD 166 Sold CAD 211 @ 0.7870	04-Jan-2022	\$ (1)
<b>TOTAL FOREIGN EXCHANGE</b>		<u>\$ (1)</u>

All counterparties have a credit rating of at least A.



### Statements of Financial Position

(in \$000s except per unit amounts)

(see note 2 in the generic notes)	December 31 2021	December 31 2020
<b>ASSETS</b>		
Investments at fair value	\$ 2 141 875	\$ 1 404 347
Cash	4 648	4 452
Subscriptions receivable	2 588	1 106
Dividends receivable, interest accrued and other assets	1 091	874
<b>TOTAL ASSETS</b>	<b>2 150 202</b>	<b>1 410 779</b>
<b>LIABILITIES</b>		
Due to investment dealers	2 136	1 842
Redemptions payable	1 151	677
Unrealized loss on foreign exchange contracts	1	1
Accounts payable and accrued expenses	1 042	703
<b>TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>	<b>4 330</b>	<b>3 223</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")</b>	<b>\$ 2 145 872</b>	<b>\$ 1 407 556</b>
Investments at cost	\$ 1 093 660	\$ 754 173
<b>NAV</b>		
<b>SERIES A</b>	<b>\$ 1 759 815</b>	<b>\$ 1 210 366</b>
<b>SERIES F</b>	<b>\$ 386 055</b>	<b>\$ 197 189</b>
<b>SERIES O</b>	<b>\$ 2</b>	<b>\$ 1</b>
<b>NAV PER UNIT</b>		
<b>SERIES A</b>	<b>\$ 37.21</b>	<b>\$ 29.50</b>
<b>SERIES F</b>	<b>\$ 22.01</b>	<b>\$ 17.46</b>
<b>SERIES O</b>	<b>\$ 15.14</b>	<b>\$ 12.01</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>		
Dividends	\$ 23 974	\$ 22 683
Interest for distribution purposes	–	5
Income from investment trusts	1 469	1 344
Derivative income (loss)	5	16
Net realized gain (loss) on investments	11 121	8 953
Change in unrealized gain (loss) on investments	398 041	158 117
<b>TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES</b>	<b>434 610</b>	<b>191 118</b>
Other income (loss)	(8)	–
Securities lending revenue (see note 7 in the generic notes)	65	75
Net gain (loss) on foreign cash balances	86	38
<b>TOTAL OTHER INCOME (LOSS)</b>	<b>143</b>	<b>113</b>
<b>TOTAL INCOME (LOSS)</b>	<b>434 753</b>	<b>191 231</b>
<b>EXPENSES (see notes – Fund Specific Information)</b>		
Management fees	7 605	5 487
Administration fees	1 752	1 222
Independent Review Committee costs	2	2
GST/HST	962	690
Transaction costs	33	18
Withholding tax	3 460	3 301
<b>TOTAL EXPENSES</b>	<b>13 814</b>	<b>10 720</b>
<b>INCREASE (DECREASE) IN NAV</b>	<b>\$ 420 939</b>	<b>\$ 180 511</b>
<b>INCREASE (DECREASE) IN NAV</b>		
<b>SERIES A</b>	<b>\$ 350 577</b>	<b>\$ 155 877</b>
<b>SERIES F</b>	<b>\$ 70 361</b>	<b>\$ 24 634</b>
<b>SERIES O</b>	<b>\$ 1</b>	<b>\$ –</b>
<b>INCREASE (DECREASE) IN NAV PER UNIT</b>		
<b>SERIES A</b>	<b>\$ 7.92</b>	<b>\$ 3.89</b>
<b>SERIES F</b>	<b>\$ 4.85</b>	<b>\$ 2.49</b>
<b>SERIES O</b>	<b>\$ 3.31</b>	<b>\$ 1.67</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	\$ 420 939	\$ 180 511
<b>ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS</b>		
Interest for distribution purposes	–	–
Non-cash dividends	(554)	(1 274)
Non-cash distributions from underlying funds	–	–
Net realized loss (gain) on investments	(11 121)	(8 953)
Change in unrealized loss (gain) on investments	(398 041)	(158 117)
(Increase) decrease in accrued receivables	(217)	118
Increase (decrease) in accrued payables	339	90
(Increase) decrease in margin accounts	–	–
Cost of investments purchased*	(664 347)	(216 094)
Proceeds from sale and maturity of investments*	336 829	126 042
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
	<b>(316 173)</b>	<b>(77 677)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of redeemable units*	570 758	346 342
Cash paid on redemption of redeemable units*	(253 212)	(266 756)
Distributions paid to holders of redeemable units	(1 177)	(917)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		
	<b>\$ 316 369</b>	<b>\$ 78 669</b>
Net increase (decrease) in cash for the period	196	992
Cash (bank overdraft), beginning of period	4 452	3 460
<b>CASH (BANK OVERDRAFT), END OF PERIOD</b>	<b>\$ 4 648</b>	<b>\$ 4 452</b>
Interest received (paid) <sup>†</sup>	\$ –	\$ 5
Income from investment trusts received (paid) <sup>†‡</sup>	\$ 1 242	\$ 1 148
Dividends received (paid) <sup>†‡</sup>	\$ 19 970	\$ 18 423

\* 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		Series F		Series O		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>NAV AT BEGINNING OF PERIOD</b>	\$ 1 210 366	\$ 1 016 881	\$ 197 189	\$ 130 303	\$ 1	\$ 1	\$ 1 407 556	\$ 1 147 185
<b>INCREASE (DECREASE) IN NAV</b>	<b>350 577</b>	<b>155 877</b>	<b>70 361</b>	<b>24 634</b>	<b>1</b>	<b>–</b>	<b>420 939</b>	<b>180 511</b>
Early redemption fees	1	15	–	2	–	–	1	17
Proceeds from redeemable units issued	447 279	282 934	170 524	85 785	–	–	617 803	368 719
Reinvestments of distributions to holders of redeemable units	7 580	11 036	2 629	2 027	–	–	10 209	13 063
Redemption of redeemable units	(248 231)	(245 095)	(51 019)	(42 865)	–	–	(299 250)	(287 960)
<b>NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS</b>	<b>206 629</b>	<b>48 890</b>	<b>122 134</b>	<b>44 949</b>	<b>–</b>	<b>–</b>	<b>328 763</b>	<b>93 839</b>
Distributions from net income	(7 757)	(11 282)	(3 629)	(2 697)	–	–	(11 386)	(13 979)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS</b>	<b>(7 757)</b>	<b>(11 282)</b>	<b>(3 629)</b>	<b>(2 697)</b>	<b>–</b>	<b>–</b>	<b>(11 386)</b>	<b>(13 979)</b>
<b>NET INCREASE (DECREASE) IN NAV</b>	<b>549 449</b>	<b>193 485</b>	<b>188 866</b>	<b>66 886</b>	<b>1</b>	<b>–</b>	<b>738 316</b>	<b>260 371</b>
<b>NAV AT END OF PERIOD</b>	<b>\$ 1 759 815</b>	<b>\$ 1 210 366</b>	<b>\$ 386 055</b>	<b>\$ 197 189</b>	<b>\$ 2</b>	<b>\$ 1</b>	<b>\$ 2 145 872</b>	<b>\$ 1 407 556</b>



December 31, 2021

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

The investment objective of the Fund is to provide long-term capital growth by tracking the performance of the S&P 500 Total Return Index.

Effective January 21, 2022, the Fund will be closed to new investors. Existing investors who hold units of the Fund on January 21, 2022 can continue to make additional investments into the Fund. In addition, RBC GAM may also maintain capacity for certain investors, including investment funds managed by RBC GAM or its affiliates, that may invest in the Fund.

Effective January 24, 2022, all outstanding Series A units will be re-designated as Series DZ units.

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

**Concentration risk (%)**

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

	December 31 2021	December 31 2020
Investment mix		
Information Technology	28.8	27.2
Health Care	13.1	13.3
Consumer Discretionary	12.4	12.5
Financials	10.6	10.3
Communication Services	10.1	10.6
Industrials	7.7	8.3
Consumer Staples	5.8	6.4
Real Estate	2.7	2.4
Energy	2.6	2.2
Utilities	2.5	2.7
Materials	2.5	2.6
Underlying Funds	1.0	1.3
Cash/Other	0.2	0.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

**Currency risk (% of NAV)**

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

	December 31 2021	December 31 2020
Currency		
United States dollar	100.0	100.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

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

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.

**Other price risk (% impact on NAV)**

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

	December 31 2021	December 31 2020
S&P 500 Total Return Index (CAD)	+ or - 10.0	+ or - 9.9

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

**Fair value hierarchy (\$000s except % amounts)**

(see note 3 in the generic notes)

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

December 31, 2021	Level 1	Level 2	Level 3	Total
<b>Equities</b>	<b>2 120 906</b>	–	–	<b>2 120 906</b>
<b>Underlying funds</b>	<b>20 969</b>	–	–	<b>20 969</b>
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	–	–	–
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	(1)	–	(1)
<b>Total financial instruments</b>	<b>2 141 875</b>	<b>(1)</b>	–	<b>2 141 874</b>
<b>% of total portfolio</b>	<b>100.0</b>	–	–	<b>100.0</b>

December 31, 2020	Level 1	Level 2	Level 3	Total
Equities	1 386 545	–	–	1 386 545
Underlying funds	17 802	–	–	17 802
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	(1)	–	(1)
Total financial instruments	1 404 347	(1)	–	1 404 346
% of total portfolio	100.0	–	–	100.0

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





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### 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	0.50%	0.10%
Series F	0.09%	0.10%
Series O	n/a*	0.02%

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

### Investments by related parties (\$000s except unit amounts)

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

	December 31 2021	December 31 2020
<b>Units held</b>		
Series F	109	108
Series O	105	103
<b>Value of all units</b>	<b>4</b>	<b>3</b>

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

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

	December 31 2021		December 31 2020	
	NAV	Ownership	NAV	Ownership
iShares Core S&P 500 ETF	1.0	–	1.3	–

### 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	21 020
Non-capital losses	–

### Redeemable units (000s)

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

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

	2021	2020
<b>Series A</b>		
Opening units	41 026	39 279
Issued number of units	13 635	10 743
Reinvested number of units	204	377
Redeemed number of units	(7 569)	(9 373)
Ending number of units	47 296	41 026

#### Series F

Opening units	11 292	8 503
Issued number of units	8 729	5 461
Reinvested number of units	120	117
Redeemed number of units	(2 602)	(2 789)
Ending number of units	17 539	11 292

#### Series O

Opening units	–	–
Issued number of units	–	–
Reinvested number of units	–	–
Redeemed number of units	–	–
Ending number of units	–	–

### 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	33	100	18	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	133 486	80 435
Fair value of collateral received	136 156	82 044



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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	89	100	107	100
RBC IS (paid)	(22)	(25)	(27)	(25)
Tax withheld	(2)	(3)	(5)	(5)
Fund revenue	65	72	75	70

**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
Gross amounts – assets (liabilities)	–	(1)
Amounts set-off in the Statements of Financial Position	–	–
Net amounts presented in the Statements of Financial Position	–	(1)
Related amounts not set-off	–	–
Collateral (received) pledged	–	–
Net amount	–	(1)

December 31, 2020	Assets	Liabilities
Gross amounts – assets (liabilities)	–	(1)
Amounts set-off in the Statements of Financial Position	–	–
Net amounts presented in the Statements of Financial Position	–	(1)
Related amounts not set-off	–	–
Collateral (received) pledged	–	–
Net amount	–	(1)

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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.

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#### 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)



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.