

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 Small Float Fund	Phillips, Hager & North LifeTime 2030 Fund
Phillips, Hager & North Long Inflation-linked Bond Fund	Phillips, Hager & North U.S. Dividend Income Fund	Phillips, Hager & North LifeTime 2035 Fund
Phillips, Hager & North Monthly Income Fund	Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund	Phillips, Hager & North LifeTime 2040 Fund
Phillips, Hager & North Balanced Fund	Phillips, Hager & North U.S. Equity Fund	Phillips, Hager & North LifeTime 2045 Fund
Phillips, Hager & North Dividend Income Fund	Phillips, Hager & North Currency-Hedged U.S. Equity Fund	Phillips, Hager & North LifeTime 2050 Fund
Phillips, Hager & North Canadian Equity Fund	Phillips, Hager & North U.S. Growth Fund	Phillips, Hager & North LifeTime 2055 Fund
Phillips, Hager & North Canadian Equity Value Fund	Phillips, Hager & North Overseas Equity Fund	Phillips, Hager & North LifeTime 2060 Fund
Phillips, Hager & North Conservative Equity Income Fund	Phillips, Hager & North Currency-Hedged Overseas Equity Fund	Phillips, Hager & North Conservative Pension Trust
Phillips, Hager & North Canadian Equity Underlying Fund	Phillips, Hager & North Global Equity Fund	Phillips, Hager & North Balanced Pension Trust
Phillips, Hager & North Canadian Equity Underlying Fund II	Phillips, Hager & North LifeTime 2015 Fund	Phillips, Hager & North Growth Pension Trust
Phillips, Hager & North Canadian Growth Fund	Phillips, Hager & North LifeTime 2020 Fund	Phillips, Hager & North Canadian Equity Pension Trust
Phillips, Hager & North Canadian Income Fund	Phillips, Hager & North LifeTime 2025 Fund	Phillips, Hager & North Canadian Equity Plus Pension Trust
Phillips, Hager & North Vintage Fund		(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.

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 USD000s)
RBC U.S. MONTHLY INCOME FUND

December 31, 2021

Holdings	Security	Cost	Fair Value	% of Net Assets
COMMON EQUITIES				
Communication Services				
309 100	Comcast Corp., Class A	\$ 15 095	\$ 15 557	
73 200	The Walt Disney Company	10 419	11 338	
92 400	ViacomCBS Inc., Class B	2 941	2 789	
		28 455	29 684	1.5
Consumer Discretionary				
33 400	Dollar General Corp.	6 717	7 877	
(334)	Dollar General Corp., Written Call @ 230.00 January 21, 2022	(107)	(257)	
544 200	Ford Motor Company	9 052	11 303	
278 500	General Motors Co.	11 921	16 328	
41 700	Home Depot Inc.	11 065	17 306	
(137)	Home Depot Inc., Written Call @ 415.00 January 21, 2022	(155)	(101)	
42 500	Lowe's Companies	7 631	10 985	
60 100	Magna International Inc., Class A	5 063	4 864	
19 700	McDonald's Corp.	2 950	5 281	
33 000	Nike Inc.	3 714	5 500	
101 500	Pulte Corp.	5 241	5 802	
29 500	Starbucks Corp.	2 328	3 451	
66 500	Target Corporation	8 625	15 391	
79 700	TJX Companies Inc.	5 085	6 051	
		79 130	109 781	5.5
Consumer Staples				
11 200	Costco Wholesale Corp.	3 403	6 358	
(112)	Costco Wholesale Corp., Written Call @ 545.00 January 21, 2022	(144)	(290)	
58 800	PepsiCo Inc.	8 444	10 214	
108 000	Philip Morris International Inc.	9 484	10 260	
137 600	The Coca-Cola Co.	7 177	8 147	
113 200	The Procter & Gamble Co.	14 811	18 517	
50 000	Walmart Inc.	6 884	7 235	
		50 059	60 441	3.0
Energy				
101 700	Chevron Corp.	10 425	11 934	
164 100	ConocoPhillips	8 139	11 845	
43 900	Diamondback Energy Inc.	3 843	4 735	
150 700	Exxon Mobil Corp.	9 149	9 221	
		31 556	37 735	1.9
Financials				
36 700	Ameriprise Financial Inc.	6 596	11 071	
417 750	Bank of America Corp.	13 776	18 586	
110 000	Bank of New York Mellon Corp.	6 349	6 389	
4 100	BlackRock Inc.	2 297	3 754	
26 700	Chubb Ltd.	4 486	5 161	
52 400	Citigroup Inc.	3 607	3 164	
110 200	JPMorgan Chase & Co.	13 233	17 450	

Holdings	Security	Cost	Fair Value	% of Net Assets
Financials (cont.)				
103 900	Morgan Stanley	\$ 5 933	\$ 10 199	
38 500	PNC Bank Corp.	6 349	7 720	
88 800	The Charles Schwab Corporation	7 156	7 468	
26 200	The Goldman Sachs Group Inc.	6 863	10 023	
199 900	Wells Fargo & Company	9 052	9 591	
		85 697	110 576	5.5
Health Care				
87 400	Abbott Laboratories	7 995	12 301	
135 400	AbbVie Inc.	12 624	18 333	
32 600	Anthem Inc.	11 745	15 111	
56 400	Baxter International Inc.	4 679	4 841	
174 991	CVS Health Corp.	12 474	18 052	
28 800	Eli Lilly & Co.	5 517	7 955	
38 700	HCA Healthcare Inc.	4 301	9 943	
139 000	Johnson & Johnson	21 066	23 779	
62 300	Merck & Co. Inc.	4 717	4 775	
218 600	Pfizer Inc.	8 982	12 908	
45 300	UnitedHealth Group Incorporated	12 910	22 747	
(214)	UnitedHealth Group Incorporated, Written Call @ 480.00 January 21, 2022	(188)	(577)	
		106 822	150 168	7.5
Industrials				
24 600	Caterpillar Inc.	4 951	5 086	
58 700	Eaton Corp Plc.	6 108	10 145	
39 800	FedEx Corporation	9 486	10 294	
18 900	Honeywell International Inc.	3 535	3 941	
107 200	Johnson Controls International Plc.	4 742	8 716	
13 900	Norfolk Southern Corp.	3 714	4 138	
7 100	Northrop Grumman Corp.	2 801	2 748	
23 500	Otis Worldwide Corp.	1 990	2 046	
6 600	Parker Hannifin Corp.	2 045	2 100	
142 200	Raytheon Technologies Corp.	10 528	12 238	
16 200	Stanley Black & Decker Inc.	3 045	3 056	
59 000	Union Pacific Corp.	10 581	14 864	
60 600	United Parcel Service Inc.	8 931	12 989	
		72 457	92 361	4.6
Information Technology				
25 700	Accenture Plc., Class A	6 476	10 654	
128 500	Amphenol Corp., Class A	7 645	11 239	
46 400	Analog Devices Inc.	7 765	8 156	
417 700	Apple Inc.	41 703	74 171	
79 500	Applied Materials Inc.	10 939	12 510	
(397)	Applied Materials Inc., Written Call @ 165.00 January 21, 2022	(171)	(77)	
27 000	Broadcom Inc.	11 206	17 966	
352 400	Cisco Systems Inc.	17 320	22 332	
39 250	Intel Corp.	2 097	2 021	
4 920	Kyndryl Holdings Inc.	140	89	

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



December 31, 2021

Holdings	Security	Cost	Fair Value	% of Net Assets
Information Technology (cont.)				
11 600	Lam Research Corp.	\$ 6 752	\$ 8 342	
(58)	Lam Research Corp., Written Call @ 750.00 January 21, 2022	(105)	(52)	
29 900	Mastercard Inc.	9 747	10 744	
189 824	Microsoft Corp.	28 819	63 842	
57 500	Nvidia Corp.	8 503	16 911	
44 700	Oracle Corporation	3 769	3 898	
29 200	QUALCOMM Inc.	4 870	5 340	
45 900	TE Connectivity Ltd.	7 466	7 406	
40 500	Texas Instruments Inc.	6 488	7 633	
58 300	Visa Inc., Class A	11 398	12 634	
		<u>192 827</u>	<u>295 759</u>	14.8
Materials				
70 100	Dow Inc.	4 294	3 976	
51 800	DuPont de Nemours Inc.	4 161	4 184	
116 400	Freeport-McMoRan Inc.	4 309	4 857	
18 100	Linde Plc.	5 644	6 270	
55 000	LyondellBasell Industries N.V.	4 978	5 073	
11 700	Sherwin-Williams Co.	3 368	4 120	
		<u>26 754</u>	<u>28 480</u>	1.4

Holdings	Security	Cost	Fair Value	% of Net Assets
Real Estate				
2 770	Orion Office Real Estate Investment Trust Inc.	\$ 64	\$ 52	
33 900	Simon Property Group Inc.	4 560	5 416	
		<u>4 624</u>	<u>5 468</u>	0.3
Utilities				
129 500	Dominion Energy Inc.	9 692	10 174	
115 400	NextEra Energy Inc.	5 434	10 774	
72 300	Xcel Energy Inc.	4 754	4 895	
		<u>19 880</u>	<u>25 843</u>	1.3
		<u>698 261</u>	<u>946 296</u>	47.3
TOTAL COMMON EQUITIES				
UNDERLYING FUNDS				
5 018 579	RBC \$U.S. High Yield Bond Fund – Series O*	47 044	48 749	
7 004 791	RBC Emerging Markets Bond Fund – Series O*	62 027	59 175	
52 600	SPDR S&P Oil & Gas Exploration & Production ETF	5 009	5 043	
140 200	Utilities Select Sector SPDR ETF	9 398	10 036	
275 500	Vanguard Real Estate ETF	24 175	31 961	
		<u>147 653</u>	<u>154 964</u>	7.8

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
BONDS						
Australia						
1 000	Australia & New Zealand Banking Group Ltd. USD	2.950	22-Jul-2030	\$ 1 042	\$ 1 025	
650	Australia & New Zealand Banking Group Ltd. USD	2.570	25-Nov-2035	650	623	
698	Barrick PD Australia Finance Pty Ltd. USD	5.950	15-Oct-2039	788	951	
325	Commonwealth Bank of Australia USD	2.688	11-Mar-2031	325	320	
1 000	Westpac Banking Corp. USD	4.110	24-Jul-2034	1 132	1 080	
650	Westpac Banking Corp. USD	2.668	15-Nov-2035	650	634	
				<u>4 587</u>	<u>4 633</u>	0.2
Canada						
600	Alimentation Couche-Tard Inc. USD	3.550	26-Jul-2027	601	643	
3 000	Bank of Montreal USD	1.250	15-Sep-2026	2 994	2 941	
5 000	Bank of Nova Scotia USD	1.300	15-Sep-2026	4 999	4 908	
2 000	Cenovus Energy Inc. USD	2.650	15-Jan-2032	1 954	1 958	
1 000	Enbridge Inc. USD	4.500	10-Jun-2044	883	1 173	
410	Nutrien Ltd. USD	3.150	01-Oct-2022	413	414	
1 000	Nutrien Ltd. USD	3.000	01-Apr-2025	981	1 042	
100	Rogers Communications Inc. USD	7.500	15-Aug-2038	138	151	
150	Rogers Communications Inc. USD	4.350	01-May-2049	188	174	
330	Thomson Reuters Corp. USD	3.850	29-Sep-2024	359	349	
250	Thomson Reuters Corp. USD	3.350	15-May-2026	245	266	
750	Thomson Reuters Corp. USD	5.500	15-Aug-2035	837	970	
5 000	Toronto-Dominion Bank USD	0.750	11-Sep-2025	4 986	4 870	
500	TransCanada PipeLines Ltd. USD	6.100	01-Jun-2040	620	695	
				<u>20 198</u>	<u>20 554</u>	1.0
Finland						
4 000	Nordea Bank ABP USD	0.750	28-Aug-2025	3 998	3 902	
				<u>3 998</u>	<u>3 902</u>	0.2

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



December 31, 2021

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
France						
1 000	BNP Paribas S.A. USD	1.904	30-Sep-2028	\$ 1 000	\$ 977	
1 000	BPCE S.A. USD	5.150	21-Jul-2024	998	1 084	
675	Credit Agricole S.A. USD	3.250	04-Oct-2024	730	707	
450	Credit Agricole S.A. USD	1.247	26-Jan-2027	450	438	
				3 178	3 206	0.2
Germany						
2 500	Deutsche Bank AG/New York NY USD	2.311	16-Nov-2027	2 500	2 500	
				2 500	2 500	0.1
Japan						
900	Takeda Pharmaceutical Co. Ltd. USD	3.025	09-Jul-2040	938	918	
				938	918	0.1
Netherlands						
1 000	Cooperatieve Rabobank U.A. USD	1.004	24-Sep-2026	1 000	974	
250	ING Groep N.V. USD	1.726	01-Apr-2027	250	248	
2 850	JDE Peet's N.V. USD	0.800	24-Sep-2024	2 789	2 794	
1 175	JDE Peet's N.V. USD	1.375	15-Jan-2027	1 142	1 135	
250	LYB International Finance BV USD	4.875	15-Mar-2044	253	310	
855	LyondellBasell Industries N.V. USD	5.750	15-Apr-2024	958	929	
500	NXP BV USD	4.625	01-Jun-2023	540	523	
1 450	Shell International Finance BV USD	6.375	15-Dec-2038	1 869	2 115	
1 750	Siemens Financieringsmaatschappij N.V. USD	1.200	11-Mar-2026	1 748	1 723	
4 000	TSMC Global Ltd. USD	1.250	23-Apr-2026	3 990	3 922	
				14 539	14 673	0.7
Norway						
4 000	DNB Bank ASA USD	1.127	16-Sep-2026	3 967	3 917	
2 050	DNB Bank ASA USD	1.535	25-May-2027	2 050	2 022	
				6 017	5 939	0.3
Supranational						
625	NXP USA Inc. USD	3.250	11-May-2041	620	647	
				620	647	-
Switzerland						
500	Credit Suisse Group AG USD	1.305	02-Feb-2027	500	484	
				500	484	-
United Kingdom						
250	BAE Systems Plc. USD	3.000	15-Sep-2050	246	244	
750	Barclays Plc. USD	1.007	10-Dec-2024	750	745	
3 575	Barclays Plc. USD	2.279	24-Nov-2027	3 575	3 583	
1 000	Barclays Plc. USD	2.667	10-Mar-2032	1 000	993	
900	HSBC Holdings Plc. USD	0.976	24-May-2025	900	890	
1 000	HSBC Holdings Plc. USD	2.099	04-Jun-2026	1 024	1 007	
200	HSBC Holdings Plc. USD	2.804	24-May-2032	200	201	
1 000	Lloyds Banking Group Plc. USD	1.627	11-May-2027	1 000	985	
500	Santander UK Group Holdings Plc. USD	3.571	10-Jan-2023	510	500	
850	Vodafone Group Plc. USD	5.250	30-May-2048	1 124	1 110	
				10 329	10 258	0.5
United States						
250	AbbVie Inc.	2.900	06-Nov-2022	248	255	
300	AbbVie Inc.	4.500	14-May-2035	305	359	
370	Alabama Power Co.	4.150	15-Aug-2044	413	434	
1 300	Alcon Finance Corp.	3.000	23-Sep-2029	1 395	1 359	
1 000	Alexandria Real Estate Equities Inc.	1.875	01-Feb-2033	1 000	941	
200	Amazon.com Inc.	2.875	12-May-2041	210	208	
225	Amcor Flexibles North America Inc.	2.690	25-May-2031	225	228	
1 000	American Electric Power Co. Inc.	3.250	01-Mar-2050	1 054	991	
2 000	American Honda Finance Corp.	1.300	09-Sep-2026	1 998	1 977	

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



December 31, 2021

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
United States (cont.)						
710	American Tower Corp.	4.400	15-Feb-2026	\$ 813	\$ 776	
900	American Tower Corp.	3.375	15-Oct-2026	1 000	957	
3 700	Amgen Inc.	1.650	15-Aug-2028	3 697	3 629	
1 250	Amgen Inc.	4.400	01-May-2045	1 560	1 495	
850	Anchor Bay School District	2.220	01-Nov-2033	871	853	
875	Anheuser-Busch InBev Worldwide Inc.	4.000	13-Apr-2028	877	974	
930	Anheuser-Busch InBev Worldwide Inc.	6.375	15-Jan-2040	1 315	1 309	
500	Anheuser-Busch InBev Worldwide Inc.	4.900	01-Feb-2046	652	633	
175	Anheuser-Busch InBev Worldwide Inc.	4.600	15-Apr-2048	209	214	
500	Aon Corp.	3.750	02-May-2029	580	549	
1 000	Appalachian Power Co.	7.000	01-Apr-2038	1 505	1 440	
5 000	Apple Inc.	1.200	08-Feb-2028	4 988	4 859	
500	Apple Inc.	3.850	04-Aug-2046	505	594	
425	Aptiv Plc.	4.400	01-Oct-2046	403	494	
200	Arthur J Gallagher & Co.	3.500	20-May-2051	198	212	
2 545	Astrazeneca Finance LLC	1.750	28-May-2028	2 541	2 532	
2 500	AT&T Inc.	1.700	25-Mar-2026	2 496	2 489	
865	AT&T Inc.	4.500	15-May-2035	1 040	1 001	
500	AT&T Inc.	5.150	15-Mar-2042	544	628	
400	AT&T Inc.	5.650	15-Feb-2047	533	538	
1 344	AT&T Inc.	3.500	15-Sep-2053	1 350	1 358	
2 840	Athene Holding Ltd. USD	3.450	15-May-2052	2 840	2 860	
1 100	Austin Community College District	5.000	01-Aug-2022	1 185	1 130	
2 025	Baker Hughes Holdings LLC Inc.	2.061	15-Dec-2026	2 025	2 044	
1 500	Bank of America Corp.	1.319	20-Jun-2026	1 516	1 485	
1 000	Bank of America Corp.	1.197	24-Oct-2026	1 000	981	
575	Bank of America Corp.	1.734	22-Jul-2027	575	571	
1 000	Bank of America Corp.	3.419	20-Dec-2028	1 118	1 068	
7 880	Bank of America Corp.	2.087	14-Jun-2029	7 880	7 831	
1 000	Bank of America Corp.	4.271	23-Jul-2029	1 182	1 116	
1 000	Bank of America Corp.	1.898	23-Jul-2031	1 006	958	
3 950	Baxter International Inc.	1.915	01-Feb-2027	3 950	3 967	
227	Becton Dickinson and Co.	3.363	06-Jun-2024	246	238	
500	Becton Dickinson and Co.	4.685	15-Dec-2044	632	631	
500	Becton Dickinson and Co.	4.669	06-Jun-2047	635	632	
250	Berkshire Hathaway Energy Co.	3.800	15-Jul-2048	295	280	
500	Berkshire Hathaway Energy Co.	2.850	15-May-2051	499	482	
5 000	Berkshire Hathaway Finance Corp.	1.450	15-Oct-2030	5 004	4 794	
250	Berkshire Hathaway Finance Corp.	2.850	15-Oct-2050	250	247	
5 750	Blackstone Private Credit Fund	3.250	15-Mar-2027	5 733	5 813	
200	Bonita Unified School District	2.009	01-Aug-2029	200	202	
250	BP Capital Markets America Inc.	3.001	17-Mar-2052	250	245	
225	Brixmor Operating Partnership LP	2.500	16-Aug-2031	224	220	
475	Broadcom Corp.	3.500	15-Jan-2028	514	508	
1 072	Broadcom Inc.	4.110	15-Sep-2028	1 108	1 176	
500	Broadcom Inc.	4.750	15-Apr-2029	591	570	
225	Broadcom Inc.	2.600	15-Feb-2033	224	220	
1 000	Broadcom Inc.	3.419	15-Apr-2033	1 136	1 049	
100	Broadcom Inc.	3.500	15-Feb-2041	100	103	
100	Broadcom Inc.	3.750	15-Feb-2051	100	105	
325	Brunswick Corp.	2.400	18-Aug-2031	324	312	
1 000	California Health Facilities Financing Authority	1.679	01-Jun-2028	1 000	984	
1 500	California State University	1.338	01-Nov-2027	1 500	1 474	
450	Canyon County School District No 139 Vallivue	4.000	15-Sep-2026	530	499	
500	Canyon County School District No 139 Vallivue	4.000	15-Sep-2028	604	569	
4 000	Caterpillar Financial Services Corp.	0.800	13-Nov-2025	3 995	3 926	
4 000	Caterpillar Financial Services Corp.	1.100	14-Sep-2027	3 992	3 881	

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Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
United States (cont.)						
1 000	CC Holdings GS V LLC	3.849	15-Apr-2023	\$ 966	\$ 1 035	
500	CenterPoint Energy Inc.	3.850	01-Feb-2024	547	524	
1 000	Chabot-Las Positas Community College District	1.080	01-Aug-2026	1 000	986	
1 025	Charter Communications Operating LLC	4.464	23-Jul-2022	1 076	1 040	
1 000	Charter Communications Operating LLC	4.908	23-Jul-2025	1 092	1 102	
1 700	Charter Communications Operating LLC	5.050	30-Mar-2029	2 056	1 948	
250	Charter Communications Operating LLC	3.500	01-Mar-2042	248	243	
160	Charter Communications Operating LLC	5.750	01-Apr-2048	203	200	
750	Church & Dwight Co. Inc.	2.875	01-Oct-2022	739	762	
640	Citigroup Inc.	0.981	01-May-2025	640	635	
1 000	Citigroup Inc.	3.106	08-Apr-2026	1 087	1 049	
900	Citigroup Inc.	3.400	01-May-2026	922	966	
675	Citigroup Inc.	1.122	28-Jan-2027	675	658	
4 650	Citigroup Inc.	0.780	09-Jun-2027	4 650	4 687	
640	Citigroup Inc.	1.462	09-Jun-2027	640	629	
1 000	Citigroup Inc.	3.520	27-Oct-2028	1 123	1 073	
1 500	Citigroup Inc.	2.666	29-Jan-2031	1 595	1 524	
625	City & County of San Francisco CA	1.784	15-Jun-2029	625	624	
900	City of Arlington TX	1.296	15-Aug-2028	900	884	
525	City of Norwalk CT	0.309	15-Jul-2022	525	525	
725	City of Norwalk CT	0.567	15-Jul-2024	725	719	
725	City of Norwalk CT	0.909	15-Jul-2026	725	712	
250	City of Omaha NE Sewer Revenue	0.522	01-Apr-2023	250	249	
50	City of San Buenaventura CA	0.555	01-Jan-2023	50	50	
100	City of San Buenaventura CA	0.752	01-Jan-2024	100	100	
90	City of San Buenaventura CA	0.852	01-Jan-2025	90	89	
100	City of San Buenaventura CA	1.319	01-Jan-2027	100	99	
100	City of San Buenaventura CA	1.519	01-Jan-2028	100	99	
300	City of Santa Rosa CA Wastewater Revenue	2.315	01-Sep-2033	300	306	
250	City of Scottsdale AZ	0.826	01-Jul-2026	250	245	
250	City of Scottsdale AZ	1.139	01-Jul-2028	250	244	
360	City of Tigard OR Water Revenue	2.000	01-Aug-2028	373	367	
200	City of Tucson AZ Water System Revenue	1.632	01-Jul-2028	200	199	
200	City of Tucson AZ Water System Revenue	1.782	01-Jul-2029	200	199	
350	City of Tucson AZ Water System Revenue	1.882	01-Jul-2030	350	349	
300	City of Westfield MA	0.906	01-Mar-2025	300	297	
300	City of Westfield MA	1.155	01-Mar-2026	300	297	
300	City of Westfield MA	1.355	01-Mar-2027	300	297	
250	City of Westfield MA	1.571	01-Mar-2028	250	248	
516	CMS Energy Corp.	3.450	15-Aug-2027	581	554	
610	CMS Energy Corp.	4.875	01-Mar-2044	792	772	
300	Columbia Pipeline Group Inc.	4.500	01-Jun-2025	327	324	
850	Columbus City School District	5.000	01-Dec-2026	1 047	991	
600	Columbus City School District	5.000	01-Dec-2027	754	713	
250	Columbus State Community College	0.468	01-Dec-2023	250	248	
500	Columbus State Community College	0.567	01-Dec-2024	500	493	
500	Columbus State Community College	1.485	01-Dec-2029	500	491	
800	Comcast Corp.	7.050	15-Mar-2033	1 031	1 153	
1 629	Comcast Corp.	2.937	01-Nov-2056	1 612	1 556	
175	ConocoPhillips Holding Co.	6.950	15-Apr-2029	229	230	
500	Consolidated Edison Company of New York Inc.	5.700	01-Feb-2034	591	623	
1 200	Continental Resources Inc.	2.268	15-Nov-2026	1 200	1 192	
200	County of Henrico VA Water & Sewer Revenue	0.515	01-May-2024	200	198	
500	Crowley Independent School District	3.000	01-Aug-2023	522	518	
300	Crown Castle International Corp.	3.700	15-Jun-2026	337	322	
1 000	CSX Corp.	4.100	15-Mar-2044	897	1 160	
219	CVS Health Corp.	4.300	25-Mar-2028	256	246	
2 691	CVS Health Corp.	3.250	15-Aug-2029	2 992	2 872	

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Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
United States (cont.)						
1 000	CVS Health Corp.	5.050	25-Mar-2048	\$ 1 317	\$ 1 310	
550	D.R. Horton Inc.	5.750	15-Aug-2023	602	584	
450	Daimler Finance North America LLC	1.450	02-Mar-2026	449	446	
500	Danaher Corp.	4.375	15-Sep-2045	647	616	
655	Dell International LLC	6.020	15-Jun-2026	663	758	
500	Denton Independent School District	5.000	15-Aug-2028	633	603	
500	Denton Independent School District	5.000	15-Aug-2029	645	614	
500	Denton Independent School District	5.000	15-Aug-2030	658	623	
800	Diageo Investment Corp.	4.250	11-May-2042	810	987	
1 000	Dominion Energy Inc.	4.250	01-Jun-2028	1 180	1 115	
500	Dominion Energy Inc.	4.050	15-Sep-2042	492	562	
825	Dominion Energy Inc.	4.600	15-Mar-2049	1 110	1 032	
1 000	Dripping Springs Independent School District	5.000	15-Feb-2028	1 267	1 195	
1 000	Dripping Springs Independent School District	5.000	15-Feb-2030	1 313	1 238	
1 000	Duke Energy Corp.	2.450	01-Jun-2030	1 061	994	
3 000	Duke Energy Progress LLC	2.000	15-Aug-2031	2 995	2 934	
365	Duluth Independent School District No. 709	2.000	01-Feb-2024	372	370	
300	East Side Union High School District	0.820	01-Aug-2024	300	298	
350	East Side Union High School District	1.331	01-Aug-2026	350	347	
350	East Side Union High School District	1.551	01-Aug-2027	350	348	
200	East Side Union High School District	1.777	01-Aug-2028	200	200	
700	Emera US Finance LP	4.750	15-Jun-2046	815	826	
1 000	Enterprise Products Operating LLC	4.450	15-Feb-2043	921	1 143	
750	Evergy Inc.	2.900	15-Sep-2029	816	768	
400	Eversource Energy	1.650	15-Aug-2030	396	374	
500	Exelon Corp.	5.625	15-Jun-2035	675	638	
500	Exelon Corp.	4.450	15-Apr-2046	636	599	
700	Exxon Mobil Corp.	4.114	01-Mar-2046	726	819	
3 000	Federal Farm Credit Banks Funding Corp.	0.250	06-May-2022	3 004	3 001	
1 500	Federal Home Loan Banks	0.375	04-Sep-2025	1 496	1 459	
1 700	Federal Home Loan Mortgage Corp.	0.250	08-Sep-2023	1 699	1 689	
2 200	Federal Home Loan Mortgage Corp.	0.125	16-Oct-2023	2 192	2 179	
1 900	Federal Home Loan Mortgage Corp.	0.375	23-Sep-2025	1 894	1 849	
1 000	Federal National Mortgage Association	0.500	07-Nov-2025	996	976	
1 210	Federal Realty Investment Trust	2.750	01-Jun-2023	1 099	1 235	
425	FedEx Corp.	3.250	15-May-2041	424	435	
500	FedEx Corp.	4.550	01-Apr-2046	616	601	
325	Fidelity National Information Services Inc.	1.150	01-Mar-2026	325	317	
875	Fiserv Inc.	3.500	01-Jul-2029	979	942	
175	Florence Township Board of Education	0.760	01-Mar-2023	175	175	
180	Florence Township Board of Education	0.930	01-Mar-2024	180	178	
100	Florence Township Board of Education	1.080	01-Mar-2025	100	98	
175	Florence Township Board of Education	1.310	01-Mar-2026	175	170	
750	FMC Corp.	3.450	01-Oct-2029	845	799	
580	Frenship Independent School District	5.000	15-Feb-2026	698	663	
300	Frenship Independent School District	5.000	15-Feb-2027	369	350	
351	General Electric Co.	6.750	15-Mar-2032	487	479	
1 000	General Motors Financial Co. Inc.	1.200	15-Oct-2024	1 000	993	
450	General Motors Financial Co. Inc.	4.000	15-Jan-2025	496	478	
500	General Motors Financial Co. Inc.	4.350	09-Apr-2025	562	538	
445	General Motors Financial Co. Inc.	2.700	20-Aug-2027	457	453	
450	General Motors Financial Co. Inc.	2.700	10-Jun-2031	452	449	
150	Gilead Sciences Inc.	2.600	01-Oct-2040	149	145	
350	Gilead Sciences Inc.	2.800	01-Oct-2050	348	340	
450	GlaxoSmithKline Capital Inc.	6.375	15-May-2038	601	660	
3 875	Global Atlantic Fin Co.	3.125	15-Jun-2031	3 864	3 840	
3 400	Global Payments Inc.	2.150	15-Jan-2027	3 400	3 415	
750	Halliburton Co.	6.700	15-Sep-2038	1 006	1 033	

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Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
United States (cont.)						
2 700	Host Hotels & Resorts LP	2.900	15-Dec-2031	\$ 2 660	\$ 2 608	
200	International Flavors & Fragrances Inc.	1.832	15-Oct-2027	200	196	
250	International Flavors & Fragrances Inc.	2.300	01-Nov-2030	250	245	
640	Invitation Homes Operating Partnership LP	2.300	15-Nov-2028	639	634	
1 950	ITC Holdings Corp.	3.250	30-Jun-2026	1 981	2 058	
2 125	Jackson Financial Inc.	1.125	22-Nov-2023	2 124	2 122	
2 625	JBS Finance Luxembourg Sarl	2.500	15-Jan-2027	2 597	2 599	
1 500	Jefferson County School District R-1	0.730	15-Dec-2025	1 500	1 476	
2 467	Johnson & Johnson	2.450	01-Mar-2026	2 671	2 576	
466	Johnson Controls International Plc.	3.625	02-Jul-2024	466	491	
225	Johnson Controls International Plc.	4.625	02-Jul-2044	225	272	
1 700	JPMorgan Chase & Co.	0.697	16-Mar-2024	1 700	1 696	
5 500	JPMorgan Chase & Co.	1.045	20-Nov-2026	5 500	5 361	
1 000	JPMorgan Chase & Co.	2.522	22-Apr-2031	1 068	1 012	
1 500	JPMorgan Chase & Co.	6.400	15-May-2038	1 861	2 186	
335	Kimco Realty Corp.	2.250	01-Dec-2031	333	327	
1 500	Kinder Morgan Inc.	5.625	15-Nov-2023	1 644	1 603	
500	Kinder Morgan Inc.	5.200	01-Mar-2048	508	619	
500	L3Harris Technologies Inc.	4.400	15-Jun-2028	599	562	
265	L3Harris Technologies Inc.	1.800	15-Jan-2031	265	253	
350	Leidos Inc.	2.300	15-Feb-2031	348	338	
750	Liberty Mutual Group Inc.	4.950	01-May-2022	809	759	
250	Liberty Mutual Group Inc.	4.250	15-Jun-2023	258	261	
280	Louisville and Jefferson County Metropolitan Sewer District	0.720	15-May-2024	280	277	
250	Lowe's Cos Inc.	3.000	15-Oct-2050	250	247	
300	Maine Municipal Bond Bank	0.536	01-Nov-2023	300	298	
2 000	Massachusetts State College Building Authority	1.951	01-May-2031	2 041	1 996	
1 200	McDonald's Corp.	6.300	15-Oct-2037	1 479	1 689	
2 000	MetLife Inc.	5.700	15-Jun-2035	2 435	2 688	
825	Michigan Finance Authority	0.650	01-Oct-2024	825	813	
3 445	Microchip Technology Inc.	0.972	15-Feb-2024	3 410	3 416	
275	Micron Technology Inc.	3.366	01-Nov-2041	275	283	
130	Microsoft Corp.	2.921	17-Mar-2052	125	138	
500	Mid-America Apartments LP	1.700	15-Feb-2031	494	478	
375	Mid-America Apartments LP	2.875	15-Sep-2051	370	370	
1 000	MidAmerican Energy Co.	6.750	30-Dec-2031	1 298	1 374	
500	MidAmerican Energy Co.	4.800	15-Sep-2043	586	641	
6 000	Morgan Stanley	0.790	30-May-2025	6 000	5 925	
1 000	Morgan Stanley	2.188	28-Apr-2026	1 052	1 020	
750	Morgan Stanley	0.985	10-Dec-2026	750	728	
1 000	Morgan Stanley	3.591	22-Jul-2028	1 133	1 079	
1 500	Morgan Stanley	2.699	22-Jan-2031	1 619	1 536	
350	MPLX LP	4.875	01-Jun-2025	359	383	
5 000	Nestlé Holdings Inc.	1.000	15-Sep-2027	4 992	4 801	
1 100	NewMarket Corp.	4.100	15-Dec-2022	1 112	1 133	
3 700	NextEra Energy Capital Holdings Inc.	3.000	15-Jan-2052	3 692	3 703	
1 000	NiSource Inc.	0.950	15-Aug-2025	1 001	974	
525	Northrop Grumman Corp.	3.250	15-Jan-2028	591	562	
750	Northrop Grumman Corp.	5.250	01-May-2050	1 094	1 053	
300	ONEOK Partners LP	4.900	15-Mar-2025	333	327	
500	Oracle Corp.	2.950	15-May-2025	498	520	
700	Oracle Corp.	2.650	15-Jul-2026	656	720	
700	Oracle Corp.	4.000	15-Jul-2046	840	728	
250	Oregon City School District No. 62	0.878	30-Jun-2025	250	247	
550	Oregon Education Districts	1.104	30-Jun-2026	550	544	
2 000	PACCAR Financial Corp.	0.500	09-Aug-2024	1 999	1 967	
2 250	PerkinElmer Inc.	0.550	15-Sep-2023	2 249	2 232	
190	PerkinElmer Inc.	1.900	15-Sep-2028	190	186	

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Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
United States (cont.)						
367	Pfizer Inc.	4.400	15-May-2044	\$ 408	\$ 457	
850	Pflugerville Independent School District	5.000	15-Feb-2027	1 059	995	
900	Pflugerville Independent School District	5.000	15-Feb-2029	1 162	1 096	
365	Pioneer Natural Resources Co.	1.125	15-Jan-2026	365	355	
600	Placentia-Yorba Linda Unified School District	5.790	01-Aug-2026	727	711	
500	Portland Community College District	0.899	15-Jun-2026	500	491	
435	Portland Community College District	1.298	15-Jun-2028	435	427	
350	PPG Industries Inc.	1.200	15-Mar-2026	348	343	
500	Principal Life Global Funding II	0.875	12-Jan-2026	499	485	
1 900	Progress Energy Inc.	6.000	01-Dec-2039	2 377	2 608	
5 000	Public Storage	1.850	01-May-2028	4 996	4 994	
215	Puget Energy Inc.	2.379	15-Jun-2028	215	212	
6 475	Qorvo Inc.	1.750	15-Dec-2024	6 463	6 486	
1 000	Quest Diagnostics Inc.	4.700	30-Mar-2045	997	1 245	
1 200	Raytheon Technologies Corp.	4.200	15-Dec-2044	1 241	1 366	
300	Raytheon Technologies Corp.	2.820	01-Sep-2051	300	290	
150	Regency Centers LP	2.950	15-Sep-2029	160	156	
5 000	Regions Financial Corp.	1.800	12-Aug-2028	4 987	4 895	
4 000	Republic Services Inc.	0.875	15-Nov-2025	3 996	3 891	
600	Richardson Independent School District	3.000	15-Feb-2022	620	602	
800	Riverside County Infrastructure Financing Authority	1.224	01-Nov-2025	800	793	
250	San Jose Evergreen Community College District	0.361	01-Sep-2022	250	250	
740	San Jose Evergreen Community College District	0.921	01-Sep-2025	740	732	
500	San Jose Evergreen Community College District	1.676	01-Sep-2028	500	502	
585	San Juan Unified School District	0.365	01-Aug-2022	585	585	
300	San Ramon Valley Unified School District	0.289	01-Aug-2022	300	300	
500	Schlumberger Investment S.A.	3.650	01-Dec-2023	537	522	
400	Snohomish County Public Utility District No 1	0.549	01-Dec-2023	400	397	
1 000	Snohomish County Public Utility District No 1	0.710	01-Dec-2024	1 000	984	
600	Snohomish County Public Utility District No 1	1.100	01-Dec-2026	600	584	
500	Sonoma-Marin Area Rail Transit District	0.569	01-Mar-2022	500	500	
300	Sonoma-Marin Area Rail Transit District	2.018	01-Mar-2028	300	302	
170	Southern Co. Gas Capital Corp.	3.150	30-Sep-2051	168	169	
215	Starbucks Corp.	3.750	01-Dec-2047	234	237	
285	Starbucks Corp.	4.500	15-Nov-2048	279	353	
1 750	State of Hawaii	1.283	01-Oct-2026	1 750	1 734	
1 000	State of Oregon Department of Transportation	1.084	15-Nov-2027	1 000	971	
1 000	T-Mobile USA Inc.	3.750	15-Apr-2027	1 119	1 083	
100	T-Mobile USA Inc.	2.050	15-Feb-2028	103	99	
200	T-Mobile USA Inc.	2.250	15-Nov-2031	200	194	
350	T-Mobile USA Inc.	3.400	15-Oct-2052	354	349	
3 540	Tapestry Inc.	3.050	15-Mar-2032	3 561	3 565	
6 000	The Bank of New York Mellon Corp.	0.750	28-Jan-2026	5 987	5 833	
850	The Boeing Co.	4.875	01-May-2025	956	931	
625	The Boeing Co.	5.150	01-May-2030	740	729	
200	The Boeing Co.	5.705	01-May-2040	260	257	
1 700	The Coca-Cola Co.	1.000	15-Mar-2028	1 699	1 635	
1 250	The Curators of the University of Missouri	1.714	01-Nov-2025	1 311	1 264	
7 225	The Goldman Sachs Group Inc.	0.673	08-Mar-2024	7 225	7 194	
355	The Goldman Sachs Group Inc.	1.093	09-Dec-2026	355	346	
450	The Goldman Sachs Group Inc.	1.431	09-Mar-2027	450	441	
1 000	The Goldman Sachs Group Inc.	3.814	23-Apr-2029	1 148	1 089	
1 000	The Goldman Sachs Group Inc.	2.600	07-Feb-2030	1 062	1 018	
250	The Goldman Sachs Group Inc.	1.992	27-Jan-2032	250	240	
335	The Goldman Sachs Group Inc.	2.383	21-Jul-2032	335	330	
275	The Hartford Financial Services Group Inc.	6.100	01-Oct-2041	409	387	
225	The Hartford Financial Services Group Inc.	2.900	15-Sep-2051	223	222	
4 700	The Home Depot Inc.	1.500	15-Sep-2028	4 681	4 642	

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



December 31, 2021

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
United States (cont.)						
800	The Kroger Co.	4.450	01-Feb-2047	\$ 1 016	\$ 973	
1 250	The University of Chicago	5.060	01-Oct-2026	1 537	1 403	
500	The Walt Disney Co.	3.700	01-Dec-2042	476	567	
675	The Williams Cos. Inc.	2.600	15-Mar-2031	676	671	
5 975	Thermo Fisher Scientific Inc.	1.215	18-Oct-2024	5 975	5 972	
5 000	Toyota Motor Credit Corp.	3.200	11-Jan-2027	5 640	5 368	
225	TSMC Arizona Corp.	3.250	25-Oct-2051	222	238	
500	Tyson Foods Inc.	5.150	15-Aug-2044	525	650	
1 000	Union Pacific Corp.	3.799	06-Apr-2071	1 024	1 161	
12 800	United States Treasury	1.750	15-May-2023	12 502	13 012	
25 800	United States Treasury	0.500	30-Nov-2023	25 704	25 704	
11 500	United States Treasury	1.500	30-Sep-2024	11 898	11 686	
20 000	United States Treasury	2.000	15-Feb-2025	20 587	20 606	
5 000	United States Treasury	0.375	30-Apr-2025	4 951	4 891	
5 400	United States Treasury	1.625	15-Feb-2026	5 081	5 495	
20 000	United States Treasury	1.250	30-Nov-2026	19 971	20 000	
5 000	United States Treasury	1.250	30-Sep-2028	4 991	4 944	
6 000	United States Treasury	1.500	30-Nov-2028	6 042	6 026	
3 000	United States Treasury	1.375	15-Nov-2031	2 962	2 963	
8 750	United States Treasury	3.500	15-Feb-2039	10 065	10 985	
15 000	United States Treasury	1.125	15-Aug-2040	13 593	13 097	
18 000	United States Treasury	2.000	15-Nov-2041	18 177	18 201	
9 000	United States Treasury	2.500	15-Feb-2045	8 792	9 913	
8 700	United States Treasury	1.375	15-Aug-2050	8 226	7 633	
20 000	United States Treasury	1.875	15-Feb-2051	18 269	19 820	
2 000	UnitedHealth Group Inc.	1.150	15-May-2026	1 997	1 980	
1 000	University of Arkansas	1.874	01-Nov-2030	1 000	998	
470	University of Massachusetts Building Authority	0.759	01-Nov-2024	470	466	
275	University of Minnesota	0.700	01-Nov-2024	275	272	
250	University of Minnesota	1.000	01-Nov-2026	250	245	
250	University of Minnesota	1.450	01-Nov-2029	250	246	
5 000	US Bank NA	2.800	27-Jan-2025	5 433	5 226	
4 000	Verizon Communications Inc.	1.750	20-Jan-2031	3 982	3 791	
1 374	Verizon Communications Inc.	4.862	21-Aug-2046	1 887	1 773	
550	Verizon Communications Inc.	2.875	20-Nov-2050	549	523	
150	Verizon Communications Inc.	3.550	22-Mar-2051	149	162	
300	VMware Inc.	2.200	15-Aug-2031	299	295	
600	Volkswagen Group of America Finance LLC	0.875	22-Nov-2023	604	596	
2 000	Walmart Inc.	1.500	22-Sep-2028	1 998	1 989	
100	Washington State University	1.689	01-Oct-2026	100	100	
250	Washington State University	2.243	01-Oct-2028	250	255	
5 500	WEC Energy Group Inc.	1.800	15-Oct-2030	5 265	5 199	
2 000	Wells Fargo & Co.	3.000	22-Apr-2026	2 036	2 103	
1 000	Wells Fargo & Co.	2.393	02-Jun-2028	1 046	1 017	
4 748	Western Digital Corp.	4.750	15-Feb-2026	5 208	5 198	
1 100	Whirlpool Corp.	5.150	01-Mar-2043	1 123	1 371	
500	William S Hart Union High School District	0.994	01-Aug-2026	500	488	
200	William S Hart Union High School District	1.429	01-Aug-2028	200	195	
500	Williams Partners LP	4.850	01-Mar-2048	487	609	
250	Willis North America Inc.	5.050	15-Sep-2048	354	317	
4 000	Xcel Energy Inc.	1.750	15-Mar-2027	3 991	3 967	
1 100	Xcel Energy Inc.	3.500	01-Dec-2049	1 249	1 173	
200	Yellowstone County School District No 2 Billings	0.990	15-Jun-2025	200	199	
				581 729	582 582	29.1
TOTAL BONDS				649 133	650 296	32.4

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



December 31, 2021

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
MORTGAGE-BACKED SECURITIES						
United States						
860	Americredit Automobile Receivables Trust 2018-1	3.820	18-Mar-2024	\$ 907	\$ 880	
1 000	Americredit Automobile Receivables Trust 2019-1	3.620	18-Mar-2025	1 064	1 031	
800	Americredit Automobile Receivables Trust 2019-2	2.740	18-Apr-2025	833	816	
920	Americredit Automobile Receivables Trust 2019-2	2.990	18-Jun-2025	968	943	
1 000	AmeriCredit Automobile Receivables Trust 2019-3	2.580	18-Sep-2025	1 035	1 017	
750	CarMax Auto Owner Trust 2018-2	3.990	15-Apr-2025	781	760	
1 750	Carvana Auto Receivables Trust 2021-N4	2.300	11-Sep-2028	1 750	1 751	
511	Drive Auto Receivables Trust	4.090	15-Jan-2026	535	520	
750	Drive Auto Receivables Trust 2018-5	4.300	15-Apr-2026	795	769	
1 000	Drive Auto Receivables Trust 2019-1	4.090	15-Jun-2026	1 046	1 022	
1 025	Drive Auto Receivables Trust 2021-2	1.390	15-Mar-2029	1 025	1 006	
7 000	Exeter Automobile Receivables Trust 2021-4	1.960	17-Jan-2028	7 000	6 989	
206	Fannie Mae Pool	2.410	01-Jan-2023	214	209	
308	Fannie Mae Pool	2.390	01-May-2023	320	312	
1 180	Fannie Mae Pool	1.940	01-Oct-2023	1 225	1 197	
1 000	Fannie Mae Pool	1.220	01-Jun-2025	1 026	999	
974	Fannie Mae Pool	0.760	01-Oct-2025	981	956	
916	Fannie Mae Pool	2.450	01-May-2026	971	950	
222	Fannie Mae Pool	2.110	01-Feb-2027	233	229	
200	Fannie Mae Pool	2.110	01-Feb-2027	210	206	
200	Fannie Mae Pool	2.110	01-Feb-2027	210	206	
1 600	Fannie Mae Pool	1.085	01-Dec-2027	1 621	1 562	
175	Fannie Mae Pool	1.560	01-Dec-2030	179	172	
408	Fannie Mae Pool	1.560	01-Dec-2030	418	401	
1 000	Fannie Mae Pool	1.670	01-Jan-2033	1 021	984	
9	Fannie Mae Pool	5.000	01-May-2033	9	10	
6	Fannie Mae Pool	5.000	01-Jul-2033	6	7	
53	Fannie Mae Pool	5.000	01-Sep-2033	56	59	
21	Fannie Mae Pool	5.500	01-Oct-2033	21	24	
20	Fannie Mae Pool	5.500	01-Nov-2033	20	23	
60	Fannie Mae Pool	5.000	01-Aug-2034	63	68	
35	Fannie Mae Pool	6.500	01-Oct-2037	38	41	
989	Fannie Mae Pool	4.500	01-Dec-2040	1 060	1 093	
740	Fannie Mae Pool	4.500	01-May-2041	793	816	
2 289	Fannie Mae Pool	4.000	01-Dec-2041	2 445	2 510	
1 248	Fannie Mae Pool	4.000	01-Sep-2044	1 340	1 366	
2 181	Fannie Mae Pool	3.000	01-Apr-2045	2 191	2 289	
1 888	Fannie Mae Pool	3.000	01-May-2045	1 919	1 984	
3 584	Fannie Mae Pool	3.500	01-Nov-2045	3 656	3 834	
4 202	Fannie Mae Pool	3.000	01-Jun-2046	4 324	4 400	
2 010	Fannie Mae Pool	3.500	01-Sep-2048	2 037	2 124	
4 479	Fannie Mae Pool	4.000	01-Jun-2049	4 699	4 767	
2 776	Fannie Mae Pool	2.500	01-Dec-2049	2 854	2 835	
4 058	Fannie Mae Pool	3.000	01-Jan-2050	4 290	4 215	
78	Fannie Mae Pool	2.000	01-Oct-2050	81	77	
301	Fannie Mae Pool	2.000	01-Oct-2050	313	301	
127	Fannie Mae Pool	2.500	01-Oct-2050	136	130	
2 278	Fannie Mae Pool	1.500	01-Nov-2050	2 304	2 203	
260	Fannie Mae Pool	1.500	01-Nov-2050	264	251	
199	Fannie Mae Pool	2.000	01-Nov-2050	209	199	
79	Fannie Mae Pool	2.000	01-Nov-2050	82	79	
4 536	Fannie Mae Pool	2.000	01-Dec-2050	4 716	4 528	
246	Fannie Mae Pool	2.500	01-Dec-2050	262	252	
2 041	Fannie Mae Pool	2.000	01-Jan-2051	2 108	2 038	
271	Fannie Mae Pool	1.500	01-Feb-2051	274	262	
243	Fannie Mae Pool	2.000	01-Feb-2051	253	243	

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



December 31, 2021

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
United States (cont.)						
1 455	Fannie Mae Pool	2.000	01-Feb-2051	\$ 1 510	\$ 1 452	
1 643	Fannie Mae Pool	2.000	01-Mar-2051	1 674	1 639	
968	Fannie Mae Pool	2.000	01-Apr-2051	975	966	
2 371	Fannie Mae Pool	2.500	01-Apr-2051	2 442	2 424	
1 719	Fannie Mae Pool	2.500	01-May-2051	1 800	1 757	
2 186	Fannie Mae Pool	2.500	01-May-2051	2 278	2 235	
1 964	Fannie Mae Pool	2.500	01-May-2051	2 045	2 008	
1 325	Fannie Mae Pool	2.500	01-Jun-2051	1 381	1 354	
1 577	Fannie Mae Pool	2.500	01-Aug-2051	1 655	1 613	
2 078	Fannie Mae Pool	2.500	01-Sep-2051	2 166	2 125	
1 039	Fannie Mae Pool	2.500	01-Oct-2051	1 077	1 063	
1 703	Fannie Mae Pool	2.500	01-Nov-2051	1 769	1 741	
1 277	Fannie Mae Pool	2.500	01-Nov-2051	1 325	1 306	
1 549	Fannie Mae Pool	2.500	01-Dec-2051	1 592	1 584	
1 575	Fannie Mae Pool	2.500	01-Dec-2051	1 617	1 610	
2 044	Fannie Mae Pool	2.500	01-Dec-2051	2 100	2 090	
500	Flagship Credit Auto Trust 2021-4	2.260	15-Dec-2027	500	499	
16	Freddie Mac Gold Pool	4.500	01-Mar-2024	16	16	
10	Freddie Mac Gold Pool	5.500	01-Dec-2034	10	12	
66	Freddie Mac Gold Pool	5.000	01-Jan-2037	71	75	
97	Freddie Mac Gold Pool	4.500	01-Sep-2040	102	108	
642	Freddie Mac Gold Pool	4.000	01-Dec-2040	638	706	
536	Freddie Mac Gold Pool	4.500	01-Feb-2041	557	594	
626	Freddie Mac Gold Pool	4.000	01-Sep-2041	647	688	
1 232	Freddie Mac Gold Pool	3.500	01-Feb-2042	1 279	1 327	
1 354	Freddie Mac Gold Pool	3.500	01-Apr-2042	1 390	1 455	
989	Freddie Mac Gold Pool	3.000	01-Aug-2042	1 017	1 046	
1 171	Freddie Mac Gold Pool	3.500	01-Aug-2042	1 257	1 266	
1 819	Freddie Mac Gold Pool	4.000	01-Jun-2044	1 956	1 982	
795	Freddie Mac Gold Pool	4.000	01-Nov-2044	855	870	
1 468	Freddie Mac Gold Pool	4.000	01-Feb-2045	1 577	1 605	
2 787	Freddie Mac Gold Pool	3.000	01-May-2045	2 766	2 930	
3 701	Freddie Mac Gold Pool	2.500	01-Nov-2046	3 847	3 797	
3 110	Freddie Mac Gold Pool	3.000	01-Nov-2046	3 134	3 274	
2 000	Freddie Mac Multifamily Structured Pass Through Certificates	1.336	25-Sep-2027	2 060	1 983	
3 569	Freddie Mac Pool	4.000	01-Dec-2048	3 735	3 797	
1 949	Freddie Mac Pool	3.500	01-Jul-2049	2 018	2 055	
3 430	Freddie Mac Pool	3.500	01-Aug-2049	3 572	3 648	
5 486	Freddie Mac Pool	3.000	01-Feb-2050	5 800	5 719	
122	Freddie Mac Pool	1.500	01-Oct-2050	123	118	
453	Freddie Mac Pool	2.000	01-Oct-2050	470	452	
358	Freddie Mac Pool	2.000	01-Oct-2050	373	357	
126	Freddie Mac Pool	2.000	01-Oct-2050	131	126	
92	Freddie Mac Pool	1.500	01-Nov-2050	93	89	
80	Freddie Mac Pool	2.000	01-Nov-2050	83	80	
249	Freddie Mac Pool	2.000	01-Nov-2050	262	249	
849	Freddie Mac Pool	2.000	01-Nov-2050	889	847	
116	Freddie Mac Pool	2.000	01-Nov-2050	121	116	
302	Freddie Mac Pool	2.500	01-Nov-2050	320	308	
2 376	Freddie Mac Pool	1.500	01-Dec-2050	2 405	2 297	
636	Freddie Mac Pool	2.000	01-Dec-2050	664	637	
2 164	Freddie Mac Pool	2.000	01-Dec-2050	2 257	2 160	
1 397	Freddie Mac Pool	2.000	01-Feb-2051	1 450	1 395	
1 596	Freddie Mac Pool	2.000	01-Feb-2051	1 656	1 593	
1 860	Freddie Mac Pool	2.000	01-Mar-2051	1 894	1 857	
1 537	Freddie Mac Pool	2.000	01-Mar-2051	1 558	1 534	
2 265	Freddie Mac Pool	2.500	01-Mar-2051	2 352	2 316	

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



December 31, 2021

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
United States (cont.)						
1 355	Freddie Mac Pool	2.500	01-Apr-2051	\$ 1 400	\$ 1 385	
2 012	Freddie Mac Pool	2.500	01-May-2051	2 100	2 057	
296	Freddie Mac Pool	2.500	01-May-2051	310	303	
2 054	Freddie Mac Pool	2.500	01-Jun-2051	2 142	2 101	
1 571	Freddie Mac Pool	2.500	01-Jun-2051	1 639	1 606	
844	Freddie Mac Pool	2.000	01-Jul-2051	865	843	
996	Freddie Mac Pool	2.500	01-Jul-2051	1 035	1 018	
1 169	Freddie Mac Pool	2.500	01-Jul-2051	1 213	1 195	
1 456	Freddie Mac Pool	2.500	01-Jul-2051	1 514	1 488	
1 688	Freddie Mac Pool	2.500	01-Aug-2051	1 768	1 726	
1 947	Freddie Mac Pool	2.500	01-Sep-2051	2 043	1 992	
1 884	Freddie Mac Pool	2.500	01-Oct-2051	1 944	1 927	
3 083	Freddie Mac Pool	2.500	01-Nov-2051	3 201	3 153	
2 116	Freddie Mac Pool	2.500	01-Dec-2051	2 173	2 164	
6	Ginnie Mae I Pool	5.500	15-May-2033	6	7	
26	Ginnie Mae I Pool	5.000	15-Nov-2033	26	29	
23	Ginnie Mae I Pool	5.500	15-Nov-2034	23	25	
37	Ginnie Mae I Pool	5.000	15-Mar-2035	37	41	
1 050	Ginnie Mae II Pool	4.000	20-Sep-2045	1 126	1 137	
2 175	Ginnie Mae II Pool	3.000	20-Aug-2046	2 213	2 271	
1 552	Ginnie Mae II Pool	4.500	20-Jul-2047	1 633	1 671	
1 000	GM Financial Automobile Leasing Trust 2020-3	1.110	21-Oct-2024	1 000	1 003	
3 100	Home Partners of America 2021-3 Trust	2.999	17-Jan-2041	3 100	3 093	
790	Hyundai Auto Receivables Trust 2019-A	3.030	17-Nov-2025	829	809	
2 299	MVV 2021-1W LLC	1.440	22-Jan-2041	2 276	2 268	
2 330	MVV 2021-2 LLC	1.830	20-May-2039	2 330	2 319	
280	Progress Residential 2020-SFR2 Trust	3.874	17-Jun-2037	287	285	
189	Santander Drive Auto Receivables Trust 2017-3	3.200	15-Nov-2023	193	189	
627	Santander Drive Auto Receivables Trust 2018-3	4.070	15-Aug-2024	654	636	
1 380	Santander Drive Auto Receivables Trust 2019-1	3.650	15-Apr-2025	1 436	1 400	
1 200	Santander Drive Auto Receivables Trust 2021-1	1.130	16-Nov-2026	1 200	1 194	
600	Santander Retail Auto Lease Trust 2020- B	1.180	20-Dec-2024	604	598	
2 000	Tesla Auto Lease Trust 2021-A	1.180	20-Mar-2025	2 000	1 988	
725	Tesla Auto Lease Trust 2021-B	1.320	22-Sep-2025	725	713	
996	Small Business Administration Pools	4.075	25-Sep-2031	1 134	1 119	
433	Small Business Administration Pools	3.625	25-Aug-2046	501	484	
1 925	Verus Securitization Trust 2019-INV3	3.279	25-Nov-2059	1 949	1 947	
2 000	Vista Point Securitization Trust 2020-1	4.151	25-Mar-2065	2 047	2 041	
TOTAL MORTGAGE-BACKED SECURITIES				203 178	202 090	10.1
SHORT-TERM INVESTMENTS[†]				35 548	35 548	1.8
TOTAL INVESTMENTS				\$ 1 733 773	1 989 194	99.4
OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS					11 256	0.6
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS					\$ 2 000 450	100.0

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

[†] Short-term investments, which may be made up of treasury bills, commercial paper, term deposits and discount notes, earn interest at rates ranging from 0.05% to 0.17% and mature on January 4, 2022.



Statements of Financial Position

(in \$000s except per unit amounts)

(see note 2 in the generic notes)	December 31 2021	December 31 2020
ASSETS		
Investments at fair value	\$ 1 989 194	\$ 1 515 654
Cash	3 835	10 838
Due from investment dealers	6 129	18 001
Subscriptions receivable	2 479	1 608
Unrealized gain on futures contracts	–	9
Margin receivable	–	36
Unrealized gain on foreign exchange contracts	–	122
Dividends receivable, interest accrued and other assets	4 144	3 352
TOTAL ASSETS	2 005 781	1 549 620
LIABILITIES		
Due to investment dealers	–	30 557
Redemptions payable	2 087	2 114
Unrealized loss on futures contracts	–	27
Unrealized loss on foreign exchange contracts	–	3
Distributions payable	841	728
Accounts payable and accrued expenses	2 403	1 821
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	5 331	35 250
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")	\$ 2 000 450	\$ 1 514 370
Investments at cost	\$ 1 733 773	\$ 1 309 184
NAV		
SERIES A	\$ 1 621 743	\$ 1 229 030
ADVISOR SERIES	\$ –	\$ –
SERIES D	\$ 64 443	\$ 50 429
SERIES F	\$ 256 543	\$ 185 521
SERIES I	\$ 51 816	\$ 46 681
SERIES O	\$ 5 905	\$ 2 709
NAV PER UNIT		
SERIES A	\$ 12.31	\$ 11.58
ADVISOR SERIES	\$ –	\$ –
SERIES D	\$ 13.79	\$ 12.88
SERIES F	\$ 13.50	\$ 12.60
SERIES I	\$ 13.62	\$ 12.70
SERIES O	\$ 12.30	\$ 11.39

Statements of Comprehensive Income

(in \$000s except per unit amounts)

(see note 2 in the generic notes)	2021	2020
For the periods ended December 31		
(see note 2 in the generic notes)		
INCOME (see note 3 in the generic notes)		
Dividends	\$ 15 559	\$ 15 342
Interest for distribution purposes	15 677	16 488
Income from investment trusts	7 070	6 574
Derivative income (loss)	(424)	(153)
Net realized gain (loss) on investments	131 143	55 637
Change in unrealized gain (loss) on investments	48 832	67 133
TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES	217 857	161 021
Other income (loss)	–	42
Securities lending revenue (see note 7 in the generic notes)	–	160
Net gain (loss) on foreign cash balances	(11)	(60)
TOTAL OTHER INCOME (LOSS)	(11)	142
TOTAL INCOME (LOSS)	217 846	161 163
EXPENSES (see notes – Fund Specific Information)		
Management fees	22 186	17 545
Administration fees	876	780
Independent Review Committee costs	2	2
GST/HST	2 204	1 744
Transaction costs	683	700
Withholding tax	2 329	2 078
TOTAL EXPENSES	28 280	22 849
INCREASE (DECREASE) IN NAV	\$ 189 566	\$ 138 314
INCREASE (DECREASE) IN NAV		
SERIES A	\$ 151 769	\$ 109 047
ADVISOR SERIES	\$ –	\$ 1 512
SERIES D	\$ 6 480	\$ 4 919
SERIES F	\$ 25 171	\$ 17 530
SERIES I	\$ 5 685	\$ 4 989
SERIES O	\$ 461	\$ 317
INCREASE (DECREASE) IN NAV PER UNIT		
SERIES A	\$ 1.28	\$ 1.09
ADVISOR SERIES	\$ –	\$ 0.37
SERIES D	\$ 1.51	\$ 1.35
SERIES F	\$ 1.51	\$ 1.35
SERIES I	\$ 1.53	\$ 1.35
SERIES O	\$ 1.43	\$ 2.09



Statements of Cash Flow (in \$000s)

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

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in NAV	\$ 189 566	\$ 138 314
ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS		
Interest for distribution purposes	-	-
Non-cash dividends	(204)	(1 023)
Non-cash distributions from underlying funds	(4 981)	(5 472)
Net realized loss (gain) on investments	(131 143)	(55 637)
Change in unrealized loss (gain) on investments	(48 832)	(67 133)
(Increase) decrease in accrued receivables	(783)	1 065
Increase (decrease) in accrued payables	555	6
(Increase) decrease in margin accounts	36	(36)
Cost of investments purchased*	(18 732 888)	(14 125 120)
Proceeds from sale and maturity of investments*	18 425 942	14 165 958
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
	(302 732)	50 922
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units*	558 409	402 052
Cash paid on redemption of redeemable units*	(248 277)	(427 150)
Distributions paid to holders of redeemable units	(14 403)	(15 103)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
	\$ 295 729	\$ (40 201)
Net increase (decrease) in cash for the period	(7 003)	10 721
Cash (bank overdraft), beginning of period	10 838	117
CASH (BANK OVERDRAFT), END OF PERIOD	\$ 3 835	\$ 10 838
Interest received (paid) [†]	\$ 14 752	\$ 17 643
Income from investment trusts received (paid) ^{†‡}	\$ 1 846	\$ 877
Dividends received (paid) ^{†‡}	\$ 13 402	\$ 12 386

* Excludes in-kind transactions.

[†] Classified as part of operating activities.

[‡] Net of withholding taxes, if applicable.



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

For the periods ended December 31 (see note 2 in the generic notes)	Series A		Advisor Series		Series D		Series F	
	2021	2020	2021	2020	2021	2020	2021	2020
NAV AT BEGINNING OF PERIOD	\$ 1 229 030	\$ 1 137 794	\$ —	\$ 46 186	\$ 50 429	\$ 43 686	\$ 185 521	\$ 142 651
INCREASE (DECREASE) IN NAV	151 769	109 047	—	1 512	6 480	4 919	25 171	17 530
Early redemption fees	1	6	—	—	1	—	3	1
Proceeds from redeemable units issued	459 876	318 072	—	6 096	21 613	19 743	105 009	88 379
Reinvestments of distributions to holders of redeemable units	58 054	54 270	—	642	2 207	2 112	6 439	5 839
Redemption of redeemable units	(209 709)	(326 022)	—	(53 559)	(13 631)	(17 452)	(55 244)	(59 522)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	308 222	46 326	—	(46 821)	10 190	4 403	56 207	34 697
Distributions from net income	(8 283)	(12 846)	—	(312)	(328)	(513)	(1 265)	(1 824)
Distributions from net gains	(58 995)	(51 291)	—	(565)	(2 328)	(2 066)	(9 091)	(7 533)
Distributions from capital	—	—	—	—	—	—	—	—
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	(67 278)	(64 137)	—	(877)	(2 656)	(2 579)	(10 356)	(9 357)
NET INCREASE (DECREASE) IN NAV	392 713	91 236	—	(46 186)	14 014	6 743	71 022	42 870
NAV AT END OF PERIOD	\$ 1 621 743	\$ 1 229 030	\$ —	\$ —	\$ 64 443	\$ 50 429	\$ 256 543	\$ 185 521

For the periods ended December 31 (see note 2 in the generic notes)	Series I		Series O		Total	
	2021	2020	2021	2020	2021	2020
NAV AT BEGINNING OF PERIOD	\$ 46 681	\$ 45 392	\$ 2 709	\$ 2 144	\$ 1 514 370	\$ 1 417 853
INCREASE (DECREASE) IN NAV	5 685	4 989	461	317	189 566	138 314
Early redemption fees	—	—	—	—	5	7
Proceeds from redeemable units issued	1 781	2 494	6 614	6 412	594 893	441 196
Reinvestments of distributions to holders of redeemable units	1 384	1 544	113	28	68 197	64 435
Redemption of redeemable units	(1 496)	(5 249)	(3 788)	(6 083)	(283 868)	(467 887)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	1 669	(1 211)	2 939	357	379 227	37 751
Distributions from net income	(280)	(513)	(22)	(19)	(10 178)	(16 027)
Distributions from net gains	(1 939)	(1 976)	(182)	(90)	(72 535)	(63 521)
Distributions from capital	—	—	—	—	—	—
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	(2 219)	(2 489)	(204)	(109)	(82 713)	(79 548)
NET INCREASE (DECREASE) IN NAV	5 135	1 289	3 196	565	486 080	96 517
NAV AT END OF PERIOD	\$ 51 816	\$ 46 681	\$ 5 905	\$ 2 709	\$ 2 000 450	\$ 1 514 370



December 31, 2021

General information (see note 1 in the generic notes)

The investment objective of the Fund is to provide regular U.S. dollar monthly income and modest capital growth.

Effective June 30, 2016, Series I units of the Fund are capped and are no longer available for purchase by new investors. Existing investors who hold Series I units of the Fund can continue to make additional investments into this series.

Effective June 26, 2020, Advisor Series units were capped and were re-designated as Series A units effective August 4, 2020.

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

Credit risk (%)

Credit-exposed securities, excluding short-term investments, comprise 48.0% (December 31, 2020 – 44.7%) of the NAV of the Fund. The table below summarizes the Fund's credit risk exposure grouped by credit ratings as at:

Rating	December 31 2021	December 31 2020
AAA	22.9	14.2
AA	27.5	39.5
A	15.1	12.1
BBB	25.2	22.0
BB	5.6	6.1
B	3.4	5.3
CCC	0.3	0.7
Unrated	–	0.1
Total	100.0	100.0

Concentration risk (%)

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

Investment mix	December 31 2021	December 31 2020
Equities	47.3	48.8
Bonds	32.4	27.0
Mortgage-Backed Securities	10.1	10.5
Underlying Funds	7.8	10.3
Cash/Other	2.4	3.4
Total	100.0	100.0

Interest rate risk (%)

Fixed-income and debt securities, excluding short-term investments, comprise 42.5% (December 31, 2020 – 46.5%) of the NAV of the Fund. The table below summarizes the Fund's exposure to interest rate risk by remaining term to maturity as at:

Term to maturity	December 31 2021	December 31 2020
Less than 1 year	6.5	8.5
1 – 5 years	42.8	35.4
5 – 10 years	24.4	24.7
> 10 years	26.3	31.4
Total	100.0	100.0

As at December 31, 2021, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's NAV may have decreased or increased, respectively, by approximately 2.8% (December 31, 2020 – 3.9%). 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 (USD)	+ or - 4.4	+ or - 4.2

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 (USD000s 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
Equities	946 296	–	–	946 296
Underlying funds	154 964	–	–	154 964
Fixed-income				
and debt securities	–	852 386	–	852 386
Short-term investments	–	35 548	–	35 548
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	1 101 260	887 934	–	1 989 194
% of total portfolio	55.4	44.6	–	100.0



December 31, 2021

December 31, 2020	Level 1	Level 2	Level 3	Total
Equities	738 652	–	–	738 652
Underlying funds	156 139	–	–	156 139
Fixed-income and debt securities	–	567 572	–	567 572
Short-term investments	–	53 291	–	53 291
Derivatives – assets	9	122	–	131
Derivatives – liabilities	(27)	(3)	–	(30)
Total financial instruments	894 773	620 982	–	1 515 755
% of total portfolio	59.0	41.0	–	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.

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

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

	Management fees	Administration fees*
Series A	1.40%	0.05%
Advisor Series	1.40%	0.05%
Series D	0.80%	0.05%
Series F	0.65%	0.05%
Series I	0.60%	0.05%
Series O	n/a [†]	0.02%

* Effective March 1, 2020, the administration fees for Series A units were reduced to 0.05% from 0.10%.

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

Investments by related parties (USD000s except unit amounts)

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

	December 31 2021	December 31 2020
Units held		
Series A	145	139
Series I	142	136
Series O	116	111
Value of all units	5	5

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

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

	December 31 2021		December 31 2020	
	NAV	Ownership	NAV	Ownership
RBC \$U.S. High Yield Bond Fund	2.4	24.1	3.1	26.7
RBC Emerging Markets Bond Fund	3.0	3.2	4.1	3.5

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
Consumer Discretionary Select Sector SPDR ETF	–	–	0.6	–
iShares MBS ETF	–	–	0.6	–
SPDR S&P Oil & Gas Exploration & Production ETF	0.3	0.2	0.2	0.1
Utilities Select Sector SPDR ETF	0.5	0.1	–	–
Vanguard Intermediate-Term Corporate Bond ETF	–	–	0.3	–
Vanguard Long-Term Corporate Bond ETF	–	–	0.1	–
Vanguard Real Estate ETF	1.6	0.1	0.5	–
Vanguard Short-Term Corporate Bond ETF	–	–	0.8	–

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

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

The Fund had no capital or non-capital losses as at December 31, 2021.



December 31, 2021

Redeemable units (000s)

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

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

	2021	2020
Series A		
Opening units	106 110	102 997
Issued number of units	38 312	28 474
Reinvested number of units	4 816	4 837
Redeemed number of units	(17 473)	(30 198)
Ending number of units	131 765	106 110
Advisor Series		
Opening units	–	4 133
Issued number of units	–	556
Reinvested number of units	–	59
Redeemed number of units	–	(4 748)
Ending number of units	–	–
Series D		
Opening units	3 914	3 582
Issued number of units	1 617	1 601
Reinvested number of units	164	169
Redeemed number of units	(1 022)	(1 438)
Ending number of units	4 673	3 914
Series F		
Opening units	14 727	11 976
Issued number of units	8 003	7 359
Reinvested number of units	488	479
Redeemed number of units	(4 217)	(5 087)
Ending number of units	19 001	14 727
Series I		
Opening units	3 677	3 785
Issued number of units	136	210
Reinvested number of units	104	126
Redeemed number of units	(113)	(444)
Ending number of units	3 804	3 677
Series O		
Opening units	238	201
Issued number of units	557	597
Reinvested number of units	9	3
Redeemed number of units	(324)	(563)
Ending number of units	480	238

Transaction costs (USD000s except %)

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

	December 31 2021		December 31 2020	
	\$	%	\$	%
Total transaction costs	683	100	700	100
Related-party brokerage commissions*	56	8	52	7
Commission arrangements [†]	82	12	59	8

* See note 8 in the generic notes.

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

Securities lending revenue (USD000s 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	–	–
Fair value of collateral received	–	–

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	–	–	219	100
RBC IS (paid)	–	–	(55)	(25)
Tax withheld	–	–	(4)	(2)
Fund revenue	–	–	160	73

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

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

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



December 31, 2021

December 31, 2020	Assets	Liabilities
Gross amounts – assets (liabilities)	131	(30)
Amounts set-off in the Statements of Financial Position	–	–
Net amounts presented in the Statements of Financial Position	131	(30)
Related amounts not set-off	(12)	12
Collateral (received) pledged	–	–
Net amount	119	(18)

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

December 31, 2021

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)

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RBC Balanced Fund (for a portion of the Fund)
 RBC Global Balanced Fund (for a portion of the Fund)
 RBC Vision Balanced Fund (for a portion of the Fund)
 RBC International Dividend Growth Fund
 RBC International Equity Fund (for the European equity portion of the Fund)
 RBC International Equity Currency Neutral Fund (for the European equity portion of the underlying fund)
 RBC European Dividend Fund
 RBC European Equity Fund
 RBC European Mid-Cap Equity Fund
 RBC Emerging Markets Multi-Strategy Equity Fund (for the underlying funds)
 RBC Emerging Markets Dividend Fund
 RBC Emerging Markets ex-China Dividend Fund
 RBC Emerging Markets Equity Fund
 RBC Emerging Markets Equity Focus Fund
 RBC Vision Fossil Fuel Free Emerging Markets Equity Fund
 RBC Emerging Markets Small-Cap Equity Fund
 RBC Global Dividend Growth Fund
 RBC Global Dividend Growth Currency Neutral Fund
 RBC Global Equity Fund
 RBC Vision Global Equity Fund
 RBC Vision Fossil Fuel Free Global Equity Fund
 RBC Global Equity Focus Fund
 RBC Global Equity Focus Currency Neutral Fund (for the underlying fund)
 RBC Global Equity Leaders Fund
 Phillips, Hager & North Overseas Equity Fund
 Phillips, Hager & North Global Equity Fund

RBC Global Asset Management (Asia) Limited is the sub-advisor for:
 RBC Balanced Fund (for the Asian equity portion of the Fund)
 RBC Global Balanced Fund (for the Asian equity portion of the Fund)
 RBC Vision Balanced Fund (for the Asian equity portion of the Fund)
 RBC International Dividend Growth Fund (for the Asian equity portion of the Fund)
 RBC International Equity Fund (for the Asian equity portion of the Fund)
 RBC International Equity Currency Neutral Fund (for the Asian equity portion of the underlying fund)
 RBC Asian Equity Fund (for the underlying funds)
 RBC Asia Pacific ex-Japan Equity Fund
 RBC China Equity Fund
 RBC Japanese Equity Fund

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

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

Trustee

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

Distributors

RBC GAM, Royal Mutual Funds Inc., RBC Direct Investing Inc., RBC Dominion Securities Inc. and PH&N IF are principal distributors of, or may distribute certain series of units of, the Funds. Dealers receive an ongoing commission based on the total value of their clients' Series A, Advisor Series, Advisor T5 Series, Series T5, Series T8, Series H and Series D units.

Custodian

RBC IS is the custodian and holds the assets of the Funds. RBC IS earns a fee as the custodian, which is paid by the manager from the fixed administration fee paid by the Funds.

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Registrars

RBC GAM, RBC IS or Royal Bank (or a combination thereof) are the registrars of the Funds and keep records of who owns the units of the Funds. The registrars also process orders and issue account statements. The registrars earn a fee, which is paid by the manager from the fixed administration fee paid by the Funds.

Brokers and Dealers

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

Securities Lending Agent

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

Mortgage Administrator Agent

Royal Bank administers mortgages on behalf of the Funds. Royal Bank earns a fee, which is paid by the manager from the fixed administration fee paid by the Funds.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the Funds relied on the standing instructions from the IRC with respect to one or more of the following transactions:

Related-Party Trading Activities

- (a) trades in securities of Royal Bank;
- (b) investments in the securities of issuers for which a related-party dealer acted as an underwriter during the distribution of such securities and the 60-day period following the conclusion of such distribution of the underwritten securities to the public;
- (c) purchases of equity and debt securities from or sales of equity or debt securities to a related-party dealer, where it acted as principal; and

Inter-Fund Trading

- (d) purchases or sales of securities of an issuer from or to another investment fund or managed account managed by RBC GAM.

The applicable standing instructions require that Related-Party Trading Activities and Inter-Fund Trading be conducted in accordance with RBC GAM policy and that RBC GAM advise the IRC of a material breach of any standing instruction. RBC GAM policy requires that an investment decision in respect of Related-Party Trading Activities (i) is made free from any influence of Royal Bank or its associates or affiliates and without taking into account any consideration relevant to Royal Bank or its affiliates or associates, (ii) represents the business judgment of the portfolio manager, uninfluenced by considerations other than the best interests of the Funds, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the Funds. RBC GAM policy requires that an investment decision in respect of Inter-Fund Trading is in the best interests of each Fund.