

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

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

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



**Damon G. Williams, FSA, FCIA, CFA**  
Chief Executive Officer  
RBC Global Asset Management Inc.  
March 10, 2022



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

## To the Unitholders and Trustee of

**RBC FUNDS**

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

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

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

**RBC PRIVATE POOLS**

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

**RBC ALTERNATIVE FUNDS**

BlueBay Global Alternative Bond Fund (Canada)

**PH&N FUNDS**

Phillips, Hager & North Canadian Money Market Fund  
 Phillips, Hager & North \$U.S. Money Market Fund  
 Phillips, Hager & North Short Term Bond & Mortgage Fund  
 Phillips, Hager & North Bond Fund  
 Phillips, Hager & North Total Return Bond Fund  
 Phillips, Hager & North Inflation-Linked Bond Fund

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

Phillips, Hager & North High Yield Bond Fund  
 Phillips, Hager & North Long Inflation-linked Bond Fund  
 Phillips, Hager & North Monthly Income Fund  
 Phillips, Hager & North Balanced Fund  
 Phillips, Hager & North Dividend Income Fund  
 Phillips, Hager & North Canadian Equity Fund  
 Phillips, Hager & North Canadian Equity Value Fund  
 Phillips, Hager & North Conservative Equity Income Fund  
 Phillips, Hager & North Canadian Equity Underlying Fund  
 Phillips, Hager & North Canadian Equity Underlying Fund II  
 Phillips, Hager & North Canadian Growth Fund  
 Phillips, Hager & North Canadian Income Fund  
 Phillips, Hager & North Vintage Fund

Phillips, Hager & North Small Float Fund  
 Phillips, Hager & North U.S. Dividend Income Fund  
 Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund  
 Phillips, Hager & North U.S. Equity Fund  
 Phillips, Hager & North Currency-Hedged U.S. Equity Fund  
 Phillips, Hager & North U.S. Growth Fund  
 Phillips, Hager & North Overseas Equity Fund  
 Phillips, Hager & North Currency-Hedged Overseas Equity Fund  
 Phillips, Hager & North Global Equity Fund  
 Phillips, Hager & North LifeTime 2015 Fund  
 Phillips, Hager & North LifeTime 2020 Fund  
 Phillips, Hager & North LifeTime 2025 Fund

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

**Our opinion**

In our opinion, the accompanying December 31, 2021 financial statements of each Fund present fairly, in all material respects, the financial position of each Fund, its financial performance and its cash flows as at and for the periods indicated in note 2 in accordance with International Financial Reporting Standards (IFRS).

*What we have audited*

The financial statements of each Fund comprise:

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

**Basis for opinion**

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

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

*Independence*

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

**Other information**

Management is responsible for the other information of each Fund. The other information comprises the 2021 Annual Management Report of Fund Performance of each Fund.

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

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

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

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

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

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

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

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

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

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

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

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

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario  
March 10, 2022



SCHEDULE OF INVESTMENT PORTFOLIO (in \$000s)  
**RBC INTERNATIONAL DIVIDEND GROWTH FUND**

December 31, 2021

Holdings	Security	Cost	Fair Value	% of Net Assets
<b>INTERNATIONAL EQUITIES</b>				
<b>Australia</b>				
4 400	Afterpay Ltd.	\$ 510	\$ 336	
24 853	Aristocrat Leisure Ltd.	654	996	
6 537	CSL Ltd.	836	1 747	
7 200	Macquarie Group Ltd.	802	1 360	
		2 802	4 439	<b>4.7</b>
<b>China</b>				
28 992	Tencent Holdings Ltd.	1 574	2 139	
		1 574	2 139	<b>2.3</b>
<b>Denmark</b>				
30 044	Novo Nordisk A/S	2 267	4 264	
9 186	Novozymes A/S	736	953	
		3 003	5 217	<b>5.6</b>
<b>Finland</b>				
27 688	Sampo OYJ	1 464	1 751	
		1 464	1 751	<b>1.9</b>
<b>France</b>				
6 900	Edenred	412	403	
10 140	EssilorLuxottica	1 913	2 728	
3 749	LVMH Louis Vuitton			
	Moet-Hennessy	2 343	3 915	
4 500	Safran S.A.	820	696	
8 100	Schneider Electric SE	1 601	2 012	
		7 089	9 754	<b>10.4</b>
<b>Germany</b>				
9 358	SAP SE	1 360	1 664	
		1 360	1 664	<b>1.8</b>
<b>Hong Kong</b>				
135 400	AIA Group Ltd.	1 342	1 728	
187 900	Budweiser Brewing Co. APAC Ltd.	816	625	
		2 158	2 353	<b>2.5</b>
<b>Ireland</b>				
1 858	Flutter Entertainment Plc.	318	376	
9 807	Ryanair Holdings Plc. ADR	1 099	1 269	
		1 417	1 645	<b>1.8</b>
<b>Japan</b>				
47 400	Ajinomoto Co. Inc.	1 865	1 824	
1 600	BayCurrent Consulting Inc.	970	779	
58 900	Daiichi Sankyo Co. Ltd.	1 936	1 895	
10 900	Hoya Corp.	1 099	2 044	
2 200	Keyence Corp.	1 616	1 748	
1 400	Lasertec Corp.	443	542	
25 800	MISUMI Group Inc.	874	1 340	
251 900	Mitsubishi UFJ Financial Group Inc.	1 749	1 733	
44 300	Recruit Holdings Co. Ltd.	2 070	3 407	
4 578	Toei Animation Co. Ltd.	1 188	576	
14 800	Tokio Marine Holdings, Inc.	1 015	1 041	
		14 825	16 929	<b>18.1</b>

Holdings	Security	Cost	Fair Value	% of Net Assets
<b>Netherlands</b>				
2 510	ASML Holding N.V.	\$ 1 524	\$ 2 541	
16 464	Heineken N.V.	2 166	2 341	
149 049	ING Groep N.V.	1 958	2 618	
		5 648	7 500	<b>8.0</b>
<b>Norway</b>				
25 200	DNB Bank ASA	738	729	
		738	729	<b>0.8</b>
<b>Spain</b>				
12 152	Amadeus IT Group S.A.	1 213	1 039	
		1 213	1 039	<b>1.1</b>
<b>Sweden</b>				
40 616	Assa Abloy AB	1 256	1 564	
19 200	Lundin Energy AB	933	868	
55 600	Hexagon AB	1 124	1 113	
14 033	Atlas Copco AB	569	1 225	
		3 882	4 770	<b>5.1</b>
<b>Switzerland</b>				
312	Lonza Group AG	146	328	
12 300	Nestlé S.A.	1 890	2 169	
3 200	Roche Holdings AG Genussscheine	1 350	1 677	
2 358	Sika AG	357	1 238	
43 500	UBS Group AG	792	986	
		4 535	6 398	<b>6.8</b>
<b>United Kingdom</b>				
15 770	Antofagasta Plc.	205	363	
24 250	Ashtead Group Plc.	805	2 471	
183 609	Barratt Developments Plc.	1 859	2 356	
13 500	DCC Plc.	1 508	1 397	
62 304	Diageo Plc.	3 006	4 305	
36 700	Experian Group Ltd.	1 808	2 285	
25 200	Fevertree Drinks Plc.	919	1 160	
66 236	Hargreaves Lansdown Plc.	2 032	1 538	
3 925	Linde Plc.	1 071	1 721	
11 165	London Stock Exchange Group Plc.	916	1 327	
61 266	RELX Plc.	1 612	2 514	
30 409	Schroders Plc.	1 566	1 855	
44 181	The Sage Group Plc.	500	646	
28 181	Unilever Plc.	1 894	1 911	
		19 701	25 849	<b>27.6</b>
<b>TOTAL INTERNATIONAL EQUITIES</b>		71 409	92 176	<b>98.5</b>
<b>SHORT-TERM INVESTMENTS*</b>		1 544	1 544	<b>1.7</b>
<b>TOTAL INVESTMENTS</b>		72 953	93 720	<b>100.2</b>
<b>UNREALIZED GAIN ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE A)</b>				
		–	280	<b>0.3</b>
<b>UNREALIZED LOSS ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE A)</b>				
		–	(325)	<b>(0.3)</b>
<b>TOTAL PORTFOLIO</b>		\$ 72 953	93 675	<b>100.2</b>
<b>OTHER NET ASSETS (LIABILITIES) ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>				
			(146)	<b>(0.2)</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>		\$ 93 529		<b>100.0</b>

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



December 31, 2021

**SCHEDULE A**  
**Foreign Exchange Contracts**

Contracts	Maturity Date	Unrealized Gain
Bought CAD 4 Sold JPY 367 @ 0.0111	04-Jan-2022	\$ -
Bought JPY 1 Sold CAD 1 @ 91.1007	04-Jan-2022	-
Bought CAD 43 Sold JPY 3 851 @ 0.0111	05-Jan-2022	-
Bought CAD 162 Sold USD 126 @ 1.2827	07-Jan-2022	2
Bought CAD 1 190 Sold GBP 680 @ 1.7497	10-Jan-2022	27
Bought CAD 97 Sold DKK 483 @ 0.2017	12-Jan-2022	4
Bought CAD 55 Sold USD 43 @ 1.2808	12-Jan-2022	1
Bought CAD 156 Sold DKK 800 @ 0.1947	12-Jan-2022	1
Bought CAD 219 Sold NOK 1 497 @ 0.1462	13-Jan-2022	4
Bought CAD 65 Sold NOK 443 @ 0.1463	13-Jan-2022	1
Bought CHF 395 Sold CAD 543 @ 0.7274	13-Jan-2022	5
Bought CAD 198 Sold GBP 115 @ 1.7177	14-Jan-2022	1
Bought CAD 128 Sold GBP 75 @ 1.7125	14-Jan-2022	-
Bought CAD 68 Sold GBP 40 @ 1.7027	14-Jan-2022	-
Bought GBP 65 Sold CAD 110 @ 0.5896	14-Jan-2022	1
Bought USD 150 Sold CAD 190 @ 0.7895	18-Jan-2022	-
Bought CAD 43 Sold GBP 25 @ 1.7394	19-Jan-2022	1
Bought SGD 60 Sold CAD 56 @ 1.0689	19-Jan-2022	-
Bought CAD 467 Sold GBP 269 @ 1.7345	20-Jan-2022	6
Bought CAD 730 Sold EUR 491 @ 1.4875	20-Jan-2022	24
Bought CAD 13 Sold GBP 8 @ 1.6775	20-Jan-2022	-
Bought GBP 31 Sold CAD 52 @ 0.5952	20-Jan-2022	1
Bought CAD 182 Sold JPY 15 666 @ 0.0116	21-Jan-2022	10
Bought CAD 473 Sold DKK 2 411 @ 0.1963	21-Jan-2022	7
Bought CAD 65 Sold SEK 454 @ 0.1429	24-Jan-2022	1
Bought CAD 37 Sold AUD 40 @ 0.9171	24-Jan-2022	-
Bought CAD 437 Sold JPY 39 551 @ 0.0111	25-Jan-2022	2
Bought CAD 284 Sold JPY 25 000 @ 0.0114	25-Jan-2022	9
Bought CAD 40 Sold USD 32 @ 1.2650	26-Jan-2022	-
Bought CHF 384 Sold CAD 519 @ 0.7397	26-Jan-2022	14
Bought EUR 1 006 Sold CAD 1 448 @ 0.6947	26-Jan-2022	-
Bought CAD 27 Sold GBP 16 @ 1.6833	27-Jan-2022	-
Bought CAD 172 Sold GBP 100 @ 1.7178	27-Jan-2022	1
Bought EUR 61 Sold CAD 88 @ 0.6946	27-Jan-2022	-
Bought GBP 13 Sold CAD 22 @ 0.5833	27-Jan-2022	-
Bought JPY 45 045 Sold CAD 489 @ 92.1940	27-Jan-2022	6
Bought CAD 38 Sold USD 30 @ 1.2626	28-Jan-2022	-
Bought CHF 398 Sold CAD 537 @ 0.7407	01-Feb-2022	15
Bought JPY 7 868 Sold CAD 85 @ 92.5970	02-Feb-2022	2
Bought CAD 9 Sold USD 7 @ 1.2564	03-Feb-2022	-
Bought ILS 240 Sold CAD 92 @ 2.5955	03-Feb-2022	5
Bought CAD 65 Sold DKK 337 @ 0.1935	04-Feb-2022	-
Bought CHF 315 Sold CAD 427 @ 0.7379	04-Feb-2022	10
Bought CAD 288 Sold EUR 200 @ 1.4418	07-Feb-2022	-
Bought EUR 654 Sold CAD 942 @ 0.6943	07-Feb-2022	-
Bought EUR 86 Sold CAD 123 @ 0.6996	07-Feb-2022	1
Bought EUR 44 Sold CAD 63 @ 0.7002	07-Feb-2022	1
Bought CAD 144 Sold EUR 100 @ 1.4410	08-Feb-2022	-
Bought DKK 465 Sold CAD 90 @ 5.1488	08-Feb-2022	-
Bought GBP 38 Sold CAD 64 @ 0.5927	08-Feb-2022	1
Bought GBP 67 Sold CAD 113 @ 0.5930	08-Feb-2022	2
Bought CAD 76 Sold NOK 520 @ 0.1463	10-Feb-2022	1
Bought AUD 96 Sold CAD 87 @ 1.0993	11-Feb-2022	1
Bought EUR 125 Sold CAD 179 @ 0.6981	14-Feb-2022	1

**SCHEDULE A (cont.)**  
**Foreign Exchange Contracts**

Contracts	Maturity Date	Unrealized Gain
Bought CAD 73 Sold SEK 500 @ 0.1454	15-Feb-2022	\$ 3
Bought CHF 313 Sold CAD 426 @ 0.7346	15-Feb-2022	8
Bought CAD 185 Sold NOK 1 285 @ 0.1436	16-Feb-2022	-
Bought CAD 365 Sold EUR 250 @ 1.4595	16-Feb-2022	5
Bought EUR 42 Sold CAD 60 @ 0.6955	16-Feb-2022	-
Bought ILS 244 Sold CAD 99 @ 2.4587	16-Feb-2022	-
Bought JPY 75 371 Sold CAD 826 @ 91.2295	16-Feb-2022	2
Bought CAD 283 Sold SEK 1 991 @ 0.1423	17-Feb-2022	5
Bought CHF 256 Sold CAD 351 @ 0.7292	17-Feb-2022	4
Bought CHF 7 Sold CAD 10 @ 0.7294	18-Feb-2022	-
Bought EUR 660 Sold CAD 941 @ 0.7017	18-Feb-2022	10
Bought CAD 67 Sold DKK 350 @ 0.1924	22-Feb-2022	-
Bought SGD 100 Sold CAD 93 @ 1.0782	22-Feb-2022	1
Bought AUD 73 Sold CAD 68 @ 1.0812	24-Feb-2022	-
Bought CAD 443 Sold JPY 40 285 @ 0.0110	24-Feb-2022	-
Bought NOK 157 Sold CAD 22 @ 7.0347	24-Feb-2022	-
Bought CAD 703 Sold SEK 4 936 @ 0.1424	25-Feb-2022	13
Bought GBP 17 Sold CAD 29 @ 0.5881	25-Feb-2022	-
Bought SGD 100 Sold CAD 93 @ 1.0739	25-Feb-2022	1
Bought CAD 95 Sold JPY 8 589 @ 0.0110	01-Mar-2022	-
Bought CAD 67 Sold JPY 6 025 @ 0.0110	01-Mar-2022	-
Bought CAD 102 Sold CHF 74 @ 1.3849	01-Mar-2022	-
Bought CAD 115 Sold DKK 590 @ 0.1954	01-Mar-2022	1
Bought CAD 338 Sold JPY 30 000 @ 0.0113	01-Mar-2022	8
Bought AUD 58 Sold CAD 53 @ 1.0904	02-Mar-2022	-
Bought CAD 70 Sold AUD 76 @ 0.9210	02-Mar-2022	-
Bought JPY 3 851 Sold CAD 43 @ 90.0309	02-Mar-2022	-
Bought CAD 353 Sold JPY 31 980 @ 0.0110	03-Mar-2022	1
Bought CAD 139 Sold CHF 100 @ 1.3948	03-Mar-2022	1
Bought CHF 233 Sold CAD 318 @ 0.7331	03-Mar-2022	6
Bought AUD 159 Sold CAD 144 @ 1.1008	04-Mar-2022	2
Bought CAD 341 Sold DKK 1 748 @ 0.1952	04-Mar-2022	3
Bought CAD 429 Sold SEK 3 020 @ 0.1419	04-Mar-2022	6
Bought GBP 22 Sold CAD 38 @ 0.5829	04-Mar-2022	-
Bought CAD 40 Sold JPY 3 595 @ 0.0111	07-Mar-2022	-
Bought AUD 125 Sold CAD 112 @ 1.1128	08-Mar-2022	3
Bought CAD 35 Sold JPY 3 123 @ 0.0113	08-Mar-2022	1
Bought EUR 235 Sold CAD 339 @ 0.6932	09-Mar-2022	-
Bought AUD 1 127 Sold CAD 1 023 @ 1.1013	10-Mar-2022	13
Bought AUD 200 Sold CAD 184 @ 1.0848	10-Mar-2022	-
Bought CAD 30 Sold NOK 213 @ 0.1422	10-Mar-2022	-
Bought EUR 471 Sold CAD 677 @ 0.6961	10-Mar-2022	2
Bought EUR 142 Sold CAD 202 @ 0.7030	11-Mar-2022	3
Bought CAD 36 Sold EUR 25 @ 1.4413	15-Mar-2022	-
Bought CAD 296 Sold HKD 1 800 @ 0.1642	16-Mar-2022	4
Bought CAD 190 Sold GBP 111 @ 1.7072	18-Mar-2022	-
Bought NOK 885 Sold CAD 126 @ 7.0159	18-Mar-2022	1
Bought AUD 402 Sold CAD 367 @ 1.0966	21-Mar-2022	3
Bought CAD 364 Sold USD 287 @ 1.2692	24-Mar-2022	1

\$ 280



December 31, 2021

**SCHEDULE A (cont.)**

**Foreign Exchange Contracts**

Contracts	Maturity Date	Unrealized Loss
Bought SGD 518 Sold CAD 490 @ 1.0576	10-Jan-2022	\$ (4)
Bought SEK 1 800 Sold CAD 256 @ 7.0444	12-Jan-2022	(4)
Bought NOK 1 879 Sold CAD 271 @ 6.9215	13-Jan-2022	(2)
Bought GBP 294 Sold CAD 514 @ 0.5718	14-Jan-2022	(11)
Bought EUR 24 Sold CAD 36 @ 0.6672	19-Jan-2022	(1)
Bought AUD 180 Sold CAD 167 @ 1.0802	21-Jan-2022	(1)
Bought CAD 118 Sold AUD 130 @ 0.9094	21-Jan-2022	(1)
Bought EUR 425 Sold CAD 612 @ 0.6942	21-Jan-2022	(1)
Bought JPY 10 000 Sold CAD 112 @ 89.1265	21-Jan-2022	(2)
Bought JPY 118 531 Sold CAD 1 359 @ 87.2260	25-Jan-2022	(58)
Bought JPY 20 000 Sold CAD 225 @ 88.8240	25-Jan-2022	(5)
Bought JPY 5 000 Sold CAD 56 @ 89.2902	25-Jan-2022	(1)
Bought CAD 767 Sold GBP 450 @ 1.7037	27-Jan-2022	(3)
Bought NZD 185 Sold CAD 162 @ 1.1423	27-Jan-2022	(2)
Bought CAD 684 Sold GBP 405 @ 1.6892	28-Jan-2022	(9)
Bought CAD 464 Sold HKD 2 878 @ 0.1612	28-Jan-2022	(3)
Bought CAD 145 Sold HKD 900 @ 0.1606	28-Jan-2022	(1)
Bought SEK 427 Sold CAD 62 @ 6.8814	01-Feb-2022	(2)
Bought CAD 129 Sold USD 105 @ 1.2319	02-Feb-2022	(3)
Bought CAD 262 Sold GBP 155 @ 1.6894	02-Feb-2022	(3)
Bought EUR 412 Sold CAD 604 @ 0.6821	02-Feb-2022	(11)
Bought CAD 363 Sold GBP 213 @ 1.7050	03-Feb-2022	(1)
Bought EUR 118 Sold CAD 171 @ 0.6920	07-Feb-2022	(1)
Bought CAD 1 430 Sold GBP 841 @ 1.7008	08-Feb-2022	(8)
Bought CAD 263 Sold GBP 156 @ 1.6854	08-Feb-2022	(4)
Bought CAD 211 Sold DKK 1 100 @ 0.1914	08-Feb-2022	(2)
Bought CAD 48 Sold USD 39 @ 1.2395	10-Feb-2022	(1)
Bought CAD 1 075 Sold HKD 6 669 @ 0.1612	10-Feb-2022	(7)
Bought CAD 262 Sold GBP 156 @ 1.6769	10-Feb-2022	(5)
Bought CAD 105 Sold USD 85 @ 1.2369	11-Feb-2022	(2)
Bought SEK 1 084 Sold CAD 155 @ 6.9711	11-Feb-2022	(4)
Bought CAD 124 Sold USD 100 @ 1.2435	14-Feb-2022	(2)
Bought CAD 260 Sold GBP 155 @ 1.6800	15-Feb-2022	(5)
Bought CAD 202 Sold EUR 141 @ 1.4340	16-Feb-2022	(1)
Bought CAD 126 Sold HKD 782 @ 0.1605	16-Feb-2022	(1)
Bought ILS 500 Sold CAD 207 @ 2.4128	16-Feb-2022	(3)
Bought JPY 38 070 Sold CAD 433 @ 87.9860	16-Feb-2022	(16)
Bought JPY 5 468 Sold CAD 61 @ 89.7370	16-Feb-2022	(1)
Bought CAD 262 Sold DKK 1 365 @ 0.1917	18-Feb-2022	(3)
Bought CAD 298 Sold GBP 175 @ 1.7011	18-Feb-2022	(2)
Bought CAD 164 Sold DKK 851 @ 0.1923	22-Feb-2022	(1)
Bought JPY 20 000 Sold CAD 224 @ 89.0975	22-Feb-2022	(5)
Bought CAD 77 Sold GBP 46 @ 1.6762	23-Feb-2022	(2)
Bought CAD 354 Sold EUR 247 @ 1.4314	23-Feb-2022	(2)
Bought CAD 205 Sold DKK 1 066 @ 0.1926	24-Feb-2022	(1)
Bought EUR 331 Sold CAD 478 @ 0.6932	24-Feb-2022	(1)
Bought CAD 40 Sold USD 32 @ 1.2364	25-Feb-2022	(1)
Bought CAD 385 Sold EUR 269 @ 1.4301	25-Feb-2022	(3)
Bought CAD 85 Sold GBP 50 @ 1.6933	28-Feb-2022	(1)
Bought CAD 41 Sold NOK 295 @ 0.1406	01-Mar-2022	(1)
Bought JPY 16 955 Sold CAD 194 @ 87.6028	01-Mar-2022	(9)
Bought CAD 876 Sold GBP 519 @ 1.6887	02-Mar-2022	(11)
Bought JPY 132 894 Sold CAD 1 501 @ 88.5490	02-Mar-2022	(42)

**SCHEDULE A (cont.)**

**Foreign Exchange Contracts**

Contracts	Maturity Date	Unrealized Loss
Bought USD 200 Sold CAD 257 @ 0.7797	02-Mar-2022	\$ (4)
Bought JPY 20 000 Sold CAD 226 @ 88.5955	03-Mar-2022	(6)
Bought USD 235 Sold CAD 300 @ 0.7825	03-Mar-2022	(3)
Bought CAD 539 Sold GBP 317 @ 1.7001	04-Mar-2022	(3)
Bought CAD 136 Sold EUR 95 @ 1.4297	04-Mar-2022	(1)
Bought CHF 203 Sold CAD 284 @ 0.7160	07-Mar-2022	(2)
Bought CAD 339 Sold GBP 201 @ 1.6887	08-Mar-2022	(4)
Bought JPY 29 369 Sold CAD 330 @ 89.0045	09-Mar-2022	(7)
Bought CAD 338 Sold DKK 1 751 @ 0.1932	10-Mar-2022	(1)
Bought JPY 25 418 Sold CAD 288 @ 88.2640	15-Mar-2022	(8)
Bought SGD 195 Sold CAD 184 @ 1.0609	15-Mar-2022	(1)
Bought CAD 188 Sold USD 150 @ 1.2559	16-Mar-2022	(1)
Bought EUR 468 Sold CAD 679 @ 0.6888	16-Mar-2022	(5)
Bought JPY 2 756 Sold CAD 31 @ 88.8966	17-Mar-2022	(1)
Bought CAD 127 Sold DKK 661 @ 0.1920	18-Mar-2022	(1)
		\$ (325)
<b>TOTAL FOREIGN EXCHANGE</b>		<b>\$ (45)</b>

All counterparties have a credit rating of at least A.

\* Short-term investments, which may be made up of treasury bills, commercial paper, term deposits and discount notes, earn interest at rates ranging from 0.17% to 0.22% and mature between January 4, 2022 and January 18, 2022.



**Statements of Financial Position**

(in \$000s except per unit amounts)

(see note 2 in the generic notes)	December 31 2021	December 31 2020
<b>ASSETS</b>		
Investments at fair value	\$ 93 720	\$ 78 940
Cash	12	12
Due from investment dealers	46	–
Subscriptions receivable	30	84
Unrealized gain on foreign exchange contracts	280	264
Dividends receivable, interest accrued and other assets	1	–
<b>TOTAL ASSETS</b>	<b>94 089</b>	<b>79 300</b>
<b>LIABILITIES</b>		
Redemptions payable	107	50
Unrealized loss on foreign exchange contracts	325	198
Distributions payable	4	3
Accounts payable and accrued expenses	124	107
<b>TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>	<b>560</b>	<b>358</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")</b>	<b>\$ 93 529</b>	<b>\$ 78 942</b>
Investments at cost	\$ 72 953	\$ 62 340
<b>NAV</b>		
<b>SERIES A</b>	<b>\$ 45 775</b>	<b>\$ 42 378</b>
<b>ADVISOR SERIES</b>	<b>\$ –</b>	<b>\$ –</b>
<b>SERIES T5</b>	<b>\$ 2 528</b>	<b>\$ 1 981</b>
<b>SERIES D</b>	<b>\$ 3 510</b>	<b>\$ 2 599</b>
<b>SERIES F</b>	<b>\$ 40 675</b>	<b>\$ 31 159</b>
<b>SERIES FT5</b>	<b>\$ 714</b>	<b>\$ 609</b>
<b>SERIES O</b>	<b>\$ 327</b>	<b>\$ 216</b>
<b>NAV PER UNIT</b>		
<b>SERIES A</b>	<b>\$ 14.89</b>	<b>\$ 13.93</b>
<b>ADVISOR SERIES</b>	<b>\$ –</b>	<b>\$ –</b>
<b>SERIES T5</b>	<b>\$ 11.33</b>	<b>\$ 11.15</b>
<b>SERIES D</b>	<b>\$ 14.60</b>	<b>\$ 13.55</b>
<b>SERIES F</b>	<b>\$ 15.78</b>	<b>\$ 14.60</b>
<b>SERIES FT5</b>	<b>\$ 12.37</b>	<b>\$ 12.03</b>
<b>SERIES O</b>	<b>\$ 16.30</b>	<b>\$ 14.94</b>

**Statements of Comprehensive Income**

(in \$000s except per unit amounts)

For the periods ended December 31 (see note 2 in the generic notes)	2021	2020
<b>INCOME (see note 3 in the generic notes)</b>		
Dividends	\$ 1 589	\$ 1 314
Interest for distribution purposes	3	5
Derivative income (loss)	(582)	311
Net realized gain (loss) on investments	2 808	3 737
Change in unrealized gain (loss) on investments	4 056	6 729
<b>TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES</b>	<b>7 874</b>	<b>12 096</b>
Securities lending revenue		
(see note 7 in the generic notes)	8	12
Net gain (loss) on foreign cash balances	(6)	(20)
<b>TOTAL OTHER INCOME (LOSS)</b>	<b>2</b>	<b>(8)</b>
<b>TOTAL INCOME (LOSS)</b>	<b>7 876</b>	<b>12 088</b>
<b>EXPENSES (see notes – Fund Specific Information)</b>		
Management fees	1 131	922
Administration fees	126	106
Independent Review Committee costs	2	2
GST/HST	128	103
Transaction costs	85	68
Withholding tax	138	122
<b>TOTAL EXPENSES</b>	<b>1 610</b>	<b>1 323</b>
<b>INCREASE (DECREASE) IN NAV</b>	<b>\$ 6 266</b>	<b>\$ 10 765</b>
<b>INCREASE (DECREASE) IN NAV</b>		
<b>SERIES A</b>	<b>\$ 2 934</b>	<b>\$ 5 283</b>
<b>ADVISOR SERIES</b>	<b>\$ –</b>	<b>\$ 411</b>
<b>SERIES T5</b>	<b>\$ 156</b>	<b>\$ 272</b>
<b>SERIES D</b>	<b>\$ 235</b>	<b>\$ 339</b>
<b>SERIES F</b>	<b>\$ 2 871</b>	<b>\$ 4 384</b>
<b>SERIES FT5</b>	<b>\$ 52</b>	<b>\$ 78</b>
<b>SERIES O</b>	<b>\$ 18</b>	<b>\$ (2)</b>
<b>INCREASE (DECREASE) IN NAV PER UNIT</b>		
<b>SERIES A</b>	<b>\$ 0.95</b>	<b>\$ 2.14</b>
<b>ADVISOR SERIES</b>	<b>\$ –</b>	<b>\$ 0.39</b>
<b>SERIES T5</b>	<b>\$ 0.76</b>	<b>\$ 1.55</b>
<b>SERIES D</b>	<b>\$ 1.05</b>	<b>\$ 1.79</b>
<b>SERIES F</b>	<b>\$ 1.19</b>	<b>\$ 2.10</b>
<b>SERIES FT5</b>	<b>\$ 0.95</b>	<b>\$ 1.62</b>
<b>SERIES O</b>	<b>\$ 1.21</b>	<b>\$ (0.11)</b>





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

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

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in NAV	\$ 6 266	\$ 10 765
<b>ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS</b>		
Interest for distribution purposes	–	–
Non-cash dividends	(70)	(16)
Non-cash distributions from underlying funds	–	–
Net realized loss (gain) on investments	(2 808)	(3 737)
Change in unrealized loss (gain) on investments	(4 056)	(6 729)
(Increase) decrease in accrued receivables	(1)	32
Increase (decrease) in accrued payables	17	7
(Increase) decrease in margin accounts	–	–
Cost of investments purchased*	(70 564)	(59 013)
Proceeds from sale and maturity of investments*	62 783	63 124
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>(8 433)</b>	<b>4 433</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of redeemable units*	21 263	26 998
Cash paid on redemption of redeemable units*	(12 790)	(31 325)
Distributions paid to holders of redeemable units	(40)	(108)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>\$ 8 433</b>	<b>\$ (4 435)</b>
Net increase (decrease) in cash for the period	–	(2)
Cash (bank overdraft), beginning of period	12	14
<b>CASH (BANK OVERDRAFT), END OF PERIOD</b>	<b>\$ 12</b>	<b>\$ 12</b>
Interest received (paid) <sup>†</sup>	\$ 3	\$ 5
Income from investment trusts received (paid) <sup>†‡</sup>	\$ –	\$ –
Dividends received (paid) <sup>†‡</sup>	\$ 1 381	\$ 1 208

\* 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 T5		Series D	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>NAV AT BEGINNING OF PERIOD</b>	\$ 42 378	\$ 24 793	\$ –	\$ 13 484	\$ 1 981	\$ 1 759	\$ 2 599	\$ 2 325
<b>INCREASE (DECREASE) IN NAV</b>	<b>2 934</b>	<b>5 283</b>	<b>–</b>	<b>411</b>	<b>156</b>	<b>272</b>	<b>235</b>	<b>339</b>
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from redeemable units issued	8 776	19 156	–	273	556	329	1 200	894
Reinvestments of distributions to holders of redeemable units	–	7	–	3	80	60	–	12
Redemption of redeemable units	(8 313)	(6 854)	–	(14 168)	(130)	(350)	(524)	(958)
<b>NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS</b>	<b>463</b>	<b>12 309</b>	<b>–</b>	<b>(13 892)</b>	<b>506</b>	<b>39</b>	<b>676</b>	<b>(52)</b>
Distributions from net income	–	(7)	–	(3)	–	–	–	(13)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	(115)	(89)	–	–
<b>TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS</b>	<b>–</b>	<b>(7)</b>	<b>–</b>	<b>(3)</b>	<b>(115)</b>	<b>(89)</b>	<b>–</b>	<b>(13)</b>
<b>NET INCREASE (DECREASE) IN NAV</b>	<b>3 397</b>	<b>17 585</b>	<b>–</b>	<b>(13 484)</b>	<b>547</b>	<b>222</b>	<b>911</b>	<b>274</b>
<b>NAV AT END OF PERIOD</b>	<b>\$ 45 775</b>	<b>\$ 42 378</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 2 528</b>	<b>\$ 1 981</b>	<b>\$ 3 510</b>	<b>\$ 2 599</b>

For the periods ended December 31 (see note 2 in the generic notes)	Series F		Series FT5		Series O		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>NAV AT BEGINNING OF PERIOD</b>	\$ 31 159	\$ 29 364	\$ 609	\$ 593	\$ 216	\$ 296	\$ 78 942	\$ 72 614
<b>INCREASE (DECREASE) IN NAV</b>	<b>2 871</b>	<b>4 384</b>	<b>52</b>	<b>78</b>	<b>18</b>	<b>(2)</b>	<b>6 266</b>	<b>10 765</b>
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from redeemable units issued	12 965	7 740	78	297	93	269	23 668	28 958
Reinvestments of distributions to holders of redeemable units	–	155	27	24	–	–	107	261
Redemption of redeemable units	(6 320)	(10 258)	(19)	(357)	–	(342)	(15 306)	(33 287)
<b>NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS</b>	<b>6 645</b>	<b>(2 363)</b>	<b>86</b>	<b>(36)</b>	<b>93</b>	<b>(73)</b>	<b>8 469</b>	<b>(4 068)</b>
Distributions from net income	–	(226)	–	(4)	–	(5)	–	(258)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	(33)	(22)	–	–	(148)	(111)
<b>TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS</b>	<b>–</b>	<b>(226)</b>	<b>(33)</b>	<b>(26)</b>	<b>–</b>	<b>(5)</b>	<b>(148)</b>	<b>(369)</b>
<b>NET INCREASE (DECREASE) IN NAV</b>	<b>9 516</b>	<b>1 795</b>	<b>105</b>	<b>16</b>	<b>111</b>	<b>(80)</b>	<b>14 587</b>	<b>6 328</b>
<b>NAV AT END OF PERIOD</b>	<b>\$ 40 675</b>	<b>\$ 31 159</b>	<b>\$ 714</b>	<b>\$ 609</b>	<b>\$ 327</b>	<b>\$ 216</b>	<b>\$ 93 529</b>	<b>\$ 78 942</b>



December 31, 2021

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

The investment objective of the Fund is to provide long-term capital growth by investing primarily in equity securities of major companies domiciled in developed countries outside of North America.

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)**

**Concentration risk (%)**

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

	December 31 2021	December 31 2020
Investment mix		
United Kingdom	27.6	24.7
Japan	18.1	24.9
France	10.4	7.8
Netherlands	8.0	6.6
Switzerland	6.8	6.7
Denmark	5.6	3.6
Sweden	5.1	2.4
Australia	4.7	4.3
Hong Kong	2.5	3.0
China	2.3	2.1
Other Countries	7.4	12.4
Cash/Other	1.5	1.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

**Currency risk (% of NAV)**

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

	December 31 2021	December 31 2020
Currency		
Euro	33.0	32.2
Japanese yen	22.4	25.4
Pound sterling	14.8	14.1
Swiss franc	10.3	9.5
Australian dollar	6.9	7.1
Swedish krona	4.0	3.2
Danish krone	2.9	2.5
Hong Kong dollar	2.5	3.1
Singapore dollar	1.0	0.9
United States dollar	0.7	0.6
Norwegian krone	0.6	0.6
Other currencies	0.6	0.4
<b>Total</b>	<b>99.7</b>	<b>99.6</b>

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

**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
MSCI EAFE Total Return Net Index (CAD)	+ or - 9.3	+ or - 9.4

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

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

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

December 31, 2021	Level 1	Level 2	Level 3	Total
<b>Equities</b>	<b>1 269</b>	<b>90 907</b>	–	<b>92 176</b>
<b>Underlying funds</b>	–	–	–	–
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	<b>1 544</b>	–	<b>1 544</b>
<b>Derivatives – assets</b>	–	<b>280</b>	–	<b>280</b>
<b>Derivatives – liabilities</b>	–	<b>(325)</b>	–	<b>(325)</b>
<b>Total financial instruments</b>	<b>1 269</b>	<b>92 406</b>	–	<b>93 675</b>
<b>% of total portfolio</b>	<b>1.4</b>	<b>98.6</b>	–	<b>100.0</b>

December 31, 2020	Level 1	Level 2	Level 3	Total
<b>Equities</b>	<b>1 849</b>	<b>75 818</b>	–	<b>77 667</b>
<b>Underlying funds</b>	–	–	–	–
<b>Fixed-income and debt securities</b>	–	–	–	–
<b>Short-term investments</b>	–	<b>1 273</b>	–	<b>1 273</b>
<b>Derivatives – assets</b>	–	<b>264</b>	–	<b>264</b>
<b>Derivatives – liabilities</b>	–	<b>(198)</b>	–	<b>(198)</b>
<b>Total financial instruments</b>	<b>1 849</b>	<b>77 157</b>	–	<b>79 006</b>
<b>% of total portfolio</b>	<b>2.3</b>	<b>97.7</b>	–	<b>100.0</b>

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



December 31, 2021

**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	1.75%	0.15%
Advisor Series	1.75%	0.15%
Series T5	1.75%	0.15%
Series D	1.00%	0.15%
Series F	0.75%	0.15%
Series FT5	0.75%	0.15%
Series O	n/a*	0.02%

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

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

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

	December 31 2021	December 31 2020
<b>Units held</b>		
Series A	97	97
Series T5	128	122
Series D	104	104
Series FT5	125	119
Series O	60	60
<b>Value of all units</b>	<b>7</b>	<b>6</b>

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

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

As at December 31, 2021	
Capital losses	59 276
Non-capital losses	–

**Redeemable units (000s)**

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

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

	2021	2020
<b>Series A</b>		
Opening units	3 042	2 059
Issued number of units	612	1 545
Reinvested number of units	–	1
Redeemed number of units	(580)	(563)
Ending number of units	3 074	3 042
<b>Advisor Series</b>		
Opening units	–	1 120
Issued number of units	–	24
Reinvested number of units	–	–
Redeemed number of units	–	(1 144)
Ending number of units	–	–
<b>Series T5</b>		
Opening units	178	173
Issued number of units	49	33
Reinvested number of units	7	6
Redeemed number of units	(11)	(34)
Ending number of units	223	178
<b>Series D</b>		
Opening units	192	199
Issued number of units	85	75
Reinvested number of units	–	1
Redeemed number of units	(37)	(83)
Ending number of units	240	192
<b>Series F</b>		
Opening units	2 134	2 335
Issued number of units	862	613
Reinvested number of units	–	11
Redeemed number of units	(418)	(825)
Ending number of units	2 578	2 134
<b>Series FT5</b>		
Opening units	51	55
Issued number of units	7	30
Reinvested number of units	2	2
Redeemed number of units	(2)	(36)
Ending number of units	58	51
<b>Series O</b>		
Opening units	14	23
Issued number of units	6	20
Reinvested number of units	–	–
Redeemed number of units	–	(29)
Ending number of units	20	14



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

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

	December 31 2021		December 31 2020	
	\$	%	\$	%
Total transaction costs	85	100	68	100
Related-party brokerage commissions*	2	2	3	4
Commission arrangements†	–	–	21	31

\* See note 8 in the generic notes.

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

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

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

	December 31 2021		December 31 2020	
	Fair value of securities loaned	3 384		1 484
Fair value of collateral received	3 452		1 513	

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	11	100	16	100
RBC IS (paid)	(3)	(25)	(4)	(25)
Tax withheld	–	–	–	–
Fund revenue	8	75	12	75

**Offsetting financial assets and liabilities (\$000s)  
(see note 3 in the generic notes)**

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

December 31, 2021	Assets	Liabilities
<b>Gross amounts – assets (liabilities)</b>	<b>280</b>	<b>(325)</b>
<b>Amounts set-off in the Statements of Financial Position</b>	–	–
<b>Net amounts presented in the Statements of Financial Position</b>	<b>280</b>	<b>(325)</b>
<b>Related amounts not set-off</b>	<b>(177)</b>	<b>177</b>
<b>Collateral (received) pledged</b>	–	–
<b>Net amount</b>	<b>103</b>	<b>(148)</b>

December 31, 2020	Assets	Liabilities
<b>Gross amounts – assets (liabilities)</b>	<b>264</b>	<b>(198)</b>
<b>Amounts set-off in the Statements of Financial Position</b>	–	–
<b>Net amounts presented in the Statements of Financial Position</b>	<b>264</b>	<b>(198)</b>
<b>Related amounts not set-off</b>	<b>(124)</b>	<b>124</b>
<b>Collateral (received) pledged</b>	–	–
<b>Net amount</b>	<b>140</b>	<b>(74)</b>

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## 1. The Funds

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

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

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

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

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

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

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

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

Series I units have no sales charges, have lower fees than Series F units, Series FT5 units and Series FT8 units and are only available to investors who invest and maintain the required minimum balance and who have accounts with dealers who have signed a fee-based agreement with RBC GAM.

Series N units are only available to related funds.

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

## 2. Financial year

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

## 3. Summary of significant accounting policies

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

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

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

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

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

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

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

with each of their documented investment strategies. The underlying funds apply various investment strategies to accomplish their respective investment objectives.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Options purchased and options written (sold) are recorded as investments in the Statements of Financial Position. These investments are reported at fair value in the Statements of Financial Position, and unrealized gain or loss at the close of business on each valuation date is recorded in "Change in unrealized gain (loss) on investments" in the Statements of Comprehensive Income.

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

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

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

*Total Return Swaps* – A total return swap is an agreement by which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains. Total return swap contracts are marked to market daily based upon quotations



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from the market makers and the change in value, if any, is recorded in “Change in unrealized gain (loss) on investments” in the Statements of Comprehensive Income. When the swap contract is terminated early, the Fund records a realized gain or loss equal to the difference between the current net present value and the executed net present value in “Derivative income (loss)” in the Statements of Comprehensive Income. Unrealized gains and losses are recorded as “Receivable on open swap contracts” or “Payable on open swap contracts” in the Statements of Financial Position, as applicable. The risks of total return swap contracts include changes in market conditions and the possible inability of the counterparty to fulfill its obligations under the agreement.

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

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

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

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

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

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

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

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

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

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

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

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

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

**Income Recognition** Dividend income is recognized on the ex-dividend date and interest for distribution purposes is coupon interest recognized on an accrual basis and/or imputed interest on zero coupon bonds. “Income from

investment trusts” includes income from underlying funds and other trusts. Any premiums paid or discounts received on the purchase of zero coupon bonds are amortized. Interest payments made by the Funds to counterparties on the payable leg of derivative contracts are recorded as “Interest expense” in the Statements of Comprehensive Income.

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

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

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

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

**In-Kind Transactions** In accordance with IAS 7, the Funds exclude non-cash transactions from their operating and financing activities within the Statements of Cash Flow. The primary difference between amounts issued and redeemed within the Statements of Changes in NAV and the Statements of Cash Flow relates to in-kind transactions. Similarly, the “Cost of investments purchased” and “Proceeds from sale and maturity of investments” within the Statements of Cash Flow appropriately exclude these in-kind transactions.

#### 4. Critical accounting judgments and estimates

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

##### ***Fair value measurement of securities not quoted in an active market***

The Funds have established policies and control procedures that are intended to ensure these estimates are well controlled, independently reviewed and consistently applied from period to period. The estimates of the value of the Funds' assets and liabilities are believed to be appropriate as at the reporting date.

The Funds may hold financial instruments that are not quoted in active markets. Note 3 discusses the policies used by management for the estimates used in determining fair value.

#### 5. Financial instrument risk and capital management

RBC GAM is responsible for managing each Fund's capital, which is its NAV and consists primarily of its financial instruments.

A Fund's investment activities expose it to a variety of financial risks. RBC GAM seeks to minimize potential adverse effects of these risks on a Fund's performance by employing professional, experienced portfolio managers, daily monitoring of the Fund's holdings and market events, diversifying its investment portfolio within the constraints of its investment objectives and, in some cases, periodically hedging certain risk exposures through the use of derivatives. To assist in managing risks, RBC GAM also uses internal guidelines, maintains a governance structure that oversees each Fund's investment activities and monitors compliance with the Fund's investment strategies, internal guidelines and securities regulations.

The financial markets experienced significant volatility as a result of the developing COVID-19 global pandemic. The effects of the pandemic and its impact on individual companies, nations and the market in general can not necessarily be foreseen at the present time and may have an adverse impact on the financial performance of the Funds. The impact of the pandemic may be short-term or may last for an extended period of time.

In February 2022, Russian forces invaded Ukraine, resulting in an armed conflict and economic sanctions on Russia. Price volatility, trading restrictions, including the potential

for extended halting of Russian market trading, and general default risk related to Russian securities may have an adverse impact on the financial performance of a Fund. The manager is actively monitoring the situation.

Financial instrument risk, as applicable to a Fund, is disclosed in its Notes to Financial Statements – Fund Specific Information. These risks include a Fund's direct risks and pro rata exposure to the risks of underlying funds, as applicable.

##### ***Liquidity risk***

Liquidity risk is the possibility that investments in a Fund cannot be readily converted into cash when required. A Fund is exposed to daily cash redemptions of redeemable units. Liquidity risk is managed by investing the majority of a Fund's assets in investments that are traded in an active market and that can be readily disposed. In accordance with securities regulations, a Fund must maintain at least 90% of its assets in liquid investments. In addition, a Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its NAV for the purpose of funding redemptions. All non-derivative financial liabilities, other than redeemable units, are due within 90 days.

##### ***Credit risk***

Credit risk is the risk that a loss could arise from a security issuer or counterparty not being able to meet its financial obligations. The carrying amount of investments and other assets represents the maximum credit risk exposure as disclosed in a Fund's Statements of Financial Position. The Funds measure credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. All other receivables, amounts due from brokers, cash and short-term deposits are held with counterparties with a credit rating of AA/Aa or higher. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Funds. The fair value of fixed-income and debt securities includes a consideration of the creditworthiness of the debt issuer. Credit risk exposure to over-the-counter derivative instruments is based on a Fund's unrealized gain on the contractual obligations with the counterparty. Credit risk exposure is mitigated for those

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Funds participating in a securities lending program (see note 7). RBC GAM monitors each Fund's credit exposure and counterparty ratings daily.

**Concentration risk**

Concentration risk arises as a result of net financial instrument exposures to the same category, such as geographical region, asset type, industry sector or market segment. Financial instruments in the same category have similar characteristics and may be affected similarly by changes in economic or other conditions.

**Interest rate risk**

Interest rate risk is the risk that the fair value of a Fund's interest-bearing investments will fluctuate due to changes in market interest rates. The value of fixed-income and debt securities, such as bonds, debentures, mortgages or other income-producing securities, is affected by interest rates. Generally, the value of these securities increases if interest rates fall and decreases if interest rates rise.

Certain Funds trade in debt securities, some of which are variable rate and have an inter-bank linked interest rate. Such debt securities may potentially be transitioned to an alternative benchmark before the Funds dispose of their investments. The impact of this transition, if any, will be captured in the change in fair value of these investments and is not expected to be significant to each Fund.

**Currency risk**

Currency risk is the risk that the value of investments denominated in currencies, other than the functional currency of a Fund, will fluctuate due to changes in foreign exchange rates. The value of investments denominated in a currency other than the functional currency is affected by changes in the value of the functional currency in relation to the value of the currency in which the investment is denominated. When the value of the functional currency falls in relation to foreign currencies, then the value of the foreign investments rises. When the value of the functional currency rises, the value of the foreign investments falls. The currency risk as disclosed in the Fund Specific Information in the Notes to Financial Statements represents the monetary and non-monetary foreign exchange exposure of a Fund.

**Other price risk**

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency

risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or market segment.

**6. Taxes**

The Funds qualify as open-ended mutual fund trusts or unit trusts under the *Income Tax Act* (Canada). In general, the Funds are subject to income tax; however, no income tax is payable on net income and/or net realized capital gains which are distributed to unitholders. Since the Funds do not record income taxes, the tax benefit of capital and non-capital losses has not been reflected in the Statements of Financial Position as a deferred income tax asset. In addition, for mutual fund trusts, income taxes payable on net realized capital gains are refundable on a formula basis when units of the Funds are redeemed. It is the intention of the Funds to pay out all net income and realized capital gains each year so that the Funds will not be subject to income taxes. Accordingly, no provision for income taxes is recorded.

Capital losses are available to be carried forward indefinitely and applied against future capital gains. Non-capital losses may be carried forward to reduce future taxable income for up to 20 years.

**7. Securities lending revenue**

Certain of the Funds lend portfolio securities from time to time in order to earn additional income. Income from securities lending is included in the Statements of Comprehensive Income of a Fund. Each such Fund will have entered into a securities lending program with its custodian, RBC Investor Services Trust ("RBC IS"). The aggregate market value of all securities loaned by a Fund cannot exceed 50% of the assets of a Fund. The Fund receives collateral, with an approved credit rating of at least A, of at least 102% of the value of securities on loan. The Fund is indemnified by RBC IS for any collateral credit or market loss. As such, the credit risk associated with securities lending is considered minimal.

**8. Administrative and other related-party transactions****Manager and Portfolio Manager**

RBC GAM is an indirect wholly owned subsidiary of Royal Bank of Canada ("Royal Bank"). RBC GAM is the manager and portfolio manager of the Funds. RBC GAM is responsible for the Funds' day-to-day operations, provides investment advice and portfolio management services to the Funds and appoints distributors for the Funds. RBC GAM

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is paid a management fee by the Funds as compensation for its services. The management fee is calculated and accrued daily as a percentage of the NAV of each series of units of the Funds. No management fees are paid by the Funds with respect to Series O units. Unitholders of Series O units pay a negotiated fee directly to RBC GAM for investment-counselling services.

The Funds pay a fixed administration fee to RBC GAM. The fixed administration fee is calculated and accrued daily as a percentage of the NAV of each series of units of the Funds. RBC GAM in turn pays certain operating expenses of the Funds. These expenses include regulatory filing fees and other day-to-day operating expenses including, but not limited to, recordkeeping, accounting and fund valuation costs, custody fees, audit and legal fees and the costs of preparing and distributing annual and interim reports, prospectuses, statements and investor communications.

Notwithstanding the fixed administration fee, the Funds also pay certain operating expenses directly, including any costs and expenses of the Independent Review Committee (“IRC”) of the Funds that are not related to annual fees, meeting fees and reimbursement for expenses to members of the IRC, the cost of any new government or regulatory requirements introduced and any borrowing costs (collectively, “other fund costs”), and taxes (including, but not limited to, GST/HST). RBC GAM, not the Funds, is responsible for the costs related to annual fees, meeting fees and reimbursement for expenses to members of the IRC. Other fund costs are allocated proportionately to each series based upon the relative NAV of each series. RBC GAM may, in some years and in certain cases, absorb a portion of operating expenses. The decision to absorb the operating expenses is reviewed annually and determined at the discretion of RBC GAM, without notice to unitholders.

Certain Funds may invest in units of other Funds managed by RBC GAM or its affiliates (“underlying funds”). A Fund will not invest in units of an underlying fund if the Fund would be required to pay any management or incentive fees in respect of that investment that a reasonable person would believe duplicates a fee payable by the underlying fund for the same service. To the extent a Fund invests in underlying funds managed by RBC GAM or its affiliates, the fees and expenses payable by the underlying funds are in addition to the fees and expenses payable by the Fund. However, a Fund may only invest in one or more underlying funds provided that no management fees or incentive fees are payable that would

duplicate a fee payable by the underlying fund for the same service. The Fund’s ownership interest in underlying funds is disclosed in the Notes to Financial Statements – Fund Specific Information.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the Funds, such as banking, brokerage, securities lending, foreign exchange and derivatives transactions. RBC GAM or its affiliates may earn a foreign exchange spread when unitholders switch between series of funds denominated in different currencies. The Funds also maintain bank accounts and overdraft provisions with Royal Bank for which Royal Bank may earn a fee. Affiliates of RBC GAM that provide services to the Funds in the course of their normal business, all of which are wholly owned subsidiaries of Royal Bank of Canada, are discussed below.

#### **Sub-Advisors**

RBC Global Asset Management (U.S.) Inc. is the sub-advisor for:

- RBC \$U.S. Short-Term Government Bond Fund
- RBC \$U.S. Short-Term Corporate Bond Fund (for the underlying fund)
- RBC Bond Fund (for a portion of the Fund)
- RBC \$U.S. Investment Grade Corporate Bond Fund
- RBC Global Corporate Bond Fund (for a portion of the Fund)
- BlueBay Global Investment Grade Corporate Bond Fund (Canada) (for a portion of the Fund)
- BlueBay \$U.S. Global Investment Grade Corporate Bond Fund (Canada) (for a portion of the Fund)
- BlueBay \$U.S. Global High Yield Bond Fund (Canada) (for a portion of the Fund)
- RBC U.S. Monthly Income Fund (for a portion of the Fund)
- RBC U.S. Small-Cap Core Equity Fund
- RBC U.S. Small-Cap Value Equity Fund
- BlueBay Global Alternative Bond Fund (Canada) (for a portion of the Fund)
- Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund

RBC Global Asset Management (UK) Limited is the sub-advisor for:

- RBC Short-Term Global Bond Fund (for a portion of the Fund)
- RBC Bond Fund (for a portion of the Fund)
- RBC Global Bond Fund (for a portion of the Fund)
- RBC \$U.S. Global Bond Fund (for a portion of the Fund)
- RBC Global Corporate Bond Fund (for a portion of the Fund)
- RBC Global High Yield Bond Fund (for a portion of the Fund)
- RBC Emerging Markets Bond Fund (for a portion of the Fund)
- RBC U.S. Monthly Income Fund (for a portion of the Fund)

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

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

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

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

**Trustee**

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

**Distributors**

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

**Custodian**

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

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**Registrars**

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

**Brokers and Dealers**

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

**Securities Lending Agent**

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

**Mortgage Administrator Agent**

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

**Other Related-Party Transactions**

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

**Related-Party Trading Activities**

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

**Inter-Fund Trading**

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

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