

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 11, 2021



**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 Corporate Bond Fund  
 RBC Monthly Income Bond Fund  
 RBC Canadian Bond Index Fund  
 RBC Canadian Government Bond Index Fund  
 RBC Bond Fund  
 RBC Vision Bond Fund  
 RBC Global Bond Fund  
 RBC Global Bond & Currency 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 European 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 Global Convertible Bond Fund (Canada)  
 BlueBay \$U.S. Global Convertible Bond Fund (Canada)  
 RBC Conservative Bond Pool  
 RBC Core Bond Pool  
 RBC 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 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 Global Growth Portfolio  
 RBC Global 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 QUBE Canadian Equity Fund  
 RBC QUBE Low Volatility Canadian Equity Fund  
 RBC Trend Canadian Equity Fund  
 RBC Vision 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 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  
 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  
 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 Equity Fund  
 RBC Emerging Markets Equity Focus 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 Global Equity Focus Fund  
 RBC Global Equity Focus Currency Neutral Fund  
 RBC QUBE Global Equity Fund  
 RBC QUBE Low Volatility Global Equity Fund  
 RBC QUBE Low Volatility Global Equity Currency Neutral Fund  
 RBC Vision Global Equity Fund  
 RBC Vision Fossil Fuel Free Global Equity Fund  
 RBC O'Shaughnessy Global Equity Fund

RBC QUBE All Country World 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 Canadian Mid-Cap 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  
 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 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 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 2055 Fund  
 Phillips, Hager & North LifeTime 2060 Fund  
 Phillips, Hager & North Conservative Pension Trust  
 Phillips, Hager & North Balanced Pension Trust

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

Phillips, Hager & North Growth Pension Trust  
Phillips, Hager & North Conservative Equity Income Fund  
Phillips, Hager & North Canadian Equity Pension Trust  
Phillips, Hager & North Small Float Fund  
Phillips, Hager & North Canadian Equity  
Plus Pension Trust

(individually, a Fund)

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**Our opinion**

In our opinion, the accompanying December 31, 2020 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 2020 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 11, 2021



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

December 31, 2020

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>BONDS</b>						
<b>CANADIAN BONDS</b>						
<b>CORPORATE</b>						
2 320	407 International Inc.	2.470	08-Sep-2022	\$ 2 382	\$ 2 383	
315	407 International Inc.	6.470	27-Jul-2029	435	435	
1 550	407 International Inc.	2.590	25-May-2032	1 660	1 671	
500	407 International Inc.	3.650	08-Sep-2044	596	596	
195	407 International Inc.	3.720	11-May-2048	230	239	
855	407 International Inc.	2.840	07-Mar-2050	865	904	
150	Access Justice Durham Ltd.	5.015	31-Aug-2039	173	191	
116	Access Prairies Partnership	4.232	01-Mar-2048	116	136	
277	Aéroports de Montréal	6.950	16-Apr-2032	376	364	
267	Aéroports de Montréal	6.611	11-Apr-2033	342	355	
455	Aéroports de Montréal	6.550	11-Oct-2033	642	671	
320	Aéroports de Montréal	5.670	16-Oct-2037	444	463	
20	Aéroports de Montréal	3.919	26-Sep-2042	21	25	
90	Aéroports de Montréal	3.918	12-Jun-2045	102	112	
365	Aéroports de Montréal	3.360	24-Apr-2047	375	423	
551	Alberta Powerline LP	3.340	01-Jun-2032	551	603	
571	Alberta Powerline LP	3.351	01-Sep-2032	571	624	
270	Alectra Inc.	4.521	29-Apr-2021	270	274	
873	Alectra Inc.	3.033	25-Jul-2022	874	909	
1 647	Alectra Inc.	3.239	21-Nov-2024	1 752	1 797	
1 900	Alectra Inc.	2.488	17-May-2027	2 061	2 064	
193	Alliance Pipeline LP	7.217	31-Dec-2025	219	232	
2 135	Allied Properties Real Estate Investment Trust	3.934	14-Nov-2022	2 223	2 253	
275	Allied Properties Real Estate Investment Trust	3.131	15-May-2028	275	292	
415	AltaGas Canada Inc.	3.130	07-Apr-2027	415	457	
3 265	Bank of Montreal	1.610	28-Oct-2021	3 200	3 299	
1 765	Bank of Montreal	2.270	11-Jul-2022	1 795	1 815	
740	Bank of Montreal	2.890	20-Jun-2023	775	783	
85	Bank of Montreal	3.190	01-Mar-2028	92	97	
2 570	Bank of Nova Scotia	2.380	01-May-2023	2 611	2 673	
60	BC Tel	9.650	08-Apr-2022	81	67	
1 580	Bell Canada	3.350	12-Mar-2025	1 556	1 726	
405	Bell Canada	1.650	16-Aug-2027	405	410	
230	Bell Canada	3.600	29-Sep-2027	247	260	
140	Bell Canada	3.800	21-Aug-2028	152	161	
350	Bell Canada	3.500	30-Sep-2050	365	369	
210	Bow Centre Street LP	3.690	14-Jun-2021	210	211	
66	Bow Centre Street LP	3.693	14-Jun-2022	66	66	
330	Bow Centre Street LP	3.797	13-Jun-2023	325	331	
475	Bridging North America GP	4.023	31-May-2038	493	529	
100	Bridging North America GP	4.341	31-Aug-2053	113	117	
355	Brookfield Asset Management Inc.	5.040	08-Mar-2024	379	396	
475	Brookfield Infrastructure Finance ULC	4.193	11-Sep-2028	478	551	
350	Brookfield Infrastructure Finance ULC	3.410	09-Oct-2029	330	385	
1 505	Brookfield Property Finance ULC	4.300	01-Mar-2024	1 505	1 576	
725	Brookfield Property Finance ULC	3.926	24-Aug-2025	725	753	
125	Brookfield Property Finance ULC	3.930	15-Jan-2027	124	130	
655	Brookfield Renewable Energy Partners ULC	3.752	02-Jun-2025	691	724	
260	Brookfield Renewable Partners ULC	4.250	15-Jan-2029	273	309	
395	Brookfield Renewable Partners ULC	3.330	13-Aug-2050	395	409	

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



December 31, 2020

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>CORPORATE (cont.)</b>						
1 230	Bruce Power LP	3.969	23-Jun-2026	\$ 1 289	\$ 1 389	
1 020	Bruce Power LP	4.010	21-Jun-2029	1 031	1 185	
525	Bruce Power LP	4.000	21-Jun-2030	525	609	
680	Bruce Power LP	4.132	21-Jun-2033	782	801	
490	Bruce Power LP	4.746	21-Jun-2049	490	636	
99	Calgary Glycol Facilities Corp.	3.257	29-Oct-2058	99	101	
955	Cameco Corp.	4.190	24-Jun-2024	961	1 027	
1 500	Cameco Corp.	2.950	21-Oct-2027	1 499	1 545	
2 120	Canadian Imperial Bank of Commerce	2.040	21-Mar-2022	2 148	2 163	
585	Canadian Imperial Bank of Commerce	2.470	05-Dec-2022	603	607	
560	Canadian Imperial Bank of Commerce	2.430	09-Jun-2023	547	584	
500	CBHP LP	3.000	27-May-2053	500	514	
600	Choice Properties Real Estate Investment Trust	3.196	07-Mar-2023	598	629	
485	Choice Properties Real Estate Investment Trust	4.903	05-Jul-2023	520	528	
725	Choice Properties Real Estate Investment Trust	4.293	08-Feb-2024	782	793	
820	CI Financial Corp.	3.759	26-May-2025	820	878	
341	Clover LP	4.216	30-Jun-2034	351	380	
149	Cominar Real Estate Investment Trust	4.250	08-Dec-2021	149	151	
1 500	CT Real Estate Investment Trust	2.159	01-Jun-2021	1 490	1 508	
125	CU Inc.	9.920	01-Apr-2022	193	139	
1 670	CU Inc.	6.215	06-Mar-2024	2 058	1 945	
205	CU Inc.	4.722	09-Sep-2043	270	281	
215	CU Inc.	3.950	23-Nov-2048	215	274	
235	CU Inc.	2.963	07-Sep-2049	235	255	
400	CU Inc.	4.094	19-Oct-2054	407	534	
400	CU Inc.	4.211	29-Oct-2055	543	546	
83	Dufferin Wind Power Inc.	4.317	30-Nov-2033	83	92	
570	Ellisdon Infrastructure RIH General Partnership	3.930	31-Oct-2038	652	649	
255	Enbridge Gas Inc.	4.770	17-Dec-2021	283	266	
755	Enbridge Gas Inc.	7.600	29-Oct-2026	1 012	1 020	
1 125	Enbridge Gas Inc.	6.650	03-Nov-2027	1 425	1 484	
295	Enbridge Gas Inc.	6.100	19-May-2028	378	382	
340	Enbridge Gas Inc.	5.210	25-Feb-2036	423	458	
90	Enbridge Gas Inc.	3.650	01-Apr-2050	90	110	
795	Enbridge Inc.	3.950	19-Nov-2024	830	877	
551	Enbridge Pipelines Inc.	3.000	10-Aug-2026	548	601	
265	Enbridge Pipelines Inc.	4.550	29-Sep-2045	309	320	
750	Energir Inc.	2.100	16-Apr-2027	792	797	
95	ENMAX Corp.	2.922	18-Oct-2022	96	99	
1 550	ENMAX Corp.	3.331	02-Jun-2025	1 683	1 679	
185	ENMAX Corp.	3.836	05-Jun-2028	189	210	
120	ENMAX Corp.	3.876	18-Oct-2029	120	137	
155	Enwave Energy Corp.	3.943	07-Dec-2037	155	182	
85	EPCOR Utilities Inc.	3.554	27-Nov-2047	101	102	
525	Fair Hydro Trust	3.520	15-May-2038	536	629	
80	Fengate PCL Progress Partners Mbr LP	2.501	31-Jul-2038	80	82	
55	Fengate PCL Progress Partners Mbr LP	3.045	31-Jan-2054	55	55	
2 140	First Capital Real Estate Investment Trust	3.950	05-Dec-2022	2 171	2 241	
380	First Capital Real Estate Investment Trust	4.790	30-Aug-2024	417	419	
375	First Capital Real Estate Investment Trust	3.447	01-Mar-2028	375	396	
330	Fortis Inc.	2.850	12-Dec-2023	322	349	
485	Fortis Inc.	6.510	04-Jul-2039	728	735	
100	FortisAlberta Inc.	3.672	09-Sep-2047	112	122	
160	FortisAlberta Inc.	4.800	27-Oct-2050	228	234	
415	Gaz Metro Inc.	5.450	12-Jul-2021	443	426	
115	Gaz Metro Inc.	7.050	30-Oct-2030	163	168	
1 255	Gaz Metro Inc.	6.300	31-Oct-2033	1 836	1 845	

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



December 31, 2020

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>CORPORATE (cont.)</b>						
265	Gibson Energy Inc.	2.850	14-Jul-2027	\$ 265	\$ 280	
117	Grand Renewable Solar LP	3.926	31-Jan-2035	117	130	
225	Great-West Lifeco Inc.	2.981	08-Jul-2050	224	232	
775	Greater Toronto Airports Authority	6.450	03-Dec-2027	1 031	1 027	
365	Greater Toronto Airports Authority	1.540	03-May-2028	372	373	
200	Greater Toronto Airports Authority	7.050	12-Jun-2030	278	288	
420	Greater Toronto Airports Authority	7.100	04-Jun-2031	608	618	
980	Greater Toronto Airports Authority	3.260	01-Jun-2037	1 049	1 098	
625	Greater Toronto Airports Authority	2.750	17-Oct-2039	622	657	
590	Greater Toronto Airports Authority	5.630	07-Jun-2040	809	874	
220	Greater Toronto Airports Authority	5.300	25-Feb-2041	308	317	
515	H&R Real Estate Investment Trust	4.071	16-Jun-2025	515	552	
614	H2O Power LP	3.310	30-Nov-2029	614	660	
134	Hospital Infrastructure Partners NOH Partnership	5.439	31-Jan-2045	153	178	
1 605	Hydro One Inc.	1.840	24-Feb-2021	1 566	1 608	
1 205	Hydro One Inc.	2.540	05-Apr-2024	1 277	1 278	
2 565	Hydro One Inc.	2.970	26-Jun-2025	2 619	2 804	
1 030	Hydro One Inc.	3.020	05-Apr-2029	1 158	1 166	
1 350	Hydro One Inc.	2.160	28-Feb-2030	1 402	1 435	
655	Hydro One Inc.	7.350	03-Jun-2030	954	968	
280	Hydro One Inc.	1.690	16-Jan-2031	281	284	
120	Hydro One Inc.	6.930	01-Jun-2032	177	181	
250	Hydro One Inc.	6.350	31-Jan-2034	325	367	
470	Hydro One Inc.	4.590	09-Oct-2043	581	635	
1 770	Hydro One Inc.	4.170	06-Jun-2044	2 211	2 279	
75	Hydro One Inc.	3.910	23-Feb-2046	80	94	
290	Hydro One Inc.	3.630	25-Jun-2049	350	355	
90	Hydro One Inc.	2.710	28-Feb-2050	90	94	
1 055	Hydro One Ltd.	1.410	15-Oct-2027	1 058	1 070	
790	Hydro Ottawa Holdings Inc.	2.614	03-Feb-2025	800	843	
1 400	Inter Pipeline Ltd.	4.232	01-Jun-2027	1 426	1 557	
215	Inter Pipeline Ltd.	4.637	30-May-2044	182	231	
1 220	Ivanhoe Cambridge II Inc.	2.296	12-Dec-2024	1 222	1 287	
880	Keyera Corp.	3.959	29-May-2030	896	978	
219	Kingston Solar LP	3.571	31-Jul-2035	219	241	
930	Loblaw Companies Ltd.	6.500	22-Jan-2029	1 215	1 242	
390	Lower Mattagami Energy LP	4.331	18-May-2021	427	396	
400	Lower Mattagami Energy LP	3.416	20-Jun-2024	425	438	
275	Manulife Financial Corporation	3.049	20-Aug-2029	278	295	
145	Maple Leaf Sports & Entertainment Ltd.	4.940	30-Jun-2023	145	153	
190	McMaster University	6.150	07-Oct-2052	302	336	
269	Melancthon Wolfe Wind LP	3.834	31-Dec-2028	275	290	
760	Mobilinx Hurontario GP	3.276	31-May-2039	818	810	
435	Mobilinx Hurontario GP	3.642	31-May-2054	473	476	
120	Mosaic Transit Partners GP	4.111	28-Feb-2038	120	137	
75	Mosaic Transit Partners GP	4.470	28-Feb-2053	75	92	
150	Mountain View Partners GP	3.974	31-Mar-2051	150	169	
458	MPT Finco Inc.	3.457	30-Nov-2029	459	488	
340	North Battleford Power LP	4.958	31-Dec-2032	358	407	
1 000	North West Redwater Partnership	3.200	22-Jul-2024	1 037	1 072	
795	North West Redwater Partnership	4.350	10-Jan-2039	829	935	
69	Northland Power Solar Finance One LP	4.397	30-Jun-2032	69	79	
280	Northwestern Hydro Acquisition Co. II LP	3.877	31-Dec-2036	280	320	
280	Northwestern Hydro Acquisition Co. III LP	3.940	31-Dec-2038	280	328	
794	Nouvelle Autoroute 30 Financement Inc.	3.742	31-Dec-2032	857	877	
660	Nouvelle Autoroute 30 Financement Inc.	3.750	31-Mar-2033	711	734	
260	Nova Gas Transmission Ltd.	8.900	27-May-2025	348	335	

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



December 31, 2020

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>CORPORATE (cont.)</b>						
105	Nova Scotia Power Inc.	5.670	14-Nov-2035	\$ 130	\$ 145	
155	Nova Scotia Power Inc.	3.307	25-Apr-2050	155	174	
1 445	OMERS Realty Corp.	2.858	23-Feb-2024	1 483	1 540	
380	Ontario Power Generation Inc.	1.170	22-Apr-2026	380	384	
715	Ontario Power Generation Inc.	3.315	04-Oct-2027	751	812	
3 565	Ontario Power Generation Inc.	3.215	08-Apr-2030	4 013	4 040	
300	Ontario Power Generation Inc.	3.838	22-Jun-2048	347	364	
940	Ontario Power Generation Inc.	4.248	18-Jan-2049	1 026	1 215	
620	Ontario Power Generation Inc.	3.651	13-Sep-2050	642	735	
88	Ottawa MacDonald-Cartier International Airport Authority	6.973	25-May-2032	119	113	
530	Pembina Pipeline Corp.	3.540	03-Feb-2025	558	576	
155	PSS Generating Station LP	4.795	24-Oct-2067	155	204	
915	Reliance LP	2.680	01-Dec-2027	922	962	
195	Ridley Grain Ltd.	5.227	01-Aug-2024	195	212	
1 140	RioCan Real Estate Investment Trust	3.746	30-May-2022	1 178	1 185	
205	RioCan Real Estate Investment Trust	3.725	18-Apr-2023	210	217	
175	RioCan Real Estate Investment Trust	1.974	15-Jun-2026	175	176	
475	RioCan Real Estate Investment Trust	2.361	10-Mar-2027	453	484	
385	Rogers Communications Inc.	5.340	22-Mar-2021	411	389	
1 375	Royal Bank of Canada*	1.583	13-Sep-2021	1 360	1 387	
167	SEC LP and Arci Ltd.	5.188	29-Aug-2033	167	181	
475	Sinai Health System	3.209	08-Apr-2060	475	543	
275	SmartCentres Real Estate Investment Trust	3.192	11-Jun-2027	275	295	
1 620	SmartCentres Real Estate Investment Trust	3.834	21-Dec-2027	1 749	1 800	
720	SmartCentres Real Estate Investment Trust	2.307	18-Dec-2028	720	723	
150	SmartCentres Real Estate Investment Trust	3.526	20-Dec-2029	146	163	
330	SmartCentres Real Estate Investment Trust	3.648	11-Dec-2030	330	358	
380	TELUS Corp.	3.750	17-Jan-2025	381	419	
280	TELUS Corp.	3.300	02-May-2029	271	313	
845	Teranet Holdings LP	3.544	11-Jun-2025	845	910	
258	THP Partnership	4.394	31-Oct-2046	273	320	
395	Toronto Hydro Corp.	1.500	15-Oct-2030	394	397	
2 210	Toronto-Dominion Bank	2.045	08-Mar-2021	2 175	2 217	
230	Toronto-Dominion Bank	2.850	08-Mar-2024	236	245	
655	Toyota Credit Canada Inc.	2.020	28-Feb-2022	656	667	
1 045	Toyota Credit Canada Inc.	2.310	23-Oct-2024	1 045	1 102	
629	TransAlta OCP LP	4.509	05-Aug-2030	629	706	
1 305	TransCanada PipeLines Ltd.	3.800	05-Apr-2027	1 366	1 471	
1 010	TransCanada PipeLines Ltd.	4.350	06-Jun-2046	1 041	1 152	
840	TransCanada PipeLines Ltd.	4.330	16-Sep-2047	823	959	
545	TransCanada PipeLines Ltd.	4.340	15-Oct-2049	586	626	
410	TransEd Partners GP	3.951	30-Sep-2050	379	459	
5 200	Union Gas Ltd.	4.850	25-Apr-2022	5 618	5 499	
1 880	Union Gas Ltd.	8.650	10-Nov-2025	2 530	2 516	
290	Union Gas Ltd.	2.810	01-Jun-2026	297	317	
465	Union Gas Ltd.	2.880	22-Nov-2027	490	517	
380	Union Gas Ltd.	4.200	02-Jun-2044	398	489	
70	Union Gas Ltd.	3.800	01-Jun-2046	83	86	
55	Vancouver Airport Authority	3.857	10-Nov-2045	61	68	
90	Vancouver Airport Authority	3.656	23-Nov-2048	90	110	
635	Vancouver Airport Authority	2.874	18-Oct-2049	646	681	
160	Vancouver Airport Authority	2.800	21-Sep-2050	160	170	
290	Vancouver Airport Fuel Facilities Corp.	2.168	23-Jun-2025	290	291	
105	Vancouver Airport Fuel Facilities Corp.	3.653	20-Mar-2051	105	113	
940	Westcoast Energy Inc.	3.120	05-Dec-2022	987	985	
1 005	Westcoast Energy Inc.	3.430	12-Sep-2024	1 095	1 093	
995	Westcoast Energy Inc.	3.770	08-Dec-2025	1 114	1 117	

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





December 31, 2020

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>CORPORATE (cont.)</b>						
1 460	Westcoast Energy Inc.	7.300	18-Dec-2026	\$ 1 884	\$ 1 905	
678	Westcoast Energy Inc.	6.750	15-Dec-2027	868	875	
295	Westcoast Energy Inc.	4.791	28-Oct-2041	331	361	
164	Winnipeg Airport Authority Inc.	6.102	20-Nov-2040	169	216	
				153 707	159 985	<b>35.9</b>
<b>FEDERAL</b>						
3 771	Canada Housing Trust No. 1	2.400	15-Dec-2022	3 820	3 928	
6 303	Canada Housing Trust No. 1	2.350	15-Jun-2023	6 305	6 615	
7 499	Canada Housing Trust No. 1	0.950	15-Jun-2025	7 593	7 630	
45	CBC Monetization Trust	4.688	15-May-2027	46	51	
500	Government of Canada	3.250	01-Jun-2021	514	506	
110	Government of Canada	0.750	01-Sep-2021	112	110	
860	Government of Canada	1.000	01-Sep-2022	873	873	
501	Government of Canada	0.250	01-Nov-2022	500	502	
755	Government of Canada	1.500	01-Jun-2023	781	779	
645	Government of Canada	1.500	01-Sep-2024	674	673	
1 665	Government of Canada	1.250	01-Mar-2025	1 727	1 728	
1 027	Government of Canada	2.250	01-Jun-2025	1 118	1 113	
27 904	Government of Canada	0.500	01-Sep-2025	28 017	28 046	
1 392	Government of Canada	1.500	01-Jun-2026	1 473	1 473	
2 170	Government of Canada	1.000	01-Jun-2027	2 243	2 244	
15	Government of Canada	2.250	01-Jun-2029	17	17	
2 475	Government of Canada	1.250	01-Jun-2030	2 591	2 605	
585	Government of Canada	4.000	01-Dec-2031	855	898	
745	Government of Canada	5.750	01-Jun-2033	1 176	1 178	
1 886	Government of Canada	1.250	01-Dec-2047	2 341	2 703	
2 522	Government of Canada	0.500	01-Dec-2050	2 625	3 159	
1 643	Government of Canada	2.000	01-Dec-2051	1 954	1 976	
				67 355	68 807	<b>15.4</b>
<b>PROVINCIAL/MUNICIPAL</b>						
95	City of Ottawa	4.600	14-Jul-2042	133	134	
511	City of Ottawa	2.500	11-May-2051	508	536	
595	City of Toronto	3.500	02-Jun-2036	597	719	
291	City of Toronto	5.200	01-Jun-2040	417	434	
130	City of Toronto	4.150	10-Mar-2044	161	174	
17	City of Toronto	3.200	01-Aug-2048	21	20	
840	City of Toronto	2.800	22-Nov-2049	903	931	
70	Concordia University	3.626	10-Feb-2039	70	83	
70	Concordia University	3.678	10-Feb-2059	70	85	
390	First Nations Finance Authority	3.050	01-Jun-2028	409	443	
464	First Nations Finance Authority	1.710	16-Jun-2030	464	476	
140	Hamilton Health Sciences Corp.	3.683	17-Jan-2059	140	180	
260	Hospital for Sick Children	5.217	16-Dec-2049	267	409	
320	Hospital for Sick Children	3.416	07-Dec-2057	320	391	
602	Ontario Electricity Financial Corp.	8.500	26-May-2025	923	802	
145	Ontario Electricity Financial Corp.	9.000	26-May-2025	223	196	
1 019	Ontario Electricity Financial Corp.	8.250	22-Jun-2026	1 509	1 415	
136	Ontario School Boards Financing Corp.	5.900	11-Oct-2027	154	160	
806	Ontario School Boards Financing Corp.	5.483	26-Nov-2029	933	968	
324	Ontario School Boards Financing Corp.	5.070	18-Apr-2031	371	389	
304	Ontario School Boards Financing Corp.	5.376	25-Jun-2032	355	373	
4 704	Province of Alberta	2.200	01-Jun-2026	4 709	5 045	
5 261	Province of Alberta	2.050	01-Jun-2030	5 325	5 564	
692	Province of Alberta	3.450	01-Dec-2043	759	846	
1 356	Province of Alberta	3.300	01-Dec-2046	1 409	1 634	
6 131	Province of Alberta	3.100	01-Jun-2050	6 505	7 263	

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



December 31, 2020

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>PROVINCIAL/MUNICIPAL (cont.)</b>						
139	Province of Manitoba	4.050	05-Sep-2045	\$ 152	\$ 188	
3 702	Province of Manitoba	2.850	05-Sep-2046	3 643	4 175	
399	Province of New Brunswick	3.650	03-Jun-2024	430	441	
964	Province of New Brunswick	4.800	26-Sep-2039	1 236	1 374	
192	Province of New Brunswick	4.800	03-Jun-2041	234	277	
312	Province of New Brunswick	3.550	03-Jun-2043	305	388	
737	Province of New Brunswick	3.800	14-Aug-2045	789	958	
3 484	Province of New Brunswick	3.050	14-Aug-2050	3 723	4 120	
657	Province of Newfoundland and Labrador	3.300	17-Oct-2046	627	765	
2 057	Province of Newfoundland and Labrador	2.650	17-Oct-2050	1 856	2 157	
1 700	Province of Ontario	1.950	27-Jan-2023	1 685	1 757	
142	Province of Ontario	7.500	07-Feb-2024	198	172	
4 186	Province of Ontario	2.600	02-Jun-2025	4 433	4 537	
1 548	Province of Ontario	8.500	02-Dec-2025	2 270	2 121	
2 981	Province of Ontario	2.400	02-Jun-2026	3 023	3 232	
3 113	Province of Ontario	1.850	01-Feb-2027	3 279	3 296	
3 834	Province of Ontario	2.900	02-Jun-2028	4 255	4 342	
4 116	Province of Ontario	2.700	02-Jun-2029	4 409	4 618	
9 644	Province of Ontario	2.050	02-Jun-2030	10 239	10 292	
902	Province of Ontario	1.350	02-Dec-2030	896	903	
5 757	Province of Ontario	5.600	02-Jun-2035	7 883	8 646	
1 289	Province of Ontario	4.700	02-Jun-2037	1 587	1 824	
12 524	Province of Ontario	4.600	02-Jun-2039	17 021	17 862	
4 423	Province of Ontario	3.500	02-Jun-2043	4 683	5 635	
1 065	Province of Ontario	3.450	02-Jun-2045	1 310	1 357	
3 450	Province of Ontario	2.900	02-Jun-2049	3 549	4 102	
4 060	Province of Ontario	2.650	02-Dec-2050	4 547	4 640	
874	Province of Quebec	9.375	16-Jan-2023	1 331	1 034	
759	Province of Quebec	3.750	01-Sep-2024	824	848	
336	Province of Quebec	2.750	01-Sep-2025	336	368	
565	Province of Quebec	8.500	01-Apr-2026	867	787	
480	Province of Quebec	2.750	01-Sep-2027	503	537	
3 546	Province of Quebec	2.750	01-Sep-2028	3 596	3 999	
1 647	Province of Quebec	2.300	01-Sep-2029	1 803	1 804	
1 288	Province of Quebec	1.900	01-Sep-2030	1 368	1 362	
4 259	Province of Quebec	6.250	01-Jun-2032	6 369	6 398	
835	Province of Quebec	5.000	01-Dec-2041	1 109	1 278	
1 405	Province of Quebec	3.500	01-Dec-2045	1 819	1 815	
2 126	Province of Quebec	3.500	01-Dec-2048	2 670	2 802	
7 187	Province of Quebec	3.100	01-Dec-2051	8 622	9 034	
677	Province of Saskatchewan	2.550	02-Jun-2026	677	738	
54	Province of Saskatchewan	6.400	05-Sep-2031	80	80	
476	Province of Saskatchewan	3.900	02-Jun-2045	578	632	
747	Province of Saskatchewan	2.750	02-Dec-2046	711	832	
3 347	Province of Saskatchewan	3.100	02-Jun-2050	3 728	4 027	
320	Queen's University	2.889	27-Apr-2060	332	343	
558	The 55 Ontario School Board Trust	5.900	02-Jun-2033	812	808	
160	Trillium Health Partners Volunteers	3.702	20-Dec-2058	160	205	
690	University of British Columbia	6.650	01-Dec-2031	957	1 007	
360	University of Guelph	6.240	10-Oct-2042	566	580	
575	University of Ottawa	2.635	13-Feb-2060	578	576	
85	University of Toronto	4.251	07-Dec-2051	118	116	
360	York University	6.480	07-Mar-2042	597	588	
170	York University	3.394	01-Apr-2060	170	201	
				157 198	166 648	37.4
<b>TOTAL CANADIAN BONDS</b>				378 260	395 440	88.7

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



December 31, 2020

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>UNITED KINGDOM BONDS</b>						
380	Heathrow Funding Ltd. CAD	3.250	21-May-2025	\$ 387	\$ 404	
320	Heathrow Funding Ltd. CAD	3.400	08-Mar-2028	334	340	
300	Heathrow Funding Ltd. CAD	3.782	04-Sep-2030	307	324	
605	Heathrow Funding Ltd. CAD	3.661	13-Jan-2031	605	643	
<b>TOTAL UNITED KINGDOM BONDS</b>				1 633	1 711	<b>0.4</b>
<b>UNITED STATES BONDS</b>						
455	AT&T Inc. CAD	5.100	25-Nov-2048	449	556	
1 655	Bank of America Corp. CAD	3.515	24-Mar-2026	1 655	1 816	
330	John Deere Financial Inc. CAD	2.990	14-Jan-2022	330	339	
270	John Deere Financial Inc. CAD	2.400	17-Sep-2024	270	286	
2 100	Metropolitan Life Global Funding I CAD	3.107	16-Apr-2021	2 132	2 116	
2 395	The Walt Disney Co. CAD	3.057	30-Mar-2027	2 436	2 621	
330	United Parcel Service Inc. CAD	2.125	21-May-2024	328	345	
<b>TOTAL UNITED STATES BONDS</b>				7 600	8 079	<b>1.8</b>
<b>TOTAL BONDS</b>				387 493	405 230	<b>90.9</b>
<b>MORTGAGES<sup>†</sup></b>						
164	Mortgage, 3.160% Sep 05, 2024			164	175	
<b>TOTAL MORTGAGES</b>				164	175	<b>—</b>
Par Value (000s)	Security	Yield %	Maturity	Cost	Fair Value	% of Net Assets
<b>SHORT-TERM INVESTMENTS</b>						
1 200	Banner Trust	0.256	28-Jan-2021	\$ 1 200	\$ 1 200	
6 175	Canadian Imperial Bank of Commerce	0.231	14-Jan-2021	6 174	6 174	
450	Clarity Trust	0.274	05-Jan-2021	450	450	
14 750	Clarity Trust	0.276	06-Jan-2021	14 746	14 746	
350	Fusion Trust	0.292	04-Jan-2021	350	350	
1 550	Fusion Trust	0.275	05-Jan-2021	1 550	1 550	
2 275	National Bank of Canada	0.214	22-Jan-2021	2 275	2 275	
300	Province of Alberta	0.168	15-Jan-2021	300	300	
5 000	Ridge Trust	0.411	19-Mar-2021	4 990	4 990	
5 067	United States Treasury Bills	0.064	04-Mar-2021	6 487	6 449	
325	Zeus Receivables Trust - Senior Notes	0.261	22-Jan-2021	325	325	
<b>TOTAL SHORT-TERM INVESTMENTS</b>				38 847	38 809	<b>8.7</b>
<b>TOTAL INVESTMENTS</b>				\$ 426 504	444 214	<b>99.6</b>
<b>OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>					1 845	<b>0.4</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>					\$ 446 059	<b>100.0</b>

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

† The Fund holds 1 mortgage with a fair value of \$175. This mortgage is Canada Mortgage and Housing Corporation ("CMHC") guaranteed. The mortgage is not pre-payable.



### Statements of Financial Position

(in \$000s except per unit amounts)

(see note 2 in the generic notes)	December 31 2020	December 31 2019
<b>ASSETS</b>		
Investments at fair value	\$ 444 214	\$ 319 479
Cash	309	297
Due from investment dealers	382	–
Subscriptions receivable	1 369	86
Dividends receivable, interest accrued and other assets	1 807	1 383
<b>TOTAL ASSETS</b>	<b>448 081</b>	<b>321 245</b>
<b>LIABILITIES</b>		
Due to investment dealers	1 793	–
Redemptions payable	132	29
Distributions payable	–	2
Accounts payable and accrued expenses	97	54
<b>TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>	<b>2 022</b>	<b>85</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")</b>	<b>\$ 446 059</b>	<b>\$ 321 160</b>
Investments at cost	\$ 426 504	\$ 315 908
<b>NAV</b>		
<b>SERIES A</b>	<b>\$ 65 760</b>	<b>\$ 22 418</b>
<b>ADVISOR SERIES</b>	<b>\$ –</b>	<b>\$ 7 446</b>
<b>SERIES D</b>	<b>\$ 22 850</b>	<b>\$ 18 415</b>
<b>SERIES F</b>	<b>\$ 62 559</b>	<b>\$ 30 022</b>
<b>SERIES O</b>	<b>\$ 294 890</b>	<b>\$ 242 859</b>
<b>NAV PER UNIT</b>		
<b>SERIES A</b>	<b>\$ 11.78</b>	<b>\$ 11.08</b>
<b>ADVISOR SERIES</b>	<b>\$ –</b>	<b>\$ 11.08</b>
<b>SERIES D</b>	<b>\$ 11.69</b>	<b>\$ 11.00</b>
<b>SERIES F</b>	<b>\$ 11.75</b>	<b>\$ 11.05</b>
<b>SERIES O</b>	<b>\$ 11.55</b>	<b>\$ 10.87</b>

### Statements of Comprehensive Income

(in \$000s except per unit amounts)

For the periods ended December 31 (see note 2 in the generic notes)	2020	2019
<b>INCOME (see note 3 in the generic notes)</b>		
Interest for distribution purposes	\$ 10 280	\$ 7 814
Derivative income	16	(7)
Net realized gain (loss) on investments	11 212	2 871
Change in unrealized gain (loss) on investments	14 139	5 687
<b>TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES</b>	<b>35 647</b>	<b>16 365</b>
Other income (loss)	–	3
Securities lending revenue (see note 7 in the generic notes)	19	23
Net gain (loss) on foreign cash balances	10	(2)
<b>TOTAL OTHER INCOME (LOSS)</b>	<b>29</b>	<b>24</b>
<b>TOTAL INCOME (LOSS)</b>	<b>35 676</b>	<b>16 389</b>
<b>EXPENSES (see notes – Fund Specific Information)</b>		
Management fees	709	397
Administration fees	109	74
Independent Review Committee costs	2	2
GST/HST	85	47
<b>TOTAL EXPENSES</b>	<b>905</b>	<b>520</b>
<b>INCREASE (DECREASE) IN NAV</b>	<b>\$ 34 771</b>	<b>\$ 15 869</b>
<b>INCREASE (DECREASE) IN NAV</b>		
<b>SERIES A</b>	<b>\$ 2 638</b>	<b>\$ 704</b>
<b>ADVISOR SERIES</b>	<b>\$ 822</b>	<b>\$ 347</b>
<b>SERIES D</b>	<b>\$ 1 891</b>	<b>\$ 1 044</b>
<b>SERIES F</b>	<b>\$ 3 491</b>	<b>\$ 1 344</b>
<b>SERIES O</b>	<b>\$ 25 929</b>	<b>\$ 12 430</b>
<b>INCREASE (DECREASE) IN NAV PER UNIT</b>		
<b>SERIES A</b>	<b>\$ 0.73</b>	<b>\$ 0.47</b>
<b>ADVISOR SERIES</b>	<b>\$ 1.11</b>	<b>\$ 0.57</b>
<b>SERIES D</b>	<b>\$ 1.02</b>	<b>\$ 0.65</b>
<b>SERIES F</b>	<b>\$ 0.95</b>	<b>\$ 0.61</b>
<b>SERIES O</b>	<b>\$ 1.12</b>	<b>\$ 0.69</b>



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

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

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in NAV	\$ 34 771	\$ 15 869
<b>ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS</b>		
Interest for distribution purposes	(34)	(34)
Non-cash dividends	–	–
Non-cash distributions from underlying funds	–	–
Net realized loss (gain) on investments	(11 212)	(2 871)
Change in unrealized loss (gain) on investments	(14 139)	(5 687)
(Increase) decrease in accrued receivables	(424)	(208)
Increase (decrease) in accrued payables	43	20
(Increase) decrease in margin accounts	–	–
Cost of investments purchased*	(1 084 754)	(603 711)
Proceeds from sale and maturity of investments*	986 815	528 602
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>(88 934)</b>	<b>(68 020)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of redeemable units*	191 079	145 290
Cash paid on redemption of redeemable units*	(98 267)	(75 039)
Distributions paid to holders of redeemable units	(3 866)	(2 201)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>\$ 88 946</b>	<b>\$ 68 050</b>
Net increase (decrease) in cash for the period	12	30
Cash (bank overdraft), beginning of period	297	267
<b>CASH (BANK OVERDRAFT), END OF PERIOD</b>	<b>\$ 309</b>	<b>\$ 297</b>
Interest received (paid) <sup>†</sup>	\$ 9 822	\$ 7 572
Income from investment trusts received (paid) <sup>†‡</sup>	\$ –	\$ –
Dividends received (paid) <sup>†‡</sup>	\$ –	\$ –

\* Excludes in-kind transactions.

† Classified as part of operating activities.

‡ Net of withholding taxes, if applicable.



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

For the periods ended December 31 (see note 2 in the generic notes)	Series A		Advisor Series		Series D		Series F	
	2020	2019	2020	2019	2020	2019	2020	2019
<b>NAV AT BEGINNING OF PERIOD</b>	\$ 22 418	\$ 10 588	\$ 7 446	\$ 5 837	\$ 18 415	\$ 18 034	\$ 30 022	\$ 18 504
<b>INCREASE (DECREASE) IN NAV</b>	<b>2 638</b>	<b>704</b>	<b>822</b>	<b>347</b>	<b>1 891</b>	<b>1 044</b>	<b>3 491</b>	<b>1 344</b>
Early redemption fees	4	–	–	–	2	1	–	–
Proceeds from redeemable units issued	55 311	14 168	2 383	2 196	7 927	3 649	43 560	15 680
Reinvestments of distributions to holders of redeemable units	1 452	316	82	122	655	344	1 082	403
Redemption of redeemable units	(14 585)	(3 038)	(10 649)	(928)	(5 320)	(4 252)	(13 953)	(5 309)
<b>NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS</b>	<b>42 182</b>	<b>11 446</b>	<b>(8 184)</b>	<b>1 390</b>	<b>3 264</b>	<b>(258)</b>	<b>30 689</b>	<b>10 774</b>
Distributions from net income	(720)	(320)	(84)	(128)	(450)	(405)	(959)	(600)
Distributions from net gains	(758)	–	–	–	(270)	–	(684)	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS</b>	<b>(1 478)</b>	<b>(320)</b>	<b>(84)</b>	<b>(128)</b>	<b>(720)</b>	<b>(405)</b>	<b>(1 643)</b>	<b>(600)</b>
<b>NET INCREASE (DECREASE) IN NAV</b>	<b>43 342</b>	<b>11 830</b>	<b>(7 446)</b>	<b>1 609</b>	<b>4 435</b>	<b>381</b>	<b>32 537</b>	<b>11 518</b>
<b>NAV AT END OF PERIOD</b>	<b>\$ 65 760</b>	<b>\$ 22 418</b>	<b>\$ –</b>	<b>\$ 7 446</b>	<b>\$ 22 850</b>	<b>\$ 18 415</b>	<b>\$ 62 559</b>	<b>\$ 30 022</b>

For the periods ended December 31 (see note 2 in the generic notes)	Series O		Total	
	2020	2019	2020	2019
<b>NAV AT BEGINNING OF PERIOD</b>	\$ 242 859	\$ 184 210	\$ 321 160	\$ 237 173
<b>INCREASE (DECREASE) IN NAV</b>	<b>25 929</b>	<b>12 430</b>	<b>34 771</b>	<b>15 869</b>
Early redemption fees	–	–	6	1
Proceeds from redeemable units issued	85 233	109 962	194 414	145 655
Reinvestments of distributions to holders of redeemable units	7 313	3 852	10 584	5 037
Redemption of redeemable units	(55 921)	(61 808)	(100 428)	(75 335)
<b>NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS</b>	<b>36 625</b>	<b>52 006</b>	<b>104 576</b>	<b>75 358</b>
Distributions from net income	(7 144)	(5 787)	(9 357)	(7 240)
Distributions from net gains	(3 379)	–	(5 091)	–
Distributions from capital	–	–	–	–
<b>TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS</b>	<b>(10 523)</b>	<b>(5 787)</b>	<b>(14 448)</b>	<b>(7 240)</b>
<b>NET INCREASE (DECREASE) IN NAV</b>	<b>52 031</b>	<b>58 649</b>	<b>124 899</b>	<b>83 987</b>
<b>NAV AT END OF PERIOD</b>	<b>\$ 294 890</b>	<b>\$ 242 859</b>	<b>\$ 446 059</b>	<b>\$ 321 160</b>



December 31, 2020

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

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

The investment objective of the Fund is to provide investors with relatively high yields and stability of capital by investing primarily in a well-diversified portfolio of fixed-income securities issued by Canadian governments and corporations. The Fund follows a socially responsible approach to investing.

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

**Credit risk (%)**

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

Rating	December 31 2020	December 31 2019
AAA	17.0	29.4
AA	40.3	39.8
A	24.5	21.6
BBB	18.2	8.7
BB	–	0.4
Unrated*	–	0.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

\* Mortgages, which represent 100% (December 31, 2019 – 100%) of the unrated above, are all Canada Mortgage and Housing Corporation ("CMHC") guaranteed mortgages, and therefore have the backing of an AAA rated issuer. As at December 31, 2020 and 2019, there were no mortgage payments in arrears for more than 90 days.

**Concentration risk (%)**

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

Investment mix	December 31 2020	December 31 2019
Provincial/Municipal Bonds	37.4	31.5
Corporate Bonds	35.9	34.0
Federal Bonds	15.4	27.4
Foreign Bonds	2.2	0.6
Mortgages	–	0.1
Cash/Other	9.1	6.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

**Interest rate risk (%)**

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

Term to maturity	December 31 2020	December 31 2019
Less than 1 year	3.7	4.0
1 – 5 years	31.6	38.9
5 – 10 years	26.2	23.2
> 10 years	38.5	33.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

As at December 31, 2020, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's NAV may have decreased or increased, respectively, by approximately 8.2% (December 31, 2019 – 7.7%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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

The following is a summary of the inputs used as of December 31, 2020 and 2019.

December 31, 2020	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Underlying funds</b>	–	–	–	–
<b>Fixed-income and debt securities</b>	–	405 230	175	405 405
<b>Short-term investments</b>	–	38 809	–	38 809
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	–	444 039	175	444 214
<b>% of total portfolio</b>	–	100.0	–	100.0

December 31, 2019	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Underlying funds</b>	–	–	–	–
<b>Fixed-income and debt securities</b>	–	300 219	170	300 389
<b>Short-term investments</b>	–	19 090	–	19 090
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	–	319 309	170	319 479
<b>% of total portfolio</b>	–	99.9	0.1	100.0

For the periods ended December 31, 2020 and 2019, there were no transfers of financial instruments between Level 1, Level 2 and Level 3.



December 31, 2020

During the periods ended December 31, 2020 and 2019, the reconciliation of financial instruments measured at fair value using unobservable inputs (Level 3) is presented as follows:

	December 31 2020	December 31 2019
Balance at beginning of period	170	168
Net purchases	–	–
Net sales	(3)	(3)
Net transfers in (out)	–	–
Realized gains (losses)	–	–
Change in unrealized gains (losses)	8	5
Balance at end of period	175	170
Change in unrealized gains (losses) for Level 3 assets held at end of period	7	5

The Level 3 assets are mortgages which are valued by a third-party vendor using industry-accepted methodologies which include unobservable inputs. Mortgages are valued by discounting future cash flows using a discount rate equal to the risk-free rate plus an appropriate risk spread premium. The spread premium is derived by the vendor from their risk rating program and a monthly spread matrix. This quantitative rules-based approach reviews seven risk factors to assess the market risk, credit risk and liquidity premiums to arrive at a total credit score for each mortgage. Among the inputs are the borrowers' financial statements, rent roll and operating statements, the most recent property inspection report and the terms of the mortgage itself.

As at December 31, 2020, a 10% increase or decrease in the weighted average spread premium of 1.05% (December 31, 2019 – 1.05%), an unobservable input, would have decreased or increased the Fund's NAV respectively by approximately 0.0% (December 31, 2019 – 0.0%).

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

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

	Management fees	Administration fees
Series A	0.90%	0.05%
Advisor Series	0.90%	0.05%
Series D	0.50%	0.05%
Series F	0.40%	0.05%
Series O	n/a*	0.02%

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

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

### 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 2020	December 31 2019
<b>Units held</b>		
Series A	61	59
Series D	71	69
Series F	64	62
Series O	69	66
<b>Value of all units</b>	<b>3</b>	<b>3</b>

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

The Fund had no capital or non-capital losses as at December 31, 2020.

### 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)

	2020	2019
<b>Series A</b>		
Opening units	2 024	993
Issued number of units	4 688	1 277
Reinvested number of units	124	28
Redeemed number of units	(1 251)	(274)
Ending number of units	5 585	2 024
<b>Advisor Series</b>		
Opening units	672	547
Issued number of units	207	198
Reinvested number of units	7	11
Redeemed number of units	(886)	(84)
Ending number of units	–	672
<b>Series D</b>		
Opening units	1 674	1 703
Issued number of units	683	330
Reinvested number of units	57	31
Redeemed number of units	(460)	(390)
Ending number of units	1 954	1 674
<b>Series F</b>		
Opening units	2 717	1 740
Issued number of units	3 712	1 421
Reinvested number of units	93	36
Redeemed number of units	(1 197)	(480)
Ending number of units	5 325	2 717
<b>Series O</b>		
Opening units	22 347	17 607
Issued number of units	7 418	10 063
Reinvested number of units	641	353
Redeemed number of units	(4 883)	(5 676)
Ending number of units	25 523	22 347





December 31, 2020

**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 2020	December 31 2019
Fair value of securities loaned	40 073	29 990
Fair value of collateral received	40 874	30 603

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 2020		December 31 2019	
	\$	%	\$	%
Gross revenue	25	100	31	100
RBC IS (paid)	(6)	(25)	(8)	(25)
Tax withheld	–	–	–	–
Fund revenue	19	75	23	75

**Investments by other related investment funds (%)**  
**(see note 8 in the generic notes)**

The table below summarizes, as a percentage, the NAV of the Fund owned by other related investment funds as at:

	December 31 2020	December 31 2019
RBC Vision Balanced Fund	12.8	13.5

December 31, 2020

## 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 11, 2021.

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 are available to all investors through authorized dealers with an initial sales charge or low-load sales charge option. 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, 2020 and December 31, 2019, as applicable, and for the 12-month periods ended December 31, 2020 and December 31, 2019, 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 classify their 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.

December 31, 2020

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.

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

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

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

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

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

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

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

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

December 31, 2020

*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 and vendor fair value factors; 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" in the Statements of Comprehensive Income.

*Total Return Swaps* – A total return swap is an agreement by which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains. Total return swap contracts are marked to market daily based upon quotations from the market makers and the change in value, if any, is recorded in "Change in unrealized gain (loss) on investments" in the Statements of Comprehensive Income. When the swap contract is terminated early, the Fund records a realized gain or loss equal to the difference between the current net present value and the executed net present value in "Derivative income" in the Statements of Comprehensive Income.

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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” 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” 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 Corporate 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 Emerging Markets Bond Fund (Canada), BlueBay Emerging Markets Local Currency Bond Fund (Canada), BlueBay Emerging Markets Corporate Bond Fund, BlueBay \$U.S. Global Convertible Bond Fund (Canada) and RBC U.S. Monthly Income Fund (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” 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	KZT – Kazakhstan tenge
BRL – Brazilian real	MXN – Mexican peso
CAD – Canadian dollar	MYR – Malaysian ringgit
CHF – Swiss franc	NOK – Norwegian krone
CLP – Chilean peso	NZD – New Zealand dollar
CNH/CNY – Chinese renminbi	PEN – Peruvian nuevo sol
COP – Colombian peso	PHP – Philippine peso
CZK – Czech koruna	PLN – Polish zloty
DKK – Danish krone	RON – Romanian leu
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	USD – United States dollar
JPY – Japanese yen	UYU – Uruguay peso
KRW – South Korean won	ZAR – South African rand

#### 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.

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 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.

**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 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 the costs related to the Independent Review Committee of the Funds, and the cost of any new government or regulatory requirements introduced and any borrowing costs (collectively, "other fund costs"), and taxes (including, but not



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limited to, GST/HST). Effective January 1, 2020, RBC GAM, not the Funds, will be responsible for the costs related to annual fees, meeting fees and reimbursement for expenses to members of the Independent Review Committee. The Funds will continue to be responsible for paying any Independent Review Committee costs that are not related to annual fees, meeting fees and reimbursement for expenses to members of the Independent Review Committee. Other fund costs will be 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 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)  
RBC U.S. Monthly Income Fund (for a portion of the 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  
Phillips, Hager & North U.S. Multi-Style All-Cap Equity Fund

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

RBC Bond Fund (for a portion of the Fund)  
RBC Global Bond Fund (for a portion of the Fund)  
RBC Global Corporate Bond Fund (for a portion of the Fund)  
RBC Global High Yield Bond Fund (for a portion of the Fund)  
RBC Emerging Markets Bond Fund (for a portion of the Fund)  
RBC U.S. Monthly Income Fund (for a portion of the Fund)  
RBC Balanced Fund (for a portion of the Fund)  
RBC Global Balanced Fund (for a portion of the Fund)  
RBC Vision Balanced Fund (for a portion of the underlying funds)  
RBC International Dividend Growth Fund (for a portion of the 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 Equity Fund  
RBC Emerging Markets Equity Focus 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 Global Equity Focus Fund  
RBC Global Equity Focus Currency Neutral Fund (for the underlying fund)  
RBC Vision Global Equity Fund  
RBC Vision Fossil Fuel Free Global Equity Fund  
Phillips, Hager & North Overseas Equity Fund  
Phillips, Hager & North Global Equity Fund

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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 underlying funds)  
 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)  
 BlueBay European 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 Global Convertible Bond Fund (Canada)  
 BlueBay \$U.S. Global Convertible Bond Fund (Canada)  
 BlueBay Global Alternative Bond Fund (Canada)

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

#### **Trustee**

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

#### **Distributors**

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

#### **Custodian**

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

#### **Registrars**

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

#### **Brokers and Dealers**

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

#### **Securities Lending Agent**

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

#### **Other Related-Party Transactions**

Pursuant to applicable securities legislation, the Funds relied on the standing instructions from the Independent Review Committee 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;

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- (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 Independent Review Committee 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.