

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

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

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



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



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

To the Unitholders and Trustee of

### RBC FUNDS

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

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

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

### RBC PRIVATE POOLS

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

### RBC ALTERNATIVE FUNDS

BlueBay Global Alternative Bond Fund (Canada)

### PH&N FUNDS

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

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

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

**Our opinion**

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

*What we have audited*

The financial statements of each Fund comprise:

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

**Basis for opinion**

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

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

*Independence*

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

**Other information**

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

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

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

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

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

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

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

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

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

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

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

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

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

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario

March 10, 2022



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

December 31, 2021

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>BONDS</b>						
<b>CANADIAN BONDS</b>						
<b>CORPORATE</b>						
171	407 East Development Group General Partnership	4.473	23-Jun-2045	\$ 197	\$ 195	
2 320	407 International Inc.	2.470	08-Sep-2022	2 382	2 338	
315	407 International Inc.	6.470	27-Jul-2029	435	403	
1 550	407 International Inc.	2.590	25-May-2032	1 660	1 567	
500	407 International Inc.	3.650	08-Sep-2044	596	550	
255	407 International Inc.	3.720	11-May-2048	296	286	
790	407 International Inc.	2.840	07-Mar-2050	799	761	
145	Access Justice Durham Ltd.	5.015	31-Aug-2039	167	174	
113	Access Prairies Partnership	4.232	01-Mar-2048	113	122	
263	Aéroports de Montréal	6.950	16-Apr-2032	358	328	
257	Aéroports de Montréal	6.611	11-Apr-2033	329	323	
455	Aéroports de Montréal	6.550	11-Oct-2033	642	629	
320	Aéroports de Montréal	5.670	16-Oct-2037	444	432	
270	Aéroports de Montréal	3.919	26-Sep-2042	316	308	
90	Aéroports de Montréal	3.918	12-Jun-2045	102	104	
365	Aéroports de Montréal	3.360	24-Apr-2047	375	387	
410	Aéroports de Montréal	3.441	26-Apr-2051	410	444	
512	Alberta Powerline LP	3.340	01-Jun-2032	512	535	
532	Alberta Powerline LP	3.351	01-Sep-2032	532	557	
987	Alberta Powerline LP	4.065	01-Dec-2053	1 169	1 127	
892	Alberta Powerline LP	4.065	01-Mar-2054	1 042	1 018	
873	Alectra Inc.	3.033	25-Jul-2022	874	885	
1 647	Alectra Inc.	3.239	21-Nov-2024	1 752	1 719	
3 620	Alectra Inc.	2.488	17-May-2027	3 861	3 729	
970	Alectra Inc.	1.751	11-Feb-2031	954	931	
415	AltaGas Canada Inc.	3.130	07-Apr-2027	415	433	
420	Bank of Montreal	2.890	20-Jun-2023	430	430	
695	Bank of Montreal	2.700	11-Sep-2024	745	717	
2 230	Bank of Nova Scotia	2.380	01-May-2023	2 266	2 262	
200	Bank of Nova Scotia	2.490	23-Sep-2024	208	204	
60	BC Tel	9.650	08-Apr-2022	81	61	
1 580	Bell Canada	3.350	12-Mar-2025	1 556	1 645	
140	Bell Canada	3.800	21-Aug-2028	152	151	
475	Bridging North America GP	4.023	31-May-2038	493	493	
300	Bridging North America GP	4.341	31-Aug-2053	321	332	
355	Brookfield Asset Management Inc.	5.040	08-Mar-2024	379	377	
1 505	Brookfield Property Finance ULC	4.300	01-Mar-2024	1 505	1 538	
725	Brookfield Property Finance ULC	3.926	24-Aug-2025	725	733	
125	Brookfield Property Finance ULC	3.930	15-Jan-2027	124	126	
1 615	Brookfield Renewable Energy Partners ULC	3.752	02-Jun-2025	1 734	1 703	
260	Brookfield Renewable Partners ULC	4.250	15-Jan-2029	273	290	
395	Brookfield Renewable Partners ULC	3.330	13-Aug-2050	395	390	
1 230	Bruce Power LP	3.969	23-Jun-2026	1 289	1 323	
1 530	Bruce Power LP	2.680	21-Dec-2028	1 526	1 558	
1 020	Bruce Power LP	4.010	21-Jun-2029	1 031	1 121	
780	Bruce Power LP	4.000	21-Jun-2030	806	856	
680	Bruce Power LP	4.132	21-Jun-2033	782	753	
500	Bruce Power LP	4.746	21-Jun-2049	584	621	
415	Calgary Airport Authority	3.454	07-Oct-2041	415	442	

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



December 31, 2021

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>CORPORATE (cont.)</b>						
205	Calgary Airport Authority	3.554	07-Oct-2051	\$ 205	\$ 224	
250	Calgary Airport Authority	3.554	07-Oct-2053	250	274	
310	Calgary Airport Authority	3.754	07-Oct-2061	310	331	
97	Calgary Glycol Facilities Corp.	3.257	29-Oct-2058	97	91	
955	Cameco Corp.	4.190	24-Jun-2024	961	1 000	
1 500	Cameco Corp.	2.950	21-Oct-2027	1 499	1 518	
310	Canadian Imperial Bank of Commerce	2.430	09-Jun-2023	303	315	
150	Canadian Imperial Bank of Commerce	2.350	28-Aug-2024	155	153	
720	Canadian Pacific Railway Co.	1.589	24-Nov-2023	720	721	
655	Canadian Pacific Railway Co.	2.540	28-Feb-2028	655	666	
500	CBHP LP	3.000	27-May-2053	500	469	
600	Choice Properties Real Estate Investment Trust	3.196	07-Mar-2023	598	612	
725	Choice Properties Real Estate Investment Trust	4.293	08-Feb-2024	782	759	
483	Clover LP	4.216	30-Jun-2034	502	518	
125	CU Inc.	9.920	01-Apr-2022	193	128	
1 670	CU Inc.	6.215	06-Mar-2024	2 058	1 828	
205	CU Inc.	4.722	09-Sep-2043	270	259	
430	CU Inc.	3.950	23-Nov-2048	451	502	
405	CU Inc.	4.947	18-Nov-2050	532	553	
335	CU Inc.	3.174	05-Sep-2051	335	344	
400	CU Inc.	4.094	19-Oct-2054	407	481	
400	CU Inc.	4.211	29-Oct-2055	543	493	
505	DP World Canada Investment Inc.	3.536	08-Nov-2041	505	518	
77	Dufferin Wind Power Inc.	4.317	30-Nov-2033	77	82	
312	Edmonton Regional Airports Authority	3.715	20-May-2051	312	324	
570	Ellisdon Infrastructure RIH General Partnership	3.930	31-Oct-2038	652	596	
755	Enbridge Gas Inc.	7.600	29-Oct-2026	1 012	944	
1 125	Enbridge Gas Inc.	6.650	03-Nov-2027	1 425	1 383	
295	Enbridge Gas Inc.	6.100	19-May-2028	378	360	
340	Enbridge Gas Inc.	5.210	25-Feb-2036	423	430	
1 670	Enbridge Inc.	3.190	05-Dec-2022	1 707	1 700	
795	Enbridge Inc.	3.950	19-Nov-2024	830	837	
2 360	Enbridge Pipelines Inc.	3.790	17-Aug-2023	2 478	2 435	
2 230	Energir Inc.	2.100	16-Apr-2027	2 311	2 251	
95	ENMAX Corp.	2.922	18-Oct-2022	96	96	
1 550	ENMAX Corp.	3.331	02-Jun-2025	1 683	1 611	
415	ENMAX Corp.	3.836	05-Jun-2028	437	443	
155	Enwave Energy Corp.	3.943	07-Dec-2037	155	167	
525	Fair Hydro Trust	3.520	15-May-2038	536	577	
80	Fengate PCL Progress Partners Mbr LP	2.501	31-Jul-2038	80	76	
55	Fengate PCL Progress Partners Mbr LP	3.045	31-Jan-2054	55	51	
330	Fortis Inc.	2.850	12-Dec-2023	322	338	
2 095	Fortis Inc.	2.180	15-May-2028	2 130	2 093	
400	FortisAlberta Inc.	3.672	09-Sep-2047	420	447	
115	Gaz Metro Inc.	7.050	30-Oct-2030	163	156	
1 255	Gaz Metro Inc.	6.300	31-Oct-2033	1 836	1 699	
569	Grand Renewable Solar LP	3.926	31-Jan-2035	602	612	
775	Greater Toronto Airports Authority	6.450	03-Dec-2027	1 031	953	
295	Greater Toronto Airports Authority	1.540	03-May-2028	301	285	
200	Greater Toronto Airports Authority	7.050	12-Jun-2030	278	269	
420	Greater Toronto Airports Authority	7.100	04-Jun-2031	608	576	
980	Greater Toronto Airports Authority	3.260	01-Jun-2037	1 049	1 035	
310	Greater Toronto Airports Authority	2.750	17-Oct-2039	309	305	
590	Greater Toronto Airports Authority	5.630	07-Jun-2040	809	817	
220	Greater Toronto Airports Authority	5.300	25-Feb-2041	308	296	
285	Greater Toronto Airports Authority	3.150	05-Oct-2051	285	295	

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



December 31, 2021

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>CORPORATE (cont.)</b>						
571	H2O Power LP	3.310	30-Nov-2029	\$ 571	\$ 589	
345	Halifax International Airport Authority	3.678	03-May-2051	345	369	
597	Health Montreal Collective LP	6.721	30-Sep-2049	821	826	
393	Hospital Infrastructure Partners NOH Partnership	5.439	31-Jan-2045	478	477	
1 205	Hydro One Inc.	2.540	05-Apr-2024	1 277	1 234	
2 565	Hydro One Inc.	2.970	26-Jun-2025	2 619	2 676	
955	Hydro One Inc.	3.020	05-Apr-2029	1 056	1 013	
1 350	Hydro One Inc.	2.160	28-Feb-2030	1 402	1 347	
1 145	Hydro One Inc.	7.350	03-Jun-2030	1 630	1 567	
280	Hydro One Inc.	1.690	16-Jan-2031	281	266	
120	Hydro One Inc.	6.930	01-Jun-2032	177	166	
250	Hydro One Inc.	6.350	31-Jan-2034	325	343	
470	Hydro One Inc.	4.590	09-Oct-2043	581	587	
1 770	Hydro One Inc.	4.170	06-Jun-2044	2 211	2 102	
75	Hydro One Inc.	3.910	23-Feb-2046	80	87	
315	Hydro One Inc.	3.630	25-Jun-2049	333	351	
515	Hydro One Inc.	3.100	15-Sep-2051	513	525	
790	Hydro Ottawa Holdings Inc.	2.614	03-Feb-2025	800	810	
207	Kingston Solar LP	3.571	31-Jul-2035	207	217	
1 135	Lievre Power Finance Corp.	4.046	31-Dec-2061	1 135	1 149	
930	Loblaw Companies Ltd.	6.500	22-Jan-2029	1 215	1 153	
400	Lower Mattagami Energy LP	3.416	20-Jun-2024	425	419	
975	Lower Mattagami Energy LP	2.307	21-Oct-2026	1 021	998	
400	Lower Mattagami Energy LP	2.433	14-May-2031	400	406	
145	Maple Leaf Sports & Entertainment Ltd.	4.940	30-Jun-2023	145	148	
236	Melancthon Wolfe Wind LP	3.834	31-Dec-2028	241	247	
760	Mobilinx Hurontario GP	3.276	31-May-2039	818	750	
435	Mobilinx Hurontario GP	3.642	31-May-2054	473	431	
120	Mosaic Transit Partners GP	4.111	28-Feb-2038	120	127	
75	Mosaic Transit Partners GP	4.470	28-Feb-2053	75	84	
150	Mountain View Partners GP	3.974	31-Mar-2051	150	158	
444	MPT Finco Inc.	3.457	30-Nov-2029	445	457	
681	North Battleford Power LP	4.958	31-Dec-2032	756	772	
1 000	North West Redwater Partnership	3.200	22-Jul-2024	1 037	1 034	
605	North West Redwater Partnership	2.800	01-Jun-2031	604	607	
795	North West Redwater Partnership	4.350	10-Jan-2039	829	897	
88	Northland Power Solar Finance One LP	4.397	30-Jun-2032	91	96	
914	Northwestern Hydro Acquisition Co. II LP	3.877	31-Dec-2036	981	994	
445	Northwestern Hydro Acquisition Co. III LP	3.940	31-Dec-2038	463	486	
784	Nouvelle Autoroute 30 Financement Inc.	3.742	31-Dec-2032	847	824	
658	Nouvelle Autoroute 30 Financement Inc.	3.750	31-Mar-2033	709	691	
100	Nova Gas Transmission Ltd.	9.900	16-Dec-2024	129	122	
465	Nova Gas Transmission Ltd.	8.900	27-May-2025	606	563	
1 946	Nova Scotia Power Inc.	6.280	09-Apr-2029	2 379	2 355	
155	Nova Scotia Power Inc.	3.307	25-Apr-2050	155	159	
2 675	OMERS Realty Corp.	1.298	22-Sep-2023	2 668	2 670	
380	Ontario Power Generation Inc.	1.170	22-Apr-2026	380	369	
1 200	Ontario Power Generation Inc.	3.315	04-Oct-2027	1 293	1 278	
3 565	Ontario Power Generation Inc.	3.215	08-Apr-2030	4 013	3 784	
945	Ontario Power Generation Inc.	3.838	22-Jun-2048	1 027	1 051	
940	Ontario Power Generation Inc.	4.248	18-Jan-2049	1 026	1 117	
23	Ornge Issuer Trust	5.727	11-Jun-2034	27	27	
83	Ottawa MacDonald-Cartier International Airport Authority	6.973	25-May-2032	113	102	
1 060	Pembina Pipeline Corp.	2.560	01-Jun-2023	1 085	1 075	
155	Pembina Pipeline Corp.	3.530	10-Dec-2031	155	159	
490	Pembina Pipeline Corp.	4.490	10-Dec-2051	490	517	

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



December 31, 2021

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>CORPORATE (cont.)</b>						
856	Plenary Health Care Partnerships Humber LP	4.895	31-May-2039	\$ 1 020	\$ 996	
345	PSS Generating Station LP	4.795	24-Oct-2067	394	432	
195	Ridley Grain Ltd.	5.227	01-Aug-2024	195	203	
205	RioCan Real Estate Investment Trust	3.725	18-Apr-2023	210	211	
2 500	Royal Bank of Canada*	2.352	02-Jul-2024	2 631	2 543	
161	SEC LP and Arci Ltd.	5.188	29-Aug-2033	161	178	
550	Sinai Health System	3.527	09-Jun-2056	598	619	
475	Sinai Health System	3.209	08-Apr-2060	475	500	
973	SNC-Lavalin Group Inc.	6.632	30-Jun-2044	1 307	1 294	
295	TELUS Corp.	2.850	13-Nov-2031	294	294	
845	Teranet Holdings LP	3.544	11-Jun-2025	845	884	
2 135	The Manufacturers Life Insurance Co.	3.181	22-Nov-2027	2 183	2 173	
253	THP Partnership	4.394	31-Oct-2046	267	289	
55	Toronto Hydro Corp.	2.430	11-Dec-2029	57	56	
1 455	Toronto Hydro Corp.	1.500	15-Oct-2030	1 441	1 377	
655	Toronto-Dominion Bank	3.005	30-May-2023	680	672	
845	Toronto-Dominion Bank	1.909	18-Jul-2023	867	854	
230	Toronto-Dominion Bank	2.850	08-Mar-2024	236	236	
645	Toronto-Dominion Bank	3.226	24-Jul-2024	687	673	
1 735	Toronto-Dominion Bank	2.496	02-Dec-2024	1 766	1 773	
185	Toyota Credit Canada Inc.	2.640	27-Mar-2024	194	189	
1 045	Toyota Credit Canada Inc.	2.310	23-Oct-2024	1 045	1 063	
581	TransAlta OCP LP	4.509	05-Aug-2030	581	622	
475	TransCanada PipeLines Ltd.	7.900	15-Apr-2027	615	592	
402	TransEd Partners GP	3.951	30-Sep-2050	372	416	
878	Trillium Windpower LP	5.803	15-Feb-2033	1 044	1 032	
5 200	Union Gas Ltd.	4.850	25-Apr-2022	5 618	5 268	
1 880	Union Gas Ltd.	8.650	10-Nov-2025	2 530	2 331	
290	Union Gas Ltd.	2.810	01-Jun-2026	297	301	
465	Union Gas Ltd.	2.880	22-Nov-2027	490	486	
70	Union Gas Ltd.	3.800	01-Jun-2046	83	79	
205	Unity Health Toronto	3.308	01-Jun-2061	205	224	
205	Vancouver Airport Authority	1.760	20-Sep-2030	196	198	
104	Vancouver Airport Fuel Facilities Corp.	3.653	20-Mar-2051	104	103	
940	Westcoast Energy Inc.	3.120	05-Dec-2022	987	957	
1 005	Westcoast Energy Inc.	3.430	12-Sep-2024	1 095	1 046	
995	Westcoast Energy Inc.	3.770	08-Dec-2025	1 114	1 058	
1 460	Westcoast Energy Inc.	7.300	18-Dec-2026	1 884	1 793	
678	Westcoast Energy Inc.	6.750	15-Dec-2027	868	833	
295	Westcoast Energy Inc.	4.791	28-Oct-2041	331	343	
160	Winnipeg Airport Authority Inc.	6.102	20-Nov-2040	164	197	
95	Winnipeg Airport Authority Inc.	3.040	03-Feb-2051	95	90	
				156 940	155 013	29.2
<b>FEDERAL</b>						
3 771	Canada Housing Trust No. 1	2.400	15-Dec-2022	3 820	3 830	
5 443	Canada Housing Trust No. 1	2.350	15-Sep-2023	5 561	5 562	
9 249	Canada Housing Trust No. 1	0.950	15-Jun-2025	9 333	9 117	
3 671	Canada Housing Trust No. 1	1.550	15-Dec-2026	3 665	3 671	
39	CBC Monetization Trust	4.688	15-May-2027	40	42	
29 463	Government of Canada	0.500	01-Nov-2023	29 206	29 224	
22 676	Government of Canada	0.750	01-Feb-2024	22 510	22 558	
610	Government of Canada	2.500	01-Jun-2024	629	631	
540	Government of Canada	1.500	01-Sep-2024	551	546	
3	Government of Canada	1.250	01-Mar-2025	3	3	
360	Government of Canada	2.250	01-Jun-2025	382	374	
8 770	Government of Canada	0.500	01-Sep-2025	8 801	8 563	

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





December 31, 2021

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>FEDERAL (cont.)</b>						
2 462	Government of Canada	1.500	01-Jun-2026	\$ 2 532	\$ 2 494	
36 027	Government of Canada	1.000	01-Sep-2026	35 937	35 620	
475	Government of Canada	1.250	01-Mar-2027	473	475	
365	Government of Canada	2.250	01-Jun-2029	389	391	
3 146	Government of Canada	1.500	01-Jun-2031	3 158	3 169	
1 083	Government of Canada	1.250	01-Dec-2047	1 344	1 471	
652	Government of Canada	0.500	01-Dec-2050	678	775	
4 988	Government of Canada	2.000	01-Dec-2051	5 166	5 368	
734	Government of Canada	1.750	01-Dec-2053	720	741	
3 061	Government of Canada	2.750	01-Dec-2064	3 563	3 970	
				138 461	138 595	26.1
<b>PROVINCIAL/MUNICIPAL</b>						
270	Carleton University	3.264	05-Jul-2061	270	283	
95	City of Ottawa	4.600	14-Jul-2042	133	125	
1 016	City of Ottawa	2.500	11-May-2051	967	993	
244	City of Toronto	2.200	21-Dec-2031	243	246	
291	City of Toronto	5.200	01-Jun-2040	417	400	
215	City of Toronto	3.200	01-Aug-2048	224	238	
90	City of Vancouver	2.300	05-Nov-2031	90	92	
70	Concordia University	3.626	10-Feb-2039	70	77	
70	Concordia University	3.678	10-Feb-2059	70	79	
114	First Nations Finance Authority	3.050	01-Jun-2028	119	123	
1 091	First Nations Finance Authority	1.710	16-Jun-2030	1 104	1 068	
140	Hamilton Health Sciences Corp.	3.683	17-Jan-2059	140	161	
260	Hospital for Sick Children	5.217	16-Dec-2049	267	374	
320	Hospital for Sick Children	3.416	07-Dec-2057	320	359	
225	McMaster University	3.255	17-Jun-2051	225	245	
190	McMaster University	6.150	07-Oct-2052	302	308	
295	McMaster University	3.405	17-Jun-2071	295	319	
461	Municipal Finance Authority of British Columbia	1.350	30-Jun-2026	460	456	
602	Ontario Electricity Financial Corp.	8.500	26-May-2025	923	739	
145	Ontario Electricity Financial Corp.	9.000	26-May-2025	223	181	
1 019	Ontario Electricity Financial Corp.	8.250	22-Jun-2026	1 509	1 307	
226	Ontario School Boards Financing Corp.	6.550	19-Oct-2026	257	255	
120	Ontario School Boards Financing Corp.	5.900	11-Oct-2027	135	135	
2 251	Ontario School Boards Financing Corp.	5.483	26-Nov-2029	2 668	2 574	
300	Ontario School Boards Financing Corp.	5.070	18-Apr-2031	344	341	
1 771	Ontario School Boards Financing Corp.	5.376	25-Jun-2032	2 103	2 074	
1 260	Province of Alberta	2.200	01-Jun-2026	1 261	1 294	
692	Province of Alberta	3.450	01-Dec-2043	759	796	
1 356	Province of Alberta	3.300	01-Dec-2046	1 409	1 539	
8 806	Province of Alberta	3.100	01-Jun-2050	9 456	9 783	
539	Province of Manitoba	4.050	05-Sep-2045	637	683	
4 102	Province of Manitoba	2.850	05-Sep-2046	4 059	4 331	
399	Province of New Brunswick	3.650	03-Jun-2024	430	421	
964	Province of New Brunswick	4.800	26-Sep-2039	1 236	1 277	
192	Province of New Brunswick	4.800	03-Jun-2041	234	259	
312	Province of New Brunswick	3.550	03-Jun-2043	305	364	
737	Province of New Brunswick	3.800	14-Aug-2045	789	899	
3 049	Province of New Brunswick	3.050	14-Aug-2050	3 265	3 355	
657	Province of Newfoundland and Labrador	3.300	17-Oct-2046	627	711	
2 057	Province of Newfoundland and Labrador	2.650	17-Oct-2050	1 856	1 981	
1 700	Province of Ontario	1.950	27-Jan-2023	1 685	1 722	
142	Province of Ontario	7.500	07-Feb-2024	198	160	
4 186	Province of Ontario	2.600	02-Jun-2025	4 433	4 346	

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



December 31, 2021

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>PROVINCIAL/MUNICIPAL (cont.)</b>						
1 548	Province of Ontario	8.500	02-Dec-2025	\$ 2 270	\$ 1 954	
5 749	Province of Ontario	2.400	02-Jun-2026	5 959	5 956	
1 328	Province of Ontario	1.850	01-Feb-2027	1 399	1 344	
4 560	Province of Ontario	2.900	02-Jun-2028	5 062	4 874	
4 116	Province of Ontario	2.700	02-Jun-2029	4 409	4 357	
7 809	Province of Ontario	2.050	02-Jun-2030	8 275	7 877	
15 920	Province of Ontario	1.350	02-Dec-2030	15 223	15 105	
23 698	Province of Ontario	2.150	02-Jun-2031	23 873	23 953	
9 157	Province of Ontario	5.600	02-Jun-2035	12 578	12 625	
1 799	Province of Ontario	4.700	02-Jun-2037	2 243	2 338	
12 746	Province of Ontario	4.600	02-Jun-2039	17 269	16 646	
5 938	Province of Ontario	3.500	02-Jun-2043	6 463	6 961	
1 080	Province of Ontario	3.450	02-Jun-2045	1 315	1 267	
351	Province of Ontario	2.800	02-Jun-2048	353	373	
3 830	Province of Ontario	2.900	02-Jun-2049	3 932	4 155	
815	Province of Ontario	2.650	02-Dec-2050	888	847	
7 505	Province of Ontario	1.900	02-Dec-2051	6 340	6 638	
759	Province of Quebec	3.750	01-Sep-2024	824	808	
336	Province of Quebec	2.750	01-Sep-2025	336	352	
565	Province of Quebec	8.500	01-Apr-2026	867	725	
480	Province of Quebec	2.750	01-Sep-2027	503	508	
3 546	Province of Quebec	2.750	01-Sep-2028	3 596	3 770	
997	Province of Quebec	2.300	01-Sep-2029	1 092	1 030	
453	Province of Quebec	1.900	01-Sep-2030	481	452	
4 948	Province of Quebec	6.250	01-Jun-2032	7 330	6 855	
835	Province of Quebec	5.000	01-Dec-2041	1 109	1 176	
4 305	Province of Quebec	3.500	01-Dec-2045	5 224	5 132	
3 076	Province of Quebec	3.500	01-Dec-2048	3 761	3 718	
8 993	Province of Quebec	3.100	01-Dec-2051	10 644	10 308	
677	Province of Saskatchewan	2.550	02-Jun-2026	677	705	
54	Province of Saskatchewan	6.400	05-Sep-2031	80	74	
476	Province of Saskatchewan	3.900	02-Jun-2045	578	589	
747	Province of Saskatchewan	2.750	02-Dec-2046	711	775	
4 372	Province of Saskatchewan	3.100	02-Jun-2050	4 886	4 870	
320	Queen's University	2.889	27-Apr-2060	332	310	
558	The 55 Ontario School Board Trust	5.900	02-Jun-2033	812	744	
160	Trillium Health Partners Volunteers	3.702	20-Dec-2058	160	185	
690	University of British Columbia	6.650	01-Dec-2031	957	932	
360	University of Guelph	6.240	10-Oct-2042	566	536	
575	University of Ottawa	2.635	13-Feb-2060	578	521	
85	University of Toronto	4.251	07-Dec-2051	118	107	
360	York University	6.480	07-Mar-2042	597	540	
170	York University	3.394	01-Apr-2060	170	181	
				211 357	210 646	39.6
<b>TOTAL CANADIAN BONDS</b>				506 758	504 254	94.9
<b>UNITED KINGDOM BONDS</b>						
380	Heathrow Funding Ltd. CAD	3.250	21-May-2025	387	392	
410	Heathrow Funding Ltd. CAD	2.694	13-Oct-2027	410	412	
1 175	Heathrow Funding Ltd. CAD	3.400	08-Mar-2028	1 230	1 219	
300	Heathrow Funding Ltd. CAD	3.782	04-Sep-2030	307	319	
605	Heathrow Funding Ltd. CAD	3.661	13-Jan-2031	605	635	
510	Heathrow Funding Ltd. CAD	3.726	13-Apr-2033	529	530	
3 150	National Grid Electricity Transmission Plc. CAD	2.301	22-Jun-2029	3 149	3 131	
<b>TOTAL UNITED KINGDOM BONDS</b>				6 617	6 638	1.2

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



December 31, 2021

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
<b>UNITED STATES BONDS</b>						
955	AT&T Inc. CAD	4.000	25-Nov-2025	\$ 1 077	\$ 1 021	
1 655	Bank of America Corp. CAD	3.515	24-Mar-2026	1 655	1 734	
2 110	Nestlé Holdings Inc. CAD	2.192	26-Jan-2029	2 110	2 140	
1 870	New York Life Global Funding CAD	2.000	17-Apr-2028	1 871	1 860	
330	United Parcel Service Inc. CAD	2.125	21-May-2024	328	334	
2 920	Verizon Communications Inc. CAD	2.375	22-Mar-2028	2 930	2 924	
<b>TOTAL UNITED STATES BONDS</b>				9 971	10 013	<b>1.9</b>
<b>TOTAL BONDS</b>				523 346	520 905	<b>98.0</b>
<b>MORTGAGES<sup>†</sup></b>						
<b>CMHC Insured</b>						
161	Mortgage, 3.160% Sep 05, 2024			161	165	
<b>TOTAL MORTGAGES</b>				161	165	—
<b>SHORT-TERM INVESTMENTS<sup>‡</sup></b>				7 948	7 948	<b>1.5</b>
<b>TOTAL INVESTMENTS</b>				\$ 531 455	529 018	<b>99.5</b>
<b>OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>					2 461	<b>0.5</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>					\$ 531 479	<b>100.0</b>

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

<sup>†</sup> The Fund holds 1 mortgage with a fair value of \$165. This mortgage is Canada Mortgage and Housing Corporation ("CMHC") guaranteed. The mortgage is not pre-payable.

<sup>‡</sup> Short-term investments, which may be made up of treasury bills, commercial paper, term deposits and discount notes, earn interest at rates ranging from 0.25% to 0.26% and mature between January 28, 2022 and February 2, 2022.



### Statements of Financial Position

(in \$000s except per unit amounts)

(see note 2 in the generic notes)	December 31 2021	December 31 2020
<b>ASSETS</b>		
Investments at fair value	\$ 529 018	\$ 444 214
Cash	303	309
Due from investment dealers	–	382
Subscriptions receivable	2 678	1 369
Dividends receivable, interest accrued and other assets	2 050	1 807
<b>TOTAL ASSETS</b>	<b>534 049</b>	<b>448 081</b>
<b>LIABILITIES</b>		
Due to investment dealers	2 368	1 793
Redemptions payable	106	132
Accounts payable and accrued expenses	96	97
<b>TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>	<b>2 570</b>	<b>2 022</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")</b>	<b>\$ 531 479</b>	<b>\$ 446 059</b>
Investments at cost	\$ 531 455	\$ 426 504
<b>NAV</b>		
<b>SERIES A</b>	<b>\$ 56 538</b>	<b>\$ 65 760</b>
<b>ADVISOR SERIES</b>	<b>\$ –</b>	<b>\$ –</b>
<b>SERIES D</b>	<b>\$ 18 254</b>	<b>\$ 22 850</b>
<b>SERIES F</b>	<b>\$ 67 563</b>	<b>\$ 62 559</b>
<b>SERIES O</b>	<b>\$ 389 124</b>	<b>\$ 294 890</b>
<b>NAV PER UNIT</b>		
<b>SERIES A</b>	<b>\$ 11.22</b>	<b>\$ 11.78</b>
<b>ADVISOR SERIES</b>	<b>\$ –</b>	<b>\$ –</b>
<b>SERIES D</b>	<b>\$ 11.14</b>	<b>\$ 11.69</b>
<b>SERIES F</b>	<b>\$ 11.19</b>	<b>\$ 11.75</b>
<b>SERIES O</b>	<b>\$ 11.01</b>	<b>\$ 11.55</b>

### Statements of Comprehensive Income

(in \$000s except per unit amounts)

For the periods ended December 31 (see note 2 in the generic notes)	2021	2020
<b>INCOME (see note 3 in the generic notes)</b>		
Interest for distribution purposes	\$ 12 540	\$ 10 280
Derivative income (loss)	–	16
Net realized gain (loss) on investments	(1 766)	11 212
Change in unrealized gain (loss) on investments	(20 147)	14 139
<b>TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES</b>	<b>(9 373)</b>	<b>35 647</b>
Securities lending revenue (see note 7 in the generic notes)	38	19
Net gain (loss) on foreign cash balances	18	10
<b>TOTAL OTHER INCOME (LOSS)</b>	<b>56</b>	<b>29</b>
<b>TOTAL INCOME (LOSS)</b>	<b>(9 317)</b>	<b>35 676</b>
<b>EXPENSES (see notes – Fund Specific Information)</b>		
Management fees	919	709
Administration fees	139	109
Independent Review Committee costs	2	2
GST/HST	112	85
<b>TOTAL EXPENSES</b>	<b>1 172</b>	<b>905</b>
<b>INCREASE (DECREASE) IN NAV</b>	<b>\$ (10 489)</b>	<b>\$ 34 771</b>
<b>INCREASE (DECREASE) IN NAV</b>		
<b>SERIES A</b>	<b>\$ (2 327)</b>	<b>\$ 2 638</b>
<b>ADVISOR SERIES</b>	<b>\$ –</b>	<b>\$ 822</b>
<b>SERIES D</b>	<b>\$ (687)</b>	<b>\$ 1 891</b>
<b>SERIES F</b>	<b>\$ (1 844)</b>	<b>\$ 3 491</b>
<b>SERIES O</b>	<b>\$ (5 631)</b>	<b>\$ 25 929</b>
<b>INCREASE (DECREASE) IN NAV PER UNIT</b>		
<b>SERIES A</b>	<b>\$ (0.42)</b>	<b>\$ 0.73</b>
<b>ADVISOR SERIES</b>	<b>\$ –</b>	<b>\$ 1.11</b>
<b>SERIES D</b>	<b>\$ (0.37)</b>	<b>\$ 1.02</b>
<b>SERIES F</b>	<b>\$ (0.32)</b>	<b>\$ 0.95</b>
<b>SERIES O</b>	<b>\$ (0.18)</b>	<b>\$ 1.12</b>



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

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

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in NAV	\$ (10 489)	\$ 34 771
<b>ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS</b>		
Interest for distribution purposes	(204)	(34)
Non-cash dividends	–	–
Non-cash distributions from underlying funds	–	–
Net realized loss (gain) on investments	1 766	(11 212)
Change in unrealized loss (gain) on investments	20 147	(14 139)
(Increase) decrease in accrued receivables	(243)	(424)
Increase (decrease) in accrued payables	(1)	43
(Increase) decrease in margin accounts	–	–
Cost of investments purchased*	(1 167 798)	(1 084 754)
Proceeds from sale and maturity of investments*	1 062 242	986 815
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>(94 580)</b>	<b>(88 934)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of redeemable units*	204 028	191 079
Cash paid on redemption of redeemable units*	(106 420)	(98 267)
Distributions paid to holders of redeemable units	(3 034)	(3 866)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>\$ 94 574</b>	<b>\$ 88 946</b>
Net increase (decrease) in cash for the period	(6)	12
Cash (bank overdraft), beginning of period	309	297
<b>CASH (BANK OVERDRAFT), END OF PERIOD</b>	<b>\$ 303</b>	<b>\$ 309</b>
Interest received (paid) <sup>†</sup>	\$ 12 093	\$ 9 822
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	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>NAV AT BEGINNING OF PERIOD</b>	\$ 65 760	\$ 22 418	\$ –	\$ 7 446	\$ 22 850	\$ 18 415	\$ 62 559	\$ 30 022
<b>INCREASE (DECREASE) IN NAV</b>	(2 327)	2 638	–	822	(687)	1 891	(1 844)	3 491
Early redemption fees	2	4	–	–	–	2	–	–
Proceeds from redeemable units issued	21 070	55 311	–	2 383	2 265	7 927	39 818	43 560
Reinvestments of distributions to holders of redeemable units	889	1 452	–	82	365	655	933	1 082
Redemption of redeemable units	(27 951)	(14 585)	–	(10 649)	(6 143)	(5 320)	(32 584)	(13 953)
<b>NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS</b>	(5 990)	42 182	–	(8 184)	(3 513)	3 264	8 167	30 689
Distributions from net income	(905)	(720)	–	(84)	(396)	(450)	(1 319)	(959)
Distributions from net gains	–	(758)	–	–	–	(270)	–	(684)
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS</b>	(905)	(1 478)	–	(84)	(396)	(720)	(1 319)	(1 643)
<b>NET INCREASE (DECREASE) IN NAV</b>	(9 222)	43 342	–	(7 446)	(4 596)	4 435	5 004	32 537
<b>NAV AT END OF PERIOD</b>	\$ 56 538	\$ 65 760	\$ –	\$ –	\$ 18 254	\$ 22 850	\$ 67 563	\$ 62 559

For the periods ended December 31 (see note 2 in the generic notes)	Series O		Total	
	2021	2020	2021	2020
<b>NAV AT BEGINNING OF PERIOD</b>	\$ 294 890	\$ 242 859	\$ 446 059	\$ 321 160
<b>INCREASE (DECREASE) IN NAV</b>	(5 631)	25 929	(10 489)	34 771
Early redemption fees	–	–	2	6
Proceeds from redeemable units issued	146 300	85 233	209 453	194 414
Reinvestments of distributions to holders of redeemable units	6 144	7 313	8 331	10 584
Redemption of redeemable units	(43 834)	(55 921)	(110 512)	(100 428)
<b>NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS</b>	108 610	36 625	107 274	104 576
Distributions from net income	(8 745)	(7 144)	(11 365)	(9 357)
Distributions from net gains	–	(3 379)	–	(5 091)
Distributions from capital	–	–	–	–
<b>TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS</b>	(8 745)	(10 523)	(11 365)	(14 448)
<b>NET INCREASE (DECREASE) IN NAV</b>	94 234	52 031	85 420	124 899
<b>NAV AT END OF PERIOD</b>	\$ 389 124	\$ 294 890	\$ 531 479	\$ 446 059



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

The Fund seeks to provide 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 that conduct themselves in a socially responsible manner.

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

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

**Liquidity risk (%)**

Mortgages, an illiquid security, represent approximately 0.0% (December 31, 2020 – 0.0%) of the NAV of the Fund.

**Credit risk (%)**

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

Rating	December 31 2021	December 31 2020
AAA	26.7	17.0
AA	38.2	40.3
A	21.7	24.5
BBB	12.5	18.2
BB	0.5	–
Unrated*	0.4	–
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

\* Mortgages, which represent 9.0% (December 31, 2020 – 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, 2021 and 2020, 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 2021	December 31 2020
Provincial/Municipal Bonds	39.6	37.4
Corporate Bonds	29.2	35.9
Federal Bonds	26.1	15.4
Foreign Bonds	3.1	2.2
Cash/Other	2.0	9.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

**Interest rate risk (%)**

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

Term to maturity	December 31 2021	December 31 2020
Less than 1 year	3.1	3.7
1 – 5 years	38.2	31.6
5 – 10 years	24.8	26.2
> 10 years	33.9	38.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

As at December 31, 2021, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's NAV may have decreased or increased, respectively, by approximately 8.1% (December 31, 2020 – 8.2%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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

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

December 31, 2021	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Underlying funds</b>	–	–	–	–
<b>Fixed-income and debt securities</b>	–	520 905	165	521 070
<b>Short-term investments</b>	–	7 948	–	7 948
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	–	528 853	165	529 018
<b>% of total portfolio</b>	–	100.0	–	100.0

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

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



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During the periods ended December 31, 2021 and 2020, the reconciliation of financial instruments measured at fair value using unobservable inputs (Level 3) is presented as follows:

	December 31 2021	December 31 2020
Balance at beginning of period	175	170
Net purchases	–	–
Net sales	(3)	(3)
Net transfers in (out)	–	–
Realized gains (losses)	–	–
Change in unrealized gains (losses)	(7)	8
Balance at end of period	165	175
Change in unrealized gains (losses) for Level 3 assets held at end of period	(6)	7

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, 2021, a 10% increase or decrease in the weighted average spread premium of 1.05% (December 31, 2020 – 1.05%), an unobservable input, would have decreased or increased the Fund's NAV respectively by approximately 0.0% (December 31, 2020 – 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 2021	December 31 2020
<b>Units held</b>		
Series A	62	61
Series D	73	71
Series F	66	64
Series O	71	69
<b>Value of all units</b>	<b>3</b>	<b>3</b>

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

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

As at December 31, 2021	
Capital losses	969
Non-capital losses	–

### Redeemable units (000s)

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

For the periods ended December 31 (see note 2 in the generic notes)	2021	2020
<b>Series A</b>		
Opening units	5 585	2 024
Issued number of units	1 857	4 688
Reinvested number of units	80	124
Redeemed number of units	(2 483)	(1 251)
Ending number of units	5 039	5 585
<b>Advisor Series</b>		
Opening units	–	672
Issued number of units	–	207
Reinvested number of units	–	7
Redeemed number of units	–	(886)
Ending number of units	–	–
<b>Series D</b>		
Opening units	1 954	1 674
Issued number of units	201	683
Reinvested number of units	33	57
Redeemed number of units	(550)	(460)
Ending number of units	1 638	1 954
<b>Series F</b>		
Opening units	5 325	2 717
Issued number of units	3 533	3 712
Reinvested number of units	84	93
Redeemed number of units	(2 907)	(1 197)
Ending number of units	6 035	5 325





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

	2021	2020
<b>Series 0</b>		
Opening units	25 523	22 347
Issued number of units	13 242	7 418
Reinvested number of units	561	641
Redeemed number of units	(3 988)	(4 883)
Ending number of units	35 338	25 523

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

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

	December 31 2021	December 31 2020
Fair value of securities loaned	122 547	40 073
Fair value of collateral received	124 998	40 874

The table below provides a reconciliation of the gross revenue generated from the securities lending transactions of the Fund to the securities lending revenue disclosed in the Statements of Comprehensive Income.

	December 31 2021		December 31 2020	
	\$	%	\$	%
Gross revenue	51	100	25	100
RBC IS (paid)	(13)	(25)	(6)	(25)
Tax withheld	–	–	–	–
Fund revenue	38	75	19	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 2021	December 31 2020
RBC Vision Balanced Fund	24.8	12.8

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## 1. The Funds

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

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

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

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

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

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

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

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

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

Series N units are only available to related funds.

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

## 2. Financial year

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

## 3. Summary of significant accounting policies

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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#### 4. Critical accounting judgments and estimates

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **Concentration risk**

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

#### **Interest rate risk**

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

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

#### **Currency risk**

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

#### **Other price risk**

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

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

## **6. Taxes**

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

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

## **7. Securities lending revenue**

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

## **8. Administrative and other related-party transactions**

### **Manager and Portfolio Manager**

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



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

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

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

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

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

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

#### **Sub-Advisors**

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

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

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

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

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

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

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

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

**Trustee**

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

**Distributors**

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

**Custodian**

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

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**Registrars**

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

**Brokers and Dealers**

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

**Securities Lending Agent**

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

**Mortgage Administrator Agent**

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

**Other Related-Party Transactions**

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

**Related-Party Trading Activities**

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

**Inter-Fund Trading**

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

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