The accompanying financial statements have been prepared by RBC Global Asset Management Inc. ("RBC GAM") as manager of the RBC ETFs (the "ETFs") 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 ETFs, 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 Canadian generally accepted auditing standards. Their report is set out on the next page.

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

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

December 8, 2022

To the Unitholders and Trustee of

RBC 1-5 Year Laddered Canadian Bond ETF
RBC 1-5 Year Laddered Corporate Bond ETF
RBC Target 2022 Corporate Bond Index ETF
RBC Target 2023 Corporate Bond Index ETF
RBC Target 2024 Corporate Bond Index ETF
RBC Target 2025 Corporate Bond Index ETF
RBC Target 2026 Corporate Bond Index ETF
RBC Target 2027 Corporate Bond Index ETF
RBC Target 2028 Corporate Bond Index ETF
RBC Target 2029 Corporate Bond Index ETF
RBC Canadian Discount Bond ETF
RBC PH&N Short Term Canadian Bond ETF
RBC Short Term U.S. Corporate Bond ETF
RBC Canadian Preferred Share ETF
RBC Quant Canadian Dividend Leaders ETF
RBC Canadian Dividend Covered Call ETF
RBC Quant Canadian Equity Leaders ETF
RBC Vision Women's Leadership MSCI Canada Index ETF
RBC Canadian Bank Yield Index ETF
RBC Quant U.S. Dividend Leaders ETF
RBC Quant U.S. Dividend Leaders (CAD Hedged) ETF
RBC U.S. Dividend Covered Call ETF
RBC Quant U.S. Equity Leaders ETF
RBC Quant U.S. Equity Leaders (CAD Hedged) ETF
RBC U.S. Banks Yield Index ETF
RBC U.S. Banks Yield (CAD Hedged) Index ETF
RBC Quant European Dividend Leaders ETF
RBC Quant European Dividend Leaders (CAD Hedged) ETF
RBC Quant EAFE Dividend Leaders ETF
RBC Quant EAFE Dividend Leaders (CAD Hedged) ETF
RBC Quant EAFE Equity Leaders ETF
RBC Quant EAFE Equity Leaders (CAD Hedged) ETF
RBC Quant Emerging Markets Dividend Leaders ETF
RBC Quant Emerging Markets Equity Leaders ETF

(individually, an ETF)

Our opinion

In our opinion, the accompanying September 30, 2022 financial statements of each ETF present fairly, in all material respects, the financial position of each ETF, 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 ETF 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 ETF 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 ETF. The other information comprises the 2022 Annual Management Report of Fund Performance of each ETF.

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 ETF, 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 ETF or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

Management is responsible for the preparation and fair presentation of the financial statements of each ETF 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 ETF 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 ETF 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 ETF.

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 ETF 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 ETF.

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 ETF, 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 ETF.
- 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 ETF 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 ETF 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 ETF to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of each ETF, 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Patrizia Perruzza.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
December 8, 2022

SCHEDULE OF INVESTMENT PORTFOLIO (in $000s)

RBC TARGET 2022 CORPORATE BOND INDEX ETF

September 30, 2022

	Par Value (000s)	Cost ($)	Fair Value ($)	% of Net Assets
CANADIAN BONDS				
CORPORATE				
AltaGas Ltd. 2.609% Dec 16, 2022	252	254	251	
Bank of Nova Scotia 2.360% Nov 08, 2022	821	824	819	
Canadian Western Bank 2.924% Dec 15, 2022	156	157	156	
Central 1 Credit Union 2.600% Nov 07, 2022	256	257	256	
Dollarama Inc. 2.203% Nov 10, 2022	114	114	114	
Enbridge Inc. 3.190% Dec 05, 2022	217	221	217	
ENMAX Corp. 2.922% Oct 18, 2022	140	142	140	
Manufacturers Life Insurance Co. 3.181% Nov 22, 2027*, FRN	514	522	513	
Toyota Credit Canada Inc. 2.620% Oct 11, 2022	238	240	238	
VW Credit Canada Inc. 3.700% Nov 14, 2022	261	264	261	
TOTAL CANADIAN BONDS		2 995	2 965	**20.4**
SHORT-TERM INVESTMENTS				
TREASURY BILLS				
Canadian Treasury Bill 0.886% Dec 08, 2022	11 527	11 412	11 457	
TOTAL SHORT-TERM INVESTMENTS		11 412	11 457	**79.0**
TOTAL INVESTMENTS		14 407	14 422	**99.4**
OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			92	**0.6**
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			14 514	**100.0**

* Interest rate risk (see note 5 in the generic notes).

Statements of Financial Position

(in $000s except per unit amounts)

(see note 2 in the generic notes)	September 30 2022	September 30 2021
ASSETS		
Investments at fair value	**$ 14 422**	$ 73 336
Cash	**62**	246
Dividends receivable, interest accrued and other assets	**32**	396
TOTAL ASSETS	**14 516**	73 978
LIABILITIES		
Distributions payable	**–**	158
Accounts payable and accrued expenses	**2**	19
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	**2**	177
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")	**$ 14 514**	$ 73 801
Investments at cost	**$ 14 407**	$ 73 137
NAV PER UNIT	**$ 19.35**	$ 19.68

Statements of Comprehensive Income

(in $000s except per unit amounts)

For the periods ended September 30 (see note 2 in the generic notes)	2022	2021
INCOME (see note 3 in the generic notes)		
Interest for distribution purposes	**$ 398**	$ 2 027
Net realized gain (loss) on investments	**(183)**	57
Change in unrealized gain (loss) on investments	**(184)**	(1 382)
TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES	**31**	702
Other income (loss)	**1**	–
Securities lending revenue (see note 8 in the generic notes)	**3**	5
TOTAL OTHER INCOME (LOSS)	**4**	5
TOTAL INCOME (LOSS)	**35**	707
EXPENSES (see notes – ETF Specific Information)		
Management fees	**54**	199
Independent Review Committee costs	**1**	2
GST/HST	**6**	21
TOTAL EXPENSES	**61**	222
INCREASE (DECREASE) IN NAV	**$ (26)**	$ 485
INCREASE (DECREASE) IN NAV PER UNIT	**$ (0.02)**	$ 0.12

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

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

For the periods ended September 30 (see note 2 in the generic notes)		2022		2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Increase (decrease) in NAV	**$**	**(26)**	$	485
ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS				
Interest for distribution purposes		**–**		–
Net unrealized foreign exchange (gain) loss on cash		**–**		–
Net realized loss (gain) on investments		**183**		(57)
Change in unrealized loss (gain) on investments		**184**		1 382
Non-cash dividends		**–**		–
Non-cash distributions from underlying funds		**–**		–
(Increase) decrease in accrued receivables		**364**		(21)
Increase (decrease) in accrued payables		**(17)**		2
Cost of investments purchased*		**(11 256)**		(6 018)
Proceeds from sale and maturity of investments*		**11 121**		5 983
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		**553**		1 756
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of redeemable units*		**12**		59
Cash paid on redemption of redeemable units*		**(82)**		(25)
Distributions paid to holders of redeemable units		**(667)**		(1 657)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**$**	**(737)**	$	(1 623)
Net unrealized foreign exchange gain (loss) on cash		**–**		–
Net increase (decrease) in cash for the period		**(184)**		133
Cash (bank overdraft), beginning of period		**246**		113
CASH (BANK OVERDRAFT), END OF PERIOD	**$**	**62**	$	246
Interest received (paid)†	**$**	**762**	$	2 006
Income from investment trusts received (paid)†‡	**$**	**–**	$	–
Dividends received (paid)†‡	**$**	**–**	$	–

* Excludes in-kind transactions.
† Classified as part of operating activities.
‡ Net of withholding taxes, if applicable.

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

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

For the periods ended September 30 (see note 2 in the generic notes)	Total 2022	Total 2021
NAV AT BEGINNING OF PERIOD	**$ 73 801**	$ 70 997
INCREASE (DECREASE) IN NAV	**(26)**	485
Early redemption fees	**–**	–
Proceeds from redeemable units issued	**10 650**	23 914
Reinvestments of distributions to holders of redeemable units	**–**	–
Redemption of redeemable units	**(69 402)**	(19 780)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	**(58 752)**	4 134
Distributions from net income	**(494)**	(1 789)
Distributions from net gains	**–**	–
Distributions from capital	**(15)**	(26)
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	**(509)**	(1 815)
NET INCREASE (DECREASE) IN NAV	**(59 287)**	2 804
NAV AT END OF PERIOD	**$ 14 514**	$ 73 801

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

General information (see note 1 in the generic notes)

The investment objective of the ETF is to provide income for a limited period of time ending on its termination date by replicating, to the extent possible, the investment results that correspond generally to the performance, before fees and expenses, of the FTSE Canada 2022 Maturity Corporate Bond Index*.

The closing market price as of September 30, 2022 was $19.35 (September 30, 2021 – $19.69).

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

Credit risk (%)

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

Rating	**September 30 2022**	September 30 2021
AA	**27.6**	54.2
A	**48.1**	29.3
BBB	**24.3**	16.5
Total	**100.0**	100.0

Concentration risk (%)

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

Investment mix	**September 30 2022**	September 30 2021
Federal Bonds	**79.0**	–
Corporate Bonds	**20.4**	99.4
Other Net Assets	**0.6**	0.6
Total	**100.0**	100.0

Interest rate risk (%)

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

Term to maturity	**September 30 2022**	September 30 2021
Less than 1 year	**100.0**	69.8
1 – 5 years	**–**	30.2
5 – 10 years	**–**	–
> 10 years	**–**	–
Total	**100.0**	100.0

As at September 30, 2022, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the ETF's NAV may have decreased or increased, respectively, by approximately 0.1% (September 30, 2021 – 0.8%). 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 September 30, 2022 and 2021.

September 30, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Equities	**–**	**–**	**–**	**–**
Underlying funds	**–**	**–**	**–**	**–**
Fixed-income and debt securities	**–**	**2 965**	**–**	**2 965**
Short-term investments	**–**	**11 457**	**–**	**11 457**
Derivatives – assets	**–**	**–**	**–**	**–**
Derivatives – liabilities	**–**	**–**	**–**	**–**
Total financial instruments	**–**	**14 422**	**–**	**14 422**
% of total portfolio	**–**	**100.0**	**–**	**100.0**

September 30, 2021	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Underlying funds	–	–	–	–
Fixed-income and debt securities	–	73 336	–	73 336
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	–	73 336	–	73 336
% of total portfolio	–	100.0	–	100.0

For the periods ended September 30, 2022 and 2021, there were no transfers of financial instruments between Level 1, Level 2 and Level 3.

Management fees (see note 9 in the generic notes)

RBC GAM is paid a management fee per annum of the NAV by the ETF as compensation for its services. The management fee of the ETF is calculated at the following annual percentages, before GST/HST, of the daily NAV of the ETF.

	Management fees
Until December 31, 2021	0.25%
Effective January 1, 2022	0.20%

Taxes ($000s) (see note 7 in the generic notes)

The non-capital and capital losses carried forward for the ETF were:

As at the tax-year ended December 2021	
Capital losses	632
Non-capital losses	–

Redeemable units (000s) (see note 6 in the generic notes)

The NAV per unit is arrived at by dividing the NAV of the ETF by the total number of units outstanding at the end of each trading day of the ETF.

For the periods ended September 30 (see note 2 in the generic notes)	**2022**	2021
Opening units	**3 750**	3 550
Issued number of units	**550**	1 200
Reinvested number of units	**–**	–
Units consolidated*	**–**	–
Redeemed number of units	**(3 550)**	(1 000)
Ending number of units	**750**	3 750

* The units of the ETF are consolidated immediately after a distribution is reinvested so that the total number of units outstanding of the ETF after consolidation is the same as before the distribution.

Securities lending revenue ($000s except %) (see note 8 in the generic notes)

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

	September 30 2022	September 30 2021
Fair value of securities loaned	**–**	11 506
Fair value of collateral received	**–**	11 737

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

	September 30 2022		September 30 2021	
	$	**%**	$	%
Gross revenue	**4**	**100**	7	100
RBC IS (paid)	**(1)**	**(25)**	(2)	(25)
Tax withheld	**–**	**–**	–	–
ETF revenue	**3**	**75**	5	75

Investments by other related investment funds (%) (see note 9 in the generic notes)

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

	September 30 2022	September 30 2021
RBC 1-5 Year Laddered Canadian Bond ETF	**–**	34.8
RBC 1-5 Year Laddered Corporate Bond ETF	**–**	35.8
Total	**–**	70.6

Subsequent event

Effective on or about November 25, 2022, the ETF will reach its maturity date as per the prospectus and investment mandate.

The ETF has applied IFRS on a non-going concern basis for the period ended September 30, 2022. In this case, the non-going concern basis of preparation in accordance with IFRS does not result in any material adjustments to the carrying amounts of assets and liabilities of the ETF prepared on a going concern basis in accordance with IFRS.

September 30, 2022

1. The ETFs

The RBC ETFs, the exchange-traded funds ("ETF" or "ETFs"), are open-ended mutual fund trusts governed by the laws of the Province of Ontario and governed by a Master Declaration of Trust. RBC GAM is the manager, trustee and portfolio manager of the ETFs and its head office is located at 155 Wellington Street West, 22nd Floor, Toronto, Ontario. These financial statements were approved for issuance by the Board of Directors of RBC GAM on December 8, 2022.

The units of the ETFs are listed either on the Toronto Stock Exchange (the "TSX") or on the NEO Exchange (the "NEO Exchange") as the case may be, except for those ETFs started during the period which have yet to be listed, as indicated in the General Information section of the respective ETF. The TSX and the NEO Exchange are each referred to herein as the "Exchange." Investors may purchase or sell units on the applicable Exchange in the same way as other securities listed on the Exchange.

ETF	Exchange Ticker Symbol
RBC 1-5 Year Laddered Canadian Bond ETF	RLB
RBC 1-5 Year Laddered Corporate Bond ETF	RBO
RBC Target 2022 Corporate Bond Index ETF	RQJ
RBC Target 2023 Corporate Bond Index ETF	RQK
RBC Target 2024 Corporate Bond Index ETF	RQL
RBC Target 2025 Corporate Bond Index ETF	RQN
RBC Target 2026 Corporate Bond Index ETF	RQO
RBC Target 2027 Corporate Bond Index ETF	RQP
RBC Target 2028 Corporate Bond Index ETF	RQQ
RBC Target 2029 Corporate Bond Index ETF	RQR
RBC Canadian Discount Bond ETF	RCDB
RBC PH&N Short Term Canadian Bond ETF	RPSB
RBC Short Term U.S. Corporate Bond ETF	RUSB RUSB.U
RBC Canadian Preferred Share ETF	RPF
RBC Quant Canadian Dividend Leaders ETF	RCD
RBC Canadian Dividend Covered Call ETF	RCDC
RBC Quant Canadian Equity Leaders ETF	RCE
RBC Vision Women's Leadership MSCI Canada Index ETF	RLDR
RBC Canadian Bank Yield Index ETF	RBNK
RBC Quant U.S. Dividend Leaders ETF	RUD RUD.U
RBC Quant U.S. Dividend Leaders (CAD Hedged) ETF	RUDH
RBC U.S. Dividend Covered Call ETF	RUDC
RBC Quant U.S. Equity Leaders ETF	RUE RUE.U
RBC Quant U.S. Equity Leaders (CAD Hedged) ETF	RUEH
RBC U.S. Banks Yield Index ETF	RUBY RUBY.U
RBC U.S. Banks Yield (CAD Hedged) Index ETF	RUBH
RBC Quant European Dividend Leaders ETF	RPD RPD.U
RBC Quant European Dividend Leaders (CAD Hedged) ETF	RPDH
RBC Quant EAFE Dividend Leaders ETF	RID RID.U
RBC Quant EAFE Dividend Leaders (CAD Hedged) ETF	RIDH
RBC Quant EAFE Equity Leaders ETF	RIE RIE.U
RBC Quant EAFE Equity Leaders (CAD Hedged) ETF	RIEH
RBC Quant Emerging Markets Dividend Leaders ETF	RXD RXD.U
RBC Quant Emerging Markets Equity Leaders ETF	RXE RXE.U

2. Financial year

The information provided in these financial statements and notes thereto is as at September 30, 2022 and September 30, 2021, as applicable, and for the 12-month periods ended September 30, 2022 and September 30, 2021, as applicable, except for ETFs or classes established during either period, in which case the information for the ETF, or class, is provided for the period from the start date as described in the Notes to Financial Statements – ETF Specific Information of the ETF.

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 ETFs are as follows:

Classification and Measurement of Financial Assets, Liabilities and Derivatives Each of the ETFs 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 ETFs' 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 ETFs' 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.

The ETFs' 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 ETFs 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 – ETF Specific Information.

Collateral received represents amounts held by a counterparty or custodian on behalf of the ETFs and accordingly not presented in the Statements of Financial Position. Collateral pledged represents amounts held by the ETFs' 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 ETF's Schedule of Investment Portfolio.

Classification of Redeemable Units The ETFs' redeemable units, which qualify as puttable instruments as required by IAS 32 Financial Instruments: Presentation, are held by different types of unitholders that are entitled to different redemption rights. See Note 6 for details. Unitholders may redeem their units for cash at a reduced redemption price on trading day or they may sell units at full market price on the applicable exchange. As a result, the ETFs' outstanding redeemable units are classified as financial liabilities.

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

(i) The ETFs obtain capital from one or more investors for the purpose of providing those investors with investment management services,

(ii) The ETFs 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 ETFs 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 ETFs' 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 ETFs 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 ETFs account for these

investments at fair value. The fair value of such securities, as disclosed in the Schedule of Investment Portfolio, represents the maximum exposure to losses at that date.

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

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 and other debt securities are valued at the mid price quoted by major dealers or independent pricing vendors in such securities.

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

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.

Futures Contracts – Futures contracts entered into by the ETFs are financial agreements to purchase or sell a financial instrument at a contracted price on a specified future date. However, the ETFs 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.

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 ETFs 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.

Management also has procedures where the ETFs 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 ETFs 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 ETFs' 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 ETFs have their subscriptions, redemptions and performance primarily denominated in Canadian dollars and, consequently, the Canadian dollar is the functional currency for the ETFs.

Foreign Exchange The value of investments and other assets and liabilities in foreign currencies is translated into Canadian dollars 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.

Investment Transactions Investment transactions are accounted for as of the trade date. Transaction costs, such as brokerage commissions, incurred by the ETFs 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 ETFs and income trusts.

Valuation of Classes A different NAV is calculated for each class of Units of an ETF. The NAV of a particular class of Units is computed by calculating the value of the class' proportionate share of the assets and liabilities of the ETF common to all classes less the liabilities of the ETF attributable only to that class. Expenses directly attributable to a class are charged to that class. Other expenses are allocated proportionately to each class based upon the relative NAV of each class. Expenses are accrued daily.

Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit Increase (decrease) in net assets attributable to holders of redeemable units per unit in the Statements of Comprehensive Income represents the increase (decrease) in net assets attributable to holders of redeemable units, divided by the average units outstanding during the period.

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

AUD – Australian dollar
CAD – Canadian dollar
CHF – Swiss franc
DKK – Danish krone
EUR – Euro
GBP – Pound sterling
HKD – Hong Kong dollar
JPY – Japanese yen
NOK – Norwegian krone
NZD – New Zealand dollar
SEK – Swedish krona
SGD – Singapore dollar
USD – United States dollar

4. Critical accounting judgments and estimates

The preparation of financial statements requires the use of judgment in applying the ETFs' accounting policies and making estimates and assumptions about the future. There were no critical accounting judgments and estimates made to prepare these financial statements.

5. Financial instrument risk and capital management

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

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

The financial markets experienced significant volatility as a result of the 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 ETFs. 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 an ETF. The manager is actively monitoring the situation.

Financial instrument risk, as applicable to an ETF, is disclosed in its Notes to Financial Statements – ETF Specific Information. These risks include an ETF'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 an ETF cannot be readily converted into cash when required. An ETF is exposed to liquidity risk to the extent that it is subject to daily redemptions of redeemable units. Since the delivery of redemptions is in the form of securities, an ETF is not exposed to any significant liquidity risk. Liquidity risk is managed by investing the majority of an ETF's assets in investments that are traded in an active market and that can be readily disposed. In accordance with securities regulation, an ETF must maintain at least 90% of its assets in liquid investments. In addition, an ETF aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its NAV. All non-derivative financial liabilities, other than redeemable units, are due within 90 days.

Any securities deemed to be illiquid are identified in the Schedule of Investment Portfolio.

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 an ETF's Statements of Financial Position. The ETFs 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 ETFs. The fair value of fixed-income securities includes a consideration of the creditworthiness of the debt issuer. Credit risk exposure is mitigated for those ETFs participating in a securities lending program (see note 8). RBC GAM monitors each ETF'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 an ETF's interest-bearing investments will fluctuate due to changes in market interest rates. The value of fixed-income and debt securities, such as bonds, is affected by interest rates. Generally, the value of these securities increases if interest rates fall and decreases if interest rates rise.

Securities with a stated maturity date beyond the target maturity year of the ETF have an effective maturity date in the target year of the ETF.

Certain ETFs 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 ETFs 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 ETF.

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 ETF Specific Information in the Notes to Financial Statements represents the monetary and non-monetary foreign exchange exposure of an ETF.

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. Redeemable units

The beneficial interest in the ETFs is divided into equal interests of each class referred to as outstanding units. Each ETF is authorized to issue an unlimited number of redeemable and transferable units in each class, each of which represents an equal, undivided interest in the net asset value of that class of the ETF. Each unit outstanding shall participate pro rata in any distributions made, other than management fee distributions, and in the event of termination of the ETF, in the net assets of that class of the ETF.

On any trading day, an underwriter or designated broker may place a subscription or redemption order for an integral multiple of the prescribed number of units of an ETF. If the order is accepted, the ETF will issue or redeem units to or from the underwriter or designated broker within two trading days thereafter. For each prescribed number of units issued or redeemed, the underwriter or designated broker must deliver or receive payment consisting of:

a) a basket of applicable securities for each prescribed number of units; and

b) cash in an amount sufficient so that the value of the basket of the applicable securities and cash delivered is equal to the net asset value of the prescribed number of units plus the distribution price adjustment, if applicable, of that class of the ETF.

In accordance with IAS 7, the ETFs 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.

A trading day is each day on which the TSX and/or the NEO Exchange is open for trading.

A unitholder is entitled on any trading day to redeem units for cash at a redemption price of 95% of net asset value per unit of that class of the ETF's units at the next valuation following receipt of the cash redemption request. Unitholders will generally be able to sell (rather than redeem) units at the full market price on the TSX or the NEO Exchange, as the case may be, through a registered broker or dealer subject only to customary brokerage commissions. To be effective on a particular trading day, a cash redemption request must be received by such time as RBC GAM may, from time to time, determine on that trading day. If a cash redemption request is received later than the prescribed time on a trading day or a day which is not a trading day, the cash redemption request shall be deemed to be received as of the next trading day.

The NAV per unit of each class is derived by dividing the NAV of that class of ETF by the outstanding units of that class at the end of each trading day of the ETF. The capital of the ETFs is managed in accordance with the investment objective as outlined in the Prospectus.

7. Taxes

The ETFs qualify as "mutual fund trusts" or "unit trusts" as defined in the *Income Tax Act* (Canada) (the "Tax Act"). In general, the ETFs 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 ETFs 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 ETFs are redeemed. It is the intention of the ETFs to pay out all net income and realized capital gains each year so that the ETFs will not be subject to income taxes. Accordingly, no provision for income taxes is recorded.

If an ETF is not a mutual fund trust under the Tax Act throughout a taxation year, the ETF (i) may become liable for alternative minimum tax under the Tax Act in such year, (ii) would not be eligible for capital gains refunds under the

Tax Act in such year, (iii) may be subject to the "mark-to-market" rules described below and (iv) may be subject to a special tax under Part XII.2 of the Tax Act described below in such year.

If an ETF does not qualify as a mutual fund trust and more than 50% (calculated on a fair market value basis) of the units of the ETF are held by one or more unitholders that are considered to be "financial institutions" for the purposes of certain special mark-to-market rules in the Tax Act, then the ETF itself will be treated as a financial institution under those special rules. Under those rules, the ETF will be required to recognize at least annually on income account any gains and losses accruing on certain types of debt obligations and equity securities that it holds and also will be subject to special rules with respect to income inclusion on these securities. Any income arising from such treatment will be included in amounts to be distributed to unitholders. If more than 50% of the units of the ETF cease to be held by financial institutions, the tax year of the ETF will be deemed to end immediately before that time and any gains or losses accrued before that time will be deemed realized by the ETF and will be distributed to unitholders. A new taxation year for the ETF will then begin and for that and subsequent taxation years, for so long as not more than 50% of the units of the ETF are held by financial institutions, the ETF will not be subject to these special mark-to-market rules.

If at any time in a year an ETF that is not a mutual fund trust under the Tax Act throughout that year has a unitholder that is a "designated beneficiary", the ETF will be subject to a special tax at the rate of 40% under Part XII.2 of the Tax Act on its "designated income" within the meaning of the Tax Act. A "designated beneficiary" includes a non-resident, and "designated income" includes taxable capital gains from dispositions of "taxable Canadian property" and income from business carried on in Canada (which could include gains on certain derivatives). Where an ETF is subject to tax under Part XII.2 of the Tax Act, the ETF may make a designation which will result in unitholders that are not designated beneficiaries receiving a tax credit with respect to their share of the Part XII.2 tax paid by the ETF.

Net investment income and capital gains are distributable to the unitholders in amounts determined under the provisions of the Declaration of Trust on a monthly or quarterly basis. All distributions, other than management fee distributions, shall be credited to the unitholder pro rata in accordance with the number of units held by them on record date of the distribution. Reinvested distributions will be automatically reinvested in additional units of the applicable class of the RBC ETF at a price equal to the net asset value per unit of the applicable class of the RBC ETF. The units of that class will be immediately consolidated such that the number of outstanding units of the applicable class following the distribution will equal the number of units of the applicable class outstanding prior to the distribution. Management fee distributions shall be credited to the unitholder entitled thereto.

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.

8. Securities lending revenue

Certain of the ETFs 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 the ETF. Each ETF will have entered into a securities lending agreement with its custodian, RBC Investor Services Trust ("RBC IS"). The aggregate market value of all securities loaned by an ETF cannot exceed 50% of the assets of an ETF. The ETF receives collateral, with an approved credit rating of at least A, of at least 102% of the value of the securities on loan. The ETF is indemnified by RBC IS for any collateral credit or market loss. As such, the credit risk associated with securities lending is considered minimal.

9. Administrative and other related-party transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect wholly owned subsidiary of Royal Bank of Canada ("Royal Bank"). RBC GAM is the manager, trustee and portfolio manager of the ETFs. RBC GAM is responsible for the ETFs' day-to-day operations, holds title to the ETFs' property on behalf of its unitholders, provides investment advice and portfolio management services to the ETFs and appoints underwriters or designated brokers for the ETFs. RBC GAM is paid a management fee by the ETFs as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the NAV of the class of the ETF. The fee plus applicable taxes are accrued daily and paid monthly in arrears.

RBC GAM in turn pays certain operating expenses of the ETFs. 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 cost of preparing and distributing annual and interim reports, prospectuses and investor communications. The ETFs also pay certain operating expenses directly, including any costs and expenses of the Independent Review Committee ("IRC") of the ETFs 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 ETFs, will be responsible for the costs related to annual fees, meeting fees and reimbursement for expenses to members of the IRC.

Certain ETFs may invest in units of other Funds managed by RBC GAM or its affiliates ("underlying funds"). To the extent an ETF 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 ETF. However, an ETF 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 ETF's ownership interest in underlying funds is disclosed in the Notes to Financial Statements – ETF Specific Information. The fees and expenses payable by the underlying funds are in addition to the fees and expenses payable by the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETFs, 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 ETFs denominated in different currencies. The ETFs 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 ETFs 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 Short Term U.S. Corporate Bond ETF

The sub-advisor earns a fee which is calculated and accrued on a daily basis and is based on a percentage of the NAV of the class of the ETF. The sub-advisor is paid by the manager from the management fee paid by the ETFs.

Custodian and Valuation Agent

RBC IS is the custodian and valuation agent and holds the assets of the ETFs and provides administrative services to the ETFs. RBC IS earns a fee for these services, which is paid by the manager from the management fee paid by the ETFs.

Designated Broker and Authorized Dealer

RBC Dominion Securities Inc. is a designated broker and/or an authorized dealer for the ETFs. As such, RBC Dominion Securities Inc. may subscribe or redeem units of the ETFs.

Brokers and Dealers

The ETFs 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 an ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETFs relied on the standing instructions from the IRC with respect to the following related-party 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; and

(c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities 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 ETFs, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETFs.