

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.



Damon G. Williams, FSA, FCIA, CFA
Chief Executive Officer
RBC Global Asset Management Inc.
August 9, 2022



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

Unaudited Interim Financial Statements

The accompanying interim financial statements have not been reviewed by the external auditors of the Funds. The external auditors will be auditing the annual financial statements of the Funds in accordance with Canadian generally accepted auditing standards.



SCHEDULE OF INVESTMENT PORTFOLIO (unaudited) (in \$000s)
RBC EUROPEAN EQUITY FUND

June 30, 2022

	Holdings	Cost (\$)	Fair Value (\$)	% of Net Assets
EUROPEAN EQUITIES				
Denmark				
Chr Hansen Holding A/S	187 440	7 054	17 612	
Coloplast A/S	63 207	6 981	9 296	
DSV A/S	61 060	6 751	11 052	
Novo Nordisk A/S	2 631 519	178 559	375 659	
Novozymes A/S	1 057 048	80 391	81 887	
		279 736	495 506	7.6
Finland				
Kone Oyj	76 726	5 424	4 720	
Sampo Oyj	3 684 880	193 183	207 282	
		198 607	212 002	3.3
France				
Edenred	289 923	19 147	17 678	
EssilorLuxottica S.A.	1 094 573	205 087	213 612	
LVMH Moët Hennessy Louis Vuitton SE	313 347	180 556	247 198	
Remy Cointreau S.A.	146 364	29 000	33 057	
Sanofi	1 872 182	246 852	243 026	
Schneider Electric SE	915 164	183 770	140 365	
TotalEnergies SE	5 367 677	367 296	363 683	
		1 231 708	1 258 619	19.3
Germany				
Linde Plc.	518 183	134 857	191 898	
		134 857	191 898	2.9
Ireland				
Flutter Entertainment Plc.	223 531	28 663	29 068	
Kingspan Group Plc.	819 774	63 280	63 451	
Ryanair Holdings Plc. – ADR	1 570 560	169 689	135 954	
		261 632	228 473	3.5
Italy				
DiaSorin S.p.A.	141 045	29 442	23 876	
Ferrari N.V.	49 669	13 485	11 766	
Moncler S.p.A.	188 890	15 379	10 476	
UniCredit S.p.A.	31 344	420	386	
		58 726	46 504	0.7
Netherlands				
Adyen N.V.	41 749	98 479	77 553	
ASML Holding N.V.	285 985	119 223	173 914	
Heineken N.V.	1 967 140	247 139	230 476	
ING Groep N.V.	18 350 678	231 208	232 705	
NN Group N.V.	448 887	23 154	26 171	
		719 203	740 819	11.4
Norway				
DNB Bank ASA	4 165 800	122 012	97 075	
		122 012	97 075	1.5
Spain				
Amadeus IT Group S.A.	1 626 017	150 710	117 196	
Cellnex Telecom S.A.	228 171	16 111	11 430	
		166 821	128 626	2.0

	Holdings	Cost (\$)	Fair Value (\$)	% of Net Assets
Sweden				
Assa Abloy AB	4 348 912	135 307	119 460	
Atlas Copco AB	4 191 808	41 197	50 504	
Hexagon AB	3 842 561	73 603	51 683	
		250 107	221 647	3.4
Switzerland				
Nestlé S.A.	1 501 620	235 048	225 903	
Roche Holding AG	642 551	295 859	276 497	
Sika AG	88 199	12 679	26 207	
UBS Group AG	5 984 499	123 571	124 536	
		667 157	653 143	10.0
United Kingdom				
Ashtead Group Plc.	2 243 076	74 562	121 464	
Barratt Developments Plc.	23 105 123	224 682	166 361	
British American Tobacco Plc.	2 623 728	143 307	144 764	
DCC Plc.	2 222 808	235 774	178 014	
Diageo Plc.	5 242 821	250 177	291 489	
Experian Plc.	2 613 944	131 424	98 789	
Fevertree Drinks Plc.	984 363	41 792	18 868	
Hargreaves Lansdown Plc.	7 704 333	225 801	95 684	
Howden Joinery Group Plc.	2 997 736	39 573	28 444	
London Stock Exchange Group Plc.	1 943 069	170 338	233 384	
RELX Plc.	6 615 373	155 564	230 279	
Rio Tinto Plc.	1 355 266	128 053	104 298	
Sage Group Plc.	2 852 612	32 064	28 434	
Schroders Plc.	3 602 435	188 963	151 480	
Unilever Plc.	3 348 224	211 730	196 441	
		2 253 804	2 088 193	32.1
TOTAL EUROPEAN EQUITIES		6 344 370	6 362 505	97.7
SHORT-TERM INVESTMENTS*		121 780	121 780	1.9
TOTAL INVESTMENTS		6 466 150	6 484 285	99.6
UNREALIZED GAIN ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE A)				
		–	31 888	0.5
UNREALIZED LOSS ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE A)				
		–	(15 845)	(0.2)
TOTAL PORTFOLIO		6 466 150	6 500 328	99.9
OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS				
			9 896	0.1
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS				
			6 510 224	100.0

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



June 30, 2022

SCHEDULE A

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Gain (\$)
Bought CAD 12 503 Sold USD 9 710 @ 1.2872	05-Jul-2022	4
Bought CAD 194 Sold USD 150 @ 1.2872	05-Jul-2022	–
Bought USD 192 Sold CAD 246 @ 1.2872	05-Jul-2022	2
Bought USD 9 860 Sold CAD 12 321 @ 1.2872	05-Jul-2022	371
Bought CAD 11 842 Sold NOK 82 854 @ 0.1307	07-Jul-2022	1 013
Bought CAD 18 127 Sold DKK 98 022 @ 0.1814	07-Jul-2022	342
Bought CAD 9 249 Sold DKK 50 000 @ 0.1814	07-Jul-2022	178
Bought NOK 58 906 Sold CAD 7 633 @ 0.1307	07-Jul-2022	66
Bought CAD 13 115 Sold DKK 71 000 @ 0.1814	08-Jul-2022	232
Bought CAD 260 Sold DKK 1 406 @ 0.1814	08-Jul-2022	5
Bought CAD 65 261 Sold GBP 39 971 @ 1.5670	08-Jul-2022	2 626
Bought CHF 150 Sold CAD 201 @ 1.3489	08-Jul-2022	2
Bought CAD 206 Sold EUR 150 @ 1.3500	13-Jul-2022	3
Bought CAD 22 423 Sold GBP 13 660 @ 1.5672	13-Jul-2022	1 015
Bought CAD 266 Sold SEK 2 000 @ 0.1259	14-Jul-2022	14
Bought CAD 30 704 Sold DKK 167 316 @ 0.1815	14-Jul-2022	331
Bought CAD 8 060 Sold NOK 56 177 @ 0.1307	14-Jul-2022	717
Bought CAD 31 217 Sold EUR 22 827 @ 1.3506	19-Jul-2022	386
Bought CAD 919 Sold EUR 672 @ 1.3506	19-Jul-2022	11
Bought EUR 1 000 Sold CAD 1 350 @ 1.3506	19-Jul-2022	1
Bought EUR 3 794 Sold CAD 5 102 @ 1.3506	19-Jul-2022	23
Bought CAD 104 227 Sold GBP 63 889 @ 1.5674	20-Jul-2022	4 085
Bought CAD 3 619 Sold EUR 2 661 @ 1.3507	20-Jul-2022	24
Bought CAD 7 521 Sold EUR 5 500 @ 1.3507	20-Jul-2022	92
Bought CAD 275 Sold EUR 200 @ 1.3508	21-Jul-2022	4
Bought CAD 451 Sold EUR 329 @ 1.3508	21-Jul-2022	6
Bought CAD 17 Sold GBP 10 @ 1.5675	22-Jul-2022	–
Bought CAD 48 267 Sold GBP 29 981 @ 1.5675	22-Jul-2022	1 271
Bought CHF 278 Sold CAD 372 @ 1.3504	25-Jul-2022	4
Bought CHF 50 627 Sold CAD 67 588 @ 1.3504	25-Jul-2022	781
Bought CAD 2 864 Sold EUR 2 114 @ 1.3513	27-Jul-2022	7
Bought CAD 24 444 Sold EUR 17 966 @ 1.3513	27-Jul-2022	165
Bought CAD 282 Sold EUR 207 @ 1.3513	27-Jul-2022	2
Bought CHF 13 337 Sold CAD 17 806 @ 1.3506	27-Jul-2022	207
Bought CHF 185 Sold CAD 246 @ 1.3506	27-Jul-2022	5
Bought CHF 790 Sold CAD 1 055 @ 1.3506	27-Jul-2022	12
Bought EUR 2 290 Sold CAD 3 087 @ 1.3513	27-Jul-2022	8
Bought CAD 29 243 Sold GBP 18 084 @ 1.5679	02-Aug-2022	889
Bought CAD 416 Sold GBP 257 @ 1.5679	02-Aug-2022	13
Bought CHF 221 Sold CAD 294 @ 1.3514	04-Aug-2022	6
Bought CHF 46 855 Sold CAD 62 151 @ 1.3514	04-Aug-2022	1 168
Bought CAD 136 Sold EUR 100 @ 1.3522	05-Aug-2022	1
Bought CAD 804 Sold NOK 5 868 @ 0.1308	05-Aug-2022	36
Bought CAD 18 231 Sold GBP 11 385 @ 1.5680	08-Aug-2022	379
Bought CAD 40 051 Sold DKK 219 065 @ 0.1819	08-Aug-2022	213
Bought CAD 9 274 Sold NOK 67 604 @ 0.1308	08-Aug-2022	432
Bought CHF 15 395 Sold CAD 20 250 @ 1.3518	08-Aug-2022	561
Bought GBP 70 Sold CAD 110 @ 1.5680	08-Aug-2022	–
Bought CHF 246 Sold CAD 322 @ 1.3519	09-Aug-2022	11
Bought CHF 300 Sold CAD 387 @ 1.3519	09-Aug-2022	19
Bought CHF 47 536 Sold CAD 62 173 @ 1.3519	09-Aug-2022	2 089
Bought CHF 7 000 Sold CAD 9 027 @ 1.3519	09-Aug-2022	436
Bought CAD 1 290 Sold NOK 9 455 @ 0.1308	10-Aug-2022	52
Bought CAD 1 800 Sold SEK 14 000 @ 0.1260	10-Aug-2022	35
Bought CAD 14 347 Sold USD 11 010 @ 1.2872	10-Aug-2022	174

SCHEDULE A (cont.)

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Gain (\$)
Bought CAD 173 Sold GBP 108 @ 1.5680	10-Aug-2022	3
Bought CAD 638 Sold DKK 3 500 @ 0.1819	10-Aug-2022	–
Bought CHF 8 657 Sold CAD 11 389 @ 1.3519	10-Aug-2022	316
Bought CHF 973 Sold CAD 1 280 @ 1.3519	10-Aug-2022	35
Bought CAD 10 776 Sold DKK 58 505 @ 0.1819	11-Aug-2022	134
Bought CAD 2 944 Sold USD 2 272 @ 1.2872	11-Aug-2022	19
Bought USD 192 Sold CAD 248 @ 1.2872	11-Aug-2022	–
Bought CAD 7 966 Sold EUR 5 874 @ 1.3529	12-Aug-2022	19
Bought CAD 9 303 Sold GBP 5 788 @ 1.5681	12-Aug-2022	226
Bought CHF 291 Sold CAD 384 @ 1.3524	15-Aug-2022	10
Bought CHF 41 931 Sold CAD 55 211 @ 1.3524	15-Aug-2022	1 499
Bought CAD 11 146 Sold GBP 7 000 @ 1.5682	16-Aug-2022	168
Bought CAD 12 732 Sold GBP 8 000 @ 1.5682	16-Aug-2022	186
Bought CAD 191 Sold GBP 120 @ 1.5682	16-Aug-2022	3
Bought CAD 33 138 Sold GBP 21 000 @ 1.5682	16-Aug-2022	206
Bought CHF 1 109 Sold CAD 1 440 @ 1.3526	17-Aug-2022	61
Bought CHF 14 360 Sold CAD 18 637 @ 1.3526	17-Aug-2022	788
Bought CAD 16 375 Sold DKK 89 611 @ 0.1820	18-Aug-2022	66
Bought CAD 245 Sold EUR 180 @ 1.3535	18-Aug-2022	1
Bought CAD 25 728 Sold EUR 19 000 @ 1.3535	18-Aug-2022	12
Bought CAD 376 Sold DKK 2 056 @ 0.1820	18-Aug-2022	2
Bought CAD 466 Sold EUR 342 @ 1.3535	18-Aug-2022	3
Bought CHF 2 780 Sold CAD 3 612 @ 1.3527	18-Aug-2022	149
Bought CAD 1 059 Sold EUR 781 @ 1.3535	19-Aug-2022	1
Bought CAD 10 327 Sold DKK 56 680 @ 0.1820	19-Aug-2022	11
Bought CAD 12 365 Sold SEK 95 939 @ 0.1261	19-Aug-2022	270
Bought CAD 145 Sold NOK 1 100 @ 0.1308	19-Aug-2022	1
Bought CAD 273 Sold EUR 200 @ 1.3535	19-Aug-2022	2
Bought CAD 487 Sold SEK 3 773 @ 0.1261	19-Aug-2022	11
Bought NOK 1 500 Sold CAD 196 @ 0.1308	19-Aug-2022	–
Bought CHF 24 254 Sold CAD 32 206 @ 1.3531	22-Aug-2022	613
Bought CAD 201 Sold GBP 125 @ 1.5684	24-Aug-2022	4
Bought CAD 23 959 Sold GBP 14 941 @ 1.5684	25-Aug-2022	526
Bought CAD 4 914 Sold GBP 3 064 @ 1.5684	25-Aug-2022	108
Bought CAD 444 Sold GBP 280 @ 1.5684	25-Aug-2022	4
Bought CAD 39 071 Sold EUR 28 178 @ 1.3542	26-Aug-2022	912
Bought EUR 13 211 Sold CAD 17 866 @ 1.3542	26-Aug-2022	25
Bought EUR 14 000 Sold CAD 18 901 @ 1.3542	26-Aug-2022	59
Bought CAD 280 Sold SEK 2 147 @ 0.1261	29-Aug-2022	9
Bought CAD 33 358 Sold SEK 256 000 @ 0.1261	29-Aug-2022	1 067
Bought CAD 7 132 Sold NOK 53 352 @ 0.1308	29-Aug-2022	151
Bought CAD 812 Sold NOK 6 073 @ 0.1308	29-Aug-2022	17
Bought CAD 3 723 Sold NOK 27 900 @ 0.1308	02-Sep-2022	72
Bought CAD 770 Sold NOK 5 765 @ 0.1308	02-Sep-2022	15
Bought CHF 11 141 Sold CAD 14 532 @ 1.3549	08-Sep-2022	563
Bought CHF 191 Sold CAD 250 @ 1.3549	08-Sep-2022	10
Bought EUR 1 678 Sold CAD 2 264 @ 1.3556	09-Sep-2022	12
Bought CAD 104 800 Sold GBP 65 968 @ 1.5689	13-Sep-2022	1 299
Bought EUR 26 000 Sold CAD 35 134 @ 1.3560	13-Sep-2022	122
Bought CAD 30 817 Sold GBP 19 580 @ 1.5690	14-Sep-2022	96
Bought CHF 3 300 Sold CAD 4 305 @ 1.3557	16-Sep-2022	170
Bought CHF 80 Sold CAD 105 @ 1.3557	16-Sep-2022	4
Bought CAD 12 379 Sold DKK 67 826 @ 0.1824	19-Sep-2022	6
Bought CAD 7 132 Sold USD 5 500 @ 1.2870	19-Sep-2022	53
Bought CAD 11 411 Sold USD 8 829 @ 1.2870	20-Sep-2022	47

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



June 30, 2022

SCHEDULE A (cont.)

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Gain (\$)
Bought CAD 19 839 Sold DKK 107 262 @ 0.1824	20-Sep-2022	271
Bought CAD 5 216 Sold USD 4 000 @ 1.2870	20-Sep-2022	67
Bought CAD 27 524 Sold GBP 17 260 @ 1.5692	22-Sep-2022	438
Bought CAD 17 471 Sold DKK 94 705 @ 0.1825	23-Sep-2022	189
Bought CAD 55 Sold DKK 295 @ 0.1825	23-Sep-2022	1
Bought CAD 28 255 Sold USD 21 855 @ 1.2870	26-Sep-2022	126
Bought CAD 9 155 Sold USD 7 040 @ 1.2870	27-Sep-2022	93
Bought CAD 18 954 Sold USD 14 720 @ 1.2870	29-Sep-2022	8
		<u>31 888</u>

Contracts	Maturity Date	Unrealized Loss (\$)
Bought CAD 248 Sold USD 192 @ 1.2872	05-Jul-2022	-
Bought CAD 21 989 Sold USD 17 566 @ 1.2872	08-Jul-2022	(622)
Bought CHF 236 Sold CAD 320 @ 1.3489	08-Jul-2022	(1)
Bought CHF 46 355 Sold CAD 62 753 @ 1.3489	08-Jul-2022	(224)
Bought GBP 12 000 Sold CAD 19 248 @ 1.5670	08-Jul-2022	(443)
Bought GBP 435 Sold CAD 714 @ 1.5670	08-Jul-2022	(32)
Bought USD 9 710 Sold CAD 12 503 @ 1.2872	08-Jul-2022	(4)
Bought CAD 662 Sold EUR 492 @ 1.3500	13-Jul-2022	(3)
Bought CAD 7 954 Sold USD 6 304 @ 1.2872	13-Jul-2022	(161)
Bought EUR 350 Sold CAD 473 @ 1.3500	13-Jul-2022	-
Bought EUR 60 Sold CAD 83 @ 1.3500	13-Jul-2022	(1)
Bought DKK 5 438 Sold CAD 998 @ 0.1815	14-Jul-2022	(11)
Bought SEK 112 769 Sold CAD 14 859 @ 0.1259	14-Jul-2022	(663)
Bought SEK 600 Sold CAD 78 @ 0.1259	14-Jul-2022	(2)
Bought SEK 92 195 Sold CAD 12 245 @ 0.1259	14-Jul-2022	(638)
Bought CAD 15 416 Sold USD 12 033 @ 1.2872	19-Jul-2022	(74)
Bought CAD 16 179 Sold EUR 12 000 @ 1.3507	20-Jul-2022	(29)
Bought EUR 111 296 Sold CAD 151 482 @ 1.3507	20-Jul-2022	(1 155)
Bought GBP 1 407 Sold CAD 2 243 @ 1.5674	20-Jul-2022	(37)
Bought CAD 329 Sold USD 261 @ 1.2872	21-Jul-2022	(8)
Bought CAD 5 131 Sold USD 4 000 @ 1.2872	21-Jul-2022	(18)
Bought DKK 100 Sold CAD 19 @ 0.1816	21-Jul-2022	-
Bought DKK 57 228 Sold CAD 10 457 @ 0.1816	21-Jul-2022	(63)
Bought CAD 5 104 Sold USD 4 013 @ 1.2872	25-Jul-2022	(62)
Bought CAD 6 792 Sold USD 5 290 @ 1.2872	25-Jul-2022	(18)
Bought EUR 10 000 Sold CAD 13 686 @ 1.3512	25-Jul-2022	(174)
Bought EUR 305 Sold CAD 418 @ 1.3512	25-Jul-2022	(6)
Bought CAD 184 Sold CHF 139 @ 1.3506	27-Jul-2022	(4)
Bought EUR 43 540 Sold CAD 59 787 @ 1.3513	27-Jul-2022	(949)
Bought SEK 74 635 Sold CAD 9 792 @ 0.1259	27-Jul-2022	(391)
Bought CAD 85 749 Sold EUR 63 736 @ 1.3515	29-Jul-2022	(393)
Bought EUR 558 Sold CAD 765 @ 1.3515	29-Jul-2022	(10)
Bought EUR 6 209 Sold CAD 8 507 @ 1.3515	29-Jul-2022	(115)
Bought EUR 64 323 Sold CAD 87 630 @ 1.3519	02-Aug-2022	(670)
Bought CAD 19 722 Sold CHF 15 000 @ 1.3514	04-Aug-2022	(549)
Bought EUR 50 Sold CAD 68 @ 1.3522	05-Aug-2022	-
Bought SEK 2 315 Sold CAD 303 @ 0.1260	05-Aug-2022	(11)
Bought SEK 206 666 Sold CAD 27 018 @ 0.1260	05-Aug-2022	(979)
Bought CAD 13 369 Sold CHF 10 000 @ 1.3518	08-Aug-2022	(149)
Bought DKK 1 587 Sold CAD 291 @ 0.1819	08-Aug-2022	(2)
Bought GBP 1 750 Sold CAD 2 764 @ 1.5680	08-Aug-2022	(19)
Bought USD 12 040 Sold CAD 15 602 @ 1.2872	09-Aug-2022	(104)
Bought NOK 21 970 Sold CAD 2 875 @ 0.1308	10-Aug-2022	(1)

SCHEDULE A (cont.)

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Loss (\$)
Bought SEK 1 200 Sold CAD 157 @ 0.1260	10-Aug-2022	(5)
Bought SEK 213 000 Sold CAD 27 777 @ 0.1260	10-Aug-2022	(934)
Bought DKK 1 646 Sold CAD 304 @ 0.1819	11-Aug-2022	(4)
Bought SEK 18 599 Sold CAD 2 403 @ 0.1260	11-Aug-2022	(59)
Bought SEK 87 389 Sold CAD 11 289 @ 0.1260	11-Aug-2022	(275)
Bought EUR 10 000 Sold CAD 13 811 @ 1.3529	12-Aug-2022	(281)
Bought SEK 1 576 Sold CAD 206 @ 0.1260	15-Aug-2022	(7)
Bought SEK 169 513 Sold CAD 22 110 @ 0.1260	15-Aug-2022	(743)
Bought SEK 8 360 Sold CAD 1 084 @ 0.1260	15-Aug-2022	(29)
Bought SEK 80 000 Sold CAD 10 219 @ 0.1260	15-Aug-2022	(135)
Bought GBP 1 245 Sold CAD 2 006 @ 1.5682	16-Aug-2022	(53)
Bought GBP 10 000 Sold CAD 16 112 @ 1.5682	16-Aug-2022	(430)
Bought GBP 106 Sold CAD 170 @ 1.5682	16-Aug-2022	(4)
Bought GBP 14 000 Sold CAD 22 427 @ 1.5682	16-Aug-2022	(472)
Bought GBP 20 478 Sold CAD 32 985 @ 1.5682	16-Aug-2022	(872)
Bought GBP 6 500 Sold CAD 10 231 @ 1.5682	16-Aug-2022	(37)
Bought CAD 382 Sold EUR 282 @ 1.3534	17-Aug-2022	-
Bought CAD 4 911 Sold CHF 3 700 @ 1.3526	17-Aug-2022	(94)
Bought EUR 4 000 Sold CAD 5 489 @ 1.3534	17-Aug-2022	(75)
Bought CAD 425 Sold CHF 327 @ 1.3527	18-Aug-2022	(18)
Bought EUR 14 478 Sold CAD 19 684 @ 1.3535	18-Aug-2022	(88)
Bought EUR 2 180 Sold CAD 2 971 @ 1.3535	19-Aug-2022	(20)
Bought NOK 575 Sold CAD 76 @ 0.1308	19-Aug-2022	(1)
Bought EUR 8 522 Sold CAD 11 565 @ 1.3539	23-Aug-2022	(26)
Bought GBP 50 Sold CAD 80 @ 1.5684	25-Aug-2022	(1)
Bought GBP 70 063 Sold CAD 110 931 @ 1.5684	25-Aug-2022	(1 045)
Bought EUR 19 743 Sold CAD 26 897 @ 1.3542	26-Aug-2022	(160)
Bought EUR 619 Sold CAD 859 @ 1.3542	26-Aug-2022	(20)
Bought SEK 4 600 Sold CAD 590 @ 0.1261	29-Aug-2022	(9)
Bought EUR 17 267 Sold CAD 23 421 @ 1.3549	02-Sep-2022	(25)
Bought CAD 22 432 Sold DKK 123 403 @ 0.1823	08-Sep-2022	(62)
Bought CAD 310 Sold DKK 1 700 @ 0.1823	08-Sep-2022	(1)
Bought CAD 14 639 Sold USD 11 671 @ 1.2870	09-Sep-2022	(383)
Bought EUR 109 Sold CAD 148 @ 1.3560	13-Sep-2022	-
Bought CAD 2 440 Sold EUR 1 806 @ 1.3562	15-Sep-2022	(10)
Bought CAD 37 Sold GBP 23 @ 1.5690	15-Sep-2022	-
Bought CAD 556 Sold NOK 4 280 @ 0.1309	19-Sep-2022	(5)
Bought GBP 20 000 Sold CAD 31 481 @ 1.5691	19-Sep-2022	(98)
Bought GBP 100 Sold CAD 160 @ 1.5692	22-Sep-2022	(3)
Bought SEK 108 411 Sold CAD 13 901 @ 0.1263	29-Sep-2022	(208)
Bought SEK 185 952 Sold CAD 23 844 @ 0.1263	29-Sep-2022	(358)
		<u>(15 845)</u>
TOTAL FOREIGN EXCHANGE		<u>16 043</u>

All counterparties have a credit rating of at least A.

\$3 245 Government of Canada Treasury Bills are held as collateral by counterparties with respect to the above foreign exchange contracts.

* Short-term investments, which may be made up of treasury bills, commercial paper, term deposits and discount notes, earn interest at rates ranging from 1.45% to 2.33% and mature between July 11, 2022 and November 24, 2022.

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



Statements of Financial Position (unaudited)

(in \$000s except per unit amounts)

(see note 2 in the generic notes)	June 30 2022	December 31 2021
ASSETS		
Investments at fair value	\$ 6 484 285	\$ 8 145 694
Cash	1 517	–
Subscriptions receivable	1 288	752
Unrealized gain on foreign exchange contracts	31 888	27 099
Dividends receivable, interest accrued and other assets	9 443	6
TOTAL ASSETS	6 528 421	8 173 551
LIABILITIES		
Bank overdraft	–	149
Redemptions payable	1 892	366
Unrealized loss on foreign exchange contracts	15 845	16 714
Distributions payable	3	2
Accounts payable and accrued expenses	457	592
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	18 197	17 823
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")	\$ 6 510 224	\$ 8 155 728
Investments at cost	\$ 6 466 150	\$ 5 822 847
NAV		
SERIES A	\$ 146 407	\$ 191 388
ADVISOR SERIES	\$ –	\$ 907
SERIES T5	\$ 98	\$ 65
SERIES D	\$ 7 649	\$ 30 791
SERIES F	\$ 106 788	\$ 92 256
SERIES FT5	\$ 491	\$ 515
SERIES O	\$ 6 248 791	\$ 7 839 806
NAV PER UNIT		
SERIES A	\$ 21.88	\$ 28.62
ADVISOR SERIES	\$ –	\$ 29.07
SERIES T5	\$ 19.05	\$ 25.61
SERIES D	\$ 22.26	\$ 29.03
SERIES F	\$ 23.64	\$ 30.86
SERIES FT5	\$ 21.31	\$ 28.48
SERIES O	\$ 22.18	\$ 29.20

Statements of Comprehensive Income (unaudited)

(in \$000s except per unit amounts)

For the periods ended June 30 (see note 2 in the generic notes)	2022	2021
INCOME (see note 3 in the generic notes)		
Dividends	\$ 140 885	\$ 90 752
Interest for distribution purposes	377	24
Derivative income (loss)	(32 019)	(53 005)
Net realized gain (loss) on investments	352 378	328 067
Change in unrealized gain (loss) on investments	(2 299 054)	336 438
TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES	(1 837 433)	702 276
Other income (loss)	3 381	–
Securities lending revenue (see note 7 in the generic notes)	650	539
Net gain (loss) on foreign cash balances	403	(1 184)
TOTAL OTHER INCOME (LOSS)	4 434	(645)
TOTAL INCOME (LOSS)	(1 832 999)	701 631
EXPENSES (see notes – Fund Specific Information)		
Management fees	1 829	2 056
Administration fees	891	954
Independent Review Committee costs	–	1
GST/HST	277	309
Transaction costs	6 544	4 748
Withholding tax	17 785	9 685
TOTAL EXPENSES	27 326	17 753
INCREASE (DECREASE) IN NAV	\$ (1 860 325)	\$ 683 878
INCREASE (DECREASE) IN NAV		
SERIES A	\$ (43 028)	\$ 14 565
ADVISOR SERIES	\$ (117)	\$ 81
SERIES T5	\$ (28)	\$ 6
SERIES D	\$ (5 144)	\$ 2 310
SERIES F	\$ (24 298)	\$ 6 336
SERIES FT5	\$ (135)	\$ 41
SERIES O	\$ (1 787 575)	\$ 660 539
INCREASE (DECREASE) IN NAV PER UNIT		
SERIES A	\$ (6.69)	\$ 2.07
ADVISOR SERIES	\$ (3.91)	\$ 2.12
SERIES T5	\$ (5.74)	\$ 1.90
SERIES D	\$ (6.99)	\$ 2.22
SERIES F	\$ (6.89)	\$ 2.38
SERIES FT5	\$ (6.31)	\$ 2.16
SERIES O	\$ (6.49)	\$ 2.41



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

For the periods ended June 30 (see note 2 in the generic notes)	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in NAV	\$ (1 860 325)	\$ 683 878
ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS		
Interest for distribution purposes	(150)	–
Non-cash dividends	–	–
Non-cash distributions from underlying funds	–	–
Net realized loss (gain) on investments	(352 378)	(328 067)
Change in unrealized loss (gain) on investments	2 299 054	(336 438)
(Increase) decrease in accrued receivables	(9 437)	(3 335)
Increase (decrease) in accrued payables	(135)	5
(Increase) decrease in margin accounts	–	–
Cost of investments purchased*	(4 278 925)	(2 370 737)
Proceeds from sale and maturity of investments*	3 988 150	2 442 184
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(214 146)	87 490
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units*	405 835	133 336
Cash paid on redemption of redeemable units*	(180 916)	(221 609)
Distributions paid to holders of redeemable units	(9 107)	(12)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	\$ 215 812	\$ (88 285)
Net increase (decrease) in cash for the period	1 666	(795)
Cash (bank overdraft), beginning of period	(149)	1 115
CASH (BANK OVERDRAFT), END OF PERIOD	\$ 1 517	\$ 320
Interest received (paid) [†]	\$ 230	\$ 25
Income from investment trusts received (paid) ^{†‡}	\$ –	\$ –
Dividends received (paid) ^{†‡}	\$ 119 185	\$ 77 731

* Excludes in-kind transactions.

[†] Classified as part of operating activities.

[‡] Net of withholding taxes, if applicable.



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

For the periods ended June 30 (see note 2 in the generic notes)	Series A		Advisor Series		Series T5		Series D	
	2022	2021	2022	2021	2022	2021	2022	2021
NAV AT BEGINNING OF PERIOD	\$ 191 388	\$ 187 355	\$ 907	\$ 1 117	\$ 65	\$ 67	\$ 30 791	\$ 27 662
INCREASE (DECREASE) IN NAV	(43 028)	14 565	(117)	81	(28)	6	(5 144)	2 310
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from redeemable units issued	17 928	4 360	–	–	85	13	4 158	2 079
Reinvestments of distributions to holders of redeemable units	372	–	1	–	1	2	51	–
Redemption of redeemable units	(19 876)	(18 965)	(789)	(230)	(22)	(8)	(22 154)	(2 890)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	(1 576)	(14 605)	(788)	(230)	64	7	(17 945)	(811)
Distributions from net income	–	–	–	–	(3)	(2)	(10)	–
Distributions from net gains	(377)	–	(2)	–	–	–	(43)	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	(377)	–	(2)	–	(3)	(2)	(53)	–
NET INCREASE (DECREASE) IN NAV	(44 981)	(40)	(907)	(149)	33	11	(23 142)	1 499
NAV AT END OF PERIOD	\$ 146 407	\$ 187 315	\$ –	\$ 968	\$ 98	\$ 78	\$ 7 649	\$ 29 161

For the periods ended June 30 (see note 2 in the generic notes)	Series F		Series FT5		Series O		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
NAV AT BEGINNING OF PERIOD	\$ 92 256	\$ 73 162	\$ 515	\$ 437	\$ 7 839 806	\$ 7 227 255	\$ 8 155 728	\$ 7 517 055
INCREASE (DECREASE) IN NAV	(24 298)	6 336	(135)	41	(1 787 575)	660 539	(1 860 325)	683 878
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from redeemable units issued	52 566	14 454	140	28	369 280	125 106	444 157	146 040
Reinvestments of distributions to holders of redeemable units	514	–	2	–	114 698	–	115 639	2
Redemption of redeemable units	(13 657)	(14 006)	(16)	(3)	(163 714)	(197 883)	(220 228)	(233 985)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	39 423	448	126	25	320 264	(72 777)	339 568	(87 943)
Distributions from net income	(386)	–	(15)	(12)	(107 060)	–	(107 474)	(14)
Distributions from net gains	(207)	–	–	–	(16 644)	–	(17 273)	–
Distributions from capital	–	–	–	–	–	–	–	–
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	(593)	–	(15)	(12)	(123 704)	–	(124 747)	(14)
NET INCREASE (DECREASE) IN NAV	14 532	6 784	(24)	54	(1 591 015)	587 762	(1 645 504)	595 921
NAV AT END OF PERIOD	\$ 106 788	\$ 79 946	\$ 491	\$ 491	\$ 6 248 791	\$ 7 815 017	\$ 6 510 224	\$ 8 112 976



June 30, 2022

General information (see note 1 in the generic notes)

The investment objective of the Fund is to provide long-term capital growth by investing primarily in European stocks.

Effective June 26, 2020, Advisor Series units of the Fund were capped. Effective April 11, 2022, all Advisor Series units with a deferred sales charge option were re-designated as Series A units. Any redemption fees associated with such re-designations were waived by RBC GAM.

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

Concentration risk (%)

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

	June 30 2022	December 31 2021
Investment mix		
United Kingdom	32.1	36.8
France	19.3	15.6
Netherlands	11.4	11.5
Switzerland	10.0	9.0
Denmark	7.6	8.2
Ireland	3.5	3.7
Sweden	3.4	4.4
Finland	3.3	2.6
Germany	2.9	2.3
Spain	2.0	1.8
Other Countries	2.2	2.1
Cash/Other	2.3	2.0
Total	100.0	100.0

Currency risk (% of NAV)

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

	June 30 2022	December 31 2021
Currency		
Euro	48.1	50.7
Pound sterling	24.6	22.4
Swiss franc	16.5	15.6
Swedish krona	5.3	6.0
Danish krone	4.4	4.2
Norwegian krone	1.0	0.9
Other currencies	(0.2)	0.1
Total	99.7	99.9

As at June 30, 2022, if the Canadian dollar had strengthened or weakened by 5% in relation to the above currencies, with all other factors kept constant, the Fund's NAV may have decreased or increased, respectively, by approximately 5.0% (December 31, 2021 – 5.0%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Other price risk (% impact on NAV)

The table below shows the impact of a 10% change in the broad-based index (noted below) on the Fund's NAV, using a 36-month historical correlation of data of the Fund's return and the index, with all other factors kept constant, as at:

	June 30 2022	December 31 2021
MSCI Europe Total Return Net Index (CAD)	+ or - 9.9	+ or - 9.5

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

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

The following is a summary of the inputs used as of June 30, 2022 and December 31, 2021.

June 30, 2022	Level 1	Level 2	Level 3	Total
Equities	135 954	6 226 551	–	6 362 505
Underlying funds	–	–	–	–
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	121 780	–	121 780
Derivatives – assets	–	31 888	–	31 888
Derivatives – liabilities	–	(15 845)	–	(15 845)
Total financial instruments	135 954	6 364 374	–	6 500 328
% of total portfolio	2.1	97.9	–	100.0

December 31, 2021	Level 1	Level 2	Level 3	Total
Equities	154 128	7 833 741	–	7 987 869
Underlying funds	–	–	–	–
Fixed-income and debt securities	–	–	–	–
Short-term investments	–	157 825	–	157 825
Derivatives – assets	–	27 099	–	27 099
Derivatives – liabilities	–	(16 714)	–	(16 714)
Total financial instruments	154 128	8 001 951	–	8 156 079
% of total portfolio	1.9	98.1	–	100.0

For the periods ended June 30, 2022 and December 31, 2021, there were no transfers of financial instruments between Level 1, Level 2 and Level 3.



June 30, 2022

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

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

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

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

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

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

	June 30 2022	December 31 2021
Units held		
Series A	109	–
Series T5	62	60
Series D	57	–
Series F	55	–
Series FT5	59	57
Value of all units	7	3

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

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

Redeemable units (000s)

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

For the periods ended June 30
(see note 2 in the generic notes)

	2022	2021
Series A		
Opening units	6 688	7 341
Issued number of units	794	165
Reinvested number of units	15	–
Redeemed number of units	(806)	(718)
Ending number of units	6 691	6 788

For the periods ended June 30
(see note 2 in the generic notes)

	2022	2021
Advisor Series		
Opening units	31	43
Issued number of units	–	1
Reinvested number of units	–	–
Redeemed number of units	(31)	(9)
Ending number of units	–	35
Series T5		
Opening units	3	3
Issued number of units	3	–
Reinvested number of units	–	–
Redeemed number of units	(1)	–
Ending number of units	5	3
Series D		
Opening units	1 061	1 070
Issued number of units	162	77
Reinvested number of units	2	–
Redeemed number of units	(881)	(108)
Ending number of units	344	1 039
Series F		
Opening units	2 989	2 661
Issued number of units	2 027	503
Reinvested number of units	21	–
Redeemed number of units	(520)	(490)
Ending number of units	4 517	2 674
Series FT5		
Opening units	18	17
Issued number of units	6	1
Reinvested number of units	–	–
Redeemed number of units	(1)	–
Ending number of units	23	18
Series O		
Opening units	268 497	277 662
Issued number of units	14 588	4 577
Reinvested number of units	5 010	–
Redeemed number of units	(6 390)	(7 438)
Ending number of units	281 705	274 801

Transaction costs (\$000s except %)

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

	June 30 2022		June 30 2021	
	\$	%	\$	%
Total transaction costs	6 544	100	4 748	100
Related-party brokerage commissions*	140	2	151	3
Commission arrangements [†]	–	–	–	–

* See note 8 in the generic notes.

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



June 30, 2022

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

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

	June 30 2022	June 30 2021
Fair value of securities loaned	809 675	564 250
Fair value of collateral received	825 869	575 535

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.

	June 30 2022		June 30 2021	
	\$	%	\$	%
Gross revenue	865	100	719	100
RBC IS (paid)	(214)	(25)	(180)	(25)
Tax withheld	(1)	–	–	–
Fund revenue	650	75	539	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:

	June 30 2022	December 31 2021
RBC European Equity Class	–	0.1
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 Select Aggressive Growth Portfolio	3.0	2.7
RBC Select Balanced Portfolio	29.3	28.6
RBC Select Conservative Portfolio	36.2	36.5
RBC Select Growth Portfolio	9.6	9.7
RBC Select Very Conservative Portfolio	7.9	8.5
RBC Target 2025 Education Fund	0.5	0.7
RBC Target 2030 Education Fund	1.4	1.4
RBC Target 2035 Education Fund	0.7	0.5
Total	88.6	88.7

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

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

June 30, 2022	Assets	Liabilities
Gross amounts – assets (liabilities)	31 888	(15 845)
Amounts set-off in the Statements of Financial Position	–	–
Net amounts presented in the Statements of Financial Position	31 888	(15 845)
Related amounts not set-off	(12 668)	12 668
Collateral (received) pledged	(2 407)	2 988
Net amount	16 814	(189)

December 31, 2021	Assets	Liabilities
Gross amounts – assets (liabilities)	27 099	(16 714)
Amounts set-off in the Statements of Financial Position	–	–
Net amounts presented in the Statements of Financial Position	27 099	(16 714)
Related amounts not set-off	(11 414)	11 414
Collateral (received) pledged	(5 367)	755
Net amount	10 318	(4 545)

Fund merger (000s)

At the close of business on April 8, 2022, the RBC European Equity Class was merged into the RBC European Equity Fund. The acquisition method of accounting was adopted for the fund merger. Under this method, the Continuing Fund is identified as the acquiring fund and the Terminated Fund is the acquired fund. This identification was based on aspects of the Continuing Fund such as investment objectives, portfolio composition and asset size of the Fund.

Details of the RBC European Equity Class (the “Terminated Fund”) and the RBC European Equity Fund (the “Continuing Fund”) are as follows:



June 30, 2022

Net assets acquired by Continuing Fund	
Series A	\$ 925
Series D	\$ 1 857
Series F	\$ 1 672
Exchange ratio Series A	0.48
Units issued by Continuing Fund Series A	37
Exchange ratio Series D	0.51
Units issued by Continuing Fund Series D	74
Exchange ratio Series F	0.49
Units issued by Continuing Fund Series F	62

The Continuing Fund identified above acquired all of the assets and assumed all of the liabilities of the Terminated Fund at their fair market value, in return for the issuance by the Continuing Fund of its units equal in value to the net assets transferred from the Terminated Fund. As a result, the unitholders of the Terminated Fund became unitholders of the Continuing Fund. After the merger, the Terminated Fund was wound up.

As at April 8, 2022, all of the investments of the Terminated Fund were disposed of at their fair market value to the Continuing Fund.

The financial statements of the Continuing Fund include the operating results of the Terminated Fund from the date of the merger. All comparative information in these financial statements is that of the Continuing Fund only.

Under the tax reorganization rules in the *Income Tax Act* (Canada), the merger took place on a tax-deferred or “rollover” basis, and both the Terminated Fund and the Continuing Fund are deemed to have a taxation year-end as at April 8, 2022. Those investments with unrealized losses were deemed to have been disposed of at their fair market value and investments with unrealized gains were deemed to be disposed of at their fair market value or at their elected amount. The Fund had no tax liability as at April 8, 2022. All capital and non-capital loss carryforwards expired as a result of the fund merger.

None of the costs related to the merger have been charged to the funds or to the unitholders.

Fund merger (000s)

At the close of business on June 17, 2022, the RBC European Dividend Fund was merged into the RBC European Equity Fund. The acquisition method of accounting was adopted for the fund merger. Under this method, the Continuing Fund is identified as the acquiring fund and the Terminated Fund is the acquired fund. This identification was based on aspects of the Continuing Fund such as investment objectives, portfolio composition and asset size of the Fund.

Details of the RBC European Dividend Fund (the “Terminated Fund”) and the RBC European Equity Fund (the “Continuing Fund”) are as follows:

Net assets acquired by Continuing Fund	
Series A	\$ 12 813
Series D	\$ 424
Series F	\$ 10 976
Exchange ratio Series A	0.49
Units issued by Continuing Fund Series A	589
Exchange ratio Series D	0.49
Units issued by Continuing Fund Series D	19
Exchange ratio Series F	0.46
Units issued by Continuing Fund Series F	467

The Continuing Fund identified above acquired all of the assets and assumed all of the liabilities of the Terminated Fund at their fair market value, in return for the issuance by the Continuing Fund of its units equal in value to the net assets transferred from the Terminated Fund. As a result, the unitholders of the Terminated Fund became unitholders of the Continuing Fund. After the merger, the Terminated Fund was wound up.

As at June 17, 2022, all of the investments of the Terminated Fund were disposed of at their fair market value to the Continuing Fund.

The financial statements of the Continuing Fund include the operating results of the Terminated Fund from the date of the merger. All comparative information in these financial statements is that of the Continuing Fund only.

Under the tax reorganization rules in the *Income Tax Act* (Canada), the merger took place on a tax-deferred or “rollover” basis, and both the Terminated Fund and the Continuing Fund are deemed to have a taxation year-end as



June 30, 2022

at June 17, 2022. Those investments with unrealized losses were deemed to have been disposed of at their fair market value and investments with unrealized gains were deemed to be disposed of at their fair market value or at their elected amount. The Fund had no tax liability as at June 17, 2022. All capital and non-capital loss carryforwards expired as a result of the fund merger.

None of the costs related to the merger have been charged to the funds or to the unitholders.

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 August 9, 2022.

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

Series A units and Series AZ 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. Effective April 11, 2022, all Advisor Series and Advisor T5 Series units were re-designated as Series A and Series T5 units, as applicable.

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 FZ 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 period

The information provided in these financial statements and notes thereto is as at June 30, 2022 and December 31, 2021, as applicable, and for the six-month periods ended June 30, 2022 and June 30, 2021, 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”) and in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”). 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.

June 30, 2022

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

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

4. Critical accounting judgments and estimates

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

Fair value measurement of securities not quoted in an active market

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

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

5. Financial instrument risk and capital management

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

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

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

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

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

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

Liquidity risk

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

Credit risk

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

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

Concentration risk

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

Interest rate risk

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

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

Currency risk

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

Other price risk

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

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

6. Taxes

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

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

7. Securities lending revenue

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

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

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

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

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

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

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

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

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

Sub-Advisors

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

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

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

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

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RBC Balanced Fund (for a portion of the Fund)
RBC Global Balanced Fund (for a portion of the Fund)
RBC Vision Balanced Fund (for a portion of the Fund)
RBC International Dividend Growth Fund
RBC International Equity Fund (for the European equity portion of the Fund)
RBC International Equity Currency Neutral Fund (for the European equity portion of the underlying fund)
RBC European 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.