

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, 2023



**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 HIGH YIELD BOND FUND**

June 30, 2023

	Holdings	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>EQUITIES</b>				
<b>United States</b>				
Unit Corp.	305 788	3 118	19 396	
<b>TOTAL EQUITIES</b>		<b>3 118</b>	<b>19 396</b>	<b>0.9</b>

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>BONDS</b>				
<b>Canada</b>				
407 International Inc. 3.650% Sep 08, 2044	7 000	6 112	6 039	
407 International Inc. 2.840% Mar 07, 2050	3 500	2 376	2 553	
AIMCo Realty Investors LP 3.043% Jun 01, 2028	5 000	4 748	4 578	
Air Canada 3.875% Aug 15, 2026 USD	2 600	3 217	3 196	
Air Canada 4.625% Aug 15, 2029	6 705	6 762	6 078	
Algonquin Power & Utilities Corp. 5.250% Jan 18, 2082	16 730	16 463	13 258	
AltaGas Ltd. 3.980% Oct 04, 2027	8 000	8 001	7 581	
AltaGas Ltd. 5.250% Jan 11, 2082	12 430	12 156	9 910	
AltaGas Ltd. 7.350% Aug 17, 2082	4 310	4 317	4 148	
AltaLink LP 2.747% May 29, 2026	5 000	5 040	4 719	
AltaLink LP 1.509% Sep 11, 2030	3 000	2 443	2 452	
ARC Resources Ltd. 3.465% Mar 10, 2031	5 000	4 392	4 391	
Bank of Montreal 3.650% Apr 01, 2027	2 500	2 395	2 366	
Bank of Montreal 4.709% Dec 07, 2027	8 000	8 032	7 846	
Bank of Montreal 3.190% Mar 01, 2028	10 000	9 768	9 353	
Bank of Montreal 1.928% Jul 22, 2031	8 000	8 004	7 109	
Bank of Montreal 7.325% Nov 26, 2082	8 500	8 500	8 350	
Bank of Nova Scotia 5.500% May 08, 2026	5 000	5 103	5 017	
Bank of Nova Scotia 1.400% Nov 01, 2027	5 800	5 013	4 969	
Bank of Nova Scotia 3.700% Jul 27, 2081	14 225	14 214	10 292	
Bank of Nova Scotia 7.023% Jul 27, 2082	8 775	8 775	8 511	
Baytex Energy Corp. 8.750% Apr 01, 2027 USD	10 003	13 125	13 431	
Baytex Energy Corp. 8.500% Apr 30, 2030 USD	3 400	4 511	4 403	
Bell Telephone Co. of Canada or Bell Canada 3.600% Sep 29, 2027	8 500	8 500	8 025	
Bell Telephone Co. of Canada or Bell Canada 3.000% Mar 17, 2031	10 000	8 971	8 686	
Bell Telephone Co. of Canada or Bell Canada 4.350% Dec 18, 2045	5 000	4 411	4 388	
Brookfield Infrastructure Finance ULC 5.616% Nov 14, 2027	5 000	5 000	5 027	
Brookfield Infrastructure Finance ULC 5.980% Feb 14, 2033	7 000	7 150	7 229	
Brookfield Property Finance ULC 3.930% Jan 15, 2027	4 500	4 385	3 823	
Brookfield Renewable Partners ULC 4.250% Jan 15, 2029	10 000	9 903	9 554	
Bruce Power LP 4.000% Jun 21, 2030	4 000	3 850	3 759	
Canadian Imperial Bank of Commerce 2.250% Jan 07, 2027	10 000	9 173	9 047	
Canadian Imperial Bank of Commerce 4.200% Apr 07, 2032	500	486	472	
Canadian Imperial Bank of Commerce 5.330% Jan 20, 2033	5 000	4 937	4 901	
Canadian Imperial Bank of Commerce 7.150% Jul 28, 2082	10 000	10 069	9 716	
Canadian National Railway Co. 3.000% Feb 08, 2029	5 000	5 001	4 614	
Canadian Pacific Railway Co. 3.150% Mar 13, 2029	5 000	4 723	4 576	
Canadian Western Bank 1.818% Dec 16, 2027	10 000	8 711	8 493	
Capital Power Corp. 7.950% Sep 09, 2082	9 100	9 103	8 915	
Choice Properties Real Estate Investment Trust 2.848% May 21, 2027	10 000	9 904	9 131	
Choice Properties Real Estate Investment Trust 2.981% Mar 04, 2030	5 000	4 487	4 331	
CT Real Estate Investment Trust 3.469% Jun 16, 2027	3 000	2 879	2 773	
CT Real Estate Investment Trust 3.865% Dec 07, 2027	10 000	9 774	9 303	

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



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	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>Canada (cont.)</b>				
CT Real Estate Investment Trust 3.029% Feb 05, 2029	5 000	4 339	4 386	
CU Inc. 2.963% Sep 07, 2049	7 000	5 186	5 228	
Dollarama Inc. 1.505% Sep 20, 2027	3 100	2 727	2 690	
Dollarama Inc. 2.443% Jul 09, 2029	10 000	8 689	8 712	
Dream Summit Industrial LP 2.440% Jul 14, 2028	9 000	7 681	7 746	
Enbridge Gas Inc. 4.150% Aug 17, 2032	3 500	3 460	3 375	
Enbridge Gas Inc. 3.650% Apr 01, 2050	5 000	3 949	4 217	
Enbridge Inc. 3.950% Nov 19, 2024	5 000	5 017	4 887	
Enbridge Inc. 2.990% Oct 03, 2029	10 000	9 063	8 889	
Enbridge Inc. 5.500% Jul 15, 2077 USD	4 115	4 791	4 862	
Enbridge Inc. 6.250% Mar 01, 2078 USD	2 800	2 819	3 420	
Enbridge Inc. 7.375% Jan 15, 2083 USD	5 050	6 692	6 577	
Enbridge Pipelines Inc. 3.000% Aug 10, 2026	5 000	4 756	4 695	
Enbridge Pipelines Inc. 4.200% May 12, 2051	5 000	3 803	4 111	
Enerflex Ltd. 9.000% Oct 15, 2027 USD	7 150	9 214	9 225	
EPCOR Utilities Inc. 2.411% Jun 30, 2031	5 000	4 380	4 283	
EPCOR Utilities Inc. 4.725% Sep 02, 2052	5 000	5 127	5 077	
Equitable Bank 1.939% Mar 10, 2025	6 500	5 971	6 036	
Fairfax Financial Holdings Ltd. 4.950% Mar 03, 2025	5 000	5 065	4 908	
Federation des Caisses Desjardins du Quebec 5.200% Oct 01, 2025	5 000	4 997	4 970	
Federation des Caisses Desjardins du Quebec 1.587% Sep 10, 2026	10 000	9 005	8 957	
Ford Credit Canada Co. 6.777% Sep 15, 2025	13 800	13 823	13 773	
Ford Credit Canada Co. 7.375% May 12, 2026	11 200	11 207	11 241	
Fortis Inc. 4.431% May 31, 2029	4 000	4 000	3 906	
General Motors Financial of Canada Ltd. 1.750% Apr 15, 2026	6 935	6 073	6 220	
Gibson Energy Inc. 2.450% Jul 14, 2025	9 000	8 372	8 437	
Greater Toronto Airports Authority 1.540% May 03, 2028	10 000	8 799	8 755	
Greater Toronto Airports Authority 3.260% Jun 01, 2037	4 350	3 741	3 775	
H&R Real Estate Investment Trust 4.071% Jun 16, 2025	2 000	1 923	1 916	
Honda Canada Finance Inc. 1.337% Mar 17, 2026	5 500	4 873	4 958	
Hydro One Inc. 1.690% Jan 16, 2031	3 000	2 481	2 468	
Hydro One Inc. 3.630% Jun 25, 2049	4 000	4 437	3 423	
Hydro One Inc. 3.100% Sep 15, 2051	3 000	2 313	2 305	
Hyundai Capital Canada Inc. 3.196% Feb 16, 2027	5 500	4 953	5 060	
Inter Pipeline Ltd. 5.710% May 29, 2030	4 100	4 100	4 109	
Inter Pipeline Ltd. 4.232% Jun 01, 2027	5 000	5 015	4 765	
Inter Pipeline Ltd. 6.875% Mar 26, 2079	6 250	6 442	5 868	
Inter Pipeline Ltd. 6.625% Nov 19, 2079	4 835	4 637	4 409	
Keyera Corp. 6.875% Jun 13, 2079	13 660	13 814	12 824	
Mattamy Group Corp. 5.250% Dec 15, 2027 USD	12 645	16 159	15 629	
Metro Inc. 3.390% Dec 06, 2027	5 000	4 671	4 699	
National Bank of Canada 5.296% Nov 03, 2025	7 000	7 000	6 974	
National Bank of Canada 5.426% Aug 16, 2032	5 000	5 031	4 922	
National Bank of Canada 4.050% Aug 15, 2081	14 025	13 740	10 513	
National Bank of Canada 7.500% Nov 16, 2082	3 690	3 690	3 618	
North West Redwater Partnership / NWR Financing Co. Ltd. 2.800% Jun 01, 2027	7 000	6 679	6 472	
North West Redwater Partnership / NWR Financing Co. Ltd. 2.800% Jun 01, 2031	5 000	4 448	4 328	
North West Redwater Partnership / NWR Financing Co. Ltd. 4.750% Jun 01, 2037	5 000	4 948	4 896	
NOVA Chemicals Corp. 4.250% May 15, 2029 USD	8 500	10 563	9 199	
OMERS Realty Corp. 3.628% Jun 05, 2030	5 000	4 799	4 588	
Ontario Power Generation Inc. 3.215% Apr 08, 2030	4 000	3 579	3 656	
Ontario Power Generation Inc. 2.947% Feb 21, 2051	5 000	3 583	3 593	
Open Text Corp. 6.900% Dec 01, 2027 USD	2 290	3 065	3 092	
Open Text Corp. 3.875% Feb 15, 2028 USD	1 628	2 168	1 901	
Open Text Corp. 3.875% Dec 01, 2029 USD	3 755	4 672	4 163	
Open Text Holdings Inc. 4.125% Dec 01, 2031	4 571	5 297	4 972	
Parkland Corp. 4.375% Mar 26, 2029	5 635	5 654	4 932	



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	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>Canada (cont.)</b>				
Parkland Corp. 4.500% Oct 01, 2029 USD	4 490	5 673	5 166	
Parkland Corp. 4.625% May 01, 2030 USD	2 138	2 660	2 459	
Pembina Pipeline Corp. 4.240% Jun 15, 2027	5 000	5 183	4 824	
Pembina Pipeline Corp. 4.800% Jan 25, 2081	15 675	15 174	12 802	
Precision Drilling Corp. 7.125% Jan 15, 2026 USD	6 930	7 337	9 076	
Precision Drilling Corp. 6.875% Jan 15, 2029 USD	3 495	4 467	4 188	
Reliance LP 3.836% Mar 15, 2025	3 500	3 411	3 379	
Reliance LP 3.750% Mar 15, 2026	3 000	2 894	2 849	
RioCan Real Estate Investment Trust 1.974% Jun 15, 2026	2 500	2 214	2 238	
Rogers Communications Inc. 4.000% Mar 13, 2024	2 500	2 630	2 472	
Rogers Communications Inc. 3.750% Apr 15, 2029	5 500	5 197	5 083	
Rogers Communications Inc. 6.110% Aug 25, 2040	5 000	5 223	5 217	
Rogers Communications Inc. 5.000% Dec 17, 2081	13 815	13 814	12 566	
Royal Bank of Canada 4.612% Jul 26, 2027*	11 300	11 283	11 073	
Royal Bank of Canada 4.642% Jan 17, 2028*	4 000	4 000	3 915	
Royal Bank of Canada 3.650% Nov 24, 2081*	15 000	15 018	11 009	
Saputo Inc. 5.250% Nov 29, 2029	2 500	2 500	2 520	
Secure Energy Services Inc. 7.250% Dec 30, 2026	8 700	8 765	8 591	
Stantec Inc. 2.048% Oct 08, 2027	6 000	5 206	5 268	
Sun Life Financial Inc. 2.460% Nov 18, 2031	4 000	3 616	3 619	
Sun Life Financial Inc. 2.580% May 10, 2032	5 000	4 635	4 503	
Superior Plus LP 4.250% May 18, 2028	6 724	6 752	5 992	
Superior Plus LP / Superior General Partner Inc. 4.500% Mar 15, 2029 USD	6 115	7 749	7 109	
TELUS Corp. 3.625% Mar 01, 2028	5 000	5 068	4 699	
TELUS Corp. 3.300% May 02, 2029	7 500	7 045	6 850	
TELUS Corp. 2.050% Oct 07, 2030	5 000	4 786	4 073	
TELUS Corp. 4.100% Apr 05, 2051	5 000	3 924	4 063	
Toronto-Dominion Bank 1.128% Dec 09, 2025	5 000	4 930	4 521	
Toronto-Dominion Bank 1.896% Sep 11, 2028	10 000	8 837	8 587	
Toronto-Dominion Bank 4.680% Jan 08, 2029	9 500	9 500	9 321	
Toronto-Dominion Bank 7.283% Oct 31, 2082	7 300	7 300	7 170	
Tourmaline Oil Corp. 2.077% Jan 25, 2028	4 000	3 468	3 500	
TransCanada PipeLines Ltd. 5.330% May 12, 2032	9 200	9 342	9 195	
TransCanada PipeLines Ltd. 4.340% Oct 15, 2049	4 000	4 267	3 353	
TransCanada PipeLines Ltd. 5.920% May 12, 2052	1 500	1 498	1 587	
TransCanada Trust 4.650% May 18, 2077	12 375	12 110	11 020	
Vermilion Energy Inc. 5.625% Mar 15, 2025 USD	6 010	7 601	7 794	
Vermilion Energy Inc. 6.875% May 01, 2030 USD	3 400	4 305	4 156	
Videotron Ltd. 5.625% Jun 15, 2025	450	434	447	
Videotron Ltd. 4.500% Jan 15, 2030	10 620	10 694	9 270	
Videotron Ltd. 3.125% Jan 15, 2031	10 675	10 672	8 306	
		893 546	848 753	<b>39.4</b>
<b>France</b>				
Altice France S.A. 5.500% Jan 15, 2028 USD	10 630	14 653	10 650	
BNP Paribas S.A. 7.375% Perpetual EUR	5 400	7 694	7 587	
Iliad Holding SASU 6.500% Oct 15, 2026 USD	4 340	5 467	5 432	
Iliad Holding SASU 7.000% Oct 15, 2028 USD	3 430	4 348	4 192	
		32 162	27 861	<b>1.3</b>
<b>Italy</b>				
Telecom Italia Capital S.A. 6.375% Nov 15, 2033 USD	5 910	9 066	6 651	
Telecom Italia Capital S.A. 7.200% Jul 18, 2036 USD	2 655	4 351	3 029	
		13 417	9 680	<b>0.4</b>
<b>Luxembourg</b>				
Altice Financing S.A. 5.000% Jan 15, 2028 USD	3 455	4 594	3 663	
		4 594	3 663	<b>0.2</b>



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	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>Netherlands</b>				
Alcoa Nederland Holding BV 5.500% Dec 15, 2027 USD	6 095	8 344	7 817	
Cooperatieve Rabobank U.A. 4.375% Perpetual EUR	3 800	4 884	4 809	
OI European Group BV 2.875% Feb 15, 2025 EUR	1 840	2 468	2 598	
OI European Group BV 4.750% Feb 15, 2030 USD	10 885	13 323	13 033	
Sensata Technologies BV 5.875% Sep 01, 2030 USD	7 000	9 066	9 026	
Ziggo Bond Co. BV 5.125% Feb 28, 2030 USD	10 890	14 691	10 942	
		52 776	48 225	<b>2.2</b>
<b>Spain</b>				
Banco Santander S.A. 4.125% Perpetual EUR	5 200	5 768	5 654	
		5 768	5 654	<b>0.3</b>
<b>Supranational</b>				
American Airlines Inc/AAAdvantage Loyalty IP Ltd. 5.500% Apr 20, 2026 USD	2 010	2 605	2 640	
American Airlines Inc/AAAdvantage Loyalty IP Ltd. 5.750% Apr 20, 2029 USD	3 115	4 061	4 011	
Ardagh Packaging Finance Plc. / Ardagh Holdings USA Inc. 4.125% Aug 15, 2026 USD	6 760	8 897	8 352	
Axalta Coating Systems LLC / Axalta Coating Systems Dutch Holding B BV 4.750% Jun 15, 2027 USD	4 730	6 335	5 913	
JBS USA LUX S.A. / JBS USA Food Co. / JBS USA Finance Inc. 5.500% Jan 15, 2030 USD	7 100	9 726	9 030	
		31 624	29 946	<b>1.4</b>
<b>United Kingdom</b>				
Atlantica Sustainable Infrastructure Plc. 4.125% Jun 15, 2028 USD	8 300	10 180	9 811	
Barclays Plc. 7.125% Perpetual GBP	2 650	4 144	4 055	
Barclays Plc. 9.250% Perpetual GBP	2 400	3 755	3 657	
International Game Technology Plc. 5.250% Jan 15, 2029 USD	4 575	6 113	5 746	
Lloyds Banking Group Plc. 8.500% Perpetual GBP	4 000	6 451	6 261	
Virgin Media Secured Finance Plc. 5.500% May 15, 2029 USD	12 665	17 661	15 192	
		48 304	44 722	<b>2.1</b>
<b>United States</b>				
ADT Security Corp. 4.875% Jul 15, 2032	4 700	6 632	5 332	
Albertsons Companies Inc. / Safeway Inc. / New Albertsons LP / Albertsons LLC 5.875% Feb 15, 2028	10 170	14 513	13 106	
American Airlines Inc. 11.750% Jul 15, 2025	6 175	8 568	8 977	
American Airlines Inc. 7.250% Feb 15, 2028	5 845	7 910	7 705	
American Axle & Manufacturing Inc. 6.500% Apr 01, 2027	5 895	7 665	7 417	
American Axle & Manufacturing Inc. 6.875% Jul 01, 2028	4 485	5 932	5 562	
Antero Resources Corp. 7.625% Feb 01, 2029	4 650	6 408	6 256	
Antero Resources Corp. 5.375% Mar 01, 2030	8 850	10 817	10 864	
Avis Budget Car Rental LLC / Avis Budget Finance Inc. 5.750% Jul 15, 2027	7 230	9 272	9 203	
Avis Budget Finance Plc. 4.750% Jan 30, 2026 EUR	3 395	4 780	4 835	
Bath & Body Works Inc. 6.694% Jan 15, 2027	2 570	3 406	3 426	
Bath & Body Works Inc. 5.250% Feb 01, 2028	4 955	6 773	6 246	
Bath & Body Works Inc. 6.750% Jul 01, 2036	2 475	3 633	2 955	
Boyd Gaming Corp. 4.750% Dec 01, 2027	3 905	4 811	4 906	
Boyd Gaming Corp. 4.750% Jun 15, 2031	4 080	4 954	4 834	
Builders FirstSource Inc. 5.000% Mar 01, 2030	9 640	12 880	11 954	
Caesars Entertainment Inc. 6.250% Jul 01, 2025	5 130	7 011	6 771	
Caesars Entertainment Inc. 7.000% Feb 15, 2030	7 500	10 167	9 987	
Calpine Corp. 5.000% Feb 01, 2031	13 335	17 203	14 633	
Carnival Corp. 7.625% Mar 01, 2026	5 475	6 836	7 110	
Carnival Corp. 9.875% Aug 01, 2027	6 055	8 603	8 363	
Carnival Corp. 6.000% May 01, 2029	4 910	6 059	5 814	
Carnival Holdings Bermuda Ltd. 10.375% May 01, 2028	6 150	8 444	8 919	
CCO Holdings LLC / CCO Holdings Capital Corp. 5.375% Jun 01, 2029	9 950	13 215	11 929	
CCO Holdings LLC / CCO Holdings Capital Corp. 4.500% Aug 15, 2030	21 255	28 239	23 472	
Chemours Co. 5.750% Nov 15, 2028	3 575	4 751	4 356	
Chemours Co. 4.625% Nov 15, 2029	4 000	4 991	4 483	
CHS/Community Health Systems Inc. 5.625% Mar 15, 2027	3 605	4 665	4 213	
CHS/Community Health Systems Inc. 6.000% Jan 15, 2029	6 130	7 628	6 840	
Cinemark USA Inc. 5.875% Mar 15, 2026	855	1 029	1 076	
Cinemark USA Inc. 5.250% Jul 15, 2028	9 820	11 730	11 457	

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



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	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>United States (cont.)</b>				
Clarivate Science Holdings Corp. 3.875% Jul 01, 2028	5 195	6 328	6 107	
Cleveland-Cliffs Inc. 4.625% Mar 01, 2029	3 825	4 802	4 570	
Cloud Software Group Inc. 6.500% Mar 31, 2029	7 965	9 056	9 405	
CNX Midstream Partners LP 4.750% Apr 15, 2030	4 750	6 079	5 343	
CNX Resources Corp. 7.250% Mar 14, 2027	1 014	1 318	1 331	
CNX Resources Corp. 7.375% Jan 15, 2031	8 000	10 437	10 324	
CommScope Inc. 6.000% Mar 01, 2026	5 530	7 524	6 836	
Crestwood Midstream Partners LP / Crestwood Midstream Finance Corp. 7.375% Feb 01, 2031	7 200	9 686	9 412	
CSC Holdings LLC 5.500% Apr 15, 2027	8 470	11 551	9 351	
CSC Holdings LLC 4.125% Dec 01, 2030	7 707	10 356	7 152	
Directv Financing LLC / Directv Financing Co-Obligor Inc. 5.875% Aug 15, 2027	10 560	13 662	12 686	
DISH DBS Corp. 5.875% Nov 15, 2024	3 990	4 971	4 630	
DISH DBS Corp. 5.750% Dec 01, 2028	9 460	11 627	9 345	
DISH Network Corp. 11.750% Nov 15, 2027	6 635	8 643	8 588	
EnLink Midstream LLC 6.500% Sep 01, 2030	11 000	14 194	14 571	
Entegris Escrow Corp. 5.950% Jun 15, 2030	6 425	7 685	8 168	
EQM Midstream Partners LP 6.000% Jul 01, 2025	749	1 024	982	
EQM Midstream Partners LP 6.500% Jul 01, 2027	2 068	2 835	2 705	
EQM Midstream Partners LP 5.500% Jul 15, 2028	1 250	1 567	1 568	
EQM Midstream Partners LP 4.750% Jan 15, 2031	2 600	3 243	3 021	
EQM Midstream Partners LP 6.500% Jul 15, 2048	5 840	7 089	7 008	
Ford Motor Co. 7.450% Jul 16, 2031	2 175	2 982	3 073	
Ford Motor Credit Co. LLC 4.687% Jun 09, 2025	3 955	5 275	5 052	
Ford Motor Credit Co. LLC 4.542% Aug 01, 2026	7 780	10 414	9 697	
Ford Motor Credit Co. LLC 5.113% May 03, 2029	16 475	20 397	20 262	
Ford Motor Credit Co. LLC 7.350% Mar 06, 2030	5 550	7 767	7 517	
Ford Motor Credit Co. LLC 7.200% Jun 10, 2030	2 700	3 637	3 613	
Ford Motor Credit Co. LLC 4.000% Nov 13, 2030	275	345	312	
Goodyear Europe BV 2.750% Aug 15, 2028 EUR	4 355	5 488	5 320	
Goodyear Tire & Rubber Co. 5.250% Apr 30, 2031	1 500	1 766	1 748	
Goodyear Tire & Rubber Co. 5.250% Jul 15, 2031	5 350	6 916	6 165	
Herc Holdings Inc. 5.500% Jul 15, 2027	7 970	10 605	10 126	
Hilton Domestic Operating Co. Inc. 3.625% Feb 15, 2032	14 680	18 738	16 233	
Howard Midstream Energy Partners LLC 8.875% Jul 15, 2028	5 850	7 782	7 798	
Icahn Enterprises LP / Icahn Enterprises Finance Corp. 4.750% Sep 15, 2024	3 070	4 069	3 890	
Icahn Enterprises LP / Icahn Enterprises Finance Corp. 5.250% May 15, 2027	2 860	3 697	3 271	
Imola Merger Corp. 4.750% May 15, 2029	4 950	6 288	5 710	
Iron Mountain Inc. 4.875% Sep 15, 2027	5 375	7 279	6 733	
Iron Mountain Inc. 5.250% Mar 15, 2028	1 400	1 909	1 736	
Iron Mountain Inc. 4.875% Sep 15, 2029	4 260	5 789	5 057	
Level 3 Financing Inc. 4.250% Jul 01, 2028	7 600	9 685	6 494	
Level 3 Financing Inc. 3.625% Jan 15, 2029	1 500	1 976	1 194	
Macy's Retail Holdings LLC 6.700% Sep 15, 2028	3 000	4 325	3 716	
Macy's Retail Holdings LLC 5.875% Apr 01, 2029	5 885	7 181	7 123	
Macy's Retail Holdings LLC 6.125% Mar 15, 2032	1 870	2 227	2 171	
Macy's Retail Holdings LLC 6.700% Jul 15, 2034	3 645	4 108	3 954	
Medline Borrower LP 3.875% Apr 01, 2029	5 460	6 920	6 293	
Medline Borrower LP 5.250% Oct 01, 2029	1 920	2 452	2 210	
Mercer International Inc. 5.125% Feb 01, 2029	8 665	11 162	8 947	
MGM Resorts International 5.500% Apr 15, 2027	8 841	11 391	11 233	
Mileage Plus Holdings LLC / Mileage Plus Intellectual Property Assets Ltd. 6.500% Jun 20, 2027	5 132	6 690	6 822	
MPT Operating Partnership LP / MPT Finance Corp. 2.550% Dec 05, 2023 GBP	3 150	4 566	5 119	
MPT Operating Partnership LP / MPT Finance Corp. 5.000% Oct 15, 2027	4 190	5 311	4 675	
MPT Operating Partnership LP / MPT Finance Corp. 4.625% Aug 01, 2029	7 655	9 602	7 676	
MPT Operating Partnership LP / MPT Finance Corp. 3.500% Mar 15, 2031	4 390	4 964	4 013	
Nationstar Mortgage Holdings Inc. 5.500% Aug 15, 2028	6 450	8 199	7 496	
Nationstar Mortgage Holdings Inc. 5.125% Dec 15, 2030	5 990	7 055	6 444	

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



June 30, 2023

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>United States (cont.)</b>				
Navient Corp. 6.125% Mar 25, 2024	6 290	8 285	8 275	
Navient Corp. 5.875% Oct 25, 2024	745	1 050	971	
Newell Brands Inc. 6.000% Apr 01, 2046	7 185	10 585	7 542	
Nordstrom Inc. 4.250% Aug 01, 2031	9 495	10 798	9 821	
Northern Oil and Gas Inc. 8.750% Jun 15, 2031	6 700	8 832	8 732	
Novelis Corp. 4.750% Jan 30, 2030	7 500	9 983	8 839	
NRG Energy Inc. 5.750% Jan 15, 2028	3 445	4 624	4 329	
NRG Energy Inc. 3.375% Feb 15, 2029	250	264	271	
NRG Energy Inc. 5.250% Jun 15, 2029	4 880	6 597	5 787	
NRG Energy Inc. 3.875% Feb 15, 2032	2 375	2 992	2 428	
Olin Corp. 5.625% Aug 01, 2029	7 340	9 673	9 382	
OneMain Finance Corp. 6.625% Jan 15, 2028	10 450	14 657	13 072	
OneMain Finance Corp. 3.875% Sep 15, 2028	5 280	6 625	5 724	
OneMain Finance Corp. 5.375% Nov 15, 2029	1 375	1 555	1 550	
Open Text Holdings Inc. 4.125% Feb 15, 2030	4 225	4 945	4 745	
Park Intermediate Holdings LLC / PK Domestic Property LLC / PK Finance Co-Issuer 5.875% Oct 01, 2028	6 670	8 914	8 117	
Pilgrim's Pride Corp. 5.875% Sep 30, 2027	6 345	8 620	8 314	
Pilgrim's Pride Corp. 4.250% Apr 15, 2031	1 455	1 912	1 655	
Pilgrim's Pride Corp. 3.500% Mar 01, 2032	2 500	3 219	2 621	
Post Holdings Inc. 5.750% Mar 01, 2027	753	1 002	975	
Post Holdings Inc. 5.500% Dec 15, 2029	10 545	13 737	12 908	
Prime Security Services Borrower LLC / Prime Finance Inc. 5.750% Apr 15, 2026	2 095	2 968	2 727	
Prime Security Services Borrower LLC / Prime Finance Inc. 6.250% Jan 15, 2028	5 110	6 210	6 351	
Range Resources Corp. 8.250% Jan 15, 2029	1 900	2 555	2 623	
Rockcliff Energy II LLC 5.500% Oct 15, 2029	9 200	11 170	11 255	
Royal Caribbean Cruises Ltd. 11.500% Jun 01, 2025	1 365	1 966	1 920	
Royal Caribbean Cruises Ltd. 11.625% Aug 15, 2027	7 685	10 047	11 080	
Royal Caribbean Cruises Ltd. 7.500% Oct 15, 2027	1 795	2 470	2 391	
Royal Caribbean Cruises Ltd. 5.500% Apr 01, 2028	2 280	2 659	2 820	
Royal Caribbean Cruises Ltd. 9.250% Jan 15, 2029	4 000	5 504	5 651	
Royal Caribbean Cruises Ltd. 7.250% Jan 15, 2030	3 805	5 150	5 110	
Sabre GLBL Inc. 9.250% Apr 15, 2025	234	325	289	
Seagate HDD Cayman 8.250% Dec 15, 2029	1 820	2 501	2 520	
Seagate HDD Cayman 4.125% Jan 15, 2031	1 285	1 659	1 397	
Seagate HDD Cayman 9.625% Dec 01, 2032	12 213	19 212	17 871	
Seagate HDD Cayman 5.750% Dec 01, 2034	1 370	1 666	1 612	
Sirius XM Radio Inc. 5.000% Aug 01, 2027	2 000	2 476	2 461	
Sonic Automotive Inc. 4.625% Nov 15, 2029	460	527	511	
Sonic Automotive Inc. 4.875% Nov 15, 2031	7 905	9 818	8 604	
Southwestern Energy Co. 5.375% Feb 01, 2029	3 450	4 183	4 308	
Southwestern Energy Co. 5.375% Mar 15, 2030	4 950	6 042	6 126	
Spirit AeroSystems Inc. 7.500% Apr 15, 2025	3 595	4 882	4 712	
Spirit AeroSystems Inc. 9.375% Nov 30, 2029	5 390	7 740	7 653	
Spirit Loyalty Cayman Ltd. / Spirit IP Cayman Ltd. 8.000% Sep 20, 2025	6 846	9 493	9 146	
Spirit Loyalty Cayman Ltd. / Spirit IP Cayman Ltd. 8.000% Sep 20, 2025	6 700	9 060	8 950	
Suburban Propane Partners LP/Suburban Energy Finance Corp. 5.000% Jun 01, 2031	5 225	6 384	5 805	
Targa Resources Partners LP / Targa Resources Partners Finance Corp. 6.500% Jul 15, 2027	9 314	12 312	12 261	
Tempur Sealy International Inc. 4.000% Apr 15, 2029	8 475	10 586	9 732	
Tenet Healthcare Corp. 4.250% Jun 01, 2029	6 000	7 242	7 189	
Tenet Healthcare Corp. 6.750% May 15, 2031	12 500	17 057	16 620	
TerraForm Power Operating LLC 5.000% Jan 31, 2028	4 215	5 377	5 146	
TerraForm Power Operating LLC 4.750% Jan 15, 2030	4 110	5 729	4 810	
TransDigm Inc. 6.250% Mar 15, 2026	8 960	12 190	11 822	
TransDigm Inc. 5.500% Nov 15, 2027	2 930	3 862	3 666	
TransDigm Inc. 4.875% May 01, 2029	6 350	7 933	7 524	
Travel + Leisure Co. 6.625% Jul 31, 2026	7 225	9 979	9 507	

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





June 30, 2023

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>United States (cont.)</b>				
Tronox Inc. 4.625% Mar 15, 2029	4 300	5 469	4 739	
Venture Global LNG Inc. 8.125% Jun 01, 2028	5 800	7 839	7 812	
Venture Global LNG Inc. 8.375% Jun 01, 2031	6 800	9 172	9 094	
Vistra Operations Co. LLC 5.625% Feb 15, 2027	2 000	2 598	2 542	
Vistra Operations Co. LLC 5.000% Jul 31, 2027	2 850	3 871	3 537	
Vistra Operations Co. LLC 4.375% May 01, 2029	3 955	4 859	4 594	
Williams Scotsman International Inc. 6.125% Jun 15, 2025	4 535	6 261	5 970	
Williams Scotsman International Inc. 4.625% Aug 15, 2028	1 820	2 318	2 207	
Wynn Resorts Finance LLC / Wynn Resorts Capital Corp. 7.125% Feb 15, 2031	4 800	6 468	6 326	
		1 068 817	1 000 046	46.5
<b>TOTAL BONDS</b>		2 151 008	2 018 550	93.8
<b>SHORT-TERM INVESTMENTS<sup>†</sup></b>		69 900	69 900	3.2
<b>TOTAL INVESTMENTS</b>		2 224 026	2 107 846	97.9
<b>UNREALIZED LOSS ON CREDIT DEFAULT SWAPS (SCHEDULE A)</b>		(311)	(588)	–
<b>UNREALIZED GAIN ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE B)</b>		–	25 639	1.2
<b>UNREALIZED LOSS ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE B)</b>		–	(1 684)	(0.1)
<b>TOTAL PORTFOLIO</b>		2 223 715	2 131 213	99.0
<b>OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>			20 371	1.0
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>			2 151 584	100.0

**SCHEDULE A**

**Credit Default Swaps**

Reference Entity	Notional Amount (000s)	Currency	Pay/Receive Fixed Rate	Fixed Rate (%)	Expiration Date	Counterparty	Credit Rating	Cost (\$)	Fair Value (\$)	% of Net Assets
Markit CDX North America High Yield Index	(15 900)	USD	Pay	5.00	20-Jun-2028	SG Americas Securities	A	(311)	(588)	–
<b>TOTAL CREDIT DEFAULT SWAPS</b>								(311)	(588)	–

\$5 700 Government of Canada Treasury Bills are held as collateral by counterparties with respect to the above swap contracts.

**SCHEDULE B**

**Foreign Exchange Contracts**

Contracts	Maturity Date	Unrealized Gain (\$)
Bought CAD 50 237 Sold USD 36 618 @ 1.3246	05-Jul-2023	1 730
Bought CAD 131 035 Sold USD 95 912 @ 1.3246	07-Jul-2023	3 989
Bought CAD 22 564 Sold USD 16 460 @ 1.3245	10-Jul-2023	761
Bought CAD 19 769 Sold USD 14 707 @ 1.3245	10-Jul-2023	288
Bought CAD 2 424 Sold USD 1 800 @ 1.3245	10-Jul-2023	39
Bought CAD 1 611 Sold USD 1 200 @ 1.3245	10-Jul-2023	21
Bought CAD 74 572 Sold USD 54 402 @ 1.3245	11-Jul-2023	2 517
Bought CAD 8 549 Sold USD 6 400 @ 1.3245	11-Jul-2023	72
Bought CAD 5 056 Sold EUR 3 396 @ 1.4462	12-Jul-2023	144
Bought EUR 1 200 Sold CAD 1 730 @ 1.4462	12-Jul-2023	6
Bought EUR 800 Sold CAD 1 149 @ 1.4462	12-Jul-2023	9
Bought CAD 44 925 Sold USD 33 000 @ 1.3245	13-Jul-2023	1 216
Bought CAD 58 673 Sold USD 43 631 @ 1.3245	14-Jul-2023	885
Bought CAD 19 092 Sold USD 13 962 @ 1.3244	17-Jul-2023	600
Bought CAD 68 Sold USD 50 @ 1.3244	17-Jul-2023	2
Bought CAD 86 546 Sold USD 63 318 @ 1.3244	18-Jul-2023	2 689

**SCHEDULE B (cont.)**

**Foreign Exchange Contracts**

Contracts	Maturity Date	Unrealized Gain (\$)
Bought CAD 30 449 Sold USD 22 393 @ 1.3244	19-Jul-2023	792
Bought CAD 2 039 Sold USD 1 527 @ 1.3244	19-Jul-2023	16
Bought CAD 4 855 Sold USD 3 583 @ 1.3243	20-Jul-2023	110
Bought CAD 10 388 Sold USD 7 700 @ 1.3243	20-Jul-2023	191
Bought CAD 8 014 Sold USD 5 934 @ 1.3243	21-Jul-2023	155
Bought CAD 42 949 Sold USD 31 797 @ 1.3243	21-Jul-2023	840
Bought CAD 53 798 Sold USD 40 102 @ 1.3242	24-Jul-2023	693
Bought USD 1 000 Sold CAD 1 318 @ 1.3242	24-Jul-2023	7
Bought CAD 28 267 Sold USD 20 976 @ 1.3242	25-Jul-2023	489
Bought USD 3 000 Sold CAD 3 948 @ 1.3242	25-Jul-2023	26
Bought CAD 1 456 Sold EUR 985 @ 1.4469	26-Jul-2023	30
Bought CAD 35 844 Sold USD 26 641 @ 1.3242	26-Jul-2023	565
Bought EUR 801 Sold CAD 1 152 @ 1.4469	26-Jul-2023	7
Bought CAD 17 454 Sold USD 13 001 @ 1.3242	27-Jul-2023	237
Bought CAD 65 228 Sold USD 48 845 @ 1.3242	28-Jul-2023	548
Bought USD 895 Sold CAD 1 177 @ 1.3242	28-Jul-2023	9





June 30, 2023

**SCHEDULE B (cont.)**

**Foreign Exchange Contracts**

Contracts	Maturity Date	Unrealized Gain (\$)
Bought CAD 10 422 Sold USD 7 770 @ 1.3241	02-Aug-2023	133
Bought USD 1 777 Sold CAD 2 352 @ 1.3241	02-Aug-2023	1
Bought CAD 5 291 Sold USD 3 917 @ 1.3240	03-Aug-2023	105
Bought CAD 1 255 Sold USD 922 @ 1.3240	03-Aug-2023	34
Bought CAD 4 354 Sold GBP 2 574 @ 1.6819	03-Aug-2023	25
Bought CAD 136 Sold USD 100 @ 1.3239	09-Aug-2023	4
Bought CAD 10 840 Sold USD 7 974 @ 1.3239	10-Aug-2023	283
Bought USD 70 Sold CAD 93 @ 1.3239	10-Aug-2023	-
Bought CAD 19 526 Sold USD 14 429 @ 1.3239	11-Aug-2023	423
Bought CAD 2 876 Sold USD 2 154 @ 1.3239	11-Aug-2023	24
Bought CAD 1 352 Sold USD 1 000 @ 1.3239	11-Aug-2023	28
Bought CAD 36 822 Sold USD 27 072 @ 1.3238	15-Aug-2023	984
Bought CAD 2 684 Sold USD 2 000 @ 1.3238	15-Aug-2023	36
Bought CAD 18 174 Sold USD 13 390 @ 1.3238	16-Aug-2023	448
Bought CAD 2 232 Sold GBP 1 316 @ 1.6816	17-Aug-2023	18
Bought CAD 37 017 Sold USD 27 734 @ 1.3237	18-Aug-2023	304
Bought CAD 20 400 Sold USD 15 030 @ 1.3237	18-Aug-2023	504
Bought CAD 2 873 Sold GBP 1 700 @ 1.6815	21-Aug-2023	14
Bought EUR 16 Sold CAD 24 @ 1.4483	24-Aug-2023	-
Bought CAD 8 141 Sold EUR 5 582 @ 1.4485	30-Aug-2023	54
Bought CAD 30 220 Sold USD 22 450 @ 1.3235	31-Aug-2023	507
Bought CAD 613 Sold USD 460 @ 1.3235	31-Aug-2023	3
Bought CAD 20 943 Sold USD 15 390 @ 1.3234	01-Sep-2023	574
Bought CAD 23 080 Sold USD 17 316 @ 1.3234	05-Sep-2023	164
Bought CAD 20 444 Sold USD 15 275 @ 1.3232	12-Sep-2023	231
Bought USD 4 000 Sold CAD 5 258 @ 1.3232	12-Sep-2023	35
Bought USD 3 200 Sold CAD 4 223 @ 1.3232	12-Sep-2023	12
Bought CAD 41 489 Sold USD 31 075 @ 1.3232	13-Sep-2023	370
Bought CAD 1 991 Sold USD 1 500 @ 1.3232	14-Sep-2023	5
Bought CAD 47 963 Sold USD 35 907 @ 1.3232	15-Sep-2023	452
Bought CAD 75 644 Sold USD 57 053 @ 1.3231	19-Sep-2023	158
Bought CAD 44 988 Sold USD 33 997 @ 1.3226	10-Oct-2023	22
Bought CAD 3 441 Sold USD 2 600 @ 1.3226	10-Oct-2023	1
		25 639

Contracts	Maturity Date	Unrealized Loss (\$)
Bought USD 50 Sold CAD 68 @ 1.3246	05-Jul-2023	(2)
Bought USD 490 Sold CAD 667 @ 1.3246	05-Jul-2023	(17)
Bought USD 2 081 Sold CAD 2 760 @ 1.3246	05-Jul-2023	(3)
Bought USD 33 997 Sold CAD 45 057 @ 1.3246	05-Jul-2023	(22)
Bought USD 2 581 Sold CAD 3 421 @ 1.3246	06-Jul-2023	(1)
Bought CAD 10 233 Sold GBP 6 120 @ 1.6823	07-Jul-2023	(63)
Bought USD 5 100 Sold CAD 6 883 @ 1.3245	10-Jul-2023	(127)
Bought USD 215 Sold CAD 292 @ 1.3245	10-Jul-2023	(7)
Bought USD 4 500 Sold CAD 6 019 @ 1.3245	10-Jul-2023	(59)
Bought USD 3 326 Sold CAD 4 489 @ 1.3245	11-Jul-2023	(83)
Bought CAD 11 925 Sold EUR 8 283 @ 1.4462	12-Jul-2023	(54)
Bought USD 56 Sold CAD 75 @ 1.3245	14-Jul-2023	(1)
Bought CAD 254 Sold USD 193 @ 1.3244	19-Jul-2023	(2)
Bought USD 6 024 Sold CAD 8 117 @ 1.3243	20-Jul-2023	(139)
Bought USD 100 Sold CAD 137 @ 1.3243	21-Jul-2023	(4)
Bought USD 1 027 Sold CAD 1 397 @ 1.3243	21-Jul-2023	(37)
Bought USD 5 000 Sold CAD 6 743 @ 1.3242	24-Jul-2023	(121)

**SCHEDULE B (cont.)**

**Foreign Exchange Contracts**

Contracts	Maturity Date	Unrealized Loss (\$)
Bought CAD 2 641 Sold USD 2 000 @ 1.3242	26-Jul-2023	(8)
Bought USD 2 100 Sold CAD 2 824 @ 1.3242	28-Jul-2023	(43)
Bought USD 1 300 Sold CAD 1 746 @ 1.3242	28-Jul-2023	(24)
Bought USD 1 837 Sold CAD 2 499 @ 1.3242	28-Jul-2023	(66)
Bought USD 1 000 Sold CAD 1 346 @ 1.3241	02-Aug-2023	(22)
Bought USD 1 955 Sold CAD 2 627 @ 1.3241	02-Aug-2023	(38)
Bought CAD 1 449 Sold USD 1 100 @ 1.3241	02-Aug-2023	(8)
Bought USD 850 Sold CAD 1 136 @ 1.3239	11-Aug-2023	(10)
Bought CAD 6 629 Sold EUR 4 583 @ 1.4485	30-Aug-2023	(10)
Bought USD 5 000 Sold CAD 6 637 @ 1.3232	15-Sep-2023	(21)
Bought CAD 40 739 Sold USD 30 905 @ 1.3230	21-Sep-2023	(150)
Bought CAD 1 092 Sold USD 825 @ 1.3230	25-Sep-2023	-
Bought CAD 1 205 Sold EUR 831 @ 1.4499	25-Sep-2023	-
Bought CAD 7 404 Sold USD 5 630 @ 1.3229	26-Sep-2023	(44)
Bought CAD 5 263 Sold USD 4 000 @ 1.3229	26-Sep-2023	(29)
Bought CAD 47 124 Sold USD 35 888 @ 1.3229	27-Sep-2023	(353)
Bought CAD 16 718 Sold USD 12 720 @ 1.3229	28-Sep-2023	(109)
Bought CAD 771 Sold EUR 535 @ 1.4501	29-Sep-2023	(5)
Bought CAD 296 Sold USD 225 @ 1.3228	03-Oct-2023	(2)
		(1 684)
<b>TOTAL FOREIGN EXCHANGE</b>		<b>23 955</b>

All counterparties have a credit rating of at least A.

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

† Short-term investments, which may be made up of treasury bills, commercial paper, term deposits and discount notes, earn interest at rates ranging from 4.52% to 5.04% and mature between July 4, 2023 and October 12, 2023.



**Statements of Financial Position** (unaudited)

(in \$000s except per unit amounts)

(see note 2 in the generic notes)	June 30 2023	December 31 2022
<b>ASSETS</b>		
Investments at fair value	\$ 2 107 846	\$ 2 246 832
Cash	533	410
Due from investment dealers	2 461	12 249
Subscriptions receivable	3 184	1 881
Margin receivable	469	236
Unrealized gain on foreign exchange contracts	25 639	7 043
Dividends receivable, interest accrued and other assets	31 178	32 591
<b>TOTAL ASSETS</b>	<b>2 171 310</b>	<b>2 301 242</b>
<b>LIABILITIES</b>		
Due to investment dealers	10 219	–
Redemptions payable	2 231	2 385
Payable on open swap contracts	588	–
Unrealized loss on foreign exchange contracts	1 684	10 060
Distributions payable	4 717	–
Accounts payable and accrued expenses	287	316
<b>TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>	<b>19 726</b>	<b>12 761</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")</b>	<b>\$ 2 151 584</b>	<b>\$ 2 288 481</b>
Investments at cost	\$ 2 223 715	\$ 2 383 096
<b>NAV</b>		
<b>SERIES A</b>	<b>\$ 121 104</b>	<b>\$ 120 470</b>
<b>ADVISOR SERIES</b>	<b>\$ –</b>	<b>\$ –</b>
<b>SERIES D</b>	<b>\$ 43 977</b>	<b>\$ 50 008</b>
<b>SERIES F</b>	<b>\$ 96 989</b>	<b>\$ 109 095</b>
<b>SERIES O</b>	<b>\$ 1 889 514</b>	<b>\$ 2 008 908</b>
<b>NAV PER UNIT</b>		
<b>SERIES A</b>	<b>\$ 9.16</b>	<b>\$ 9.07</b>
<b>ADVISOR SERIES</b>	<b>\$ –</b>	<b>\$ –</b>
<b>SERIES D</b>	<b>\$ 9.23</b>	<b>\$ 9.15</b>
<b>SERIES F</b>	<b>\$ 9.25</b>	<b>\$ 9.17</b>
<b>SERIES O</b>	<b>\$ 9.29</b>	<b>\$ 9.21</b>

**Statements of Comprehensive Income** (unaudited)

(in \$000s except per unit amounts)

For the periods ended June 30 (see note 2 in the generic notes)	2023	2022
<b>INCOME (see note 3 in the generic notes)</b>		
Dividends	\$ 5 147	\$ –
Interest for distribution purposes	58 690	71 316
Income from investment trusts	–	2 794
Derivative income (loss)	(257)	(49 285)
Net realized gain (loss) on investments	(19 158)	(87 256)
Change in unrealized gain (loss) on investments	46 779	(364 885)
<b>TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES</b>	<b>91 201</b>	<b>(427 316)</b>
Other income (loss)	7	100
Securities lending revenue (see note 7 in the generic notes)	193	357
Net gain (loss) on foreign cash balances	(945)	1 935
<b>TOTAL OTHER INCOME (LOSS)</b>	<b>(745)</b>	<b>2 392</b>
<b>TOTAL INCOME (LOSS)</b>	<b>90 456</b>	<b>(424 924)</b>
<b>EXPENSES (see notes – Fund Specific Information)</b>		
Management fees	1 327	1 647
Administration fees	253	358
Independent Review Committee costs	1	–
GST/HST	166	217
Transaction costs	25	14
Withholding tax	767	–
<b>TOTAL EXPENSES</b>	<b>2 539</b>	<b>2 236</b>
<b>INCREASE (DECREASE) IN NAV</b>	<b>\$ 87 917</b>	<b>\$ (427 160)</b>
<b>INCREASE (DECREASE) IN NAV</b>		
<b>SERIES A</b>	<b>\$ 4 009</b>	<b>\$ (20 172)</b>
<b>ADVISOR SERIES</b>	<b>\$ –</b>	<b>\$ (181)</b>
<b>SERIES D</b>	<b>\$ 1 669</b>	<b>\$ (7 938)</b>
<b>SERIES F</b>	<b>\$ 3 842</b>	<b>\$ (20 072)</b>
<b>SERIES O</b>	<b>\$ 78 397</b>	<b>\$ (378 797)</b>
<b>INCREASE (DECREASE) IN NAV PER UNIT</b>		
<b>SERIES A</b>	<b>\$ 0.30</b>	<b>\$ (1.43)</b>
<b>ADVISOR SERIES</b>	<b>\$ –</b>	<b>\$ (0.82)</b>
<b>SERIES D</b>	<b>\$ 0.35</b>	<b>\$ (1.42)</b>
<b>SERIES F</b>	<b>\$ 0.36</b>	<b>\$ (1.45)</b>
<b>SERIES O</b>	<b>\$ 0.39</b>	<b>\$ (1.38)</b>



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

For the periods ended June 30 (see note 2 in the generic notes)	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in NAV	\$ 87 917	\$ (427 160)
<b>ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS</b>		
Interest for distribution purposes	(966)	(382)
Non-cash dividends	–	–
Non-cash distributions from underlying funds	–	–
Net realized loss (gain) on investments	19 158	87 256
Change in unrealized loss (gain) on investments	(46 779)	364 885
(Increase) decrease in accrued receivables	1 413	6 902
Increase (decrease) in accrued payables	(29)	(117)
(Increase) decrease in margin accounts	(233)	–
Cost of investments purchased*	(1 157 051)	(2 544 106)
Proceeds from sale and maturity of investments*	1 318 247	2 911 052
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>221 677</b>	<b>398 330</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of redeemable units*	163 982	307 157
Cash paid on redemption of redeemable units*	(379 455)	(700 931)
Distributions paid to holders of redeemable units	(6 081)	(7 277)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>\$ (221 554)</b>	<b>\$ (401 051)</b>
Net increase (decrease) in cash for the period	123	(2 721)
Cash (bank overdraft), beginning of period	410	8 151
<b>CASH (BANK OVERDRAFT), END OF PERIOD</b>	<b>\$ 533</b>	<b>\$ 5 430</b>
Interest received (paid) <sup>†</sup>	\$ 58 554	\$ 74 183
Income from investment trusts received (paid) <sup>††</sup>	\$ –	\$ 2 794
Dividends received (paid) <sup>†‡</sup>	\$ 4 441	\$ –

\* 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 D		Series F	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>NAV AT BEGINNING OF PERIOD</b>	\$ 120 470	\$ 154 624	\$ –	\$ 2 477	\$ 50 008	\$ 66 172	\$ 109 095	\$ 180 933
<b>INCREASE (DECREASE) IN NAV</b>	<b>4 009</b>	<b>(20 172)</b>	<b>–</b>	<b>(181)</b>	<b>1 669</b>	<b>(7 938)</b>	<b>3 842</b>	<b>(20 072)</b>
Early redemption fees	–	–	–	–	–	–	–	–
Proceeds from redeemable units issued	8 368	13 124	–	–	2 642	4 250	14 149	31 958
Reinvestments of distributions to holders of redeemable units	2 648	2 391	–	19	1 079	1 075	1 966	1 866
Redemption of redeemable units	(11 508)	(22 041)	–	(2 295)	(10 282)	(16 679)	(29 468)	(88 231)
<b>NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS</b>	<b>(492)</b>	<b>(6 526)</b>	<b>–</b>	<b>(2 276)</b>	<b>(6 561)</b>	<b>(11 354)</b>	<b>(13 353)</b>	<b>(54 407)</b>
Distributions from net income	(2 883)	(2 587)	–	(20)	(1 139)	(1 135)	(2 595)	(2 552)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS</b>	<b>(2 883)</b>	<b>(2 587)</b>	<b>–</b>	<b>(20)</b>	<b>(1 139)</b>	<b>(1 135)</b>	<b>(2 595)</b>	<b>(2 552)</b>
<b>NET INCREASE (DECREASE) IN NAV</b>	<b>634</b>	<b>(29 285)</b>	<b>–</b>	<b>(2 477)</b>	<b>(6 031)</b>	<b>(20 427)</b>	<b>(12 106)</b>	<b>(77 031)</b>
<b>NAV AT END OF PERIOD</b>	<b>\$ 121 104</b>	<b>\$ 125 339</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ 43 977</b>	<b>\$ 45 745</b>	<b>\$ 96 989</b>	<b>\$ 103 902</b>

For the periods ended June 30 (see note 2 in the generic notes)	Series 0		Total	
	2023	2022	2023	2022
<b>NAV AT BEGINNING OF PERIOD</b>	\$ 2 008 908	\$ 3 036 384	\$ 2 288 481	\$ 3 440 590
<b>INCREASE (DECREASE) IN NAV</b>	<b>78 397</b>	<b>(378 797)</b>	<b>87 917</b>	<b>(427 160)</b>
Early redemption fees	–	–	–	–
Proceeds from redeemable units issued	143 965	275 830	169 124	325 162
Reinvestments of distributions to holders of redeemable units	48 780	56 183	54 473	61 534
Redemption of redeemable units	(331 882)	(591 920)	(383 140)	(721 166)
<b>NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS</b>	<b>(139 137)</b>	<b>(259 907)</b>	<b>(159 543)</b>	<b>(334 470)</b>
Distributions from net income	(58 654)	(68 898)	(65 271)	(75 192)
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
<b>TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS</b>	<b>(58 654)</b>	<b>(68 898)</b>	<b>(65 271)</b>	<b>(75 192)</b>
<b>NET INCREASE (DECREASE) IN NAV</b>	<b>(119 394)</b>	<b>(707 602)</b>	<b>(136 897)</b>	<b>(836 822)</b>
<b>NAV AT END OF PERIOD</b>	<b>\$ 1 889 514</b>	<b>\$ 2 328 782</b>	<b>\$ 2 151 584</b>	<b>\$ 2 603 768</b>



June 30, 2023

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

The investment objective of the Fund is to provide a high level of income with the potential for modest capital growth by investing primarily in higher-yielding corporate debt securities issued by Canadian and U.S. corporations.

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)**

**Credit risk (%)**

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

Rating	June 30 2023	December 31 2022
AA	5.8	5.4
A	5.5	5.8
BBB	28.7	30.6
BB	45.2	41.8
B	14.6	15.8
CCC	0.2	0.3
Unrated	–	0.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

**Concentration risk (%)**

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

Investment mix	June 30 2023	December 31 2022
United States	47.4	47.7
Canada	39.4	37.8
Netherlands	2.2	2.3
United Kingdom	2.1	1.4
Supranational	1.4	1.5
Underlying Funds	–	4.0
Other Countries	2.2	2.2
Cash/Other	5.3	3.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

**Interest rate risk (%)**

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

Term to maturity	June 30 2023	December 31 2022
Less than 1 year	0.8	0.4
1 – 5 years	37.6	34.0
5 – 10 years	46.3	51.0
> 10 years	15.3	14.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

As at June 30, 2023, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the Fund's NAV may have decreased or increased, respectively, by approximately 3.7% (December 31, 2022 – 4.2%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

**Currency risk (% of NAV)**

Since the currency risk of the Fund has been hedged using foreign exchange contracts, the Fund has minimal sensitivity to changes in foreign exchange rates.

**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, 2023 and December 31, 2022.

June 30, 2023	Level 1	Level 2	Level 3	Total
<b>Equities</b>	<b>19 396</b>	–	–	<b>19 396</b>
<b>Underlying funds</b>	–	–	–	–
<b>Fixed-income</b>				
and debt securities	–	2 018 550	–	2 018 550
<b>Short-term investments</b>	–	69 900	–	69 900
<b>Derivatives – assets</b>	–	25 639	–	25 639
<b>Derivatives – liabilities</b>	–	(2 272)	–	(2 272)
<b>Total financial instruments</b>	<b>19 396</b>	<b>2 111 817</b>	–	<b>2 131 213</b>
<b>% of total portfolio</b>	<b>0.9</b>	<b>99.1</b>	–	<b>100.0</b>

December 31, 2022	Level 1	Level 2	Level 3	Total
Equities	23 956	–	–	23 956
Underlying funds	92 633	–	–	92 633
Fixed-income				
and debt securities	–	2 105 471	–	2 105 471
Short-term investments	–	24 772	–	24 772
Derivatives – assets	–	7 043	–	7 043
Derivatives – liabilities	–	(10 060)	–	(10 060)
<b>Total financial instruments</b>	<b>116 589</b>	<b>2 127 226</b>	–	<b>2 243 815</b>
<b>% of total portfolio</b>	<b>5.2</b>	<b>94.8</b>	–	<b>100.0</b>

For the periods ended June 30, 2023 and December 31, 2022, there were no transfers of financial instruments between Level 1, Level 2 and Level 3.



June 30, 2023

**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	1.25%	0.05%
Advisor Series	1.25%	0.05%
Series D	0.90%	0.05%
Series F	0.75%	0.05%
Series O	n/a*	0.02%

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

**Unconsolidated structured entities (%)  
(see note 3 in the generic notes)**

The table below summarizes the Fund's interest in the unsponsored funds as a percentage of NAV, and the Fund's ownership interest as a percentage of NAV of the unsponsored funds ("Ownership").

	June 30 2023		December 31 2022	
	NAV	Ownership	NAV	Ownership
BMO Aggregate Bond Index ETF	–	–	0.5	0.2
iShares Core Canadian Universe Bond Index ETF	–	–	0.5	0.3
iShares iBoxx High Yield Corporate Bond ETF	–	–	1.5	0.2
SPDR Bloomberg High Yield Bond ETF	–	–	1.5	0.3

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

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

As at December 31, 2022

Capital losses	296 554
Non-capital losses	–

**Redeemable units (000s)**

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

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

2023 2022

**Series A**

Opening units	13 274	14 532
Issued number of units	905	1 316
Reinvested number of units	288	251
Redeemed number of units	(1 242)	(2 215)
Ending number of units	13 225	13 884

**Advisor Series**

Opening units	–	231
Issued number of units	–	–
Reinvested number of units	–	2
Redeemed number of units	–	(233)
Ending number of units	–	–

**Series D**

Opening units	5 465	6 168
Issued number of units	284	423
Reinvested number of units	116	112
Redeemed number of units	(1 102)	(1 677)
Ending number of units	4 763	5 026

**Series F**

Opening units	11 897	16 830
Issued number of units	1 512	3 184
Reinvested number of units	212	194
Redeemed number of units	(3 139)	(8 817)
Ending number of units	10 482	11 391

**Series O**

Opening units	218 181	281 232
Issued number of units	15 290	27 429
Reinvested number of units	5 229	5 815
Redeemed number of units	(35 300)	(60 216)
Ending number of units	203 400	254 260

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

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

	June 30 2023		June 30 2022	
	\$	%	\$	%
Total transaction costs	25	100	14	100
Related-party brokerage commissions*	8	32	–	–
Commission arrangements <sup>†</sup>	–	–	2	14

\* See note 8 in the generic notes.

<sup>†</sup> 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, 2023

**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 2023	June 30 2022
Fair value of securities loaned	158 283	171 944
Fair value of collateral received	161 451	175 384

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 2023		June 30 2022	
	\$	%	\$	%
Gross revenue	259	100	518	100
RBC IS (paid)	(64)	(25)	(129)	(25)
Tax withheld	(2)	–	(32)	(6)
Fund revenue	193	75	357	69

**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 2023	December 31 2022
Phillips, Hager & North Core Plus Bond Fund	1.4	1.2
Phillips, Hager & North Enhanced Corporate Bond Trust	0.1	0.1
Phillips, Hager & North Enhanced Long Bond Pension Trust	0.1	0.1
Phillips, Hager & North Enhanced Total Return Bond Fund	0.6	0.5
Phillips, Hager & North Long Core Plus Bond Fund	0.5	0.5
Phillips, Hager & North Monthly Income Fund	3.8	3.4
Phillips, Hager & North Multi-Strategy Credit Fund	–	–
Phillips, Hager & North PRisM Balanced Fund	1.3	0.9
Phillips, Hager & North Short Core Plus Bond Fund	–	–
Phillips, Hager & North Total Return Bond Fund	1.6	1.5
RBC Balanced Fund	0.4	0.4
RBC Core Bond Pool	7.8	6.2
RBC Core Plus Bond Pool	5.5	5.9
RBC Global Balanced Fund	0.1	0.1
RBC Monthly Income Bond Fund	2.1	2.0
RBC Monthly Income Fund	0.7	0.7
RBC Strategic Income Bond Fund	5.0	4.4

	June 30 2023	December 31 2022
RBC Target 2030 Education Fund	–	2.0
RBC Target 2035 Education Fund	2.4	2.7
RBC Target 2040 Education Fund	0.1	–
Total	33.5	32.6

**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, 2023	Assets	Liabilities
Gross amounts – assets (liabilities)	25 639	(2 272)
Amounts set-off in the Statements of Financial Position	–	–
Net amounts presented in the Statements of Financial Position	25 639	(2 272)
Related amounts not set-off	(1 684)	1 684
Collateral (received) pledged	(4 566)	588
Net amount	19 389	–

December 31, 2022	Assets	Liabilities
Gross amounts – assets (liabilities)	7 043	(10 060)
Amounts set-off in the Statements of Financial Position	–	–
Net amounts presented in the Statements of Financial Position	7 043	(10 060)
Related amounts not set-off	(1 913)	1 913
Collateral (received) pledged	(518)	1 963
Net amount	4 612	(6 184)



## 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, 2023.

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, Series O and ETF Series. Effective April 11, 2022, Advisor Series and Advisor T5 Series are no longer offered for sale.

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.

The units of the ETF Series are listed either on the Toronto Stock Exchange (the “TSX”) or on the NEO Exchange (the “NEO Exchange”) as the case may be. 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.

RBC Funds	Series	Exchange Ticker Symbol
RBC Canadian Equity Income Fund	ETF Series	RCEI
RBC North American Value Fund	ETF Series	RNAV
RBC North American Growth Fund	ETF Series	RNAG
RBC International Equity Fund	ETF Series	RINT
RBC Emerging Markets Dividend Fund	ETF Series	REMD
RBC Global Energy Fund	ETF Series	RENG
RBC Global Precious Metals Fund	ETF Series	RGPM
RBC Global Technology Fund	ETF Series	RTEC

## 2. Financial period

The information provided in these financial statements and notes thereto is as at June 30, 2023 and December 31, 2022, as applicable, and for the six-month periods ended June 30, 2023 and June 30, 2022, 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:

June 30, 2023

**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.

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.

June 30, 2023

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

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

*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.

*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

June 30, 2023

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.

*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 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.

*Interest Rate Swap Contracts* – Interest rate swaps are agreements between two parties to exchange periodic interest payments based on a notional principal amount. The net periodic payments received or paid from interest rate swap contracts are recorded as “Interest for distribution purposes” in the Statements of Comprehensive Income. Payments received or paid when the Fund enters into the contract are recorded as an asset or liability in the

Statements of Financial Position. When the contract is terminated or expires, the payments received or paid are recorded as “Derivative income (loss)” in the Statements of Comprehensive Income. Interest rate swap contracts are valued based upon quotations from independent sources.

*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.



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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 and short-term investments.

**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
DOP – Dominican peso	RON – Romanian leu
EGP – Egyptian pound	RSD – Serbian dinar
EUR – Euro	SEK – Swedish krona
GBP – Pound sterling	SGD – Singapore dollar
HKD – Hong Kong dollar	THB – Thailand baht
HUF – Hungarian forint	TRY – Turkish new lira
IDR – Indonesian rupiah	TWD – New Taiwan dollar
ILS – Israeli new shekel	USD – United States dollar
INR – Indian rupee	ZAR – South African rand

**In-Kind Transactions and Switches Between Different Series of the Same Fund** 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 differences between amounts issued and redeemed within the Statements of Changes in NAV and the Statements of Cash Flow relate to in-kind transactions and switches between series of the same Fund. Similarly, the “Cost of investments purchased” and “Proceeds from sale and maturity of investments” within the Statements of Cash Flow appropriately exclude 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.

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, margin and short-term deposits are held with counterparties with a credit rating of BBB- or higher. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Funds. The fair value of fixed-income and debt securities includes a consideration of the creditworthiness of the debt issuer. Credit risk exposure to over-the-counter derivative instruments is based on a Fund's unrealized gain on the contractual obligations with the counterparty. Credit risk exposure is mitigated for those Funds participating in a securities lending program (see note 7). RBC GAM monitors each Fund's credit exposure and counterparty ratings daily.

**Concentration risk**

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

**Interest rate risk**

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

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) (the "Tax Act"). 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.

If a Fund is not a mutual fund trust under the Tax Act throughout a taxation year, the Fund (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.



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If a Fund does not qualify as a mutual fund trust and more than 50% (calculated on a fair market value basis) of the units of the Fund 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 Fund itself will be treated as a financial institution under those special rules. Under those rules, the Fund 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 Fund cease to be held by financial institutions, the tax year of the Fund will be deemed to end immediately before that time and any gains or losses accrued before that time will be deemed realized by the Fund and will be distributed to unitholders. A new taxation year for the Fund will then begin and for that and subsequent taxation years, for so long as not more than 50% of the units of the Fund are held by financial institutions, the Fund will not be subject to these special mark-to-market rules.

If at any time in a year a Fund that is not a mutual fund trust under the Tax Act throughout that year has a unitholder that is a “designated beneficiary”, the Fund 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 a Fund is subject to tax under Part XII.2 of the Tax Act, the Fund 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 Fund.

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.

The total amount of distributions for Series T5 and Series FT5 units for a year may exceed the Series T5 and Series FT5 units’ share of income and capital gains earned by the fund, respectively, in that year. This excess amount will be treated

as a return of capital to the unitholder. Return of capital represents a return to the unitholder of a portion of their own invested capital.

## 7. Securities lending revenue

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

## 8. Administrative and other related-party transactions

### *Manager and Portfolio Manager*

RBC GAM is an indirect wholly owned subsidiary of Royal Bank of Canada (“Royal Bank”). RBC GAM is the manager and portfolio manager of the Funds. RBC GAM is responsible for the Funds’ day-to-day operations, provides investment advice and portfolio management services to the Funds and appoints distributors for the Funds. RBC GAM is paid a management fee by the Funds as compensation for its services. The management fee is calculated and accrued daily as a percentage of the NAV of each series of units of the Funds. No management fees are paid by the Funds with respect to Series O units. Unitholders of Series O units pay a negotiated fee directly to RBC GAM for investment-counselling services.

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

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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 Global High Yield Bond Fund (Canada) (for the underlying 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 Foreign Exchange Fund (for a portion of the Fund)
- RBC Emerging Markets Bond Fund (for a portion of the Fund)
- 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)\* (for the underlying fund)
- BlueBay \$U.S. Global High Yield Bond Fund (Canada)\* (for a portion of the Fund)
- BlueBay Emerging Markets Bond Fund (Canada)\*

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BlueBay Emerging Markets Local Currency Bond Fund (Canada)\*  
 BlueBay Emerging Markets Corporate Bond Fund\*  
 BlueBay Emerging Markets High Yield Corporate Bond Fund (Canada)\*  
 BlueBay Global Convertible Bond Fund (Canada)\*  
 RBC U.S. Monthly Income Fund (for a portion of the Fund)  
 RBC Balanced Fund (for a portion of the Fund)  
 RBC Global Balanced Fund (for a portion of the Fund)  
 RBC Vision Balanced Fund (for a portion of the 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  
 RBC Global Equity Leaders Currency Neutral Fund (for the underlying fund)  
 BlueBay Global Alternative Bond Fund (Canada)\* (for a portion of the Fund)  
 Phillips, Hager & North Overseas Equity Fund  
 Phillips, Hager & North Global Equity Fund

\* Prior to April 1, 2023 BlueBay Asset Management LLP was a sub-advisor for these Funds.

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

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

#### **Trustee**

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

#### **Distributors**

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

#### **Custodian**

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

#### **Registrars**

RBC GAM, RBC IS or Royal Bank (or a combination thereof) are the registrars of the Funds and keep records of who owns the units of the Funds. The registrars also process orders and

issue account statements. The registrars earn a fee, which is paid by the manager from the fixed administration fee paid by the Funds.

#### **Brokers and Dealers**

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

#### **Securities Lending Agent**

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

#### **Mortgage Administrator Agent**

Royal Bank may administer 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.

#### **9. Presentation changes in the financial statements**

As a result of an accounting system change during the year ended December 31, 2022, the Funds have changed the presentation of certain items related to the cost of investments with accretion of discounts or premiums. In the current year, where applicable, the discount on short-term investments is now accreted into the cost of investments where previously such amounts were recorded as interest receivable. Additionally, the discount or premium related to convertible strip bonds is now accreted or amortized to the cost of investments. Comparatives have not been reclassified in the financial statements as the information required to achieve comparability is not available. As a result of this presentation change, amounts previously presented as "Change in unrealized gain (loss) on investments" are now presented as "Interest for distribution purposes" in the Statements of Comprehensive Income for convertible strip bonds, and there is a non-cash adjustment in the Statements of Cash Flow "Interest for distribution purposes", for the period ended December 31, 2022. Previously, such amounts were adjusted in the Statements of Cash Flow in "(Increase) decrease in accrued receivables" and "Proceeds from sale and maturity of investments", where applicable. There is no impact on Statements of Comprehensive Income as a result of the change in the presentation for the short-term investments.

#### **10. Revision to comparatives**

With respect to RBC Canadian Mid-Cap Equity Fund, comparative figures on the Statements of Changes in NAV and Comprehensive Income have been revised to reflect the redesignation of Series F-redesignated to Series I. Previously, Series F-redesignated amounts were presented separately, and have now been adjusted to reflect the redesignation to Series I on a combined basis.