

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

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



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



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

**Unaudited Interim Financial Statements**

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



SCHEDULE OF INVESTMENT PORTFOLIO (unaudited) (in USD000s)  
**RBC U.S. MONTHLY INCOME FUND**

June 30, 2022

	Holdings	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>COMMON EQUITIES</b>				
<b>Communication Services</b>				
Alphabet Inc.	10 500	23 085	22 882	
Alphabet Inc. Written Call@2235 Jul 15 2022	(105)	(443)	(500)	
Comcast Corp.	126 700	6 012	4 972	
Walt Disney Co.	83 600	12 229	7 892	
Verizon Communications Inc.	208 500	10 673	10 581	
		51 556	45 827	<b>2.8</b>
<b>Consumer Discretionary</b>				
Dollar General Corp.	41 800	8 367	10 259	
Home Depot Inc.	47 800	13 116	13 110	
Lowe's Companies Inc.	42 000	7 661	7 336	
Magna International Inc.	140 300	9 999	7 702	
McDonald's Corp.	37 000	7 371	9 135	
NIKE Inc.	45 600	5 579	4 660	
Ross Stores Inc.	35 800	3 383	2 513	
Target Corp.	78 700	10 748	11 115	
		66 224	65 830	<b>4.0</b>
<b>Consumer Staples</b>				
Coca-Cola Co.	187 400	10 673	11 789	
Constellation Brands Inc.	21 800	5 386	5 081	
Costco Wholesale Corp.	11 200	3 447	5 368	
PepsiCo Inc.	70 800	10 835	11 800	
Philip Morris International Inc.	135 800	12 451	13 409	
Procter & Gamble Co.	83 400	11 258	11 992	
Walmart Inc.	49 100	6 599	5 970	
		60 649	65 409	<b>4.0</b>
<b>Energy</b>				
Chevron Corp.	83 800	8 649	12 133	
ConocoPhillips	85 500	4 323	7 679	
Diamondback Energy Inc.	32 400	4 052	3 925	
Exxon Mobil Corp.	174 800	11 849	14 970	
Hess Corp.	47 800	4 611	5 064	
Pioneer Natural Resources Co.	28 400	7 300	6 335	
Valero Energy Corp.	36 900	3 732	3 922	
		44 516	54 028	<b>3.3</b>
<b>Financials</b>				
Ameriprise Financial Inc.	31 300	6 343	7 439	
Bank of America Corp.	175 050	6 241	5 449	
Chubb Ltd.	25 800	4 353	5 072	
Citigroup Inc.	46 000	3 106	2 116	
Goldman Sachs Group Inc.	26 000	7 969	7 723	
JPMorgan Chase & Co.	75 300	9 220	8 480	
M&T Bank Corp.	37 900	6 506	6 041	
Morgan Stanley	101 600	7 535	7 728	
PNC Financial Services Group Inc.	37 800	6 191	5 964	
S&P Global Inc.	14 300	5 726	4 819	
Wells Fargo & Co.	99 900	4 545	3 913	
		67 735	64 744	<b>4.0</b>

	Holdings	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>Health Care</b>				
Abbott Laboratories	86 300	8 045	9 376	
AbbVie Inc.	133 800	12 740	20 493	
AmerisourceBergen Corp.	55 300	8 297	7 824	
Amgen Inc.	35 800	8 264	8 710	
Anthem Inc.	34 200	12 694	16 504	
CVS Health Corp.	169 691	12 893	15 724	
Danaher Corp.	16 000	4 735	4 056	
Eli Lilly & Co.	20 100	4 336	6 517	
Johnson & Johnson	137 400	20 946	24 390	
Merck & Co. Inc.	108 000	8 551	9 846	
Pfizer Inc.	263 800	12 339	13 831	
Thermo Fisher Scientific Inc.	9 800	5 853	5 324	
UnitedHealth Group Inc.	44 800	13 155	23 011	
		132 848	165 606	<b>10.1</b>
<b>Industrials</b>				
Caterpillar Inc.	38 500	8 195	6 882	
Eaton Corp. Plc.	24 200	2 584	3 049	
Honeywell International Inc.	18 700	3 516	3 250	
Johnson Controls International Plc.	47 800	2 479	2 289	
Quanta Services Inc.	37 900	4 686	4 750	
Raytheon Technologies Corp.	140 400	10 502	13 494	
Union Pacific Corp.	36 300	6 620	7 742	
United Parcel Service Inc.	59 800	8 968	10 916	
		47 550	52 372	<b>3.2</b>
<b>Information Technology</b>				
Accenture Plc.	25 400	6 535	7 052	
Advanced Micro Devices Inc.	40 500	4 438	3 097	
Advanced Micro Devices Inc. Written Call@80 Jul 15 2022	(405)	(83)	(88)	
Apple Inc.	362 400	39 088	49 547	
Applied Materials Inc.	23 100	2 763	2 102	
Broadcom Inc.	25 600	11 100	12 437	
Cisco Systems Inc.	367 500	18 100	15 670	
Hewlett Packard Enterprise Co.	162 700	2 873	2 157	
Intel Corp.	47 650	2 596	1 783	
International Business Machines Corp.	36 300	4 974	5 125	
Lam Research Corp.	13 600	7 923	5 796	
Mastercard Inc.	33 400	11 165	10 537	
Microchip Technology Inc.	26 700	1 540	1 551	
Microsoft Corp.	185 224	33 145	47 571	
NVIDIA Corp.	50 000	9 047	7 580	
QUALCOMM Inc.	28 800	3 988	3 679	
Texas Instruments Inc.	23 900	4 045	3 672	
Visa Inc.	61 800	12 282	12 168	
		175 519	191 436	<b>11.6</b>
<b>Materials</b>				
Air Products and Chemicals Inc.	16 500	4 068	3 968	
Freemport-McMoRan Inc.	33 900	1 314	992	
Linde Plc.	16 400	5 222	4 715	
		10 604	9 675	<b>0.6</b>

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



June 30, 2022

	Holdings	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>Real Estate</b>				
Equity Residential	26 900	1 952	1 943	
Extra Space Storage Inc.	11 600	1 951	1 973	
		3 903	3 916	0.2
<b>Utilities</b>				
AES Corp.	120 700	2 889	2 536	
Ameren Corp.	45 700	4 340	4 129	
American Electric Power Co. Inc.	45 700	4 386	4 384	
Dominion Energy Inc.	93 400	7 000	7 454	
NextEra Energy Inc.	130 200	7 384	10 085	
Xcel Energy Inc.	69 600	4 580	4 925	
		30 579	33 513	2.0
<b>TOTAL COMMON EQUITIES</b>		691 683	752 356	45.8

	Holdings	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>UNDERLYING FUNDS</b>				
iShares JP Morgan USD				
Emerging Markets Bond ETF	247 559	26 117	21 122	
Vanguard Real Estate ETF	207 200	19 590	18 878	
<b>TOTAL UNDERLYING FUNDS</b>		45 707	40 000	2.4

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>BONDS</b>				
<b>Bermuda</b>				
Triton Container International Ltd. / TAL International Container Corp. 3.250% Mar 15, 2032 USD	3 900	3 884	3 182	
		3 884	3 182	0.2
<b>Canada</b>				
Bank of Nova Scotia 4.588% May 04, 2037 USD	6 400	6 400	5 892	
Toronto-Dominion Bank 4.456% Jun 08, 2032 USD	5 790	5 790	5 748	
		12 190	11 640	0.7
<b>Chile</b>				
Empresa de los Ferrocarriles del Estado 3.830% Sep 14, 2061 USD	5 200	4 233	3 610	
		4 233	3 610	0.2
<b>France</b>				
Electricite de France S.A. 3.000% Perpetual EUR	3 800	3 856	3 041	
Electricite de France S.A. 5.875% Perpetual GBP	2 200	2 859	2 205	
Société Générale S.A. 2.797% Jan 19, 2028 USD	8 125	8 125	7 262	
		14 840	12 508	0.8
<b>Germany</b>				
Commerzbank AG 6.125% Perpetual EUR	2 800	3 176	2 660	
Deutsche Bank AG 4.625% Perpetual EUR	3 400	3 449	2 752	
		6 625	5 412	0.3
<b>India</b>				
Summit Digital Infrastructure Pvt Ltd. 2.875% Aug 12, 2031 USD	4 000	3 454	3 103	
		3 454	3 103	0.2
<b>Ireland</b>				
AerCap Ireland Capital DAC / AerCap Global Aviation Trust 4.625% Oct 15, 2027 USD	3 500	3 519	3 298	
AerCap Ireland Capital DAC / AerCap Global Aviation Trust 3.400% Oct 29, 2033 USD	4 000	3 544	3 163	
Avolon Holdings Funding Ltd. 3.950% Jul 01, 2024 USD	4 800	4 770	4 599	
Avolon Holdings Funding Ltd. 3.250% Feb 15, 2027 USD	3 370	3 145	2 937	
		14 978	13 997	0.9
<b>Italy</b>				
UniCredit S.p.A. 3.127% Jun 03, 2032 USD	4 000	3 528	3 125	
UniCredit S.p.A. 7.500% Perpetual EUR	3 000	3 572	2 910	
		7 100	6 035	0.4



June 30, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>Japan</b>				
Mizuho Financial Group Inc. 2.651% May 22, 2026 USD	7 370	7 182	6 996	
Nissan Motor Co. Ltd. 4.345% Sep 17, 2027 USD	5 000	4 910	4 594	
Nissan Motor Co. Ltd. 4.810% Sep 17, 2030 USD	3 392	3 494	3 017	
Nomura Holdings Inc. 5.605% Jul 06, 2029 USD	3 150	3 150	3 155	
Rakuten Group Inc. 5.125% Perpetual USD	4 700	4 342	3 831	
		23 078	21 593	<b>1.3</b>
<b>Malaysia</b>				
Genm Capital Labuan Ltd. 3.882% Apr 19, 2031 USD	2 625	2 281	2 080	
		2 281	2 080	<b>0.1</b>
<b>Mexico</b>				
Mexico Government International Bond 4.000% Mar 15, 2115 EUR	2 900	2 898	2 159	
		2 898	2 159	<b>0.1</b>
<b>Netherlands</b>				
Upjohn Finance BV 1.908% Jun 23, 2032 EUR	2 900	2 856	2 255	
		2 856	2 255	<b>0.1</b>
<b>Spain</b>				
CaixaBank S.A. 3.625% Perpetual EUR	3 200	2 998	2 319	
		2 998	2 319	<b>0.1</b>
<b>Supranational</b>				
JBS USA LUX S.A. / JBS USA Food Co. / JBS USA Finance Inc. 5.750% Apr 01, 2033 USD	5 150	5 077	4 909	
		5 077	4 909	<b>0.3</b>
<b>Switzerland</b>				
Credit Suisse AG 3.700% Feb 21, 2025 USD	8 800	8 789	8 603	
Credit Suisse Group AG 3.091% May 14, 2032 USD	5 310	4 739	4 231	
Credit Suisse Group AG 9.750% Perpetual USD	2 600	2 600	2 662	
		16 128	15 496	<b>1.0</b>
<b>United Arab Emirates</b>				
DAE Funding LLC 3.375% Mar 20, 2028	3 800	3 562	3 348	
		3 562	3 348	<b>0.2</b>
<b>United Kingdom</b>				
AngloGold Ashanti Holdings Plc. 3.750% Oct 01, 2030 USD	3 067	2 860	2 530	
Antofagasta Plc. 5.625% May 13, 2032 USD	3 300	3 241	3 185	
CSL Finance Plc. 4.750% Apr 27, 2052 USD	3 143	3 130	3 011	
CSL Finance Plc. 4.950% Apr 27, 2062 USD	3 060	3 048	2 941	
HSBC Holdings Plc. 4.755% Jun 09, 2028 USD	4 150	4 150	4 038	
Royalty Pharma Plc. 3.550% Sep 02, 2050 USD	3 900	3 190	2 731	
		19 619	18 436	<b>1.1</b>
<b>United States</b>				
Aircastle Ltd. 2.850% Jan 26, 2028 USD	3 177	2 819	2 629	
American Tower Corp. 4.050% Mar 15, 2032	3 120	3 105	2 847	
Anheuser-Busch InBev Worldwide Inc. 5.550% Jan 23, 2049	2 803	3 366	2 869	
AT&T Inc. 3.650% Sep 15, 2059	4 350	3 494	3 268	
Athene Global Funding 1.442299% May 24, 2024	10 000	9 716	9 712	
Athene Holding Ltd. 3.450% May 15, 2052 USD	3 403	3 321	2 344	
AutoNation Inc. 3.850% Mar 01, 2032	1 304	1 256	1 125	
Bank of America Corp. 4.571% Apr 27, 2033	4 630	4 630	4 511	
Bank of America Corp. 2.482% Sep 21, 2036	5 600	4 733	4 349	
Becton Dickinson and Co. 3.363% Jun 06, 2024	227	246	225	
Berry Global Inc. 1.000% Jan 15, 2025 EUR	4 500	4 810	4 343	
Broadcom Inc. 2.600% Feb 15, 2033	5 564	4 793	4 285	
Broadcom Inc. 4.926% May 15, 2037	3 583	3 380	3 217	
Charter Communications Operating LLC / Charter Communications Operating Capital 5.750% Apr 01, 2048	2 660	2 862	2 390	
Charter Communications Operating LLC / Charter Communications Operating Capital 3.850% Apr 01, 2061	3 600	2 882	2 374	

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



June 30, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>United States (cont.)</b>				
Citadel Finance LLC 3.375% Mar 09, 2026	7 000	6 676	6 412	
Citigroup Inc. 0.981% May 01, 2025	10 640	10 174	9 977	
Citigroup Inc. 4.140% May 24, 2025	3 800	3 800	3 788	
Citigroup Inc. 3.057% Jan 25, 2033	5 100	4 729	4 328	
Citigroup Inc. 3.785% Mar 17, 2033	3 200	3 150	2 886	
Citigroup Inc. 4.910% May 24, 2033	4 380	4 380	4 327	
Corebridge Financial Inc. 3.850% Apr 05, 2029	2 380	2 378	2 202	
Equinix Inc. 3.900% Apr 15, 2032	3 560	3 541	3 224	
Fells Point Funding Trust 3.046% Jan 31, 2027	3 216	3 216	2 968	
Flex Intermediate Holdco LLC 3.363% Jun 30, 2031	5 200	4 834	4 252	
General Motors Co. 5.400% Apr 01, 2048	1 704	1 767	1 486	
General Motors Financial Co. Inc. 3.800% Apr 07, 2025	8 800	8 798	8 591	
General Motors Financial Co. Inc. 1.780358% Feb 26, 2027	7 500	7 500	7 098	
General Motors Financial Co. Inc. 4.300% Apr 06, 2029	5 900	5 889	5 420	
Global Atlantic Fin Co. 3.125% Jun 15, 2031	3 875	3 864	3 087	
Goldman Sachs Group Inc. 2.383% Jul 21, 2032	3 510	2 830	2 842	
HCA Inc. 5.500% Jun 15, 2047	3 900	4 760	3 487	
HP Inc. 4.000% Apr 15, 2029	4 320	4 310	4 051	
JPMorgan Chase & Co. 1.045% Nov 19, 2026	5 500	5 500	4 898	
JPMorgan Chase & Co. 4.565% Jun 14, 2030	5 800	5 800	5 699	
Keurig Dr Pepper Inc. 4.500% Apr 15, 2052	4 660	4 618	4 119	
KKR Group Finance Co. XII LLC 4.850% May 17, 2032	3 280	3 270	3 242	
KLA Corp. 5.250% Jul 15, 2062	3 880	3 874	4 006	
Kyndryl Holdings Inc. 3.150% Oct 15, 2031	5 600	4 695	4 152	
Kyndryl Holdings Inc. 4.100% Oct 15, 2041	3 954	3 066	2 634	
Magallanes Inc. 3.428% Mar 15, 2024	3 510	3 510	3 444	
Magallanes Inc. 4.279% Mar 15, 2032	4 862	4 862	4 350	
Magallanes Inc. 5.141% Mar 15, 2052	6 150	6 150	5 170	
Molson Coors Beverage Co. 4.200% Jul 15, 2046	3 905	4 094	3 214	
Morgan Stanley 0.790% May 30, 2025	6 000	6 000	5 591	
Morgan Stanley 2.484% Sep 16, 2036	5 600	4 767	4 312	
Office Properties Income Trust 2.400% Feb 01, 2027	4 000	3 560	3 272	
Oracle Corp. 3.650% Mar 25, 2041	3 300	2 796	2 464	
Oracle Corp. 4.100% Mar 25, 2061	3 400	2 846	2 412	
Prospect Capital Corp. 3.437% Oct 15, 2028	5 600	4 727	4 296	
Santander Holdings USA Inc. 4.260% Jun 09, 2025	3 940	3 940	3 895	
South32 Treasury Ltd. 4.350% Apr 14, 2032	3 080	3 064	2 881	
SVB Financial Group 4.570% Apr 29, 2033	3 900	3 900	3 665	
United States Treasury Note/Bond 1.875% Feb 28, 2027	14 800	13 718	14 050	
United States Treasury Note/Bond 1.750% Jan 31, 2029	27 994	25 718	25 818	
United States Treasury Note/Bond 2.875% May 15, 2032	8 400	8 309	8 309	
United States Treasury Note/Bond 1.125% Aug 15, 2040	10 000	9 062	6 913	
United States Treasury Note/Bond 2.375% Feb 15, 2042	27 900	26 547	23 661	
United States Treasury Note/Bond 2.500% Feb 15, 2045	9 000	8 792	7 642	
United States Treasury Note/Bond 1.375% Aug 15, 2050	8 700	8 226	5 730	
United States Treasury Note/Bond 1.875% Nov 15, 2051	45 170	37 335	33 913	
Viatis Inc. 4.000% Jun 22, 2050	3 500	2 943	2 350	
VICI Properties LP 4.950% Feb 15, 2030	3 420	3 412	3 247	
VICI Properties LP 5.625% May 15, 2052	2 850	2 832	2 600	
Volkswagen Group of America Finance LLC 4.600% Jun 08, 2029	2 840	2 841	2 766	
Vontier Corp. 2.950% Apr 01, 2031	4 000	3 562	3 143	
		380 345	348 772	<b>21.2</b>
<b>TOTAL BONDS</b>		526 146	480 854	<b>29.2</b>



June 30, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>MORTGAGE-BACKED SECURITIES</b>				
<b>United States</b>				
AmeriCredit Automobile Receivables Trust 3.820% Mar 18, 2024	860	906	863	
AmeriCredit Automobile Receivables Trust 3.62% Mar 18, 2025	1 000	1 063	993	
AmeriCredit Automobile Receivables Trust 2.740% Apr 18, 2025	800	832	795	
AmeriCredit Automobile Receivables Trust 2.990% Jun 18, 2025	920	967	904	
AmeriCredit Automobile Receivables Trust 2.580% Sep 18, 2025	1 000	1 034	976	
Bellemeade Re 2019-2 Ltd. 3.006% Apr 25, 2029 USD	2 700	2 697	2 675	
BX 2022-MVRK Mortgage Trust 3.660% Mar 15, 2039	5 300	5 279	5 069	
BX Commercial Mortgage Trust 2021-21M 2.301% Oct 15, 2036	4 750	4 697	4 415	
BX Commercial Mortgage Trust 2022-CSMO 4.639% Jun 15, 2027	8 250	8 209	8 108	
BX Trust 2022-IND 3.635% Apr 15, 2037	8 177	8 154	7 823	
Carvana Auto Receivables Trust 1.580% Jun 12, 2028	5 025	4 929	4 703	
Carvana Auto Receivables Trust 2.300% Sep 11, 2028	3 750	3 720	3 504	
Citigroup Commercial Mortgage Trust 2013-GC11 4.562% Apr 01, 2046	5 800	5 731	5 671	
COMM 2014-CCRE15 Mortgage Trust 4.822% Feb 01, 2047	2 900	2 879	2 813	
Connecticut Avenue Securities Trust 2022-R01 2.484% Dec 25, 2041	4 121	4 124	3 724	
Connecticut Avenue Securities Trust 2022-R04 3.684% Mar 25, 2042	2 016	2 016	1 891	
Drive Auto Receivables Trust 4.090% Jan 15, 2026	311	326	313	
Drive Auto Receivables Trust 4.300% Apr 15, 2026	617	655	620	
Drive Auto Receivables Trust 4.090% Jun 15, 2026	702	735	703	
Drive Auto Receivables Trust 1.390% Mar 15, 2029	1 025	1 025	944	
Eagle RE 2019-1 Ltd. 2.806% Apr 25, 2029	7 020	6 985	6 961	
Ellington Financial Mortgage Trust 3.469% Nov 01, 2059	1 000	1 003	926	
Exeter Automobile Receivables Trust 5.200% Jan 15, 2026	5 000	5 150	5 006	
Exeter Automobile Receivables Trust 4.000% Aug 17, 2026	6 850	6 983	6 756	
Exeter Automobile Receivables Trust 5.560% Jun 15, 2027	2 500	2 528	2 464	
Exeter Automobile Receivables Trust 1.960% Jan 17, 2028	7 000	7 000	6 491	
Exeter Automobile Receivables Trust 3.020% Jun 15, 2028	5 919	5 911	5 502	
Exeter Automobile Receivables Trust 4.560% Jul 17, 2028	6 250	6 250	5 947	
Fannie Mae Pool (AM2995) 2.390% May 01, 2023	303	315	302	
Fannie Mae Pool (AN2912) 1.940% Oct 01, 2023	1 164	1 209	1 152	
Fannie Mae Pool (BL7140) 1.220% Jun 01, 2025	1 000	1 026	944	
Fannie Mae Pool (AN1307) 2.450% May 01, 2026	905	961	877	
Fannie Mae Pool (BL5365) 2.110% Feb 01, 2027	219	231	209	
Fannie Mae Pool (BL5366) 2.110% Feb 01, 2027	199	209	189	
Fannie Mae Pool (BL5371) 2.110% Feb 01, 2027	199	209	189	
Fannie Mae Pool (BL8809) 1.085% Dec 01, 2027	1 600	1 621	1 426	
Fannie Mae Pool (BL9652) 1.560% Dec 01, 2030	175	179	152	
Fannie Mae Pool (BL9824) 1.560% Dec 01, 2030	408	418	349	
Fannie Mae Pool (BS0179) 1.670% Jan 01, 2033	1 000	1 021	851	
Fannie Mae Pool (254725) 5.000% May 01, 2033	8	8	8	
Fannie Mae Pool (254793) 5.000% Jul 01, 2033	5	5	6	
Fannie Mae Pool (254868) 5.000% Sep 01, 2033	47	49	49	
Fannie Mae Pool (555800) 5.500% Oct 01, 2033	19	19	20	
Fannie Mae Pool (555880) 5.500% Nov 01, 2033	18	18	19	
Fannie Mae Pool (888283) 5.000% Aug 01, 2034	53	55	55	
Fannie Mae Pool (888890) 6.500% Oct 01, 2037	30	33	33	
Fannie Mae Pool (AE0698) 4.500% Dec 01, 2040	852	913	880	
Fannie Mae Pool (AL0160) 4.500% May 01, 2041	641	688	661	
Fannie Mae Pool (AJ8124) 4.000% Dec 01, 2041	1 923	2 054	1 934	
Fannie Mae Pool (AX0841) 4.000% Sep 01, 2044	992	1 065	998	
Fannie Mae Pool (AY1394) 3.000% Apr 01, 2045	1 975	1 984	1 880	
Fannie Mae Pool (AY4200) 3.000% May 01, 2045	1 662	1 688	1 581	
Fannie Mae Pool (AZ7353) 3.500% Nov 01, 2045	3 061	3 123	2 995	
Fannie Mae Pool (BC8393) 3.000% Jun 01, 2046	3 871	3 983	3 672	
Fannie Mae Pool (MA3466) 3.500% Sep 01, 2048	1 682	1 704	1 643	
Fannie Mae Pool (CA3641) 4.000% Jun 01, 2049	3 395	3 561	3 387	
Fannie Mae Pool (MA3870) 2.500% Dec 01, 2049	2 497	2 567	2 259	

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	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>United States (cont.)</b>				
Fannie Mae Pool (CA4976) 3.000% Jan 01, 2050	3 435	3 631	3 206	
Fannie Mae Pool (BQ5723) 2.000% Oct 01, 2050	77	80	67	
Fannie Mae Pool (CA7317) 2.000% Oct 01, 2050	298	309	260	
Fannie Mae Pool (BQ7524) 2.500% Oct 01, 2050	125	134	113	
Fannie Mae Pool (FM4821) 1.500% Nov 01, 2050	2 140	2 164	1 783	
Fannie Mae Pool (BR1114) 1.500% Nov 01, 2050	256	260	213	
Fannie Mae Pool (BQ7523) 2.000% Nov 01, 2050	197	206	171	
Fannie Mae Pool (BQ8239) 2.000% Nov 01, 2050	78	81	68	
Fannie Mae Pool (FM4959) 2.000% Dec 01, 2050	4 429	4 605	3 864	
Fannie Mae Pool (BR1115) 2.500% Dec 01, 2050	243	259	220	
Fannie Mae Pool (CA8811) 2.000% Jan 01, 2051	2 015	2 081	1 758	
Fannie Mae Pool (BQ4493) 1.500% Feb 01, 2051	268	270	223	
Fannie Mae Pool (BQ4469) 2.000% Feb 01, 2051	223	232	195	
Fannie Mae Pool (CA9048) 2.000% Feb 01, 2051	1 438	1 492	1 254	
Fannie Mae Pool (BQ7758) 2.000% Mar 01, 2051	1 619	1 651	1 412	
Fannie Mae Pool (BR0940) 2.000% Apr 01, 2051	953	960	832	
Fannie Mae Pool (CB0063) 2.500% Apr 01, 2051	2 128	2 192	1 918	
Fannie Mae Pool (BR1037) 2.500% May 01, 2051	1 625	1 702	1 465	
Fannie Mae Pool (CB0437) 2.500% May 01, 2051	2 001	2 085	1 803	
Fannie Mae Pool (CB0480) 2.500% May 01, 2051	1 940	2 020	1 748	
Fannie Mae Pool (BR2051) 2.500% Jun 01, 2051	1 310	1 365	1 181	
Fannie Mae Pool (BR2234) 2.500% Aug 01, 2051	1 515	1 589	1 365	
Fannie Mae Pool (BQ6601) 2.500% Sep 01, 2051	2 053	2 140	1 850	
Fannie Mae Pool (BT6821) 2.500% Oct 01, 2051	942	977	849	
Fannie Mae Pool (BT9419) 2.500% Nov 01, 2051	1 685	1 751	1 519	
Fannie Mae Pool (CB2205) 2.500% Nov 01, 2051	1 264	1 311	1 139	
Fannie Mae Pool (BT9520) 2.500% Dec 01, 2051	1 532	1 576	1 381	
Fannie Mae Pool (CB2467) 2.500% Dec 01, 2051	1 558	1 601	1 404	
Fannie Mae Pool (CB2515) 2.500% Dec 01, 2051	2 024	2 079	1 824	
Fannie Mae Pool (CB2524) 2.500% Jan 01, 2052	5 307	5 414	4 783	
Fannie Mae Pool (BV4205) 3.000% Feb 01, 2052	2 443	2 479	2 280	
Fannie Mae Pool (CB2761) 3.000% Feb 01, 2052	5 858	6 008	5 469	
Fannie Mae Pool (CB2797) 3.000% Feb 01, 2052	4 643	4 781	4 335	
Fannie Mae Pool (CB2938) 3.000% Feb 01, 2052	2 072	2 115	1 935	
Fannie Mae Pool (CB3227) 3.500% Mar 01, 2052	8 430	8 749	8 125	
Flagship Credit Auto Trust 2.260% Dec 15, 2027	500	500	453	
Freddie Mac Gold Pool (G18303) 4.500% Mar 01, 2024	10	10	10	
Freddie Mac Gold Pool (G01740) 5.500% Dec 01, 2034	9	9	10	
Freddie Mac Gold Pool (G04997) 5.000% Jan 01, 2037	59	64	62	
Freddie Mac Gold Pool (C03517) 4.500% Sep 01, 2040	83	87	86	
Freddie Mac Gold Pool (A95565) 4.000% Dec 01, 2040	563	560	571	
Freddie Mac Gold Pool (A97047) 4.500% Feb 01, 2041	472	490	487	
Freddie Mac Gold Pool (Q03505) 4.000% Sep 01, 2041	554	573	560	
Freddie Mac Gold Pool (G08477) 3.500% Feb 01, 2042	1 085	1 126	1 067	
Freddie Mac Gold Pool (C03823) 3.500% Apr 01, 2042	1 231	1 263	1 211	
Freddie Mac Gold Pool (Q10378) 3.000% Aug 01, 2042	879	904	842	
Freddie Mac Gold Pool (C09007) 3.500% Aug 01, 2042	1 032	1 108	1 016	
Freddie Mac Gold Pool (Q26814) 4.000% Jun 01, 2044	1 440	1 549	1 453	
Freddie Mac Gold Pool (V81429) 4.000% Nov 01, 2044	678	730	684	
Freddie Mac Gold Pool (G08628) 4.000% Feb 01, 2045	1 260	1 353	1 270	
Freddie Mac Gold Pool (G08640) 3.000% May 01, 2045	2 479	2 460	2 359	
Freddie Mac Gold Pool (G08731) 2.500% Nov 01, 2046	3 360	3 492	3 044	
Freddie Mac Gold Pool (G08732) 3.000% Nov 01, 2046	2 721	2 742	2 574	
Freddie Mac Multifamily Structured Pass Through Certificates 1.336% Sep 01, 2027	2 000	2 060	1 807	
Freddie Mac Pool (ZT1545) 4.000% Dec 01, 2048	2 819	2 951	2 824	
Freddie Mac Pool (RA1108) 3.500% Jul 01, 2049	1 510	1 564	1 466	
Freddie Mac Pool (SD7504) 3.500% Aug 01, 2049	2 894	3 013	2 814	
Freddie Mac Pool (RA1983) 3.000% Feb 01, 2050	4 792	5 067	4 478	

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



June 30, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>United States (cont.)</b>				
Freddie Mac Pool (RA3861) 1.500% Oct 01, 2050	120	122	100	
Freddie Mac Pool (RA3751) 2.000% Oct 01, 2050	419	435	365	
Freddie Mac Pool (RA3862) 2.000% Oct 01, 2050	354	369	309	
Freddie Mac Pool (RA3929) 2.000% Oct 01, 2050	107	111	93	
Freddie Mac Pool (RA3928) 1.500% Nov 01, 2050	91	92	75	
Freddie Mac Pool (QB5148) 2.000% Nov 01, 2050	79	82	69	
Freddie Mac Pool (QB5731) 2.000% Nov 01, 2050	246	259	214	
Freddie Mac Pool (QB6982) 2.000% Nov 01, 2050	839	879	732	
Freddie Mac Pool (RA3974) 2.000% Nov 01, 2050	112	116	97	
Freddie Mac Pool (QB5732) 2.500% Nov 01, 2050	276	293	250	
Freddie Mac Pool (RA4274) 1.500% Dec 01, 2050	2 348	2 377	1 953	
Freddie Mac Pool (RA4153) 2.000% Dec 01, 2050	566	591	493	
Freddie Mac Pool (RA4254) 2.000% Dec 01, 2050	1 994	2 080	1 739	
Freddie Mac Pool (RA4503) 2.000% Feb 01, 2051	1 348	1 398	1 175	
Freddie Mac Pool (RA4598) 2.000% Feb 01, 2051	1 456	1 511	1 270	
Freddie Mac Pool (RA4745) 2.000% Mar 01, 2051	1 796	1 828	1 566	
Freddie Mac Pool (RA4927) 2.000% Mar 01, 2051	1 449	1 470	1 264	
Freddie Mac Pool (RA4835) 2.500% Mar 01, 2051	2 242	2 328	2 021	
Freddie Mac Pool (RA4872) 2.500% Apr 01, 2051	1 212	1 253	1 092	
Freddie Mac Pool (RA5197) 2.500% May 01, 2051	1 906	1 989	1 717	
Freddie Mac Pool (RA5234) 2.500% May 01, 2051	255	267	230	
Freddie Mac Pool (RA5404) 2.500% Jun 01, 2051	2 032	2 119	1 831	
Freddie Mac Pool (RA5452) 2.500% Jun 01, 2051	1 509	1 574	1 360	
Freddie Mac Pool (QC4969) 2.000% Jul 01, 2051	834	854	727	
Freddie Mac Pool (RA5509) 2.500% Jul 01, 2051	935	972	843	
Freddie Mac Pool (RA5541) 2.500% Jul 01, 2051	1 095	1 137	987	
Freddie Mac Pool (RA5571) 2.500% Jul 01, 2051	1 373	1 428	1 237	
Freddie Mac Pool (RA5621) 2.500% Aug 01, 2051	1 631	1 708	1 470	
Freddie Mac Pool (RA5951) 2.500% Sep 01, 2051	1 808	1 896	1 630	
Freddie Mac Pool (QC9571) 2.500% Oct 01, 2051	1 864	1 924	1 680	
Freddie Mac Pool (RA6317) 2.500% Nov 01, 2051	2 900	3 011	2 614	
Freddie Mac Pool (QD4183) 2.500% Dec 01, 2051	2 029	2 083	1 828	
Freddie Mac Pool (RA6743) 2.500% Jan 01, 2052	2 625	2 650	2 366	
Freddie Mac Pool (RA6687) 3.000% Jan 01, 2052	2 564	2 659	2 394	
Freddie Mac Pool (QD7419) 3.000% Feb 01, 2052	502	510	469	
Freddie Mac Pool (RA6760) 3.000% Feb 01, 2052	4 953	5 140	4 624	
Freddie Mac Pool (RA6930) 3.500% Mar 01, 2052	2 467	2 541	2 378	
Freddie Mac STACR REMIC Trust 2021-DNA6 2.08446% Oct 25, 2041	5 000	4 969	4 576	
Freddie Mac STACR REMIC Trust 2022-DNA1 2.43446% Jan 25, 2042	1 100	1 100	990	
Freddie Mac STACR REMIC Trust 2022-DNA3 2.926% Apr 25, 2024	2 382	2 382	2 346	
Freddie Mac Structured Agency Credit Risk Debt Notes 2.38446% Nov 25, 2041	2 000	1 929	1 806	
Freddie Mac Structured Agency Credit Risk Debt Notes 2.98446% Feb 25, 2042	8 740	8 740	8 086	
Ginnie Mae I Pool (604337) 5.500% May 01, 2033	5	5	6	
Ginnie Mae I Pool (781778) 5.000% Nov 01, 2033	23	22	23	
Ginnie Mae I Pool (781835) 5.500% Nov 01, 2034	19	19	20	
Ginnie Mae I Pool (781885) 5.000% Mar 01, 2035	34	34	35	
Ginnie Mae II Pool (MA3106) 4.000% Sep 01, 2045	887	950	896	
Ginnie Mae II Pool (MA3873) 3.000% Aug 01, 2046	1 840	1 873	1 766	
Ginnie Mae II Pool (MA4588) 4.500% Jul 01, 2047	1 236	1 301	1 281	
GM Financial Automobile Leasing Trust 1.110% Oct 21, 2024	1 000	1 000	981	
Home Partners of America 2021-3 Trust 2.999% Jan 01, 2041	2 975	2 975	2 655	
Hyundai Auto Receivables Trust 3.030% Nov 17, 2025	790	829	783	
Jack in the Box Funding LLC 3.445% Feb 26, 2052	6 567	6 567	6 017	
Jack in the Box Funding LLC 4.136% Feb 26, 2052	5 303	5 303	4 559	
MVW 2021-1W LLC 1.440% Jan 22, 2041	1 908	1 888	1 732	
MVW 2021-2 LLC 1.830% May 20, 2039	1 990	1 990	1 818	
Progress Residential 2020-SFR2 Trust 3.874% Jun 01, 2037	280	287	266	
Santander Drive Auto Receivables Trust 4.070% Aug 15, 2024	272	283	272	

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





June 30, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>United States (cont.)</b>				
Santander Drive Auto Receivables Trust 3.650% Apr 15, 2025	740	770	740	
Santander Drive Auto Receivables Trust 1.130% Nov 16, 2026	1 200	1 200	1 150	
Santander Retail Auto Lease Trust 1.180% Dec 20, 2024	600	604	567	
Small Business Administration Pool (510849) 4.000% Sep 01, 2031	947	1 079	1 056	
Small Business Administrations Pool (530018) 3.875% Aug 01, 2046	411	476	477	
SMRT 2022-MINI 2.732% Jan 15, 2039	7 300	7 300	6 849	
Tesla Auto Lease Trust 1.180% Mar 20, 2025	2 000	2 000	1 888	
Tesla Auto Lease Trust 1.320% Sep 22, 2025	725	725	669	
Verus Securitization Trust 3.279% Nov 01, 2059	1 925	1 949	1 813	
Vista Point Securitization Trust 4.151% Mar 01, 2065	2 000	2 047	1 965	
<b>TOTAL MORTGAGE-BACKED SECURITIES</b>		351 380	322 790	19.6
<b>SHORT-TERM INVESTMENTS*</b>		2 492	2 492	0.2
<b>TOTAL INVESTMENTS</b>		1 617 408	1 598 492	97.2
<b>CREDIT DEFAULT SWAPS (SCHEDULE A)</b>		(3 067)	99	—
<b>UNREALIZED GAIN ON FUTURES CONTRACTS (SCHEDULE B)</b>		—	347	—
<b>UNREALIZED GAIN ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE C)</b>		—	1 286	0.1
<b>UNREALIZED LOSS ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE C)</b>		—	(105)	—
<b>TOTAL PORTFOLIO</b>		1 614 341	1 600 119	97.3
<b>OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>			45 073	2.7
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>			1 645 192	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 Investment Grade Index	(63 589)	USD	Pay	1.00	20-Jun-2027	Citi Global Markets Inc	BBB+	(71)	18	—
Markit CDX North America Investment Grade Index	(65 964)	USD	Pay	1.00	20-Jun-2027	Morgan Stanley & Company LLC	BBB+	12	19	—
Markit CDX North America Investment Grade Index	(18 847)	USD	Pay	1.00	20-Jun-2027	Morgan Stanley & Company LLC	BBB+	(20)	5	—
Markit CDX North America Investment Grade Index	(196 400)	USD	Pay	1.00	20-Jun-2027	Morgan Stanley & Company LLC	BBB+	(2 988)	57	—
<b>TOTAL CREDIT DEFAULT SWAPS</b>								(3 067)	99	—



June 30, 2022

**SCHEDULE B**

**Futures Contracts**

	Number of Contracts	Contracted Value (\$)	Unrealized Gain (\$)
Euro-Buxl 30-Year Bond Future September 2022 Contracts at EUR 175.42 per contract	(23)	(4 227)	285
Euro-Schatz Future September 2022 Contracts at EUR 109.49 per contract	(71)	(8 147)	26
United Kingdom Long Gilt Future September 2022 Contracts at GBP 118.17 per contract	(7)	(1 007)	36
<b>TOTAL FUTURES</b>		<b>(13 381)</b>	<b>347</b>

**SCHEDULE C**

**Foreign Exchange Contracts**

Contracts	Maturity Date	Unrealized Gain (\$)
Bought CAD 117 Sold USD 91 @ 0.7769	27-Jul-2022	–
Bought CAD 422 Sold USD 326 @ 0.7769	27-Jul-2022	2
Bought CAD 760 Sold USD 591 @ 0.7769	27-Jul-2022	–
Bought EUR 167 Sold USD 174 @ 1.0498	27-Jul-2022	1
Bought EUR 2 600 Sold USD 2 718 @ 1.0498	27-Jul-2022	12
Bought EUR 82 Sold USD 86 @ 1.0498	27-Jul-2022	1
Bought USD 117 Sold CAD 150 @ 0.7769	27-Jul-2022	–
Bought USD 2 845 Sold GBP 2 176 @ 1.2179	27-Jul-2022	196
Bought USD 33 954 Sold EUR 31 326 @ 1.0498	27-Jul-2022	1 068
Bought USD 784 Sold CAD 1 000 @ 0.7769	27-Jul-2022	6
		<b>1 286</b>

Contracts	Maturity Date	Unrealized Loss (\$)
Bought CAD 178 Sold USD 139 @ 0.7769	27-Jul-2022	(1)
Bought CAD 2 562 Sold USD 1 996 @ 0.7769	27-Jul-2022	(5)
Bought CAD 71 Sold USD 56 @ 0.7769	27-Jul-2022	–
Bought CAD 73 Sold USD 57 @ 0.7769	27-Jul-2022	–
Bought CAD 81 Sold USD 63 @ 0.7769	27-Jul-2022	(1)
Bought CAD 91 Sold USD 71 @ 0.7749	27-Jul-2022	–
Bought EUR 134 Sold USD 140 @ 1.0441	27-Jul-2022	–
Bought EUR 145 Sold USD 155 @ 1.0498	27-Jul-2022	(2)
Bought EUR 173 Sold USD 182 @ 1.0498	27-Jul-2022	–
Bought EUR 2 900 Sold USD 3 101 @ 1.0498	27-Jul-2022	(56)
Bought EUR 262 Sold USD 277 @ 1.0498	27-Jul-2022	(1)
Bought EUR 317 Sold USD 334 @ 1.0498	27-Jul-2022	(1)
Bought EUR 406 Sold USD 436 @ 1.0498	27-Jul-2022	(10)
Bought EUR 409 Sold USD 433 @ 1.0498	27-Jul-2022	(4)
Bought EUR 49 Sold USD 52 @ 1.0498	27-Jul-2022	–
Bought EUR 65 Sold USD 68 @ 1.0498	27-Jul-2022	–
Bought EUR 70 Sold USD 77 @ 1.0498	27-Jul-2022	(3)
Bought EUR 77 Sold USD 83 @ 1.0498	27-Jul-2022	(3)
Bought EUR 89 Sold USD 94 @ 1.0498	27-Jul-2022	(1)
Bought GBP 38 Sold USD 47 @ 1.2179	27-Jul-2022	–
Bought GBP 40 Sold USD 48 @ 1.2179	27-Jul-2022	–
Bought GBP 45 Sold USD 56 @ 1.2179	27-Jul-2022	(1)
Bought GBP 50 Sold USD 62 @ 1.2179	27-Jul-2022	(1)
Bought GBP 63 Sold USD 77 @ 1.2167	27-Jul-2022	–
Bought USD 1 542 Sold CAD 2 000 @ 0.7769	27-Jul-2022	(13)
Bought USD 1 940 Sold CAD 2 500 @ 0.7769	27-Jul-2022	(2)
Bought USD 78 Sold CAD 100 @ 0.7769	27-Jul-2022	–
		<b>(105)</b>
<b>TOTAL FOREIGN EXCHANGE</b>		<b>1 181</b>

All counterparties have a credit rating of at least A.

\* Short-term investments, which may be made up of treasury bills, commercial paper, term deposits and discount notes, earn interest at a rate of 1.56% and mature on July 5, 2022.



**Statements of Financial Position** (unaudited)

(in \$000s except per unit amounts)

(see note 2 in the generic notes)	June 30 2022	December 31 2021
<b>ASSETS</b>		
Investments at fair value	\$ 1 598 492	\$ 1 989 194
Cash	39 209	3 835
Due from investment dealers	25 606	6 129
Subscriptions receivable	343	2 479
Unrealized gain on futures contracts	347	–
Margin receivable	5 376	–
Unrealized gain on foreign exchange contracts	1 286	–
Receivable on open swap contracts	99	–
Dividends receivable, interest accrued and other assets	5 199	4 144
<b>TOTAL ASSETS</b>	<b>1 675 957</b>	<b>2 005 781</b>
<b>LIABILITIES</b>		
Due to investment dealers	21 153	–
Redemptions payable	6 693	2 087
Unrealized loss on foreign exchange contracts	105	–
Distributions payable	847	841
Accounts payable and accrued expenses	1 967	2 403
<b>TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>	<b>30 765</b>	<b>5 331</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")</b>	<b>\$ 1 645 192</b>	<b>\$ 2 000 450</b>
Investments at cost	\$ 1 614 341	\$ 1 733 773
<b>NAV</b>		
<b>SERIES A</b>	<b>\$ 1 317 558</b>	<b>\$ 1 621 743</b>
<b>SERIES D</b>	<b>\$ 4 607</b>	<b>\$ 64 443</b>
<b>SERIES F</b>	<b>\$ 273 700</b>	<b>\$ 256 543</b>
<b>SERIES I</b>	<b>\$ 44 880</b>	<b>\$ 51 816</b>
<b>SERIES O</b>	<b>\$ 4 447</b>	<b>\$ 5 905</b>
<b>NAV PER UNIT</b>		
<b>SERIES A</b>	<b>\$ 10.31</b>	<b>\$ 12.31</b>
<b>SERIES D</b>	<b>\$ 11.59</b>	<b>\$ 13.79</b>
<b>SERIES F</b>	<b>\$ 11.36</b>	<b>\$ 13.50</b>
<b>SERIES I</b>	<b>\$ 11.47</b>	<b>\$ 13.62</b>
<b>SERIES O</b>	<b>\$ 10.39</b>	<b>\$ 12.30</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)	2022	2021
<b>INCOME</b> (see note 3 in the generic notes)		
Dividends	\$ 9 822	\$ 7 714
Interest for distribution purposes	12 412	7 403
Income from investment trusts	483	3 343
Derivative income (loss)	1 172	102
Net realized gain (loss) on investments	(29 082)	88 168
Change in unrealized gain (loss) on investments	(269 990)	188
<b>TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES</b>	<b>(275 183)</b>	<b>106 918</b>
Other income (loss)	(6 357)	–
Net gain (loss) on foreign cash balances	(90)	(1)
<b>TOTAL OTHER INCOME (LOSS)</b>	<b>(6 447)</b>	<b>(1)</b>
<b>TOTAL INCOME (LOSS)</b>	<b>(281 630)</b>	<b>106 917</b>
<b>EXPENSES</b> (see notes – Fund Specific Information)		
Management fees	11 495	10 202
Administration fees	458	404
Independent Review Committee costs	–	1
GST/HST	1 125	1 013
Transaction costs	429	342
Withholding tax	1 267	1 052
<b>TOTAL EXPENSES</b>	<b>14 774</b>	<b>13 014</b>
<b>INCREASE (DECREASE) IN NAV</b>	<b>\$ (296 404)</b>	<b>\$ 93 903</b>
<b>INCREASE (DECREASE) IN NAV</b>		
<b>SERIES A</b>	<b>\$ (239 278)</b>	<b>\$ 75 195</b>
<b>SERIES D</b>	<b>\$ (4 876)</b>	<b>\$ 3 247</b>
<b>SERIES F</b>	<b>\$ (43 341)</b>	<b>\$ 12 334</b>
<b>SERIES I</b>	<b>\$ (7 595)</b>	<b>\$ 2 942</b>
<b>SERIES O</b>	<b>\$ (1 314)</b>	<b>\$ 185</b>
<b>INCREASE (DECREASE) IN NAV PER UNIT</b>		
<b>SERIES A</b>	<b>\$ (1.82)</b>	<b>\$ 0.67</b>
<b>SERIES D</b>	<b>\$ (1.76)</b>	<b>\$ 0.79</b>
<b>SERIES F</b>	<b>\$ (1.99)</b>	<b>\$ 0.79</b>
<b>SERIES I</b>	<b>\$ (1.96)</b>	<b>\$ 0.79</b>
<b>SERIES O</b>	<b>\$ (1.54)</b>	<b>\$ 0.66</b>



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

For the periods ended June 30 (see note 2 in the generic notes)	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in NAV	\$ (296 404)	\$ 93 903
<b>ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS</b>		
Interest for distribution purposes	–	–
Non-cash dividends	–	(118)
Non-cash distributions from underlying funds	–	(2 554)
Net realized loss (gain) on investments	29 082	(88 168)
Change in unrealized loss (gain) on investments	269 990	(188)
(Increase) decrease in accrued receivables	(1 402)	(648)
Increase (decrease) in accrued payables	(436)	232
(Increase) decrease in margin accounts	(5 376)	53
Cost of investments purchased*	(5 116 439)	(9 872 528)
Proceeds from sale and maturity of investments*	5 208 465	9 724 598
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>87 480</b>	<b>(145 418)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of redeemable units*	134 538	301 266
Cash paid on redemption of redeemable units*	(181 430)	(138 123)
Distributions paid to holders of redeemable units	(5 214)	(4 437)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>\$ (52 106)</b>	<b>\$ 158 706</b>
Net increase (decrease) in cash for the period	35 374	13 288
Cash (bank overdraft), beginning of period	3 835	10 838
<b>CASH (BANK OVERDRAFT), END OF PERIOD</b>	<b>\$ 39 209</b>	<b>\$ 24 126</b>
Interest received (paid) <sup>†</sup>	\$ 10 523	\$ 6 944
Income from investment trusts received (paid) <sup>†‡</sup>	\$ 566	\$ 737
Dividends received (paid) <sup>†‡</sup>	\$ 9 173	\$ 6 536

\* Excludes in-kind transactions.

<sup>†</sup> Classified as part of operating activities.

<sup>‡</sup> 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		Series D		Series F		Series I	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>NAV AT BEGINNING OF PERIOD</b>	\$ 1 621 743	\$ 1 229 030	\$ 64 443	\$ 50 429	\$ 256 543	\$ 185 521	\$ 51 816	\$ 46 681
<b>INCREASE (DECREASE) IN NAV</b>	(239 278)	75 195	(4 876)	3 247	(43 341)	12 334	(7 595)	2 942
Early redemption fees	–	1	–	1	(3)	–	–	–
Proceeds from redeemable units issued	102 332	248 301	3 878	12 593	106 160	54 901	1 283	870
Reinvestments of distributions to holders of redeemable units	20 298	17 416	399	674	2 937	1 929	376	456
Redemption of redeemable units	(163 982)	(110 123)	(58 761)	(7 893)	(44 255)	(31 672)	(243)	(514)
<b>NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS</b>	(41 352)	155 595	(54 484)	5 375	64 839	25 158	1 416	812
Distributions from net income	(23 555)	(20 309)	(476)	(816)	(4 341)	(3 081)	(757)	(725)
Distributions from net gains	–	–	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS</b>	(23 555)	(20 309)	(476)	(816)	(4 341)	(3 081)	(757)	(725)
<b>NET INCREASE (DECREASE) IN NAV</b>	(304 185)	210 481	(59 836)	7 806	17 157	34 411	(6 936)	3 029
<b>NAV AT END OF PERIOD</b>	\$ 1 317 558	\$ 1 439 511	\$ 4 607	\$ 58 235	\$ 273 700	\$ 219 932	\$ 44 880	\$ 49 710

For the periods ended June 30 (see note 2 in the generic notes)	Series O		Total	
	2022	2021	2022	2021
<b>NAV AT BEGINNING OF PERIOD</b>	\$ 5 905	\$ 2 709	\$ 2 000 450	\$ 1 514 370
<b>INCREASE (DECREASE) IN NAV</b>	(1 314)	185	(296 404)	93 903
Early redemption fees	–	–	(3)	2
Proceeds from redeemable units issued	11 179	4 441	224 832	321 106
Reinvestments of distributions to holders of redeemable units	42	22	24 052	20 497
Redemption of redeemable units	(11 222)	(3 362)	(278 463)	(153 564)
<b>NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS</b>	(1)	1 101	(29 582)	188 041
Distributions from net income	(143)	(48)	(29 272)	(24 979)
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
<b>TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS</b>	(143)	(48)	(29 272)	(24 979)
<b>NET INCREASE (DECREASE) IN NAV</b>	(1 458)	1 238	(355 258)	256 965
<b>NAV AT END OF PERIOD</b>	\$ 4 447	\$ 3 947	\$ 1 645 192	\$ 1 771 335



June 30, 2022

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

The investment objective of the Fund is to provide regular U.S. dollar monthly income and modest capital growth.

Effective June 30, 2016, Series I units of the Fund are capped and are no longer available for purchase by new investors. Existing investors who hold Series I units of the Fund can continue to make additional investments into this series.

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

**Credit risk (%)**

Credit-exposed securities, excluding short-term investments, comprise 49.0% (December 31, 2021 – 48.0%) of the NAV of the Fund. The table below summarizes the Fund's credit risk exposure grouped by credit ratings as at:

Rating	June 30 2022	December 31 2021
AAA	36.3	22.9
AA	2.0	27.5
A	12.0	15.1
BBB	47.6	25.2
BB	2.1	5.6
B	–	3.4
CCC	–	0.3
Total	100.0	100.0

**Concentration risk (%)**

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

Investment mix	June 30 2022	December 31 2021
Equities	45.8	47.3
Bonds	29.2	32.4
Mortgage-Backed Securities	19.6	10.1
Underlying Funds	2.4	7.8
Cash/Other	3.0	2.4
Total	100.0	100.0

**Interest rate risk (%)**

Fixed-income and debt securities, excluding short-term investments, comprise 48.9% (December 31, 2021 – 42.5%) of the NAV of the Fund. The table below summarizes the Fund's exposure to interest rate risk by remaining term to maturity as at:

Term to maturity	June 30 2022	December 31 2021
Less than 1 year	0.3	6.5
1 – 5 years	18.7	42.8
5 – 10 years	24.4	24.4
> 10 years	56.6	26.3
Total	100.0	100.0

As at June 30, 2022, 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 3.0% (December 31, 2021 – 2.8%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

**Other price risk (% impact on NAV)**

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

	June 30 2022	December 31 2021
S&P 500 Total Return Index (USD)	+ or - 4.9	+ or - 4.4

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

**Fair value hierarchy (USD000s except % amounts) (see note 3 in the generic notes)**

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

June 30, 2022	Level 1	Level 2	Level 3	Total
Equities	752 356	–	–	752 356
Underlying funds	40 000	–	–	40 000
Fixed-income				
and debt securities	–	803 644	–	803 644
Short-term investments	–	2 492	–	2 492
Derivatives – assets	347	1 385	–	1 732
Derivatives – liabilities	–	(105)	–	(105)
Total financial instruments	792 703	807 416	–	1 600 119
% of total portfolio	49.5	50.5	–	100.0



June 30, 2022

December 31, 2021	Level 1	Level 2	Level 3	Total
Equities	946 296	–	–	946 296
Underlying funds	154 964	–	–	154 964
Fixed-income and debt securities	–	852 386	–	852 386
Short-term investments	–	35 548	–	35 548
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
<b>Total financial instruments</b>	<b>1 101 260</b>	<b>887 934</b>	<b>–</b>	<b>1 989 194</b>
<b>% of total portfolio</b>	<b>55.4</b>	<b>44.6</b>	<b>–</b>	<b>100.0</b>

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

### 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	1.40%	0.05%
Series D	0.80%	0.05%
Series F	0.65%	0.05%
Series I	0.60%	0.05%
Series O	n/a*	0.02%

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

### Investments by related parties (USD000s except unit amounts)

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

	June 30 2022	December 31 2021
<b>Units held</b>		
Series A	148	145
Series I	144	142
Series O	118	116
<b>Value of all units</b>	<b>4</b>	<b>5</b>

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

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

The table below summarizes the Fund's interest in the sponsored funds as a percentage of NAV, and the Fund's ownership interest as a percentage of NAV of the sponsored funds ("Ownership"). All sponsored funds are established and conduct business in Canada.

	June 30 2022		December 31 2021	
	NAV	Ownership	NAV	Ownership
RBC \$U.S. High Yield Bond Fund	–	–	2.4	24.1
RBC Emerging Markets Bond Fund	–	–	3.0	3.2

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 2022		December 31 2021	
	NAV	Ownership	NAV	Ownership
iShares J.P. Morgan USD Emerging Markets Bond ETF	1.3	0.2	–	–
SPDR S&P Oil & Gas Exploration & Production ETF	–	–	0.3	0.2
Utilities Select Sector SPDR ETF	–	–	0.5	0.1
Vanguard Real Estate ETF	1.1	–	1.6	0.1

### Taxes (CAD000s) (see note 6 in the generic notes)

The Fund prepares its financial statements in U.S. dollars but is taxable on its income and net realized capital gains (including gains from foreign exchange movements) calculated on a Canadian dollar basis.

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



June 30, 2022

### Redeemable units (000s)

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

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

	2022	2021
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#### Series A

Opening units	131 765	106 110
Issued number of units	8 826	21 004
Reinvested number of units	1 815	1 477
Redeemed number of units	(14 603)	(9 335)
Ending number of units	127 803	119 256

#### Series D

Opening units	4 673	3 914
Issued number of units	291	959
Reinvested number of units	31	51
Redeemed number of units	(4 598)	(602)
Ending number of units	397	4 322

#### Series F

Opening units	19 001	14 727
Issued number of units	8 455	4 260
Reinvested number of units	240	150
Redeemed number of units	(3 600)	(2 454)
Ending number of units	24 096	16 683

#### Series I

Opening units	3 804	3 677
Issued number of units	99	68
Reinvested number of units	31	35
Redeemed number of units	(20)	(40)
Ending number of units	3 914	3 740

#### Series O

Opening units	480	238
Issued number of units	972	379
Reinvested number of units	4	2
Redeemed number of units	(1 028)	(289)
Ending number of units	428	330

### Transaction costs (USD000s except %)

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

	June 30 2022		June 30 2021	
	\$	%	\$	%
Total transaction costs	429	100	342	100
Related-party brokerage commissions*	18	4	25	7
Commission arrangements <sup>†</sup>	44	10	45	13

\* 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.

### Offsetting financial assets and liabilities (USD000s) (see note 3 in the generic notes)

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

June 30, 2022	Assets	Liabilities
Gross amounts – assets (liabilities)	4 453	(105)
Amounts set-off in the Statements of Financial Position	–	–
Net amounts presented in the Statements of Financial Position	4 453	(105)
Related amounts not set-off	(45)	45
Collateral (received) pledged	(330)	–
Net amount	4 077	(60)

December 31, 2021	Assets	Liabilities
Gross amounts – assets (liabilities)	–	–
Amounts set-off in the Statements of Financial Position	–	–
Net amounts presented in the Statements of Financial Position	–	–
Related amounts not set-off	–	–
Collateral (received) pledged	–	–
Net amount	–	–



## 1. The Funds

The Funds (“Fund” or “Funds”) are open-ended mutual fund trusts governed by the laws of the Province of Ontario or British Columbia. RBC GAM is the manager and portfolio manager of the Funds and its head office is located at 155 Wellington Street West, 22nd Floor, Toronto, Ontario. RBC GAM is also the trustee of those Funds governed by the laws of the Province of Ontario. These financial statements were approved for issuance by the Board of Directors of RBC GAM on August 9, 2022.

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

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

Advisor Series units and Advisor T5 Series units were available to all investors through authorized dealers. Effective April 11, 2022, all Advisor Series and Advisor T5 Series units were re-designated as Series A and Series T5 units, as applicable.

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

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

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

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

Series I units have no sales charges, have lower fees than Series F units, Series FT5 units and Series FT8 units and are only available to investors who invest and maintain

the required minimum balance and who have accounts with dealers who have signed a fee-based agreement with RBC GAM.

Series N units are only available to related funds.

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

## 2. Financial period

The information provided in these financial statements and notes thereto is as at June 30, 2022 and December 31, 2021, as applicable, and for the six-month periods ended June 30, 2022 and June 30, 2021, as applicable, except for Funds or series established during either period, in which case the information for the Fund, or series, is provided for the period from the start date as described in the Notes to Financial Statements – Fund Specific Information of the Fund.

## 3. Summary of significant accounting policies

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”). The significant accounting policies of the Funds are as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### 4. Critical accounting judgments and estimates

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Concentration risk**

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

**Interest rate risk**

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

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

**Currency risk**

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

**Other price risk**

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

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

**6. Taxes**

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

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

**7. Securities lending revenue**

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

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

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

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

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

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

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

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

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

**Sub-Advisors**

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

RBC Global Asset Management (UK) Limited is the sub-advisor for:  
 RBC Short-Term Global Bond Fund (for a portion of the Fund)  
 RBC Bond Fund (for a portion of the Fund)  
 RBC Global Bond Fund (for a portion of the Fund)  
 RBC \$U.S. Global Bond Fund (for a portion of the Fund)  
 RBC Global Corporate Bond Fund (for a portion of the Fund)  
 RBC Global High Yield Bond Fund (for a portion of the Fund)  
 RBC Emerging Markets Bond Fund (for a portion of the Fund)  
 RBC U.S. Monthly Income Fund (for a portion of the Fund)



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

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

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

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

#### **Trustee**

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

#### **Distributors**

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

#### **Custodian**

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

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**Registrars**

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

**Brokers and Dealers**

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

**Securities Lending Agent**

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

**Mortgage Administrator Agent**

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

**Other Related-Party Transactions**

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

**Related-Party Trading Activities**

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

**Inter-Fund Trading**

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

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