

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

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



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



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

Unaudited Interim Financial Statements

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



SCHEDULE OF INVESTMENT PORTFOLIO (unaudited) (in \$000s)
PHILLIPS, HAGER & NORTH BOND FUND

June 30, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
BONDS				
CANADIAN BONDS				
CORPORATE				
407 International Inc. 6.470% Jul 27, 2029	6 545	8 848	7 280	
407 International Inc. 3.140% Mar 06, 2030	1 365	1 459	1 250	
407 International Inc. 2.590% May 25, 2032	22 190	23 787	18 571	
407 International Inc. 3.430% Jun 01, 2033	2 085	2 367	1 857	
407 International Inc. 3.650% Sep 08, 2044	3 280	3 773	2 737	
407 International Inc. 3.720% May 11, 2048	7 450	8 597	6 209	
407 International Inc. 3.670% Mar 08, 2049	1 195	1 265	984	
407 International Inc. 2.840% Mar 07, 2050	955	958	665	
Access Justice Durham Ltd. 5.015% Aug 31, 2039	3 286	3 628	3 337	
Access Prairies Partnership 4.232% Mar 01, 2048	6 014	6 013	5 337	
Access Roads Edmonton Ltd. 5.669% Sep 30, 2037	1 816	2 039	1 895	
Access Roads Edmonton Ltd. 5.812% Sep 30, 2037	3 305	3 892	3 501	
Aéroports de Montréal 6.950% Apr 16, 2032	5 320	7 224	5 892	
Aéroports de Montréal 6.550% Oct 11, 2033	2 202	3 176	2 538	
Aéroports de Montréal 5.170% Sep 17, 2035	4 400	5 695	4 543	
Aéroports de Montréal 5.670% Oct 16, 2037	3 895	5 292	4 231	
Aéroports de Montréal 3.919% Sep 26, 2042	4 156	4 577	3 654	
Alberta Powerline LP 3.340% Jun 01, 2032	38 234	39 404	35 999	
Alberta Powerline LP 3.351% Sep 01, 2032	49 603	51 527	46 208	
Alectra Inc. 3.033% Jul 25, 2022	10 245	10 590	10 252	
Alectra Inc. 2.488% May 17, 2027	31 065	32 656	28 856	
Alectra Inc. 1.751% Feb 11, 2031	6 979	6 931	5 634	
AltaLink LP 2.978% Nov 28, 2022	15 950	16 339	15 955	
AltaLink LP 3.668% Nov 06, 2023	13 000	13 685	12 978	
AltaLink LP 1.509% Sep 11, 2030	580	580	464	
AltaLink LP 5.249% Sep 22, 2036	8 800	10 995	9 225	
AltaLink LP 4.922% Sep 17, 2043	150	211	153	
Bank of Montreal 2.280% Jul 29, 2024	2 725	2 724	2 617	
Bank of Montreal 1.551% May 28, 2026	6 300	5 727	5 636	
Bank of Montreal 2.700% Dec 09, 2026	2 500	2 454	2 350	
Bank of Montreal 3.650% Apr 01, 2027	32 930	32 642	31 501	
Bank of Nova Scotia 2.950% Mar 08, 2027	20 295	19 980	18 825	
Bell Telephone Co. of Canada 4.700% Sep 11, 2023	8 667	9 268	8 728	
Bell Telephone Co. of Canada 3.350% Mar 12, 2025	72 485	71 500	70 485	
BHP Billiton Finance Ltd. 3.230% May 15, 2023	220	225	219	
Blackbird Infrastructure 407 GP 3.760% Jun 30, 2047	1 844	1 885	1 606	
Bridging North America GP 4.023% May 31, 2038	14 660	14 829	13 013	
Bridging North America GP 4.341% Aug 31, 2053	4 520	4 796	3 768	
Brookfield Asset Management Inc. 5.040% Mar 08, 2024	17 755	18 694	17 925	
Brookfield Property Finance ULC 4.346% Jul 03, 2023	4 620	4 631	4 578	
Brookfield Property Finance ULC 4.300% Mar 01, 2024	26 305	26 307	25 700	
Brookfield Property Finance ULC 3.926% Aug 24, 2025	18 780	18 788	17 642	
Brookfield Property Finance ULC 3.930% Jan 15, 2027	11 345	11 297	10 289	
Brookfield Renewable Partners ULC 3.752% Jun 02, 2025	10 480	11 276	10 283	
Brookfield Renewable Partners ULC 4.250% Jan 15, 2029	7 340	7 703	7 099	
Brookfield Renewable Partners ULC 3.330% Aug 13, 2050	10 905	10 884	7 653	
Bruce Power LP 3.969% Jun 23, 2026	32 930	34 327	32 335	
Bruce Power LP 2.680% Dec 21, 2028	42 570	41 285	37 662	
Bruce Power LP 4.010% Jun 21, 2029	31 959	32 404	30 357	
Bruce Power LP 4.000% Jun 21, 2030	15 890	16 007	14 824	

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



June 30, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
CORPORATE (cont.)				
Calgary Airport Authority 3.454% Oct 07, 2041	8 385	8 385	6 898	
Calgary Airport Authority 3.754% Oct 07, 2061	6 256	6 256	5 238	
Calgary Glycol Facilities Corp. 3.257% Oct 29, 2058	3 867	3 867	2 929	
Cameco Corp. 4.190% Jun 24, 2024	24 415	24 417	24 290	
Cameco Corp. 2.950% Oct 21, 2027	23 145	23 131	21 072	
Canadian Imperial Bank of Commerce 2.350% Aug 28, 2024	4 225	4 295	4 051	
Canadian Pacific Railway Co. 1.589% Nov 24, 2023	16 815	16 809	16 267	
Canadian Pacific Railway Co. 2.540% Feb 28, 2028	15 575	15 333	13 937	
Canadian Pacific Railway Co. 3.150% Mar 13, 2029	5 740	5 202	5 216	
Canadian Utilities Ltd. 3.122% Nov 09, 2022	2 697	2 749	2 699	
Canadian Utilities Ltd. 4.851% Jun 03, 2052	8 720	8 749	8 415	
Capital Power Corp. 4.284% Sep 18, 2024	2 585	2 821	2 573	
CBHP LP 2.393% Aug 27, 2029	7 845	7 845	7 116	
CBHP LP 3.000% May 27, 2053	16 865	16 865	12 265	
Clover LP 4.216% Jun 30, 2034	8 512	8 520	8 269	
Comber Wind Financial Corp. 5.132% Nov 15, 2030	86	94	86	
CU Inc. 9.400% May 01, 2023	5 530	8 202	5 763	
CU Inc. 6.215% Mar 06, 2024	9 862	11 871	10 206	
CU Inc. 5.563% May 26, 2028	12 035	14 788	12 673	
CU Inc. 5.556% Oct 30, 2037	2 799	3 372	2 992	
CU Inc. 4.543% Oct 24, 2041	3 230	4 141	3 088	
CU Inc. 4.722% Sep 09, 2043	1 485	2 013	1 452	
CU Inc. 4.085% Sep 02, 2044	16 565	20 476	14 806	
CU Inc. 3.964% Jul 27, 2045	5 000	6 097	4 363	
CU Inc. 3.763% Nov 19, 2046	4 545	5 087	3 827	
CU Inc. 3.548% Nov 22, 2047	3 580	4 159	2 895	
CU Inc. 4.947% Nov 18, 2050	3 080	4 350	3 121	
CU Inc. 4.094% Oct 19, 2054	5 125	5 128	4 454	
DP World Canada Investment Inc. 3.536% Nov 08, 2041	10 300	10 300	8 534	
Dufferin Wind Power Inc. 4.317% Nov 30, 2033	4 000	4 000	3 800	
Edmonton Regional Airports Authority 7.214% Nov 01, 2030	1 045	1 413	1 133	
Edmonton Regional Airports Authority 3.715% May 20, 2051	6 679	6 678	5 522	
Ellisdon Infrastructure RIH General Partnership 3.930% Oct 31, 2038	5 406	5 406	4 656	
Emera Inc. 2.900% Jun 16, 2023	7 745	7 910	7 670	
Enbridge Gas Inc. 6.050% Jul 05, 2023	19 181	21 742	19 561	
Enbridge Gas Inc. 3.790% Jul 10, 2023	2 025	2 138	2 025	
Enbridge Gas Inc. 9.850% Dec 02, 2024	1 975	2 647	2 225	
Enbridge Gas Inc. 3.190% Sep 17, 2025	13 104	13 658	12 744	
Enbridge Gas Inc. 8.650% Nov 10, 2025	9 412	13 167	10 609	
Enbridge Gas Inc. 2.500% Aug 05, 2026	18 845	19 173	17 682	
Enbridge Gas Inc. 6.650% Nov 03, 2027	12 245	15 568	13 485	
Enbridge Gas Inc. 6.100% May 19, 2028	11 937	14 949	12 873	
Enbridge Gas Inc. 6.160% Dec 16, 2033	1 165	1 569	1 287	
Enbridge Gas Inc. 5.460% Sep 11, 2036	1 510	2 100	1 583	
Enbridge Inc. 3.190% Dec 05, 2022	11 800	12 065	11 799	
Enbridge Inc. 3.200% Jun 08, 2027	4 590	4 302	4 266	
Enbridge Inc. 6.100% Jul 14, 2028	1 700	1 898	1 765	
Enbridge Inc. 7.220% Jul 24, 2030	913	1 162	990	
Enbridge Pipelines Inc. 2.930% Nov 30, 2022	4 616	4 653	4 615	
Enbridge Pipelines Inc. 3.790% Aug 17, 2023	6 140	6 448	6 120	
Enbridge Pipelines Inc. 6.350% Nov 17, 2023	2 865	3 411	2 938	
Enbridge Pipelines Inc. 8.200% Feb 15, 2024	3 972	5 379	4 188	
Enbridge Pipelines Inc. 3.450% Sep 29, 2025	13 700	14 075	13 282	
Enbridge Pipelines Inc. 6.050% Feb 12, 2029	995	1 153	1 037	
Enbridge Pipelines Inc. 5.350% Nov 10, 2039	8 309	10 066	7 836	
Enbridge Southern Lights LP 4.014% Jun 30, 2040	8 684	8 681	7 999	
Energir Inc. 9.000% May 16, 2025	2 600	3 873	2 936	

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



June 30, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
CORPORATE (cont.)				
Envir Inc. 2.100% Apr 16, 2027	23 895	24 771	21 818	
ENMAX Corp. 2.922% Oct 18, 2022	4 585	4 585	4 585	
ENMAX Corp. 3.331% Jun 02, 2025	21 970	22 877	21 212	
ENMAX Corp. 3.836% Jun 05, 2028	4 790	5 172	4 507	
ENMAX Corp. 3.876% Oct 18, 2029	4 490	4 509	4 143	
Enwave Energy Corp. 3.943% Dec 07, 2037	7 250	7 250	6 283	
Fair Hydro Trust 3.357% May 15, 2033	24 975	25 365	22 816	
Fair Hydro Trust 3.520% May 15, 2038	12 675	12 675	11 253	
Fengate PCL Progress Partners Mbr LP 2.501% Jul 31, 2038	3 265	3 265	2 672	
Fengate PCL Progress Partners Mbr LP 3.045% Jan 31, 2054	2 240	2 228	1 550	
Fortis Inc. 2.180% May 15, 2028	22 565	22 822	19 816	
Fortis Inc. 4.431% May 31, 2029	24 570	24 574	24 077	
FortisAlberta Inc. 3.300% Sep 30, 2024	2 000	2 071	1 971	
FortisBC Energy Inc. 5.550% Sep 25, 2036	1 335	1 570	1 429	
FortisBC Energy Inc. 6.000% Oct 02, 2037	1 407	1 880	1 579	
FortisBC Inc. 5.900% Jul 04, 2047	2 030	3 085	2 277	
Grand Renewable Solar LP 3.926% Jan 31, 2035	5 639	5 639	5 290	
Great Lakes Power Ltd. 6.600% Jun 16, 2023	2 949	3 395	3 005	
Greater Toronto Airports Authority 6.450% Dec 03, 2027	18 189	24 179	19 857	
Greater Toronto Airports Authority 1.540% May 03, 2028	11 965	12 095	10 285	
Greater Toronto Airports Authority 6.450% Jul 30, 2029	4 158	5 079	4 428	
Greater Toronto Airports Authority 7.050% Jun 12, 2030	4 390	6 175	5 058	
Greater Toronto Airports Authority 7.100% Jun 04, 2031	11 331	16 207	13 214	
Greater Toronto Airports Authority 6.980% Oct 15, 2032	6 530	9 445	7 657	
Greater Toronto Airports Authority 6.470% Feb 02, 2034	8 166	11 724	9 354	
Greater Toronto Airports Authority 3.260% Jun 01, 2037	12 655	13 247	10 609	
Greater Toronto Airports Authority 2.750% Oct 17, 2039	16 300	16 248	12 401	
Greater Toronto Airports Authority 5.300% Feb 25, 2041	2 715	3 763	2 884	
H2O Power LP 3.310% Nov 30, 2029	28 502	28 502	26 722	
Health Montreal Collective LP 6.721% Sep 30, 2049	9 139	12 427	10 234	
Hospital Infrastructure Partners NOH Partnership 5.439% Jan 31, 2045	10 310	12 172	10 464	
Hydro One Inc. 2.540% Apr 05, 2024	23 725	24 280	23 205	
Hydro One Inc. 2.970% Jun 26, 2025	11 344	11 761	11 018	
Hydro One Inc. 3.020% Apr 05, 2029	38 160	40 711	35 241	
Hydro One Inc. 2.160% Feb 28, 2030	4 520	4 657	3 861	
Hydro One Inc. 7.350% Jun 03, 2030	15 848	23 029	18 504	
Hydro One Inc. 1.690% Jan 16, 2031	30 515	30 310	24 494	
Hydro One Inc. 6.930% Jun 01, 2032	2 665	3 784	3 091	
Hydro One Inc. 6.350% Jan 31, 2034	1 219	1 625	1 380	
Hydro One Inc. 5.360% May 20, 2036	1 205	1 523	1 265	
Hydro One Inc. 4.890% Mar 13, 2037	3 518	4 128	3 535	
Hydro One Inc. 6.030% Mar 03, 2039	2 768	3 622	3 136	
Hydro One Inc. 6.590% Apr 22, 2043	1 355	2 022	1 661	
Hydro One Inc. 4.590% Oct 09, 2043	7 755	8 900	7 500	
Hydro One Inc. 4.170% Jun 06, 2044	10 150	12 700	9 251	
Hydro One Ltd. 1.410% Oct 15, 2027	14 105	14 002	12 237	
Hydro Ottawa Holding Inc. 2.614% Feb 03, 2025	19 508	19 504	18 829	
John Deere Financial Inc. 2.310% Jun 20, 2025	3 160	3 159	2 988	
John Deere Financial Inc. 2.810% Jan 19, 2029	4 785	4 783	4 303	
Kingston Solar LP 3.571% Jul 31, 2035	10 797	10 797	9 839	
Lievre Power Holdings LP 4.046% Dec 31, 2061 CAD	22 815	22 815	17 876	
Loblaws Companies Ltd. 4.860% Sep 12, 2023	13 775	14 969	13 880	
Lower Mattagami Energy LP 3.416% Jun 20, 2024	5 664	6 020	5 613	
Lower Mattagami Energy LP 2.307% Oct 21, 2026	13 394	14 003	12 481	
Lower Mattagami Energy LP 2.433% May 14, 2031	8 475	8 473	7 212	
Manufacturers Life Insurance Co. 3.181% Nov 22, 2027	63 346	64 784	63 282	
Maple Leaf Sports & Entertainment Ltd. 4.940% Jun 30, 2023	10 360	10 358	10 341	

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



June 30, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
CORPORATE (cont.)				
Melancthon Wolfe Wind LP 3.834% Dec 31, 2028	9 539	9 674	9 256	
Mobilinx Hurontario GP 3.276% May 31, 2039	6 330	6 330	5 323	
Mobilinx Hurontario GP 3.642% May 31, 2054	4 708	4 708	3 442	
Mosaic Transit Partners GP 4.111% Feb 28, 2038	5 640	5 640	5 169	
Mosaic Transit Partners GP 4.470% Feb 28, 2053	3 500	3 500	2 957	
Mountain View Partners GP 3.974% Mar 31, 2051	8 344	8 344	6 967	
MPT Finco Inc. 3.457% Nov 30, 2029	13 849	13 848	12 651	
North Battleford Power LP 4.958% Dec 31, 2032	12 423	13 392	12 553	
North West Redwater Partnership 1.200% Dec 01, 2023	10 000	9 935	9 618	
North West Redwater Partnership 3.200% Jul 22, 2024	2 575	2 601	2 531	
North West Redwater Partnership 3.200% Apr 24, 2026	22 538	23 119	21 627	
North West Redwater Partnership 4.250% Jun 01, 2029	4 955	4 919	4 805	
North West Redwater Partnership 2.800% Jun 01, 2031	600	599	508	
North West Redwater Partnership 4.150% Jun 01, 2033	5 310	5 517	4 888	
North West Redwater Partnership 3.650% Jun 01, 2035	9 845	10 004	8 424	
North West Redwater Partnership 3.700% Feb 23, 2043	559	597	450	
Northland Power Solar Finance One LP 4.397% Jun 30, 2032	2 804	2 805	2 763	
Northwestern Hydro Acquisition Co. II LP 3.877% Dec 31, 2036	11 190	11 190	9 762	
Northwestern Hydro Acquisition Co. III LP 3.940% Dec 31, 2038	10 385	10 394	8 955	
Northwestern Hydro Acquisition Co. Inc. 3.985% Dec 31, 2034	11 570	11 570	10 299	
Nouvelle Autoroute 30 Financement Inc. 3.742% Dec 31, 2032	9 172	9 176	8 584	
Nouvelle Autoroute 30 Financement Inc. 3.750% Mar 31, 2033	9 328	9 328	8 654	
NOVA Gas Transmission Ltd. 9.900% Dec 16, 2024	5 646	8 480	6 280	
NOVA Gas Transmission Ltd. 8.900% May 27, 2025	2 960	4 477	3 262	
NOVA Gas Transmission Ltd. 8.875% May 27, 2026	2 355	3 359	2 650	
Nova Scotia Power Inc. 8.850% May 19, 2025	12 023	17 675	13 379	
Nova Scotia Power Inc. 6.280% Apr 09, 2029	4 505	5 648	4 805	
OMERS Realty Corp. 3.358% Jun 05, 2023	20 510	21 179	20 420	
Ontario Power Generation Inc. 2.893% Apr 08, 2025	4 050	4 227	3 924	
Ontario Power Generation Inc. 1.170% Apr 22, 2026	8 640	8 640	7 717	
Ontario Power Generation Inc. 3.315% Oct 04, 2027	47 785	49 257	45 447	
Ontario Power Generation Inc. 2.977% Sep 13, 2029	52 735	54 296	47 538	
Ontario Power Generation Inc. 3.215% Apr 08, 2030	45 575	48 416	41 220	
Ontario Power Generation Inc. 3.838% Jun 22, 2048	885	915	731	
Ontario Power Generation Inc. 4.248% Jan 18, 2049	15 480	16 129	13 705	
Ornge Issuer Trust 5.727% Jun 11, 2034	453	543	472	
Ottawa MacDonald-Cartier International Airport Authority 6.973% May 25, 2032	1 061	1 440	1 158	
Pembina Pipeline Corp. 2.990% Jan 22, 2024	6 710	6 922	6 557	
Plenary Health Care Partnerships Humber LP 4.895% May 31, 2039	8 996	9 944	8 912	
Plenary Health Care Partnerships Humber LP 4.822% Nov 30, 2044	8 890	9 540	8 399	
Plenary Health North Bay Finco Inc. 5.306% Mar 13, 2040	9 003	9 740	8 871	
Plenary Properties LTAP LP 6.288% Jan 31, 2044	187	240	207	
PSS Generating Station LP 4.795% Oct 24, 2067	7 620	7 620	7 282	
Ridley Grain Ltd. 5.227% Aug 01, 2024	13 850	13 850	13 768	
Rogers Communications Inc. 3.750% Apr 15, 2029	18 995	18 974	17 692	
Rogers Communications Inc. 4.250% Apr 15, 2032	36 960	36 955	33 989	
Rogers Communications Inc. 5.250% Apr 15, 2052	6 680	6 645	6 044	
Royal Bank of Canada 3.296% Sep 26, 2023*	25 375	26 230	25 129	
Royal Bank of Canada 2.352% Jul 02, 2024*	35 840	36 781	34 543	
Royal Bank of Canada 2.609% Nov 01, 2024*	8 000	8 340	7 696	
Royal Bank of Canada 1.936% May 01, 2025*	9 605	9 399	8 980	
Royal Bank of Canada 3.369% Sep 29, 2025*	77 340	77 081	74 823	
Sea To Sky Highway Investment LP 2.629% Aug 31, 2030	3 258	3 173	3 010	
SEC LP & Arci Ltd. 5.188% Aug 29, 2033	5 582	5 598	5 361	
Sinai Health System/Canada 3.209% Apr 08, 2060	11 060	11 060	8 244	
SNC-Lavalin Innisfree McGill Finance Inc. 6.632% Jun 30, 2044	4 348	6 094	4 902	
Teranet Holdings LP 3.544% Jun 11, 2025	19 575	19 684	19 003	

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June 30, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
CORPORATE (cont.)				
Teranet Holdings LP 3.719% Feb 23, 2029	24 125	24 116	22 131	
Toronto Hydro Corp. 2.520% Aug 25, 2026	2 795	2 914	2 642	
Toronto Hydro Corp. 2.430% Dec 11, 2029	2 380	2 459	2 106	
Toronto-Dominion Bank 2.850% Mar 08, 2024	4 905	4 843	4 800	
Toronto-Dominion Bank 2.496% Dec 02, 2024	12 550	12 598	12 019	
Toronto-Dominion Bank 1.943% Mar 13, 2025	2 905	2 801	2 725	
Toronto-Dominion Bank 2.667% Sep 09, 2025	160 110	158 908	151 716	
Toyota Credit Canada Inc. 3.040% Jul 12, 2023	16 916	17 469	16 757	
Toyota Credit Canada Inc. 2.310% Oct 23, 2024	29 870	29 861	28 581	
TransAlta OCP LP 4.509% Aug 05, 2030	25 280	25 280	24 787	
TransCanada PipeLines Ltd. 3.690% Jul 19, 2023	11 030	11 660	10 989	
TransCanada PipeLines Ltd. 4.350% May 12, 2026	5 675	5 674	5 631	
TransCanada PipeLines Ltd. 7.310% Jan 15, 2027	3 500	4 511	3 780	
TransCanada PipeLines Ltd. 5.650% Jun 20, 2029	7 791	9 202	7 857	
TransEd Partners GP 3.951% Sep 30, 2050	21 700	20 100	16 636	
TriSummit Utilities Inc. 3.150% Apr 06, 2026	9 100	9 925	8 661	
TriSummit Utilities Inc. 3.130% Apr 07, 2027	16 755	16 958	15 666	
Unity Health Toronto 3.308% Jun 01, 2061	4 270	4 270	3 229	
Vancouver Airport Authority 7.425% Dec 07, 2026	1 984	2 703	2 242	
Vancouver Airport Authority 1.760% Sep 20, 2030	12 225	12 239	10 009	
Vancouver Airport Fuel Facilities Corp. 2.168% Jun 23, 2025	13 000	12 886	12 135	
Vancouver Airport Fuel Facilities Corp. 3.653% Mar 20, 2051	4 298	4 298	3 581	
Westcoast Energy Inc. 3.430% Sep 12, 2024	1 500	1 634	1 471	
Westcoast Energy Inc. 8.850% Jul 21, 2025	6 847	9 122	7 608	
Westcoast Energy Inc. 3.770% Dec 08, 2025	19 471	21 103	19 018	
Westcoast Energy Inc. 7.300% Dec 18, 2026	8 875	11 266	9 690	
Westcoast Energy Inc. 6.750% Dec 15, 2027	6 872	8 769	7 405	
Westcoast Energy Inc. 7.150% Mar 20, 2031	1 310	1 727	1 456	
Winnipeg Airports Authority Inc. 3.039% Apr 14, 2023	5 250	5 278	5 214	
Winnipeg Airports Authority Inc. 6.102% Nov 20, 2040	4 291	4 435	4 437	
Winnipeg Airports Authority Inc. 3.659% Sep 30, 2047	3 990	3 990	3 121	
Winnipeg Airports Authority Inc. 3.040% Feb 03, 2051	2 165	2 165	1 457	
		3 066 367	2 756 757	29.3
FEDERAL				
Canada Housing Trust No. 1 2.400% Dec 15, 2022	41 308	41 881	41 282	
Canada Housing Trust No. 1 2.350% Sep 15, 2023	92 578	94 582	91 734	
Canada Housing Trust No. 1 0.950% Jun 15, 2025	109 920	110 970	102 564	
Canada Housing Trust No. 1 1.950% Dec 15, 2025	42 860	44 454	40 916	
Canada Housing Trust No. 1 1.250% Jun 15, 2026	154 108	150 855	142 093	
Canada Housing Trust No. 1 1.550% Dec 15, 2026	433	430	400	
Canada Housing Trust No. 1 3.800% Jun 15, 2027	128 407	128 128	130 396	
CBC Monetization Trust 4.688% May 15, 2027	1 974	1 995	1 998	
Canadian Government Bond 1.750% Mar 01, 2023	5 085	5 090	5 048	
Canadian Government Bond 1.500% Jun 01, 2023	12 125	11 957	11 956	
Canadian Government Bond 0.500% Nov 01, 2023	10 158	10 023	9 821	
Canadian Government Bond 2.500% Jun 01, 2024	50 195	50 410	49 659	
Canadian Government Bond 2.750% Aug 01, 2024	555 873	550 629	551 694	
Canadian Government Bond 1.500% Sep 01, 2024	23 575	23 097	22 797	
Canadian Government Bond 1.250% Mar 01, 2025	52 683	50 698	50 203	
Canadian Government Bond 2.250% Jun 01, 2025	39 817	42 215	38 888	
Canadian Government Bond 0.500% Sep 01, 2025	879	822	811	
Canadian Government Bond 1.000% Sep 01, 2026	133 616	131 948	122 734	
Canadian Government Bond 1.250% Mar 01, 2027	332 304	310 254	305 615	
Canadian Government Bond 2.000% Jun 01, 2028	4 855	4 560	4 562	
Canadian Government Bond 2.250% Jun 01, 2029	10 259	9 554	9 688	
Canadian Government Bond 1.250% Jun 01, 2030	18 140	16 408	15 678	
Canadian Government Bond 0.500% Dec 01, 2030	2 185	1 973	1 749	

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



June 30, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
FEDERAL (cont.)				
Canadian Government Bond 1.500% Jun 01, 2031	249 822	244 391	216 574	
Canadian Government Bond 2.000% Jun 01, 2032	187 486	165 414	168 117	
Canadian Government Bond 2.000% Dec 01, 2051	108 632	98 524	84 620	
Canadian Government Bond 1.750% Dec 01, 2053	295 086	218 667	213 471	
Canadian Government Bond 2.750% Dec 01, 2064	67 205	78 295	60 702	
		2 598 224	2 495 770	26.5
PROVINCIAL/MUNICIPAL				
Carleton University 3.264% Jul 05, 2061	5 115	5 115	3 787	
City of Ottawa Ontario 4.462% Jul 18, 2025	693	763	700	
City of Ottawa Ontario 4.990% Aug 28, 2026	635	720	653	
City of Vancouver 2.300% Nov 05, 2031	1 855	1 854	1 607	
Concordia University 3.626% Feb 10, 2039	2 910	2 910	2 451	
Concordia University 6.550% Sep 02, 2042	3 175	5 104	3 915	
Concordia University 3.678% Feb 10, 2059	2 910	2 910	2 330	
First Nations Finance Authority 3.050% Jun 01, 2028	26 654	27 772	25 662	
First Nations Finance Authority 1.710% Jun 16, 2030	33 034	33 252	27 959	
First Nations Finance Authority 2.850% Jun 01, 2032	42 103	42 054	37 859	
Hamilton Health Sciences Corp. 3.683% Jan 17, 2059	5 385	5 385	4 510	
Hospital for Sick Children 5.217% Dec 16, 2049	9 022	9 957	9 857	
Huron University College 5.500% Apr 30, 2042	15 430	15 430	13 891	
McMaster University 3.255% Jun 17, 2051	4 645	4 645	3 593	
McMaster University 6.150% Oct 07, 2052	3 745	5 951	4 627	
McMaster University 3.405% Jun 17, 2071	6 040	6 040	4 523	
Ontario Electricity Financial Corp. 8.500% May 26, 2025	31 145	44 362	35 336	
Ontario Electricity Financial Corp. 8.250% Jun 22, 2026	53 108	73 480	62 127	
Ontario School Boards Financing Corp. 7.200% Jun 09, 2025	254	290	268	
Ontario School Boards Financing Corp. 5.900% Oct 11, 2027	11 358	13 399	11 987	
Ontario School Boards Financing Corp. 5.800% Nov 07, 2028	2 448	2 828	2 597	
Ontario School Boards Financing Corp. 5.483% Nov 26, 2029	6 905	7 994	7 283	
Ontario School Boards Financing Corp. 5.070% Apr 18, 2031	15 575	17 903	16 119	
Ontario School Boards Financing Corp. 5.376% Jun 25, 2032	7 893	9 308	8 349	
OPB Finance Trust 2.950% Feb 02, 2026	6 712	7 044	6 534	
OPB Finance Trust 2.980% Jan 25, 2027	21 696	22 297	20 932	
Province of Alberta 3.450% Dec 01, 2043	30 418	34 172	27 281	
Province of Alberta 3.300% Dec 01, 2046	44 147	46 123	38 288	
Province of Alberta 3.100% Jun 01, 2050	124 019	130 641	102 996	
Province of British Columbia 1.550% Jun 18, 2031	67 313	61 319	55 270	
Province of British Columbia 2.950% Jun 18, 2050	8 347	7 686	6 682	
Province of British Columbia 2.750% Jun 18, 2052	20 346	18 633	15 547	
Province of Manitoba 4.050% Sep 05, 2045	7 185	7 850	6 893	
Province of Manitoba 2.850% Sep 05, 2046	85 345	78 821	66 680	
Province of New Brunswick 3.650% Jun 03, 2024	9 561	10 609	9 616	
Province of New Brunswick 4.800% Sep 26, 2039	17 934	23 328	18 965	
Province of New Brunswick 4.800% Jun 03, 2041	7 265	8 799	7 717	
Province of New Brunswick 3.550% Jun 03, 2043	13 772	13 335	12 304	
Province of New Brunswick 3.800% Aug 14, 2045	35 648	38 424	32 898	
Province of New Brunswick 3.050% Aug 14, 2050	33 510	34 473	26 796	
Province of Newfoundland and Labrador 3.300% Oct 17, 2046	27 990	26 218	22 966	
Province of Newfoundland and Labrador 2.650% Oct 17, 2050	34 859	30 405	24 646	
Province of Ontario 2.600% Jun 02, 2025	51 493	52 399	50 297	
Province of Ontario 8.500% Dec 02, 2025	80 874	120 613	93 706	
Province of Ontario 2.900% Jun 02, 2028	90 027	100 678	86 211	
Province of Ontario 2.700% Jun 02, 2029	116 316	124 668	108 492	
Province of Ontario 2.050% Jun 02, 2030	213 005	217 179	186 216	
Province of Ontario 1.350% Dec 02, 2030	180 601	164 845	147 385	
Province of Ontario 2.150% Jun 02, 2031	64 735	63 025	55 933	
Province of Ontario 6.200% Jun 02, 2031	48 263	67 791	56 336	

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



June 30, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
PROVINCIAL/MUNICIPAL (cont.)				
Province of Ontario 2.250% Dec 02, 2031	95 143	87 152	82 211	
Province of Ontario 3.750% Jun 02, 2032	88 971	85 611	87 027	
Province of Ontario 5.850% Mar 08, 2033	13 651	17 677	15 701	
Province of Ontario 5.600% Jun 02, 2035	156 581	217 522	178 783	
Province of Ontario 4.600% Jun 02, 2039	113 021	143 511	117 866	
Province of Ontario 3.500% Jun 02, 2043	195 985	209 719	175 739	
Province of Ontario 3.450% Jun 02, 2045	35 093	41 480	31 020	
Province of Ontario 2.900% Dec 02, 2046	104 706	102 598	83 510	
Province of Ontario 2.800% Jun 02, 2048	5 064	4 468	3 937	
Province of Ontario 2.900% Jun 02, 2049	37 032	38 763	29 268	
Province of Ontario 2.650% Dec 02, 2050	55 646	60 174	41 423	
Province of Ontario 1.900% Dec 02, 2051	137 878	113 530	84 925	
Province of Ontario 2.550% Dec 02, 2052	52 730	42 168	38 111	
Province of Quebec 3.750% Sep 01, 2024	25 029	27 181	25 248	
Province of Quebec 8.500% Apr 01, 2026	83 615	128 998	98 054	
Province of Quebec 2.500% Sep 01, 2026	3 108	3 181	2 988	
Province of Quebec 2.750% Sep 01, 2027	44 707	46 124	42 996	
Province of Quebec 2.750% Sep 01, 2028	32 643	34 360	30 973	
Province of Quebec 2.300% Sep 01, 2029	7 263	7 947	6 588	
Province of Quebec 1.900% Sep 01, 2030	38 906	37 866	33 534	
Province of Quebec 6.250% Jun 01, 2032	87 791	129 252	103 712	
Province of Quebec 5.750% Dec 01, 2036	5 925	8 074	6 942	
Province of Quebec 5.000% Dec 01, 2041	5 260	7 538	5 809	
Province of Quebec 3.500% Dec 01, 2045	69 874	84 494	62 538	
Province of Quebec 3.500% Dec 01, 2048	42 652	53 072	37 972	
Province of Quebec 3.100% Dec 01, 2051	183 787	212 241	151 050	
Province of Quebec 2.850% Dec 01, 2053	78 366	73 284	60 838	
Province of Saskatchewan 2.550% Jun 02, 2026	10 785	10 838	10 407	
Province of Saskatchewan 6.400% Sep 05, 2031	7 169	10 560	8 476	
Province of Saskatchewan 3.900% Jun 02, 2045	20 727	25 286	19 670	
Province of Saskatchewan 2.750% Dec 02, 2046	26 167	25 473	20 263	
Province of Saskatchewan 3.300% Jun 02, 2048	6 466	7 216	5 529	
Province of Saskatchewan 3.100% Jun 02, 2050	25 971	28 157	21 294	
Queen's University 6.100% Nov 19, 2032	2 475	3 105	2 775	
Trillium Health Partners Volunteers 3.702% Dec 20, 2058	4 990	4 990	4 097	
University of British Columbia 6.650% Dec 01, 2031	8 819	11 803	10 186	
University of British Columbia 4.817% Jul 26, 2035	6 685	7 878	6 761	
University of Guelph 6.240% Oct 10, 2042	3 710	5 835	4 393	
University of Toronto 6.780% Jul 18, 2031	6 330	8 694	7 339	
University of Toronto 4.937% Nov 16, 2045	4 185	5 333	4 322	
York Region District School Board 5.531% May 13, 2026	18 515	20 643	19 153	
York Region District School Board 4.616% Jun 21, 2027	5 586	6 041	5 682	
York University 3.394% Apr 01, 2060	765	765	584	
		4 051 403	3 369 271	35.8
TOTAL CANADIAN BONDS		9 715 994	8 621 798	91.6
UNITED KINGDOM BONDS				
Heathrow Funding Ltd. 3.250% May 21, 2025 CAD	9 710	9 895	9 353	
Heathrow Funding Ltd. 2.694% Oct 13, 2027 CAD	12 630	12 660	11 311	
Heathrow Funding Ltd. 3.400% Mar 08, 2028 CAD	12 545	12 980	11 568	
Heathrow Funding Ltd. 3.782% Sep 04, 2030 CAD	1 280	1 312	1 152	
Heathrow Funding Ltd. 3.661% Jan 13, 2031 CAD	17 260	17 285	15 261	
Heathrow Funding Ltd. 3.726% Apr 13, 2033 CAD	10 500	10 877	8 904	
National Grid Electricity Transmission Plc. 2.301% Jun 22, 2029 CAD	67 670	67 654	57 973	
TOTAL UNITED KINGDOM BONDS		132 663	115 522	1.2

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



June 30, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
UNITED STATES BONDS				
AT&T Inc. 4.000% Nov 25, 2025 CAD	32 694	36 859	32 190	
AT&T Inc. 5.100% Nov 25, 2048 CAD	8 405	8 362	7 493	
Bank of America Corp. 3.301% Apr 24, 2024 CAD	9 375	9 722	9 317	
Bank of America Corp. 2.932% Apr 25, 2025 CAD	14 670	14 313	14 281	
Bank of America Corp. 3.407% Sep 20, 2025 CAD	1 305	1 316	1 273	
Bank of America Corp. 3.515% Mar 24, 2026 CAD	12 730	12 730	12 356	
Bank of America Corp. 3.615% Mar 16, 2028 CAD	107 975	107 006	101 890	
Nestlé Holdings Inc. 2.192% Jan 26, 2029 CAD	43 515	43 505	38 088	
New York Life Global Funding 2.000% Apr 17, 2028 CAD	49 095	48 437	42 814	
TWDC Enterprises 18 Corp. 2.758% Oct 07, 2024 CAD	835	858	811	
Verizon Communications Inc. 2.375% Mar 22, 2028 CAD	63 980	64 190	56 394	
Walt Disney Co. 3.057% Mar 30, 2027 CAD	13 705	13 819	12 871	
TOTAL UNITED STATES BONDS		361 117	329 778	3.5
TOTAL BONDS		10 209 774	9 067 098	96.3
MORTGAGES[†]				
CMHC Insured				
Mortgage, 4.260% Nov, 01 2022	3 110	3 110	3 123	
Mortgage, 3.160% Sep, 05 2024	7 452	7 460	7 281	
TOTAL MORTGAGES		10 570	10 404	0.1
SHORT-TERM INVESTMENTS[‡]		255 614	255 614	2.7
TOTAL INVESTMENTS		10 475 958	9 333 116	99.1
OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			83 053	0.9
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			9 416 169	100.0

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

[†] The Fund holds 2 mortgages with a Fair Value of \$10 404. These mortgages are Canada Mortgage and Housing Corporation ("CMHC") guaranteed. None of the mortgages are pre-payable.

[‡] Short-term investments, which may be made up of treasury bills, commercial paper, term deposits and discount notes, earn interest at rates ranging from 1.25% to 2.17% and mature between July 4, 2022 and September 8, 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
ASSETS		
Investments at fair value	\$ 9 333 116	\$ 10 311 397
Cash	6 850	8 553
Due from investment dealers	316 707	35 668
Subscriptions receivable	10 606	6 223
Dividends receivable, interest accrued and other assets	48 295	45 018
TOTAL ASSETS	9 715 574	10 406 859
LIABILITIES		
Due to investment dealers	285 206	8 025
Redemptions payable	13 744	3 396
Distributions payable	4	–
Accounts payable and accrued expenses	451	558
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	299 405	11 979
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")	\$ 9 416 169	\$ 10 394 880
Investments at cost	\$ 10 475 958	\$ 10 296 580
NAV		
SERIES A	\$ 77 652	\$ 96 908
SERIES D	\$ 263 911	\$ 455 994
SERIES F	\$ 219 639	\$ 123 955
SERIES O	\$ 8 854 967	\$ 9 718 023
NAV PER UNIT		
SERIES A	\$ 9.16	\$ 10.57
SERIES D	\$ 9.08	\$ 10.48
SERIES F	\$ 9.12	\$ 10.53
SERIES O	\$ 9.09	\$ 10.50

Statements of Comprehensive Income (unaudited)

(in \$000s except per unit amounts)

For the periods ended June 30 (see note 2 in the generic notes)	2022	2021
INCOME (see note 3 in the generic notes)		
Interest for distribution purposes	\$ 146 615	\$ 140 001
Net realized gain (loss) on investments	(243 782)	(895)
Change in unrealized gain (loss) on investments	(1 157 659)	(474 151)
TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES	(1 254 826)	(335 045)
Securities lending revenue (see note 7 in the generic notes)	484	451
Net gain (loss) on foreign cash balances	–	384
TOTAL OTHER INCOME (LOSS)	484	835
TOTAL INCOME (LOSS)	(1 254 342)	(334 210)
EXPENSES (see notes – Fund Specific Information)		
Management fees	1 587	1 955
Administration fees	1 060	1 106
Independent Review Committee costs	–	1
GST/HST	277	310
TOTAL EXPENSES	2 924	3 372
INCREASE (DECREASE) IN NAV	\$ (1 257 266)	\$ (337 582)
INCREASE (DECREASE) IN NAV		
SERIES A	\$ (11 689)	\$ (4 059)
SERIES D	\$ (48 888)	\$ (18 739)
SERIES F	\$ (19 548)	\$ (5 084)
SERIES O	\$ (1 177 141)	\$ (309 700)
INCREASE (DECREASE) IN NAV PER UNIT		
SERIES A	\$ (1.32)	\$ (0.42)
SERIES D	\$ (1.36)	\$ (0.40)
SERIES F	\$ (1.13)	\$ (0.39)
SERIES O	\$ (1.24)	\$ (0.35)



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

For the periods ended June 30

(see note 2 in the generic notes)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in NAV	\$ (1 257 266)	\$ (337 582)
ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS		
Interest for distribution purposes	(1 398)	(2 297)
Non-cash dividends	—	—
Non-cash distributions from underlying funds	—	—
Net realized loss (gain) on investments	243 782	895
Change in unrealized loss (gain) on investments	1 157 659	474 151
(Increase) decrease in accrued receivables	(3 277)	3 809
Increase (decrease) in accrued payables	(107)	(48)
(Increase) decrease in margin accounts	—	—
Cost of investments purchased*	(8 166 972)	(8 794 653)
Proceeds from sale and maturity of investments*	7 741 352	8 441 373
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(286 227)	(214 352)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of redeemable units*	1 279 208	1 143 264
Cash paid on redemption of redeemable units*	(990 095)	(925 211)
Distributions paid to holders of redeemable units	(4 589)	(3 772)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	\$ 284 524	\$ 214 281
Net increase (decrease) in cash for the period	(1 703)	(71)
Cash (bank overdraft), beginning of period	8 553	8 056
CASH (BANK OVERDRAFT), END OF PERIOD	\$ 6 850	\$ 7 985
Interest received (paid) [†]	\$ 144 739	\$ 141 513
Income from investment trusts received (paid) ^{†‡}	\$ —	\$ —
Dividends received (paid) ^{†‡}	\$ —	\$ —

* Excludes in-kind transactions.

† Classified as part of operating activities.

‡ Net of withholding taxes, if applicable.



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	
	2022	2021	2022	2021	2022	2021
NAV AT BEGINNING OF PERIOD	\$ 96 908	\$ 107 582	\$ 455 994	\$ 527 327	\$ 123 955	\$ 141 833
INCREASE (DECREASE) IN NAV	(11 689)	(4 059)	(48 888)	(18 739)	(19 548)	(5 084)
Early redemption fees	—	—	—	—	—	—
Proceeds from redeemable units issued	6 441	14 409	10 719	10 961	151 046	28 848
Reinvestments of distributions to holders of redeemable units	856	915	3 694	5 313	2 114	1 120
Redemption of redeemable units	(13 957)	(17 063)	(153 663)	(42 780)	(35 148)	(24 434)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	(6 660)	(1 739)	(139 250)	(26 506)	118 012	5 534
Distributions from net income	(907)	(974)	(3 945)	(5 688)	(2 780)	(1 720)
Distributions from net gains	—	—	—	—	—	—
Distributions from capital	—	—	—	—	—	—
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	(907)	(974)	(3 945)	(5 688)	(2 780)	(1 720)
NET INCREASE (DECREASE) IN NAV	(19 256)	(6 772)	(192 083)	(50 933)	95 684	(1 270)
NAV AT END OF PERIOD	\$ 77 652	\$ 100 810	\$ 263 911	\$ 476 394	\$ 219 639	\$ 140 563

For the periods ended June 30 (see note 2 in the generic notes)	Series O		Total	
	2022	2021	2022	2021
NAV AT BEGINNING OF PERIOD	\$ 9 718 023	\$ 9 577 217	\$ 10 394 880	\$ 10 353 959
INCREASE (DECREASE) IN NAV	(1 177 141)	(309 700)	(1 257 266)	(337 582)
Early redemption fees	—	—	—	—
Proceeds from redeemable units issued	1 231 288	1 085 794	1 399 494	1 140 012
Reinvestments of distributions to holders of redeemable units	140 936	134 665	147 600	142 013
Redemption of redeemable units	(913 578)	(845 808)	(1 116 346)	(930 085)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	458 646	374 651	430 748	351 940
Distributions from net income	(144 561)	(137 403)	(152 193)	(145 785)
Distributions from net gains	—	—	—	—
Distributions from capital	—	—	—	—
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	(144 561)	(137 403)	(152 193)	(145 785)
NET INCREASE (DECREASE) IN NAV	(863 056)	(72 452)	(978 711)	(131 427)
NAV AT END OF PERIOD	\$ 8 854 967	\$ 9 504 765	\$ 9 416 169	\$ 10 222 532



June 30, 2022

General information (see note 1 in the generic notes)

The investment objective of the Fund is to provide investors with relatively high yields and stability of capital by investing in a well-diversified portfolio of fixed-income securities issued primarily by Canadian governments and corporations.

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

Liquidity risk (%)

Mortgages, an illiquid security, represent approximately 0.1% (December 31, 2021 – 0.1%) of the NAV of the Fund.

Credit risk (%)

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

Rating	June 30 2022	December 31 2021
AAA	28.8	23.7
AA	42.0	39.4
A	16.3	22.2
BBB	11.9	13.4
BB	–	0.7
Unrated*	1.0	0.6
Total	100.0	100.0

* Mortgages, which represent 12.8% (December 31, 2021 – 18.9%) of the unrated above, are all Canada Mortgage and Housing Corporation ("CMHC") guaranteed mortgages, and therefore have the backing of an AAA rated issuer. As at June 30, 2022 and December 31, 2021, there were no mortgage payments in arrears for more than 90 days.

Concentration risk (%)

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

Investment mix	June 30 2022	December 31 2021
Corporate Bonds	34.0	33.8
Provincial Bonds	33.5	37.8
Federal Bonds	26.5	22.9
Municipal Bonds	2.3	2.5
Mortgages	0.1	0.1
Cash/Other	3.6	2.9
Total	100.0	100.0

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

Interest rate risk (%)

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

Term to maturity	June 30 2022	December 31 2021
Less than 1 year	4.5	1.7
1 – 5 years	36.0	37.2
5 – 10 years	30.7	26.8
> 10 years	28.8	34.3
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 7.4% (December 31, 2021 – 8.1%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

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

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

June 30, 2022	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Underlying funds	–	–	–	–
Fixed-income and debt securities	–	9 067 098	10 404	9 077 502
Short-term investments	–	255 614	–	255 614
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	–	9 322 712	10 404	9 333 116
% of total portfolio	–	99.9	0.1	100.0

December 31, 2021	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Underlying funds	–	–	–	–
Fixed-income and debt securities	–	10 079 808	10 984	10 090 792
Short-term investments	–	220 605	–	220 605
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	–	–	–
Total financial instruments	–	10 300 413	10 984	10 311 397
% of total portfolio	–	99.9	0.1	100.0

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



June 30, 2022

During the periods ended June 30, 2022 and December 31, 2021, the reconciliation of financial instruments measured at fair value using unobservable inputs (Level 3) is presented as follows:

	June 30 2022	December 31 2021
Balance at beginning of period	10 984	11 661
Net purchases	–	–
Net sales	(143)	(277)
Net transfers in (out)	–	–
Realized gains (losses)	–	–
Change in unrealized gains (losses)	(437)	(400)
Balance at end of period	10 404	10 984
Change in unrealized gains (losses) for Level 3 assets held at end of period	(437)	(399)

The Level 3 assets are mortgages which are valued by a third-party vendor using industry-accepted methodologies which include unobservable inputs. Mortgages are valued by discounting future cash flows using a discount rate equal to the risk-free rate plus an appropriate risk spread premium. The spread premium is derived by the vendor from their risk rating program and a monthly spread matrix. This quantitative rules-based approach reviews seven risk factors to assess the market risk, credit risk and liquidity premiums to arrive at a total credit score for each mortgage. Among the inputs are the borrowers' financial statements, rent roll and operating statements, the most recent property inspection report and the terms of the mortgage itself.

As at June 30, 2022, a 10% increase or decrease in the weighted average spread premium of 1.06% (December 31, 2021 – 0.95%), an unobservable input, would have decreased or increased the Fund's NAV respectively by approximately 0.0% (December 31, 2021 – 0.0%).

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

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

	Management fees	Administration fees
Series A	0.90%	0.05%
Series D	0.50%*	0.05%
Series F	0.40%	0.05%
Series O	n/a [†]	0.02%

* Management fees are calculated at the annual rate of 0.50% of the Series D NAV, provided that the aggregate of all fees and other expenses (excluding the taxes included therein and commissions incurred in connection with portfolio transactions) paid or payable by Series D does not exceed an amount computed with reference to the following percentages of the NAV of Series D.

NAV of Series D	Percentage
Up to \$1 000 000	2.00
From \$1 000 001 up to \$3 000 000	1.75
From \$3 000 001 up to \$5 000 000	1.50
From \$5 000 001 up to \$10 000 000	1.25
From \$10 000 001 up to \$100 000 000	1.00
Over \$100 000 000	0.75

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

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

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

	June 30 2022	December 31 2021
Units held		
Series A	66	66
Series D	12	12
Series F	71	70
Value of all units	1	2

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

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

As at December 31, 2021	
Capital losses	8 935
Non-capital losses	–



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
Series A		
Opening units	9 164	9 674
Issued number of units	657	1 342
Reinvested number of units	90	87
Redeemed number of units	(1 434)	(1 594)
Ending number of units	8 477	9 509
Series D		
Opening units	43 497	47 840
Issued number of units	1 112	1 027
Reinvested number of units	393	509
Redeemed number of units	(15 941)	(4 041)
Ending number of units	29 061	45 335
Series F		
Opening units	11 775	12 811
Issued number of units	15 720	2 699
Reinvested number of units	226	107
Redeemed number of units	(3 635)	(2 299)
Ending number of units	24 086	13 318
Series O		
Opening units	925 807	868 004
Issued number of units	128 418	102 414
Reinvested number of units	15 050	12 884
Redeemed number of units	(95 398)	(79 660)
Ending number of units	973 877	903 642

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

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

	June 30 2022	June 30 2021
Fair value of securities loaned	1 037 752	1 391 272
Fair value of collateral received	1 058 508	1 419 123

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

	June 30 2022		June 30 2021	
	\$	%	\$	%
Gross revenue	645	100	601	100
RBC IS (paid)	(161)	(25)	(150)	(25)
Tax withheld	–	–	–	–
Fund revenue	484	75	451	75

**Investments by other related investment funds (%)
(see note 8 in the generic notes)**

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

	June 30 2022	December 31 2021
Phillips, Hager & North Balanced Fund	3.8	3.9
Phillips, Hager & North Balanced Pension Trust	4.7	4.8
Phillips, Hager & North Conservative Pension Trust	–	–
Phillips, Hager & North Growth Pension Trust	–	–
Phillips, Hager & North LifeTime 2015 Fund	–	–
Phillips, Hager & North LifeTime 2020 Fund	0.1	0.1
RBC Select Conservative Portfolio	–	–
RBC Select Very Conservative Portfolio	20.5	21.2
Total	29.1	30.0

1. The Funds

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

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

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

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

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

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

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

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

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

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

Series N units are only available to related funds.

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

2. Financial period

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

3. Summary of significant accounting policies

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

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

June 30, 2022

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

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

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

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

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

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

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

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

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

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

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

June 30, 2022

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

June 30, 2022

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

June 30, 2022

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

June 30, 2022

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)

June 30, 2022

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.

June 30, 2022

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.