

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

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



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



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

**Unaudited Interim Financial Statements**

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



SCHEDULE OF INVESTMENT PORTFOLIO (unaudited) (in \$000s)  
**RBC VISION BOND FUND**

June 30, 2022

	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>BONDS</b>				
<b>CANADIAN BONDS</b>				
<b>CORPORATE</b>				
407 East Development Group General Partnership 4.473% Jun 23, 2045	167	192	162	
407 International Inc. 6.470% Jul 27, 2029	315	435	350	
407 International Inc. 2.590% May 25, 2032	1 550	1 660	1 297	
407 International Inc. 3.650% Sep 08, 2044	500	596	417	
407 International Inc. 3.670% Mar 08, 2049	85	90	70	
Access Justice Durham Ltd. 5.015% Aug 31, 2039	142	163	145	
Access Prairies Partnership 4.232% Mar 01, 2048	112	111	100	
Aéroports de Montréal 6.950% Apr 16, 2032	256	347	284	
Aéroports de Montréal 6.611% Oct 11, 2033	251	321	276	
Aéroports de Montréal 6.550% Oct 11, 2033	455	641	525	
Aéroports de Montréal 5.670% Oct 16, 2037	320	443	348	
Aéroports de Montréal 3.919% Sep 26, 2042	270	315	237	
Aéroports de Montréal 3.918% Jun 12, 2045	90	102	77	
Alberta Powerline LP 3.340% Jun 01, 2032	491	491	462	
Alberta Powerline LP 3.351% Sep 01, 2032	512	512	477	
Alberta Powerline LP 4.065% Dec 01, 2053	986	1 168	864	
Alberta Powerline LP 4.065% Mar 01, 2054	892	1 041	780	
Alectra Inc. 3.033% Jul 25, 2022	873	874	874	
Alectra Inc. 3.239% Nov 21, 2024	1 647	1 752	1 621	
Alectra Inc. 2.488% May 17, 2027	1 620	1 728	1 505	
Bank of Montreal 1.551% May 28, 2026	295	268	264	
Bank of Montreal 3.650% Apr 01, 2027	1 895	1 881	1 813	
Bell Telephone Co. of Canada or Bell Canada 3.350% Mar 12, 2025	1 580	1 556	1 536	
Bell Telephone Co. of Canada or Bell Canada 3.800% Aug 21, 2028	140	152	132	
Bridging North America GP 4.023% May 31, 2038	475	493	422	
Bridging North America GP 4.341% Aug 31, 2053	300	321	250	
Brookfield Property Finance ULC 4.300% Mar 01, 2024	1 505	1 505	1 470	
Brookfield Property Finance ULC 3.926% Aug 24, 2025	725	725	681	
Brookfield Property Finance ULC 3.930% Jan 15, 2027	125	124	113	
Brookfield Renewable Partners ULC 3.752% Jun 02, 2025	1 615	1 734	1 585	
Brookfield Renewable Partners ULC 4.250% Jan 15, 2029	1 325	1 408	1 281	
Brookfield Renewable Partners ULC 3.330% Aug 13, 2050	395	395	277	
Bruce Power LP 3.969% Jun 23, 2026	1 230	1 289	1 208	
Bruce Power LP 2.680% Dec 21, 2028	1 850	1 824	1 637	
Bruce Power LP 4.000% Jun 21, 2030	780	806	728	
Bruce Power LP 4.132% Jun 21, 2033	1 680	1 871	1 529	
Calgary Airport Authority 3.554% Oct 07, 2051	205	205	163	
Calgary Airport Authority 3.754% Oct 07, 2061	308	308	258	
Calgary Glycol Facilities Corp. 3.257% Oct 29, 2058	97	97	73	
Cameco Corp. 4.190% Jun 24, 2024	955	961	950	
Cameco Corp. 2.950% Oct 21, 2027	1 500	1 499	1 366	
Canadian Imperial Bank of Commerce 2.350% Aug 28, 2024	280	281	268	
Canadian Pacific Railway Co. 1.589% Nov 24, 2023	990	990	958	
Canadian Pacific Railway Co. 2.540% Feb 28, 2028	655	655	586	
Canadian Pacific Railway Co. 3.150% Mar 13, 2029	410	372	373	
Canadian Utilities Ltd. 4.851% Jun 03, 2052	535	537	516	
CBHP LP 3.000% May 27, 2053	500	500	364	
Clover LP 4.216% Jun 30, 2034	457	476	444	
CU Inc. 9.400% May 01, 2023	445	488	464	

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



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	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>CORPORATE (cont.)</b>				
CU Inc. 6.215% Mar 06, 2024	1 670	2 058	1 728	
CU Inc. 4.722% Sep 09, 2043	205	270	200	
CU Inc. 4.947% Nov 18, 2050	405	532	410	
CU Inc. 4.094% Oct 19, 2054	400	407	348	
DP World Canada Investment Inc. 3.536% Nov 08, 2041	505	505	418	
Dufferin Wind Power Inc. 4.317% Nov 30, 2033	74	74	70	
Edmonton Regional Airports Authority 3.715% May 20, 2051	309	309	256	
Ellisdon Infrastructure RIH General Partnership 3.930% Oct 31, 2038	564	645	486	
Enbridge Gas Inc. 8.650% Nov 10, 2025	1 880	2 530	2 119	
Enbridge Gas Inc. 2.810% Jun 01, 2026	290	297	276	
Enbridge Gas Inc. 7.600% Oct 29, 2026	755	1 012	847	
Enbridge Gas Inc. 6.650% Nov 03, 2027	1 125	1 425	1 239	
Enbridge Gas Inc. 6.100% May 19, 2028	295	378	318	
Enbridge Inc. 3.190% Dec 05, 2022	1 670	1 707	1 670	
Enbridge Pipelines Inc. 3.790% Aug 17, 2023	2 360	2 478	2 352	
Energir Inc. 2.100% Apr 16, 2027	2 230	2 311	2 036	
Energir Inc. 7.050% Oct 30, 2030	115	163	133	
ENMAX Corp. 2.922% Oct 18, 2022	95	96	95	
ENMAX Corp. 3.331% Jun 02, 2025	1 550	1 683	1 497	
ENMAX Corp. 3.836% Jun 05, 2028	415	437	391	
Enwave Energy Corp. 3.943% Dec 07, 2037	155	155	134	
Fair Hydro Trust 3.520% May 15, 2038	525	536	466	
Fengate PCL Progress Partners Mbr LP 2.501% Jul 31, 2038	80	80	65	
Fengate PCL Progress Partners Mbr LP 3.045% Jan 31, 2054	55	55	38	
Fortis Inc. 4.431% May 31, 2029	2 775	2 742	2 719	
FortisAlberta Inc. 3.672% Sep 09, 2047	400	420	331	
Grand Renewable Solar LP 3.926% Jan 31, 2035	553	586	519	
Greater Toronto Airports Authority 6.450% Dec 03, 2027	775	1 031	846	
Greater Toronto Airports Authority 1.540% May 03, 2028	1 295	1 255	1 113	
Greater Toronto Airports Authority 7.050% Jun 12, 2030	200	278	230	
Greater Toronto Airports Authority 7.100% Jun 04, 2031	420	608	490	
Greater Toronto Airports Authority 3.260% Jun 01, 2037	905	968	759	
Greater Toronto Airports Authority 5.630% Jun 07, 2040	590	809	649	
Greater Toronto Airports Authority 5.300% Feb 25, 2041	220	308	234	
H2O Power LP 3.310% Nov 30, 2029	548	548	514	
Health Montreal Collective LP 6.721% Sep 30, 2049	594	816	665	
Hospital Infrastructure Partners NOH Partnership 5.439% Jan 31, 2045	389	473	395	
Hydro One Inc. 2.540% Apr 05, 2024	1 205	1 277	1 179	
Hydro One Inc. 2.970% Jun 26, 2025	2 450	2 502	2 380	
Hydro One Inc. 3.020% Apr 05, 2029	1 215	1 325	1 122	
Hydro One Inc. 2.160% Feb 28, 2030	1 115	1 158	952	
Hydro One Inc. 7.350% Jun 03, 2030	1 145	1 630	1 337	
Hydro One Inc. 1.690% Jan 16, 2031	280	281	225	
Hydro One Inc. 6.930% Jun 01, 2032	120	177	139	
Hydro One Inc. 6.350% Jan 31, 2034	250	325	283	
Hydro One Inc. 4.590% Oct 09, 2043	470	581	455	
Hydro One Inc. 4.170% Jun 06, 2044	1 370	1 711	1 249	
Hydro One Inc. 3.910% Feb 23, 2046	75	80	65	
Hydro Ottawa Holding Inc. 2.614% Feb 03, 2025	790	800	763	
John Deere Financial Inc. 2.310% Jun 20, 2025	165	165	156	
John Deere Financial Inc. 2.810% Jan 19, 2029	220	220	198	
Kingston Solar LP 3.571% Jul 31, 2035	201	201	184	
Lievre Power Holdings LP 4.046% Dec 31, 2061 CAD	1 135	1 135	889	
Loblaws Companies Ltd. 6.500% Jan 22, 2029	930	1 215	1 000	
Lower Mattagami Energy LP 3.416% Jun 20, 2024	400	425	396	
Lower Mattagami Energy LP 2.307% Oct 21, 2026	975	1 021	909	

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	Par Value (000s)	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>CORPORATE (cont.)</b>				
Lower Mattagami Energy LP 2.433% May 14, 2031	400	400	340	
Maple Leaf Sports & Entertainment Ltd. 4.940% Jun 30, 2023	145	145	145	
Melancthon Wolfe Wind LP 3.834% Dec 31, 2028	219	224	213	
Mobilinx Hurontario GP 3.276% May 31, 2039	760	818	639	
Mobilinx Hurontario GP 3.642% May 31, 2054	435	473	318	
Mosaic Transit Partners GP 4.111% Feb 28, 2038	120	120	110	
Mosaic Transit Partners GP 4.470% Feb 28, 2053	75	75	63	
Mountain View Partners GP 3.974% Mar 31, 2051	150	150	125	
MPT Finco Inc. 3.457% Nov 30, 2029	431	433	394	
North Battleford Power LP 4.958% Dec 31, 2032	658	731	665	
North West Redwater Partnership / NWR Financing Co. Ltd. 2.800% Jun 01, 2031	605	604	512	
North West Redwater Partnership / NWR Financing Co. Ltd. 4.350% Jan 10, 2039	795	829	716	
Northland Power Solar Finance One LP 4.397% Jun 30, 2032	84	87	83	
Northwestern Hydro Acquisition Co. II LP 3.877% Dec 31, 2036	914	981	797	
Northwestern Hydro Acquisition Co. III LP 3.940% Dec 31, 2038	445	463	384	
Nouvelle Autoroute 30 Financement Inc. 3.742% Dec 31, 2032	768	829	719	
Nouvelle Autoroute 30 Financement Inc. 3.750% Mar 31, 2033	653	704	606	
NOVA Gas Transmission Ltd. 9.900% Dec 16, 2024	100	129	111	
NOVA Gas Transmission Ltd. 8.900% May 27, 2025	465	606	512	
Nova Scotia Power Inc. 6.280% Apr 09, 2029	1 946	2 379	2 076	
Ontario Power Generation Inc. 3.315% Oct 04, 2027	1 200	1 293	1 141	
Ontario Power Generation Inc. 3.215% Apr 08, 2030	3 785	4 241	3 423	
Ontario Power Generation Inc. 3.838% Jun 22, 2048	945	1 027	781	
Ornge Issuer Trust 5.727% Jun 11, 2034	22	27	23	
Ottawa MacDonald-Cartier International Airport Authority 6.973% May 25, 2032	81	110	88	
Pembina Pipeline Corp. 2.560% Jun 01, 2023	850	870	838	
Plenary Health Care Partnerships Humber LP 4.895% May 31, 2039	840	1 001	832	
PSS Generating Station LP 4.795% Oct 24, 2067	345	394	330	
Ridley Grain Ltd. 5.227% Aug 01, 2024	195	195	194	
Rogers Communications Inc. 3.750% Apr 15, 2029	1 570	1 568	1 462	
Rogers Communications Inc. 4.250% Apr 15, 2032	1 730	1 730	1 591	
Royal Bank of Canada 2.352% Jul 02, 2024*	2 500	2 631	2 410	
Royal Bank of Canada 3.369% Sep 29, 2025*	4 045	4 027	3 913	
Sea To Sky Highway Investment LP 2.629% Aug 31, 2030	1 130	1 100	1 044	
SEC LP & Arci Ltd. 5.188% Aug 29, 2033	158	158	152	
Sinai Health System/Canada 3.527% Jun 09, 2056	550	598	443	
Sinai Health System/Canada 3.209% Apr 08, 2060	475	475	354	
SNC-Lavalin Innisfree McGill Finance Inc. 6.632% Jun 30, 2044	963	1 294	1 085	
Teranet Holdings LP 3.544% Jun 11, 2025	845	845	820	
Manufacturers Life Insurance Co. 3.181% Nov 22, 2027	2 135	2 183	2 133	
THP Partnership 4.394% Oct 31, 2046	250	264	235	
Teranet Holdings LP 3.719% Feb 23, 2029	940	940	862	
Toronto Hydro Corp. 2.430% Dec 11, 2029	55	57	49	
Toronto Hydro Corp. 1.500% Oct 15, 2030	1 455	1 441	1 168	
Toronto-Dominion Bank 2.850% Mar 08, 2024	310	317	303	
Toronto-Dominion Bank 2.496% Dec 02, 2024	1 920	1 946	1 839	
Toronto-Dominion Bank 1.943% Mar 13, 2025	335	323	314	
Toronto-Dominion Bank 2.667% Sep 09, 2025	7 525	7 474	7 130	
Toyota Credit Canada Inc. 2.640% Mar 27, 2024	185	194	180	
Toyota Credit Canada Inc. 2.310% Oct 23, 2024	1 045	1 045	1 000	
TransAlta OCP LP 4.509% Aug 05, 2030	556	556	545	
TransCanada PipeLines Ltd. 4.350% May 12, 2026	265	265	263	
TransCanada PipeLines Ltd. 3.800% Apr 05, 2027	1 240	1 197	1 189	
TransCanada PipeLines Ltd. 7.900% Apr 15, 2027	475	615	527	
TransEd Partners GP 3.951% Sep 30, 2050	397	367	304	
Trillium Windpower LP 5.803% Feb 15, 2033	855	1 016	891	

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<b>CORPORATE (cont.)</b>				
TriSummit Utilities Inc. 3.130% Apr 07, 2027	415	415	388	
Unity Health Toronto 3.308% Jun 01, 2061	205	205	155	
Vancouver Airport Authority 1.760% Sep 20, 2030	205	196	168	
Vancouver Airport Fuel Facilities Corp. 2.168% Jun 23, 2025	235	229	219	
Vancouver Airport Fuel Facilities Corp. 3.653% Mar 20, 2051	103	103	85	
Westcoast Energy Inc. 3.120% Dec 05, 2022	940	987	941	
Westcoast Energy Inc. 3.430% Sep 12, 2024	1 005	1 095	985	
Westcoast Energy Inc. 3.770% Dec 08, 2025	995	1 114	972	
Westcoast Energy Inc. 7.300% Dec 18, 2026	1 460	1 884	1 594	
Westcoast Energy Inc. 6.750% Dec 15, 2027	678	868	731	
Winnipeg Airports Authority Inc. 6.102% Nov 20, 2040	157	162	163	
Winnipeg Airports Authority Inc. 3.040% Feb 03, 2051	95	95	64	
		146 234	129 366	<b>29.7</b>
<b>FEDERAL</b>				
Canada Housing Trust No. 1 2.400% Dec 15, 2022	3 771	3 820	3 769	
Canada Housing Trust No. 1 2.350% Sep 15, 2023	5 443	5 561	5 393	
Canada Housing Trust No. 1 0.950% Jun 15, 2025	9 249	9 333	8 630	
Canada Housing Trust No. 1 1.950% Dec 15, 2025	317	320	303	
Canada Housing Trust No. 1 1.250% Jun 15, 2026	8 184	7 975	7 546	
Canada Housing Trust No. 1 1.550% Dec 15, 2026	392	391	362	
Canada Housing Trust No. 1 3.800% Jun 15, 2027	7 033	7 018	7 142	
CBC Monetization Trust 4.688% May 15, 2027	36	37	37	
Canadian Government Bond 2.250% Mar 01, 2024	515	518	508	
Canadian Government Bond 2.500% Jun 01, 2024	2 125	2 132	2 102	
Canadian Government Bond 2.750% Aug 01, 2024	24 690	24 457	24 504	
Canadian Government Bond 1.500% Sep 01, 2024	1 385	1 357	1 339	
Canadian Government Bond 1.250% Mar 01, 2025	1 715	1 648	1 634	
Canadian Government Bond 2.250% Jun 01, 2025	120	119	117	
Canadian Government Bond 0.500% Sep 01, 2025	435	407	401	
Canadian Government Bond 1.500% Jun 01, 2026	50	48	47	
Canadian Government Bond 1.000% Sep 01, 2026	6 538	6 511	6 006	
Canadian Government Bond 1.250% Mar 01, 2027	24 240	22 977	22 293	
Canadian Government Bond 1.000% Jun 01, 2027	760	702	688	
Canadian Government Bond 2.000% Jun 01, 2028	5	5	5	
Canadian Government Bond 2.250% Jun 01, 2029	495	464	467	
Canadian Government Bond 1.500% Jun 01, 2031	5 245	5 049	4 547	
Canadian Government Bond 2.000% Jun 01, 2032	8 690	7 666	7 792	
Canadian Government Bond 2.000% Dec 01, 2051	5 625	5 062	4 382	
Canadian Government Bond 1.750% Dec 01, 2053	13 017	9 490	9 417	
Canadian Government Bond 2.750% Dec 01, 2064	3 061	3 563	2 765	
		126 630	122 196	<b>28.1</b>
<b>PROVINCIAL/MUNICIPAL</b>				
Carleton University 3.264% Jul 05, 2061	270	270	200	
City of Ottawa Ontario 4.600% Jul 14, 2042	95	133	97	
City of Vancouver 2.300% Nov 05, 2031	90	90	78	
Concordia University 3.626% Feb 10, 2039	70	70	59	
Concordia University 3.678% Feb 10, 2059	70	70	56	
First Nations Finance Authority 1.710% Jun 16, 2030	705	713	597	
First Nations Finance Authority 2.850% Jun 01, 2032	2 061	2 059	1 853	
Hamilton Health Sciences Corp. 3.683% Jan 17, 2059	140	140	117	
Huron University College 5.500% Apr 30, 2042	755	755	680	
McMaster University 3.255% Jun 17, 2051	225	225	174	
McMaster University 6.150% Oct 07, 2052	190	302	235	
McMaster University 3.405% Jun 17, 2071	295	295	221	
Ontario Electricity Financial Corp. 8.500% May 26, 2025	602	923	683	
Ontario Electricity Financial Corp. 9.000% May 26, 2025	145	223	167	

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<b>PROVINCIAL/MUNICIPAL (cont.)</b>				
Ontario Electricity Financial Corp. 8.250% Jun 22, 2026	1 019	1 509	1 192	
Ontario School Boards Financing Corp. 6.550% Oct 19, 2026	207	235	220	
Ontario School Boards Financing Corp. 5.900% Oct 11, 2027	111	126	117	
Ontario School Boards Financing Corp. 5.483% Nov 26, 2029	2 137	2 533	2 254	
Ontario School Boards Financing Corp. 5.070% Apr 18, 2031	287	329	297	
Ontario School Boards Financing Corp. 5.376% Jun 25, 2032	1 707	2 027	1 806	
Province of Alberta 3.450% Dec 01, 2043	692	759	621	
Province of Alberta 3.300% Dec 01, 2046	1 356	1 409	1 176	
Province of Alberta 3.100% Jun 01, 2050	7 091	7 563	5 889	
Province of British Columbia 1.550% Jun 18, 2031	3 357	3 057	2 756	
Province of British Columbia 2.950% Jun 18, 2050	440	405	352	
Province of British Columbia 2.750% Jun 18, 2052	1 837	1 713	1 404	
Province of Manitoba 4.050% Sep 05, 2045	479	566	460	
Province of Manitoba 2.850% Sep 05, 2046	4 102	4 059	3 205	
Province of New Brunswick 3.650% Jun 03, 2024	399	430	401	
Province of New Brunswick 4.800% Sep 26, 2039	964	1 236	1 019	
Province of New Brunswick 4.800% Jun 03, 2041	192	234	204	
Province of New Brunswick 3.550% Jun 03, 2043	217	212	194	
Province of New Brunswick 3.800% Aug 14, 2045	737	789	680	
Province of New Brunswick 3.050% Aug 14, 2050	3 049	3 265	2 438	
Province of Newfoundland and Labrador 3.300% Oct 17, 2046	657	627	539	
Province of Newfoundland and Labrador 2.650% Oct 17, 2050	1 957	1 766	1 384	
Province of Ontario 1.950% Jan 27, 2023	1 700	1 685	1 692	
Province of Ontario 7.500% Feb 07, 2024	142	198	151	
Province of Ontario 2.600% Jun 02, 2025	589	624	575	
Province of Ontario 8.500% Dec 02, 2025	1 548	2 270	1 794	
Province of Ontario 2.900% Jun 02, 2028	3 074	3 406	2 944	
Province of Ontario 2.700% Jun 02, 2029	4 116	4 409	3 839	
Province of Ontario 2.050% Jun 02, 2030	11 985	12 126	10 478	
Province of Ontario 1.350% Dec 02, 2030	12 665	11 576	10 336	
Province of Ontario 2.150% Jun 02, 2031	5 611	5 503	4 848	
Province of Ontario 2.250% Dec 02, 2031	3 424	3 131	2 959	
Province of Ontario 3.750% Jun 02, 2032	5 397	5 206	5 279	
Province of Ontario 5.850% Mar 08, 2033	554	717	637	
Province of Ontario 5.600% Jun 02, 2035	10 332	14 148	11 797	
Province of Ontario 4.700% Jun 02, 2037	1 799	2 243	1 895	
Province of Ontario 4.600% Jun 02, 2039	11 455	15 432	11 946	
Province of Ontario 3.500% Jun 02, 2043	6 538	7 093	5 863	
Province of Ontario 3.450% Jun 02, 2045	1 080	1 315	955	
Province of Ontario 2.800% Jun 02, 2048	566	541	440	
Province of Ontario 2.900% Jun 02, 2049	2 555	2 623	2 019	
Province of Ontario 1.900% Dec 02, 2051	3 014	2 348	1 856	
Province of Ontario 2.550% Dec 02, 2052	1 463	1 150	1 057	
Province of Quebec 3.750% Sep 01, 2024	759	824	766	
Province of Quebec 8.500% Apr 01, 2026	565	867	663	
Province of Quebec 2.750% Sep 01, 2027	480	503	462	
Province of Quebec 2.750% Sep 01, 2028	2 090	2 119	1 983	
Province of Quebec 2.300% Sep 01, 2029	997	1 092	904	
Province of Quebec 1.900% Sep 01, 2030	1 463	1 339	1 261	
Province of Quebec 6.250% Jun 01, 2032	4 398	6 515	5 196	
Province of Quebec 5.000% Dec 01, 2041	835	1 109	922	
Province of Quebec 3.500% Dec 01, 2045	4 305	5 224	3 853	
Province of Quebec 3.500% Dec 01, 2048	2 626	3 210	2 338	
Province of Quebec 3.100% Dec 01, 2051	8 443	9 993	6 939	
Province of Quebec 2.850% Dec 01, 2053	3 228	3 199	2 506	
Province of Saskatchewan 2.550% Jun 02, 2026	488	488	471	

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<b>PROVINCIAL/MUNICIPAL (cont.)</b>				
Province of Saskatchewan 6.400% Sep 05, 2031	54	80	64	
Province of Saskatchewan 3.900% Jun 02, 2045	416	505	395	
Province of Saskatchewan 2.750% Dec 02, 2046	747	711	578	
Province of Saskatchewan 3.100% Jun 02, 2050	2 700	3 017	2 214	
Trillium Health Partners Volunteers 3.702% Dec 20, 2058	160	160	131	
University of British Columbia 6.650% Dec 01, 2031	690	957	797	
University of Guelph 6.240% Oct 10, 2042	360	566	426	
University of Ottawa 2.635% Feb 13, 2060	575	578	361	
University of Toronto 4.251% Dec 07, 2051	85	118	79	
York University 6.480% Mar 07, 2042	360	597	438	
York University 3.394% Apr 01, 2060	25	25	19	
		182 657	150 951	34.7
<b>TOTAL CANADIAN BONDS</b>		455 521	402 513	92.5
<b>UNITED KINGDOM BONDS</b>				
Heathrow Funding Ltd. 3.250% May 21, 2025 CAD	380	387	366	
Heathrow Funding Ltd. 2.694% Oct 13, 2027 CAD	410	410	367	
Heathrow Funding Ltd. 3.400% Mar 08, 2028 CAD	1 175	1 230	1 084	
Heathrow Funding Ltd. 3.782% Sep 04, 2030 CAD	300	307	270	
Heathrow Funding Ltd. 3.661% Jan 13, 2031 CAD	605	605	535	
Heathrow Funding Ltd. 3.726% Apr 13, 2033 CAD	510	529	432	
National Grid Electricity Transmission Plc. 2.301% Jun 22, 2029 CAD	3 150	3 149	2 699	
		6 617	5 753	1.3
<b>TOTAL UNITED KINGDOM BONDS</b>				
<b>UNITED STATES BONDS</b>				
Bank of America Corp. 3.515% Mar 24, 2026 CAD	1 655	1 655	1 606	
Bank of America Corp. 3.615% Mar 16, 2028 CAD	4 415	4 398	4 166	
Nestlé Holdings Inc. 2.192% Jan 26, 2029 CAD	2 110	2 110	1 847	
New York Life Global Funding 2.000% Apr 17, 2028 CAD	2 150	2 118	1 875	
Verizon Communications Inc. 2.375% Mar 22, 2028 CAD	2 920	2 930	2 574	
		13 211	12 068	2.8
<b>TOTAL UNITED STATES BONDS</b>		475 349	420 334	96.6
<b>TOTAL BONDS</b>				
<b>MORTGAGES†</b>				
<b>CMHC Insured</b>				
Mortgage, 3.160% Sep, 05 2024	160	160	156	
<b>TOTAL MORTGAGES</b>		160	156	—
<b>SHORT-TERM INVESTMENTS‡</b>		11 681	11 681	2.7
<b>TOTAL INVESTMENTS</b>		487 190	432 171	99.3
<b>OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>			2 907	0.7
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>			435 078	100.0

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

† The Fund holds 1 mortgage with a Fair Value (\$) of \$156. This mortgage is Canada Mortgage and Housing Corporation ("CMHC") guaranteed. The mortgage is not 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 1.63% to 2.55% and mature between July 7, 2022 and October 3, 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	\$ 432 170	\$ 529 018
Cash	79	303
Due from investment dealers	16 167	–
Subscriptions receivable	73	2 678
Dividends receivable, interest accrued and other assets	2 112	2 050
<b>TOTAL ASSETS</b>	<b>450 601</b>	<b>534 049</b>
<b>LIABILITIES</b>		
Due to investment dealers	14 678	2 368
Redemptions payable	62	106
Distributions payable	713	–
Accounts payable and accrued expenses	70	96
<b>TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS</b>	<b>15 523</b>	<b>2 570</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")</b>	<b>\$ 435 078</b>	<b>\$ 531 479</b>
Investments at cost	\$ 487 190	\$ 531 455
<b>NAV</b>		
<b>SERIES A</b>	<b>\$ 41 667</b>	<b>\$ 56 538</b>
<b>SERIES D</b>	<b>\$ 10 923</b>	<b>\$ 18 254</b>
<b>SERIES F</b>	<b>\$ 59 736</b>	<b>\$ 67 563</b>
<b>SERIES O</b>	<b>\$ 322 752</b>	<b>\$ 389 124</b>
<b>NAV PER UNIT</b>		
<b>SERIES A</b>	<b>\$ 9.73</b>	<b>\$ 11.22</b>
<b>SERIES D</b>	<b>\$ 9.66</b>	<b>\$ 11.14</b>
<b>SERIES F</b>	<b>\$ 9.70</b>	<b>\$ 11.19</b>
<b>SERIES O</b>	<b>\$ 9.54</b>	<b>\$ 11.01</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 (see note 3 in the generic notes)</b>		
Interest for distribution purposes	\$ 6 887	\$ 5 965
Net realized gain (loss) on investments	(15 948)	(673)
Change in unrealized gain (loss) on investments	(52 583)	(20 367)
<b>TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES</b>	<b>(61 644)</b>	<b>(15 075)</b>
Securities lending revenue (see note 7 in the generic notes)	27	18
Net gain (loss) on foreign cash balances	–	17
<b>TOTAL OTHER INCOME (LOSS)</b>	<b>27</b>	<b>35</b>
<b>TOTAL INCOME (LOSS)</b>	<b>(61 617)</b>	<b>(15 040)</b>
<b>EXPENSES (see notes – Fund Specific Information)</b>		
Management fees	370	465
Administration fees	66	70
Independent Review Committee costs	–	1
GST/HST	47	57
<b>TOTAL EXPENSES</b>	<b>483</b>	<b>593</b>
<b>INCREASE (DECREASE) IN NAV</b>	<b>\$ (62 100)</b>	<b>\$ (15 633)</b>
<b>INCREASE (DECREASE) IN NAV</b>		
<b>SERIES A</b>	<b>\$ (6 538)</b>	<b>\$ (2 618)</b>
<b>SERIES D</b>	<b>\$ (2 001)</b>	<b>\$ (837)</b>
<b>SERIES F</b>	<b>\$ (8 021)</b>	<b>\$ (2 375)</b>
<b>SERIES O</b>	<b>\$ (45 540)</b>	<b>\$ (9 803)</b>
<b>INCREASE (DECREASE) IN NAV PER UNIT</b>		
<b>SERIES A</b>	<b>\$ (1.42)</b>	<b>\$ (0.46)</b>
<b>SERIES D</b>	<b>\$ (1.42)</b>	<b>\$ (0.44)</b>
<b>SERIES F</b>	<b>\$ (1.35)</b>	<b>\$ (0.42)</b>
<b>SERIES O</b>	<b>\$ (1.32)</b>	<b>\$ (0.34)</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	\$ (62 100)	\$ (15 633)
<b>ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS</b>		
Interest for distribution purposes	(73)	(99)
Non-cash dividends	–	–
Non-cash distributions from underlying funds	–	–
Net realized loss (gain) on investments	15 948	673
Change in unrealized loss (gain) on investments	52 583	20 367
(Increase) decrease in accrued receivables	(62)	(14)
Increase (decrease) in accrued payables	(26)	–
(Increase) decrease in margin accounts	–	–
Cost of investments purchased*	(456 983)	(573 505)
Proceeds from sale and maturity of investments*	481 516	504 724
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>30 803</b>	<b>(63 487)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of redeemable units*	71 841	114 543
Cash paid on redemption of redeemable units*	(102 005)	(50 246)
Distributions paid to holders of redeemable units	(863)	(820)
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>\$ (31 027)</b>	<b>\$ 63 477</b>
Net increase (decrease) in cash for the period	(224)	(10)
Cash (bank overdraft), beginning of period	303	309
<b>CASH (BANK OVERDRAFT), END OF PERIOD</b>	<b>\$ 79</b>	<b>\$ 299</b>
Interest received (paid) <sup>†</sup>	\$ 6 509	\$ 5 852
Income from investment trusts received (paid) <sup>†‡</sup>	\$ –	\$ –
Dividends received (paid) <sup>†‡</sup>	\$ –	\$ –

\* 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
<b>NAV AT BEGINNING OF PERIOD</b>	\$ 56 538	\$ 65 760	\$ 18 254	\$ 22 850	\$ 67 563	\$ 62 559
<b>INCREASE (DECREASE) IN NAV</b>	<b>(6 538)</b>	<b>(2 618)</b>	<b>(2 001)</b>	<b>(837)</b>	<b>(8 021)</b>	<b>(2 375)</b>
Early redemption fees	–	2	–	–	2	–
Proceeds from redeemable units issued	3 972	15 464	440	1 451	15 818	23 634
Reinvestments of distributions to holders of redeemable units	450	488	157	194	596	468
Redemption of redeemable units	(12 293)	(16 913)	(5 760)	(2 773)	(15 414)	(20 531)
<b>NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS</b>	<b>(7 871)</b>	<b>(959)</b>	<b>(5 163)</b>	<b>(1 128)</b>	<b>1 002</b>	<b>3 571</b>
Distributions from net income	(462)	(496)	(167)	(210)	(808)	(670)
Distributions from net gains	–	–	–	–	–	–
Distributions from capital	–	–	–	–	–	–
<b>TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS</b>	<b>(462)</b>	<b>(496)</b>	<b>(167)</b>	<b>(210)</b>	<b>(808)</b>	<b>(670)</b>
<b>NET INCREASE (DECREASE) IN NAV</b>	<b>(14 871)</b>	<b>(4 073)</b>	<b>(7 331)</b>	<b>(2 175)</b>	<b>(7 827)</b>	<b>526</b>
<b>NAV AT END OF PERIOD</b>	<b>\$ 41 667</b>	<b>\$ 61 687</b>	<b>\$ 10 923</b>	<b>\$ 20 675</b>	<b>\$ 59 736</b>	<b>\$ 63 085</b>

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>	\$ 389 124	\$ 294 890	\$ 531 479	\$ 446 059
<b>INCREASE (DECREASE) IN NAV</b>	<b>(45 540)</b>	<b>(9 803)</b>	<b>(62 100)</b>	<b>(15 633)</b>
Early redemption fees	–	–	2	2
Proceeds from redeemable units issued	56 500	75 778	76 730	116 327
Reinvestments of distributions to holders of redeemable units	4 017	2 981	5 220	4 131
Redemption of redeemable units	(75 990)	(12 996)	(109 457)	(53 213)
<b>NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS</b>	<b>(15 473)</b>	<b>65 763</b>	<b>(27 505)</b>	<b>67 247</b>
Distributions from net income	(5 359)	(4 334)	(6 796)	(5 710)
Distributions from net gains	–	–	–	–
Distributions from capital	–	–	–	–
<b>TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS</b>	<b>(5 359)</b>	<b>(4 334)</b>	<b>(6 796)</b>	<b>(5 710)</b>
<b>NET INCREASE (DECREASE) IN NAV</b>	<b>(66 372)</b>	<b>51 626</b>	<b>(96 401)</b>	<b>45 904</b>
<b>NAV AT END OF PERIOD</b>	<b>\$ 322 752</b>	<b>\$ 346 516</b>	<b>\$ 435 078</b>	<b>\$ 491 963</b>



June 30, 2022

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

The Fund seeks to provide relatively high yields and stability of capital by investing primarily in a well-diversified portfolio of fixed-income securities issued by Canadian governments and corporations that conduct themselves in a socially responsible manner.

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

**Liquidity risk (%)**

Mortgages, an illiquid security, represent approximately 0.0% (December 31, 2021 – 0.0%) 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	30.7	26.7
AA	40.2	38.2
A	17.5	21.7
BBB	11.1	12.5
BB	–	0.5
Unrated*	0.5	0.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

\* Mortgages, which represent 8.6% (December 31, 2021 – 9.0%) 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
Provincial/Municipal Bonds	34.7	39.6
Corporate Bonds	29.7	29.2
Federal Bonds	28.1	26.1
Foreign Bonds	4.1	3.1
Cash/Other	3.4	2.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

**Interest rate risk (%)**

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

Term to maturity	June 30 2022	December 31 2021
Less than 1 year	5.1	3.1
1 – 5 years	35.6	38.2
5 – 10 years	29.8	24.8
> 10 years	29.5	33.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

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 8.0% (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
<b>Equities</b>	–	–	–	–
<b>Underlying funds</b>	–	–	–	–
<b>Fixed-income and debt securities</b>	–	420 333	156	420 489
<b>Short-term investments</b>	–	11 681	–	11 681
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	–	432 014	156	432 170
<b>% of total portfolio</b>	–	100.0	–	100.0

December 31, 2021	Level 1	Level 2	Level 3	Total
<b>Equities</b>	–	–	–	–
<b>Underlying funds</b>	–	–	–	–
<b>Fixed-income and debt securities</b>	–	520 905	165	521 070
<b>Short-term investments</b>	–	7 948	–	7 948
<b>Derivatives – assets</b>	–	–	–	–
<b>Derivatives – liabilities</b>	–	–	–	–
<b>Total financial instruments</b>	–	528 853	165	529 018
<b>% of total portfolio</b>	–	100.0	–	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	165	175
Net purchases	–	–
Net sales	(1)	(3)
Net transfers in (out)	–	–
Realized gains (losses)	–	–
Change in unrealized gains (losses)	(8)	(7)
Balance at end of period	156	165
Change in unrealized gains (losses) for Level 3 assets held at end of period	(8)	(6)

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 1.15% (December 31, 2021 – 1.05%), 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%

\* 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
<b>Units held</b>		
Series A	62	62
Series D	74	73
Series F	66	66
Series O	72	71
<b>Value of all units</b>	<b>3</b>	<b>3</b>

### 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	969
Non-capital losses	–

### Redeemable units (000s)

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

	2022	2021
For the periods ended June 30 (see note 2 in the generic notes)		
<b>Series A</b>		
Opening units	5 039	5 585
Issued number of units	379	1 356
Reinvested number of units	44	44
Redeemed number of units	(1 178)	(1 495)
Ending number of units	4 284	5 490
<b>Series D</b>		
Opening units	1 638	1 954
Issued number of units	41	128
Reinvested number of units	16	18
Redeemed number of units	(564)	(247)
Ending number of units	1 131	1 853
<b>Series F</b>		
Opening units	6 035	5 325
Issued number of units	1 528	2 086
Reinvested number of units	59	42
Redeemed number of units	(1 465)	(1 825)
Ending number of units	6 157	5 628
<b>Series O</b>		
Opening units	35 338	25 523
Issued number of units	5 494	6 810
Reinvested number of units	407	272
Redeemed number of units	(7 420)	(1 173)
Ending number of units	33 819	31 432



June 30, 2022

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

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

	June 30 2022	June 30 2021
Fair value of securities loaned	59 641	53 053
Fair value of collateral received	60 834	54 114

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	36	100	24	100
RBC IS (paid)	(9)	(25)	(6)	(25)
Tax withheld	–	–	–	–
Fund revenue	27	75	18	75

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

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

	June 30 2022	December 31 2021
RBC Vision Balanced Fund	29.0	24.8

## 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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### 4. Critical accounting judgments and estimates

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Concentration risk**

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

**Interest rate risk**

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

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

**Currency risk**

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

**Other price risk**

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

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

**6. Taxes**

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

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

**7. Securities lending revenue**

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

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

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



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

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

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

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

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

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

#### **Sub-Advisors**

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

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

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

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

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

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

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

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

#### **Trustee**

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

#### **Distributors**

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

#### **Custodian**

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

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**Registrars**

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

**Brokers and Dealers**

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

**Securities Lending Agent**

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

**Mortgage Administrator Agent**

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

**Other Related-Party Transactions**

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

**Related-Party Trading Activities**

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

**Inter-Fund Trading**

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

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