

The accompanying financial statements have been prepared by RBC Global Asset Management Inc. ("RBC GAM") as manager of the RBC ETFs (the "ETFs") 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 ETFs, 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, 2018



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 ETFs. The external auditors will be auditing the annual financial statements of the ETFs in accordance with Canadian generally accepted auditing standards.



SCHEDULE OF INVESTMENT PORTFOLIO (unaudited) (in \$000s)

RBC GLOBAL GOVERNMENT BOND (CAD HEDGED) INDEX ETF

June 30, 2018

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
GLOBAL GOVERNMENT BONDS						
Australia						
54	Australia Government AUD	2.750	21-Oct-2019	\$ 54	\$ 53	
15	Australia Government AUD	1.750	21-Nov-2020	14	14	
70	Australia Government AUD	2.000	21-Dec-2021	67	68	
33	Australia Government AUD	5.750	15-Jul-2022	37	36	
24	Australia Government AUD	2.250	21-Nov-2022	23	23	
13	Australia Government AUD	5.500	21-Apr-2023	15	14	
88	Australia Government AUD	3.250	21-Apr-2025	89	90	
3	Australia Government AUD	4.750	21-Apr-2027	3	3	
10	Australia Government AUD	2.750	21-Nov-2027	10	10	
115	Australia Government AUD	2.750	21-Nov-2028	111	113	
12	Australia Government AUD	3.250	21-Apr-2029	12	12	
2	Australia Government AUD	2.750	21-Nov-2029	2	2	
25	Australia Government AUD	2.750	21-Jun-2035	23	24	
13	Australia Government AUD	3.750	21-Apr-2037	14	14	
13	Australia Government AUD	3.000	21-Mar-2047	12	12	
				486	488	1.7
Austria						
15	Austria Government EUR	1.950	18-Jun-2019	24	24	
37	Austria Government EUR	3.500	15-Sep-2021	62	64	
25	Austria Government EUR	0.000	15-Jul-2023	37	39	
10	Austria Government EUR	1.750	20-Oct-2023	17	17	
25	Austria Government EUR	1.650	21-Oct-2024	40	42	
7	Austria Government EUR	1.200	20-Oct-2025	11	12	
20	Austria Government EUR	0.750	20-Oct-2026	31	32	
6	Austria Government EUR	0.500	20-Apr-2027	9	9	
1	Austria Government EUR	0.750	20-Feb-2028	2	2	
33	Austria Government EUR	2.400	23-May-2034	57	61	
6	Austria Government EUR	1.500	20-Feb-2047	9	9	
5	Austria Government EUR	3.800	26-Jan-2062	13	13	
3	Austria Government EUR	1.500	02-Nov-2086	4	4	
4	Austria Government EUR	2.100	20-Sep-2117	6	7	
14	Republic of Austria Government EUR	0.250	18-Oct-2019	21	22	
4	Republic of Austria Government EUR	4.150	15-Mar-2037	9	9	
				352	366	1.3
Belgium						
7	Belgium Government EUR	3.000	28-Sep-2019	11	11	
37	Belgium Government EUR	3.750	28-Sep-2020	61	62	
10	Belgium Government EUR	4.250	28-Sep-2021	17	18	
47	Belgium Government EUR	4.250	28-Sep-2022	85	86	
14	Belgium Government EUR	0.200	22-Oct-2023	21	22	
10	Belgium Government EUR	2.600	22-Jun-2024	18	18	
17	Belgium Government EUR	0.500	22-Oct-2024	25	27	
20	Belgium Government EUR	0.800	22-Jun-2025	30	32	
12	Belgium Government EUR	1.000	22-Jun-2026	19	19	
37	Belgium Government EUR	0.800	22-Jun-2027	54	58	
10	Belgium Government EUR	5.500	28-Mar-2028	22	23	
11	Belgium Government EUR	0.800	22-Jun-2028	17	17	
40	Belgium Government EUR	1.000	22-Jun-2031	57	62	
3	Belgium Government EUR	1.250	22-Apr-2033	5	5	
54	Belgium Government EUR	1.450	22-Jun-2037	80	85	

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



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Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
Belgium (cont.)						
14	Belgium Government EUR	1.600	22-Jun-2047	\$ 19	\$ 22	
13	Belgium Government EUR	2.250	22-Jun-2057	21	23	
1	Belgium Government EUR	2.150	22-Jun-2066	2	2	
				564	592	2.0
Canada						
66	Government of Canada	0.750	01-Aug-2019	65	65	
9	Government of Canada	1.250	01-Nov-2019	9	9	
5	Government of Canada	1.250	01-Feb-2020	5	5	
38	Government of Canada	1.750	01-May-2020	37	37	
35	Government of Canada	0.750	01-Sep-2020	34	34	
35	Government of Canada	0.750	01-Mar-2021	34	34	
10	Government of Canada	0.750	01-Sep-2021	10	10	
23	Government of Canada	2.750	01-Jun-2022	24	24	
65	Government of Canada	1.000	01-Sep-2022	62	62	
6	Government of Canada	1.750	01-Mar-2023	6	6	
13	Government of Canada	2.000	01-Sep-2023	13	13	
32	Government of Canada	2.250	01-Jun-2025	33	32	
3	Government of Canada	1.500	01-Jun-2026	3	3	
15	Government of Canada	1.000	01-Jun-2027	14	14	
32	Government of Canada	2.000	01-Jun-2028	32	32	
2	Government of Canada	5.750	01-Jun-2029	3	3	
40	Government of Canada	5.000	01-Jun-2037	56	57	
4	Government of Canada	3.500	01-Dec-2045	5	5	
29	Government of Canada	2.750	01-Dec-2048	31	33	
2	Government of Canada	2.000	01-Dec-2051	2	2	
5	Government of Canada	2.750	01-Dec-2064	5	5	
				483	485	1.7
Denmark						
87	Denmark Government DKK	4.000	15-Nov-2019	19	19	
41	Denmark Government DKK	0.250	15-Nov-2020	9	9	
69	Denmark Government DKK	3.000	15-Nov-2021	15	16	
67	Denmark Government DKK	1.500	15-Nov-2023	14	15	
84	Denmark Government DKK	1.750	15-Nov-2025	20	19	
66	Denmark Government DKK	0.500	15-Nov-2027	13	14	
135	Denmark Government DKK	4.500	15-Nov-2039	45	48	
				135	140	0.5
Finland						
8	Finland Government EUR	3.375	15-Apr-2020	13	13	
11	Finland Government EUR	0.375	15-Sep-2020	17	17	
15	Finland Government EUR	0.000	15-Apr-2022	22	23	
14	Finland Government EUR	0.000	15-Sep-2023	20	22	
8	Finland Government EUR	4.000	04-Jul-2025	15	16	
12	Finland Government EUR	0.500	15-Apr-2026	18	19	
8	Finland Government EUR	0.500	15-Sep-2027	12	12	
5	Finland Government EUR	2.750	04-Jul-2028	9	9	
5	Finland Government EUR	0.750	15-Apr-2031	7	8	
5	Finland Government EUR	2.625	04-Jul-2042	10	10	
				143	149	0.5
France						
55	France O.A.T. EUR	3.750	25-Oct-2019	88	89	
65	France O.A.T. EUR	0.000	25-Feb-2020	97	101	
53	France O.A.T. EUR	3.500	25-Apr-2020	89	87	
5	France O.A.T. EUR	0.000	25-May-2020	8	8	
59	France O.A.T. EUR	0.250	25-Nov-2020	88	92	
2	France O.A.T. EUR	0.000	25-Feb-2021	3	3	

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Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
France (cont.)						
95	France O.A.T. EUR	0.000	25-May-2021	\$ 140	\$ 148	
10	France O.A.T. EUR	3.000	25-Apr-2022	17	17	
130	France O.A.T. EUR	0.000	25-May-2022	192	202	
35	France O.A.T. EUR	2.250	25-Oct-2022	60	60	
40	France O.A.T. EUR	0.000	25-Mar-2023	60	62	
20	France O.A.T. EUR	8.500	25-Apr-2023	44	44	
50	France O.A.T. EUR	1.750	25-May-2023	80	84	
70	France O.A.T. EUR	1.750	25-Nov-2024	113	119	
51	France O.A.T. EUR	0.500	25-May-2025	75	80	
25	France O.A.T. EUR	6.000	25-Oct-2025	55	55	
96	France O.A.T. EUR	0.500	25-May-2026	139	150	
47	France O.A.T. EUR	1.000	25-May-2027	71	76	
127	France O.A.T. EUR	2.750	25-Oct-2027	225	235	
31	France O.A.T. EUR	0.750	25-May-2028	48	48	
25	France O.A.T. EUR	5.500	25-Apr-2029	57	58	
70	France O.A.T. EUR	1.500	25-May-2031	107	116	
8	France O.A.T. EUR	1.250	25-May-2034	12	13	
53	France O.A.T. EUR	1.250	25-May-2036	76	83	
36	France O.A.T. EUR	4.000	25-Oct-2038	80	83	
62	France O.A.T. EUR	1.750	25-Jun-2039	94	103	
54	France O.A.T. EUR	2.000	25-May-2048	83	92	
2	France O.A.T. EUR	4.000	25-Apr-2055	5	5	
9	France O.A.T. EUR	4.000	25-Apr-2060	22	24	
21	France O.A.T. EUR	1.750	25-May-2066	29	33	
				2 257	2 370	8.2
Germany						
49	Bundesrepublik Deutschland EUR	3.000	04-Jul-2020	80	81	
30	Bundesrepublik Deutschland EUR	2.250	04-Sep-2020	47	49	
75	Bundesrepublik Deutschland EUR	0.250	16-Oct-2020	112	118	
5	Bundesrepublik Deutschland EUR	0.000	09-Apr-2021	8	8	
30	Bundesrepublik Deutschland EUR	0.000	08-Oct-2021	44	47	
25	Bundesrepublik Deutschland EUR	0.000	08-Apr-2022	37	39	
15	Bundesrepublik Deutschland EUR	1.750	04-Jul-2022	25	25	
43	Bundesrepublik Deutschland EUR	0.000	07-Oct-2022	63	67	
65	Bundesrepublik Deutschland EUR	1.500	15-May-2023	104	109	
40	Bundesrepublik Deutschland EUR	1.750	15-Feb-2024	67	68	
40	Bundesrepublik Deutschland EUR	1.000	15-Aug-2024	62	66	
40	Bundesrepublik Deutschland EUR	0.500	15-Feb-2025	60	64	
65	Bundesrepublik Deutschland EUR	0.250	15-Feb-2027	94	100	
20	Bundesrepublik Deutschland EUR	6.500	04-Jul-2027	48	48	
90	Bundesrepublik Deutschland EUR	0.500	15-Aug-2027	134	141	
97	Bundesrepublik Deutschland EUR	4.000	04-Jan-2037	219	233	
3	Bundesrepublik Deutschland EUR	3.250	04-Jul-2042	7	7	
52	Bundesrepublik Deutschland EUR	2.500	15-Aug-2046	100	110	
34	Bundesrepublik Deutschland EUR	0.000	17-Apr-2020	50	53	
21	Bundesrepublik Deutschland Bundesanleihe EUR	3.500	04-Jul-2019	34	34	
35	Bundesrepublik Deutschland Bundesanleihe EUR	2.500	04-Jan-2021	59	58	
8	Bundesrepublik Deutschland Bundesanleihe EUR	1.000	15-Aug-2025	13	13	
16	Bundesrepublik Deutschland Bundesanleihe EUR	0.500	15-Feb-2028	25	25	
9	Bundesrepublik Deutschland Bundesanleihe EUR	1.250	15-Aug-2048	14	15	
47	Bundesschatzanweisungen EUR	0.000	14-Jun-2019	70	73	
3	Bundesschatzanweisungen EUR	0.000	13-Dec-2019	5	5	
4	Bundesschatzanweisungen EUR	0.000	12-Jun-2020	6	6	
				1 587	1 662	5.7



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Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
Ireland						
13	Ireland Government EUR	4.400	18-Jun-2019	\$ 21	\$ 21	
20	Ireland Government EUR	4.500	18-Apr-2020	33	34	
4	Ireland Government EUR	0.800	15-Mar-2022	6	6	
10	Ireland Government EUR	3.900	20-Mar-2023	18	18	
7	Ireland Government EUR	3.400	18-Mar-2024	12	13	
7	Ireland Government EUR	5.400	13-Mar-2025	14	14	
23	Ireland Government EUR	1.000	15-May-2026	34	37	
9	Ireland Government EUR	0.900	15-May-2028	13	14	
5	Ireland Government EUR	2.400	15-May-2030	9	9	
6	Ireland Government EUR	1.300	15-May-2033	9	9	
8	Ireland Government EUR	1.700	15-May-2037	12	13	
7	Ireland Government EUR	2.000	18-Feb-2045	11	12	
				192	200	0.7
Italy						
41	Buoni Poliennali Del Tesoro EUR	1.500	01-Aug-2019	62	64	
32	Buoni Poliennali Del Tesoro EUR	4.250	01-Sep-2019	53	51	
3	Buoni Poliennali Del Tesoro EUR	0.050	15-Oct-2019	5	5	
60	Buoni Poliennali Del Tesoro EUR	1.050	01-Dec-2019	90	93	
74	Buoni Poliennali Del Tesoro EUR	0.700	01-May-2020	110	114	
4	Buoni Poliennali Del Tesoro EUR	0.350	15-Jun-2020	6	6	
30	Buoni Poliennali Del Tesoro EUR	0.650	01-Nov-2020	44	46	
40	Buoni Poliennali Del Tesoro EUR	3.750	01-Mar-2021	68	66	
8	Buoni Poliennali Del Tesoro EUR	0.050	15-Apr-2021	12	12	
25	Buoni Poliennali Del Tesoro EUR	3.750	01-May-2021	41	41	
50	Buoni Poliennali Del Tesoro EUR	0.350	01-Nov-2021	72	75	
40	Buoni Poliennali Del Tesoro EUR	2.150	15-Dec-2021	62	63	
20	Buoni Poliennali Del Tesoro EUR	5.000	01-Mar-2022	36	35	
60	Buoni Poliennali Del Tesoro EUR	0.900	01-Aug-2022	88	90	
10	Buoni Poliennali Del Tesoro EUR	5.500	01-Sep-2022	19	18	
75	Buoni Poliennali Del Tesoro EUR	1.450	15-Sep-2022	112	115	
40	Buoni Poliennali Del Tesoro EUR	5.500	01-Nov-2022	76	71	
20	Buoni Poliennali Del Tesoro EUR	0.950	01-Mar-2023	30	30	
15	Buoni Poliennali Del Tesoro EUR	0.950	15-Mar-2023	22	22	
52	Buoni Poliennali Del Tesoro EUR	0.650	15-Oct-2023	75	75	
29	Buoni Poliennali Del Tesoro EUR	1.850	15-May-2024	43	44	
45	Buoni Poliennali Del Tesoro EUR	2.500	01-Dec-2024	70	71	
15	Buoni Poliennali Del Tesoro EUR	5.000	01-Mar-2025	28	27	
30	Buoni Poliennali Del Tesoro EUR	1.500	01-Jun-2025	46	44	
61	Buoni Poliennali Del Tesoro EUR	2.000	01-Dec-2025	90	92	
75	Buoni Poliennali Del Tesoro EUR	1.250	01-Dec-2026	103	105	
56	Buoni Poliennali Del Tesoro EUR	2.050	01-Aug-2027	81	82	
22	Buoni Poliennali Del Tesoro EUR	2.000	01-Feb-2028	32	32	
57	Buoni Poliennali Del Tesoro EUR	4.750	01-Sep-2028	108	103	
55	Buoni Poliennali Del Tesoro EUR	1.650	01-Mar-2032	72	73	
66	Buoni Poliennali Del Tesoro EUR	2.450	01-Sep-2033	94	95	
71	Buoni Poliennali Del Tesoro EUR	2.250	01-Sep-2036	95	98	
42	Buoni Poliennali Del Tesoro EUR	4.000	01-Feb-2037	76	73	
14	Buoni Poliennali Del Tesoro EUR	2.950	01-Sep-2038	21	21	
5	Buoni Poliennali Del Tesoro EUR	3.250	01-Sep-2046	8	8	
25	Buoni Poliennali Del Tesoro EUR	2.700	01-Mar-2047	33	34	
28	Buoni Poliennali Del Tesoro EUR	3.450	01-Mar-2048	44	43	
10	Buoni Poliennali Del Tesoro EUR	2.800	01-Mar-2067	12	13	
				2 139	2 150	7.4



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Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
Japan						
17 950	Japan Government Two Year JPY	0.100	15-Aug-2019	\$ 203	\$ 214	
1 700	Japan Government Two Year JPY	0.100	15-Apr-2020	20	20	
8 000	Japan Government Five Year JPY	0.100	20-Sep-2020	88	95	
13 650	Japan Government Five Year JPY	0.100	20-Sep-2021	152	163	
1 500	Japan Government Five Year JPY	0.100	20-Mar-2022	17	18	
28 000	Japan Government Five Year JPY	0.100	20-Jun-2022	310	335	
3 000	Japan Government Five Year JPY	0.100	20-Dec-2022	34	36	
2 000	Japan Government Five Year JPY	0.100	20-Mar-2023	24	24	
35 200	Japan Government Ten Year JPY	1.300	20-Mar-2020	400	428	
10 000	Japan Government Ten Year JPY	1.000	20-Sep-2020	117	122	
8 300	Japan Government Ten Year JPY	1.300	20-Mar-2021	96	102	
18 000	Japan Government Ten Year JPY	0.600	20-Sep-2023	208	222	
1 500	Japan Government Ten Year JPY	0.600	20-Dec-2023	18	18	
1 300	Japan Government Ten Year JPY	0.500	20-Dec-2024	15	16	
13 800	Japan Government Ten Year JPY	0.100	20-Dec-2026	153	166	
29 000	Japan Government Ten Year JPY	0.100	20-Jun-2027	321	347	
2 500	Japan Government Ten Year JPY	0.100	20-Dec-2027	30	30	
7 700	Japan Government Ten Year JPY	0.100	20-Mar-2028	93	92	
4 000	Japan Government Twenty Year JPY	2.500	21-Dec-2020	49	51	
20 000	Japan Government Twenty Year JPY	1.900	20-Jun-2022	240	257	
10 000	Japan Government Twenty Year JPY	1.800	20-Jun-2023	123	130	
2 500	Japan Government Twenty Year JPY	2.100	20-Sep-2025	33	34	
15 000	Japan Government Twenty Year JPY	2.100	20-Mar-2027	197	211	
26 600	Japan Government Twenty Year JPY	2.100	20-Dec-2027	355	378	
13 500	Japan Government Twenty Year JPY	2.400	20-Mar-2028	187	197	
21 000	Japan Government Twenty Year JPY	1.700	20-Jun-2033	279	302	
30 000	Japan Government Twenty Year JPY	0.500	20-Sep-2036	329	361	
28 600	Japan Government Twenty Year JPY	0.700	20-Mar-2037	328	355	
5 000	Japan Government Twenty Year JPY	0.600	20-Dec-2037	57	61	
2 500	Japan Government Twenty Year JPY	0.500	20-Mar-2038	29	30	
9 000	Japan Government Thirty Year JPY	2.400	20-Mar-2037	136	144	
13 300	Japan Government Thirty Year JPY	2.300	20-Mar-2039	199	213	
7 500	Japan Government Thirty Year JPY	1.800	20-Sep-2043	103	113	
500	Japan Government Thirty Year JPY	0.500	20-Sep-2046	6	6	
18 500	Japan Government Thirty Year JPY	0.800	20-Jun-2047	202	226	
300	Japan Government Thirty Year JPY	0.800	20-Sep-2047	3	4	
1 000	Japan Government Thirty Year JPY	0.800	20-Dec-2047	11	12	
2 200	Japan Government Thirty Year JPY	0.800	20-Mar-2048	26	27	
3 600	Japan Government Forty Year JPY	2.400	20-Mar-2048	58	62	
2 100	Japan Government Forty Year JPY	2.000	20-Mar-2052	31	34	
2 000	Japan Government Forty Year JPY	1.900	20-Mar-2053	29	32	
2 400	Japan Government Forty Year JPY	1.700	20-Mar-2054	34	36	
7 500	Japan Government Forty Year JPY	0.400	20-Mar-2056	69	77	
				5 412	5 801	20.1
Malaysia						
28	Malaysia Government MYR	4.378	29-Nov-2019	9	9	
13	Malaysia Government MYR	3.492	31-Mar-2020	4	4	
20	Malaysia Government MYR	3.659	15-Oct-2020	6	7	
89	Malaysia Government MYR	3.882	10-Mar-2022	27	29	
47	Malaysia Government MYR	4.059	30-Sep-2024	14	15	
108	Malaysia Government MYR	3.899	16-Nov-2027	33	34	
34	Malaysia Government MYR	4.762	07-Apr-2037	11	11	
15	Malaysia Government MYR	4.736	15-Mar-2046	4	5	
				108	114	0.4



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Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
Mexico						
325	Mexican Bonos MXN	5.000	11-Dec-2019	\$ 21	\$ 21	
190	Mexican Bonos MXN	8.000	11-Jun-2020	13	13	
350	Mexican Bonos MXN	6.500	10-Jun-2021	24	23	
83	Mexican Bonos MXN	7.250	09-Dec-2021	5	5	
270	Mexican Bonos MXN	6.500	09-Jun-2022	18	17	
65	Mexican Bonos MXN	8.000	07-Dec-2023	5	4	
328	Mexican Bonos MXN	10.000	05-Dec-2024	27	25	
200	Mexican Bonos MXN	5.750	05-Mar-2026	12	12	
150	Mexican Bonos MXN	7.500	03-Jun-2027	11	10	
100	Mexican Bonos MXN	8.500	31-May-2029	7	7	
230	Mexican Bonos MXN	7.750	29-May-2031	17	16	
205	Mexican Bonos MXN	8.500	18-Nov-2038	16	15	
230	Mexican Bonos MXN	7.750	13-Nov-2042	16	16	
50	Mexican Bonos MXN	8.000	07-Nov-2047	4	3	
				196	187	0.6
Netherlands						
19	Netherlands Government EUR	0.250	15-Jan-2020	28	30	
39	Netherlands Government EUR	3.500	15-Jul-2020	64	65	
18	Netherlands Government EUR	3.250	15-Jul-2021	31	31	
4	Netherlands Government EUR	0.000	15-Jan-2022	6	6	
5	Netherlands Government EUR	2.250	15-Jul-2022	8	9	
43	Netherlands Government EUR	1.750	15-Jul-2023	70	73	
8	Netherlands Government EUR	0.000	15-Jan-2024	12	12	
29	Netherlands Government EUR	2.000	15-Jul-2024	48	50	
15	Netherlands Government EUR	0.500	15-Jul-2026	22	24	
23	Netherlands Government EUR	0.750	15-Jul-2027	34	37	
7	Netherlands Government EUR	5.500	15-Jan-2028	16	16	
10	Netherlands Government EUR	0.750	15-Jul-2028	16	16	
15	Netherlands Government EUR	2.500	15-Jan-2033	27	29	
18	Netherlands Government EUR	4.000	15-Jan-2037	40	43	
13	Netherlands Government EUR	3.750	15-Jan-2042	30	32	
15	Netherlands Government EUR	2.750	15-Jan-2047	30	33	
				482	506	1.7
Norway						
76	Norwegian Government NOK	3.750	25-May-2021	13	13	
75	Norwegian Government NOK	2.000	24-May-2023	12	12	
56	Norwegian Government NOK	3.000	14-Mar-2024	10	10	
38	Norwegian Government NOK	1.750	13-Mar-2025	6	6	
45	Norwegian Government NOK	1.500	19-Feb-2026	7	7	
38	Norwegian Government NOK	1.750	17-Feb-2027	6	6	
				54	54	0.2
Poland						
60	Government of Poland PLN	1.500	25-Apr-2020	20	21	
40	Government of Poland PLN	0.000	25-Jul-2020	14	14	
18	Government of Poland PLN	5.250	25-Oct-2020	7	7	
45	Government of Poland PLN	1.750	25-Jul-2021	15	16	
70	Government of Poland PLN	2.250	25-Apr-2022	24	25	
5	Government of Poland PLN	5.750	23-Sep-2022	2	2	
45	Government of Poland USD	2.500	25-Jan-2023	16	16	
50	Government of Poland PLN	3.250	25-Jul-2025	17	18	
10	Government of Poland PLN	2.500	25-Jul-2026	4	3	
76	Government of Poland PLN	2.500	25-Jul-2027	25	25	
				144	147	0.5



June 30, 2018

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
Singapore						
12	Singapore Government SGD	1.625	01-Oct-2019	\$ 11	\$ 12	
5	Singapore Government SGD	2.000	01-Jul-2020	5	5	
10	Singapore Government SGD	2.250	01-Jun-2021	9	10	
26	Singapore Government SGD	1.750	01-Apr-2022	24	25	
6	Singapore Government SGD	1.750	01-Feb-2023	6	6	
20	Singapore Government SGD	2.125	01-Jun-2026	18	19	
3	Singapore Government SGD	2.625	01-May-2028	3	3	
7	Singapore Government SGD	2.875	01-Jul-2029	7	7	
8	Singapore Government SGD	2.250	01-Aug-2036	7	7	
8	Singapore Government SGD	2.750	01-Mar-2046	8	8	
				98	102	0.4
South Africa						
108	Republic of South Africa Government ZAR	8.000	31-Jan-2030	10	9	
30	Republic of South Africa Government ZAR	6.500	28-Feb-2041	2	2	
100	Republic of South Africa ZAR	7.250	15-Jan-2020	9	10	
200	Republic of South Africa ZAR	7.750	28-Feb-2023	19	19	
386	Republic of South Africa ZAR	7.000	28-Feb-2031	30	31	
130	Republic of South Africa ZAR	8.250	31-Mar-2032	13	11	
205	Republic of South Africa ZAR	8.500	31-Jan-2037	17	18	
175	Republic of South Africa ZAR	8.750	31-Jan-2044	15	15	
205	Republic of South Africa ZAR	8.750	28-Feb-2048	18	18	
				133	133	0.5
Spain						
50	Spain Government EUR	4.300	31-Oct-2019	83	82	
55	Spain Government EUR	1.400	31-Jan-2020	84	87	
30	Spain Government EUR	4.000	30-Apr-2020	50	50	
27	Spain Government EUR	0.050	31-Jan-2021	40	42	
8	Spain Government EUR	5.500	30-Apr-2021	14	14	
37	Spain Government EUR	5.850	31-Jan-2022	69	69	
86	Spain Government EUR	0.400	30-Apr-2022	126	134	
15	Spain Government EUR	0.450	31-Oct-2022	22	23	
12	Spain Government EUR	5.400	31-Jan-2023	23	23	
12	Spain Government EUR	3.800	30-Apr-2024	22	22	
113	Spain Government EUR	2.750	31-Oct-2024	188	196	
10	Spain Government EUR	1.600	30-Apr-2025	16	16	
66	Spain Government EUR	2.150	31-Oct-2025	103	110	
63	Spain Government EUR	1.450	31-Oct-2027	93	98	
15	Spain Government EUR	1.400	30-Apr-2028	23	23	
19	Spain Government EUR	5.150	31-Oct-2028	39	40	
128	Spain Government EUR	2.350	30-Jul-2033	191	209	
22	Spain Government EUR	4.200	31-Jan-2037	44	45	
3	Spain Government EUR	5.150	31-Oct-2044	7	7	
36	Spain Government EUR	2.900	31-Oct-2046	54	60	
6	Spain Government EUR	2.700	31-Oct-2048	10	10	
11	Spain Government EUR	3.450	30-Jul-2066	18	20	
				1 319	1 380	4.8
Sweden						
110	Government of Sweden SEK	5.000	01-Dec-2020	20	18	
20	Government of Sweden SEK	3.500	01-Jun-2022	3	3	
160	Government of Sweden SEK	1.500	13-Nov-2023	26	26	
65	Government of Sweden SEK	2.500	12-May-2025	12	11	
80	Government of Sweden SEK	1.000	12-Nov-2026	13	12	
50	Government of Sweden SEK	0.750	12-May-2028	8	8	
45	Government of Sweden SEK	3.500	30-Mar-2039	9	9	
				91	87	0.3

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



June 30, 2018

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
Switzerland						
4	Swiss Government CHF	2.250	06-Jul-2020	\$ 6	\$ 6	
4	Swiss Government CHF	2.000	28-Apr-2021	6	6	
5	Swiss Government CHF	4.000	11-Feb-2023	8	8	
6	Swiss Government CHF	4.000	08-Apr-2028	11	11	
				31	31	0.1
United Kingdom						
28	United Kingdom Gilt GBP	1.750	22-Jul-2019	48	49	
5	United Kingdom Gilt GBP	3.750	07-Sep-2019	9	9	
106	United Kingdom Gilt GBP	2.000	22-Jul-2020	183	189	
40	United Kingdom Gilt GBP	3.750	07-Sep-2020	75	74	
3	United Kingdom Gilt GBP	1.500	22-Jan-2021	5	5	
2	United Kingdom Gilt GBP	4.000	07-Mar-2022	4	4	
41	United Kingdom Gilt GBP	0.500	22-Jul-2022	67	70	
10	United Kingdom Gilt GBP	1.750	07-Sep-2022	18	18	
37	United Kingdom Gilt GBP	0.750	22-Jul-2023	61	63	
49	United Kingdom Gilt GBP	2.750	07-Sep-2024	91	94	
13	United Kingdom Gilt GBP	5.000	07-Mar-2025	28	28	
80	United Kingdom Gilt GBP	1.250	22-Jul-2027	131	138	
22	United Kingdom Gilt GBP	4.250	07-Dec-2027	48	48	
13	United Kingdom Gilt GBP	1.625	22-Oct-2028	23	23	
35	United Kingdom Gilt GBP	4.250	07-Jun-2032	78	81	
75	United Kingdom Gilt GBP	1.750	07-Sep-2037	121	131	
30	United Kingdom Gilt GBP	4.750	07-Dec-2038	78	79	
45	United Kingdom Gilt GBP	3.250	22-Jan-2044	94	102	
3	United Kingdom Gilt GBP	3.500	22-Jan-2045	7	7	
15	United Kingdom Gilt GBP	4.250	07-Dec-2046	39	41	
105	United Kingdom Gilt GBP	1.500	22-Jul-2047	159	172	
2	United Kingdom Gilt GBP	3.750	22-Jul-2052	5	5	
4	United Kingdom Gilt GBP	4.250	07-Dec-2055	12	12	
24	United Kingdom Gilt GBP	1.750	22-Jul-2057	41	43	
12	United Kingdom Gilt GBP	4.000	22-Jan-2060	35	36	
34	United Kingdom Gilt GBP	2.500	22-Jul-2065	70	77	
3	United Kingdom Gilt GBP	3.500	22-Jul-2068	8	9	
7	United Kingdom Gilt GBP	1.625	22-Oct-2071	13	12	
				1 551	1 619	5.6
United States						
174	United States Treasury	1.250	30-Jun-2019	216	216	
200	United States Treasury	0.875	31-Jul-2019	241	259	
60	United States Treasury	1.250	31-Aug-2019	75	78	
194	United States Treasury	0.875	15-Sep-2019	234	251	
38	United States Treasury	3.375	15-Nov-2019	49	51	
130	United States Treasury	1.375	15-Dec-2019	158	168	
75	United States Treasury	1.250	31-Jan-2020	91	97	
75	United States Treasury	2.000	31-Jan-2020	92	98	
200	United States Treasury	1.625	15-Mar-2020	247	259	
153	United States Treasury	1.125	31-Mar-2020	185	197	
88	United States Treasury	2.250	31-Mar-2020	112	115	
50	United States Treasury	2.375	30-Apr-2020	65	66	
40	United States Treasury	1.500	15-May-2020	51	52	
50	United States Treasury	2.500	31-May-2020	65	66	
140	United States Treasury	1.500	15-Jun-2020	171	181	
245	United States Treasury	1.500	15-Aug-2020	298	315	
30	United States Treasury	1.375	15-Sep-2020	37	38	
175	United States Treasury	1.375	30-Sep-2020	212	224	
40	United States Treasury	1.750	31-Dec-2020	49	52	
50	United States Treasury	2.375	31-Dec-2020	63	65	

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



June 30, 2018

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
United States (cont.)						
70	United States Treasury	2.125	31-Jan-2021	\$ 87	\$ 91	
120	United States Treasury	3.625	15-Feb-2021	158	162	
40	United States Treasury	2.375	15-Apr-2021	51	52	
25	United States Treasury	2.250	30-Apr-2021	31	33	
45	United States Treasury	2.625	15-May-2021	59	59	
150	United States Treasury	3.125	15-May-2021	192	200	
140	United States Treasury	1.375	31-May-2021	169	178	
125	United States Treasury	1.125	31-Jul-2021	149	157	
55	United States Treasury	1.125	31-Aug-2021	68	69	
125	United States Treasury	1.125	30-Sep-2021	149	157	
150	United States Treasury	2.000	15-Nov-2021	185	193	
208	United States Treasury	2.000	31-Dec-2021	256	268	
100	United States Treasury	2.000	15-Feb-2022	123	129	
200	United States Treasury	1.750	31-Mar-2022	243	254	
170	United States Treasury	1.625	15-Aug-2022	205	214	
40	United States Treasury	1.625	31-Aug-2022	49	50	
33	United States Treasury	2.000	31-Oct-2022	42	42	
80	United States Treasury	1.625	15-Nov-2022	96	101	
67	United States Treasury	2.125	31-Dec-2022	83	86	
114	United States Treasury	2.375	31-Jan-2023	141	148	
15	United States Treasury	1.500	28-Feb-2023	18	19	
40	United States Treasury	2.500	31-Mar-2023	51	52	
10	United States Treasury	1.750	15-May-2023	12	13	
18	United States Treasury	1.625	31-May-2023	22	22	
68	United States Treasury	2.750	31-May-2023	89	90	
45	United States Treasury	1.375	30-Jun-2023	53	55	
20	United States Treasury	6.250	15-Aug-2023	29	31	
150	United States Treasury	1.625	31-Oct-2023	179	186	
150	United States Treasury	2.750	15-Nov-2023	191	197	
150	United States Treasury	2.750	15-Feb-2024	191	197	
250	United States Treasury	2.000	30-Apr-2024	304	315	
207	United States Treasury	2.000	31-May-2024	252	261	
25	United States Treasury	2.375	15-Aug-2024	30	32	
35	United States Treasury	1.875	31-Aug-2024	43	44	
24	United States Treasury	2.125	30-Sep-2024	31	30	
145	United States Treasury	2.250	31-Oct-2024	176	185	
29	United States Treasury	2.125	30-Nov-2024	36	37	
30	United States Treasury	2.250	31-Dec-2024	36	38	
107	United States Treasury	2.000	15-Feb-2025	130	134	
30	United States Treasury	2.750	28-Feb-2025	38	39	
65	United States Treasury	2.625	31-Mar-2025	82	85	
55	United States Treasury	2.125	15-May-2025	68	69	
57	United States Treasury	2.875	31-May-2025	74	75	
50	United States Treasury	2.250	15-Nov-2025	62	63	
115	United States Treasury	1.625	15-Feb-2026	134	139	
75	United States Treasury	2.000	15-Nov-2026	90	92	
25	United States Treasury	2.250	15-Feb-2027	31	31	
87	United States Treasury	2.375	15-May-2027	106	110	
76	United States Treasury	2.250	15-Aug-2027	93	95	
36	United States Treasury	6.125	15-Nov-2027	57	60	
34	United States Treasury	2.750	15-Feb-2028	43	44	
27	United States Treasury	2.875	15-May-2028	35	36	
17	United States Treasury	5.500	15-Aug-2028	27	28	
4	United States Treasury	5.250	15-Nov-2028	6	6	
80	United States Treasury	5.250	15-Feb-2029	127	128	
89	United States Treasury	4.500	15-Feb-2036	142	143	
39	United States Treasury	5.000	15-May-2037	64	67	

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



June 30, 2018

Par Value (000s)	Security	Coupon Rate %	Maturity	Cost	Fair Value	% of Net Assets
United States (cont.)						
6	United States Treasury	4.375	15-Feb-2038	\$ 9	\$ 10	
64	United States Treasury	3.500	15-Feb-2039	89	92	
10	United States Treasury	4.375	15-May-2040	15	16	
125	United States Treasury	3.125	15-Nov-2041	164	169	
135	United States Treasury	2.875	15-May-2043	168	175	
120	United States Treasury	3.750	15-Nov-2043	174	179	
135	United States Treasury	3.000	15-Nov-2044	172	178	
50	United States Treasury	3.000	15-Nov-2045	62	66	
110	United States Treasury	2.500	15-Feb-2046	127	132	
23	United States Treasury	3.000	15-Feb-2047	29	30	
178	United States Treasury	3.000	15-May-2047	226	235	
106	United States Treasury	2.750	15-Aug-2047	129	133	
30	United States Treasury	3.000	15-Feb-2048	40	40	
21	United States Treasury	3.125	15-May-2048	28	29	
				9 831	10 223	35.3
TOTAL GLOBAL GOVERNMENT BONDS				\$ 27 788	28 986	100.2
UNREALIZED LOSS ON FOREIGN EXCHANGE CONTRACTS (SCHEDULE A)					(242)	(0.8)
TOTAL PORTFOLIO					28 744	99.4
OTHER NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS					185	0.6
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS					\$ 28 929	100.0

SCHEDULE A

Foreign Exchange Contracts

Contracts	Maturity Date	Unrealized Gain (Loss)
Bought CAD 1 596 Sold GBP 924 @ 1.7273	05-Jul-2018	\$ (9)
Bought CAD 135 Sold DKK 664 @ 0.2038	05-Jul-2018	(2)
Bought CAD 62 Sold NOK 388 @ 0.1586	05-Jul-2018	(1)
Bought CAD 84 Sold SGD 87 @ 0.9696	05-Jul-2018	–
Bought CAD 121 Sold ZAR 1 190 @ 0.1019	05-Jul-2018	7
Bought CAD 95 Sold SEK 646 @ 0.1471	05-Jul-2018	–
Bought CAD 37 Sold CHF 28 @ 1.322	05-Jul-2018	–
Bought CAD 4 974 Sold USD 3 838 @ 1.296	05-Jul-2018	(74)
Bought CAD 2 931 Sold JPY 245 174 @ 0.012	05-Jul-2018	18
Bought CAD 170 Sold MXN 2 634 @ 0.0644	05-Jul-2018	(6)
Bought CAD 4 974 Sold USD 3 838 @ 1.2959	05-Jul-2018	(74)
Bought CAD 47 Sold GBP 27 @ 1.7269	05-Jul-2018	–
Bought EUR 128 Sold CAD 194 @ 1.5163	05-Jul-2018	3
Bought CAD 113 Sold JPY 9 481 @ 0.012	05-Jul-2018	1
Bought JPY 8 878 Sold CAD 105 @ 0.0118	05-Jul-2018	–
Bought CAD 323 Sold USD 249 @ 1.2959	05-Jul-2018	(5)
Bought USD 88 Sold CAD 114 @ 1.2952	05-Jul-2018	2
Bought CAD 4 718 Sold EUR 3 111 @ 1.5165	05-Jul-2018	(62)
Bought CAD 2 931 Sold JPY 245 174 @ 0.012	05-Jul-2018	18
Bought CAD 137 Sold PLN 392 @ 0.3505	05-Jul-2018	–
Bought CAD 481 Sold AUD 490 @ 0.9808	05-Jul-2018	4
Bought CAD 4 718 Sold EUR 3 111 @ 1.5165	05-Jul-2018	(62)
TOTAL FOREIGN EXCHANGE		\$ (242)

All counterparties have a credit rating of at least A.



Statements of Financial Position (unaudited)

(in \$000s except per unit amounts)

(see note 2 in the generic notes)	June 30 2018	December 31 2017
ASSETS		
Investments at fair value	\$ 28 986	\$ 25 780
Cash	22	88
Due from investment dealers	–	141
Unrealized gain on foreign exchange contracts	–	674
Dividends receivable, interest accrued and other assets	175	124
TOTAL ASSETS	29 183	26 807
LIABILITIES		
Due to investment dealers	2	756
Unrealized loss on foreign exchange contracts	242	–
Distributions payable	–	38
Accounts payable and accrued expenses	10	9
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS	254	803
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS ("NAV")	\$ 28 929	\$ 26 004
Investments at cost	\$ 27 788	\$ 25 225
NAV PER UNIT	\$ 19.95	\$ 20.00

Statement of Comprehensive Income (unaudited)

(in \$000s except per unit amounts)

For the period ended June 30 (see note 2 in the generic notes)	2018
INCOME (see note 3 in the generic notes)	
Interest for distribution purposes	\$ 286
Derivative income	(1 033)
Net realized gain (loss) on investments	295
Change in unrealized gain (loss) on investments	643
TOTAL NET GAIN (LOSS) ON INVESTMENTS AND DERIVATIVES	191
Other income (loss)	2
Securities lending revenue	
(see note 8 in the generic notes)	1
Net gain (loss) on foreign cash balances	(33)
TOTAL OTHER INCOME (LOSS)	(30)
TOTAL INCOME (LOSS)	161
EXPENSES (see notes – ETF Specific Information)	
Management fees	49
GST/HST	6
TOTAL EXPENSES	55
INCREASE (DECREASE) IN NAV	\$ 106
INCREASE (DECREASE) IN NAV PER UNIT	\$ 0.08



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

For the period ended June 30 (see note 2 in the generic notes)	2018
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase (decrease) in NAV	\$ 106
ADJUSTMENTS TO RECONCILE NET CASH PROVIDED BY (USED IN) OPERATIONS	
Interest for distribution purposes	—
Net unrealized foreign exchange (gain) loss on cash	—
Net realized loss (gain) on investments	(295)
Change in unrealized loss (gain) on investments and foreign exchange contracts	272
Non-cash distributions from underlying funds	—
(Increase) decrease in accrued receivables	(51)
Increase (decrease) in accrued payables	1
Cost of investments purchased*	(11 445)
Proceeds from sale and maturity of investments*	8 565
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(2 847)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of redeemable units*	7 944
Cash paid on redemption of redeemable units*	(4 961)
Distributions paid to holders of redeemable units	(202)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	\$ 2 781
Net unrealized foreign exchange gain (loss) on cash	—
Net increase (decrease) in cash for the period	(66)
Cash (bank overdraft), beginning of period	88
CASH (BANK OVERDRAFT), END OF PERIOD	\$ 22
Interest received (paid)	\$ 235
Dividends received, net of withholding taxes	\$ —

* Excludes in-kind transactions.



Statement of Changes in NAV *(unaudited) (in \$000s)*

For the period ended June 30 (see note 2 in the generic notes)	Total 2018
NAV AT BEGINNING OF PERIOD	\$ 26 004
INCREASE (DECREASE) IN NAV	106
Early redemption fees	—
Proceeds from redeemable units issued	7 944
Reinvestments of distributions to holders of redeemable units	—
Redemption of redeemable units	(4 961)
NET INCREASE (DECREASE) FROM REDEEMABLE UNIT TRANSACTIONS	2 983
Distributions from net income	(164)
Distributions from net gains	—
Distributions from capital	—
TOTAL DISTRIBUTIONS TO HOLDERS OF REDEEMABLE UNITS	(164)
NET INCREASE (DECREASE) IN NAV	2 925
NAV AT END OF PERIOD	\$ 28 929



June 30, 2018

General information (see note 1 in the generic notes)

The investment objective of the ETF is to replicate, to the extent possible and before fees and expenses, the performance of a broad world government bond index that is hedged to Canadian dollars. Currently, the ETF seeks to track the FTSE World Government Bond Index (Currency-Hedged in CAD) (or any successor thereto).

The ETF was started August 9, 2017.

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

Credit risk (%)

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

Rating	June 30 2018	December 31 2017
AAA	12.3	48.0
AA	52.8	17.0
A	27.0	21.0
BBB	7.9	11.8
BB	–	0.5
Unrated	–	1.7
Total	100.0	100.0

Concentration risk (%)

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

Investment mix	June 30 2018	December 31 2017
Global Bonds		
United States	35.3	34.3
Japan	20.1	19.6
France	8.2	8.2
Italy	7.4	7.9
Germany	5.7	5.8
United Kingdom	5.6	5.5
Spain	4.8	4.7
Other Global Bonds	13.1	13.1
Other Net Assets	(0.2)	0.9
Total	100.0	100.0

Interest rate risk (%)

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

Term to maturity	June 30 2018	December 31 2017
Less than 1 year	0.4	–
1 – 5 years	44.1	46.2
5 – 10 years	28.7	28.9
> 10 years	26.8	24.9
Total	100.0	100.0

As at June 30, 2018, had prevailing interest rates risen or lowered by 1%, with all other factors kept constant, the ETF's NAV may have decreased or increased, respectively, by approximately 7.9% (December 31, 2017 – 7.7%). In practice, actual results could differ from this sensitivity analysis and the difference could be material.

Currency risk (% of NAV)

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

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

The following is a summary of the inputs used as of June 30, 2018 and December 31, 2017.

June 30, 2018	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Underlying funds	–	–	–	–
Fixed-income				
and debt securities	–	28 986	–	28 986
Short-term investments	–	–	–	–
Derivatives – assets	–	–	–	–
Derivatives – liabilities	–	(242)	–	(242)
Total financial instruments	–	28 744	–	28 744
% of total portfolio	–	100.0	–	100.0

December 31, 2017	Level 1	Level 2	Level 3	Total
Equities	–	–	–	–
Underlying funds	–	–	–	–
Fixed-income				
and debt securities	–	25 780	–	25 780
Short-term investments	–	–	–	–
Derivatives – assets	–	687	–	687
Derivatives – liabilities	–	(13)	–	(13)
Total financial instruments	–	26 454	–	26 454
% of total portfolio	–	100.0	–	100.0

For the periods ended June 30, 2018 and December 31, 2017, there were no transfers of financial instruments between Level 1, Level 2 and Level 3.



June 30, 2018

Management fees (see note 9 in the generic notes)

RBC GAM is paid a management fee per annum of the NAV by the ETF as compensation for its services. The management fee of the ETF is calculated at 0.35% annually, before GST/HST, of the daily NAV of the ETF.

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

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

	June 30 2018	December 31 2017
Units held		
RBC Global Government Bond (CAD Hedged) Index ETF	400 000	600 000
Value of all units	7 980	12 002

Taxes (\$000s) (see note 7 in the generic notes)

The non-capital and capital losses as at December 31, 2017 for the ETF were approximately:

Capital losses	1 238
Non-capital losses	—

Redeemable units (000s) (see note 6 in the generic notes)

The NAV per unit is arrived at by dividing the NAV of the ETF by the total number of units outstanding at the end of each trading day of the ETF.

For the period ended June 30 (see note 2 in the generic notes)	2018
Opening units	1 300
Issued number of units	400
Reinvested number of units	—
Redeemed number of units	(250)
Ending number of units	1 450

Securities lending revenue (\$000s except %) (see note 8 in the generic notes)

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

	June 30 2018
Fair value of securities loaned	2 148
Fair value of collateral received	2 193

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

	June 30 2018	
	\$	%
Gross revenue	1	100
RBC IS (paid)	—	(25)
Tax withheld	—	—
ETF revenue	1	75

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1. The ETFs

The RBC ETFs, the exchange-traded funds (“ETF” or “ETFs”), are open-ended mutual fund trusts governed by the laws of the Province of Ontario and governed by a Master Declaration of Trust. RBC GAM is the manager, trustee and portfolio manager of the ETFs and its head office is located at 155 Wellington Street West, 22nd Floor, Toronto, Ontario. These financial statements were approved for issuance by the Board of Directors of RBC GAM on August 9, 2018.

The units of the ETFs are listed either on the Toronto Stock Exchange (the “TSX”) or on the Aequis NEO Exchange (the “NEO Exchange”) as the case may be. The TSX and the NEO Exchange are each referred to herein as the “Exchange.” Investors may purchase or sell units on the applicable Exchange in the same way as other securities listed on the Exchange.

ETF	Exchange Ticker Symbol	Index*
RBC 1-5 Year Laddered Canadian Bond ETF	RLB	Not applicable
RBC 1-5 Year Laddered Corporate Bond ETF	RBO	Not applicable
RBC 6-10 Year Laddered Canadian Corporate Bond ETF	RMBO	Not applicable
RBC Target 2018 Corporate Bond Index ETF	RQF	FTSE TMX Canada 2018 Maturity Corporate Bond Index
RBC Target 2019 Corporate Bond Index ETF	RQG	FTSE TMX Canada 2019 Maturity Corporate Bond Index
RBC Target 2020 Corporate Bond Index ETF	RQH	FTSE TMX Canada 2020 Maturity Corporate Bond Index
RBC Target 2021 Corporate Bond Index ETF	RQI	FTSE TMX Canada 2021 Maturity Corporate Bond Index
RBC Target 2022 Corporate Bond Index ETF	RQJ	FTSE TMX Canada 2022 Maturity Corporate Bond Index
RBC Target 2023 Corporate Bond Index ETF	RQK	FTSE TMX Canada 2023 Maturity Corporate Bond Index
RBC PH&N Short Term Canadian Bond ETF	RPSB	Not applicable
RBC Canadian Short Term Bond Index ETF	RCSB	FTSE TMX Canada Universe + Maple Short Term Overall Bond Index
RBC Canadian Bond Index ETF	RCUB	FTSE TMX Canada Universe + Maple Bond Index

ETF	Exchange Ticker Symbol	Index*
RBC Short Term U.S. Corporate Bond ETF	RUSB RUSB.U	Not applicable
RBC Global Government Bond (CAD Hedged) Index ETF	RGGB	FTSE World Government Bond Index (Currency-Hedged in CAD)
RBC BlueBay Global Diversified Income (CAD Hedged) ETF	RBDI	Not applicable
RBC Canadian Preferred Share ETF	RPF	Not applicable
RBC Quant Canadian Dividend Leaders ETF	RCD	Not applicable
RBC Quant Canadian Equity Leaders ETF	RCE	Not applicable
RBC Canadian Equity Index ETF	RCAN	FTSE Canada All Cap Domestic Index
RBC Vision Women's Leadership MSCI Canada Index ETF	RLDR	MSCI Canada IMI Women's Leadership Select Index
RBC Canadian Bank Yield Index ETF	RBK	Solactive Canada Bank Yield Index
RBC Quant U.S. Dividend Leaders ETF	RUD RUD.U	Not applicable
RBC Quant U.S. Dividend Leaders (CAD Hedged) ETF	RUDH	Not applicable
RBC Quant U.S. Equity Leaders ETF	RUE RUE.U	Not applicable
RBC Quant U.S. Equity Leaders (CAD Hedged) ETF	RUEH	Not applicable
RBC U.S. Equity Index ETF	RUSA RUSA.U	FTSE USA Index
RBC Quant European Dividend Leaders ETF	RPD RPD.U	Not applicable
RBC Quant European Dividend Leaders (CAD Hedged) ETF	RPDH	Not applicable
RBC Quant EAFE Dividend Leaders ETF	RID RID.U	Not applicable
RBC Quant EAFE Dividend Leaders (CAD Hedged) ETF	RIDH	Not applicable
RBC Quant EAFE Equity Leaders ETF	RIE RIE.U	Not applicable
RBC Quant EAFE Equity Leaders (CAD Hedged) ETF	RIEH	Not applicable
RBC International Equity Index ETF	RINT RINT.U	FTSE Developed ex North America Index
RBC Quant Emerging Markets Dividend Leaders ETF	RXD RXD.U	Not applicable
RBC Quant Emerging Markets Equity Leaders ETF	RXE RXE.U	Not applicable

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ETF	Exchange Ticker Symbol	Index*
RBC Emerging Markets Equity Index ETF	REEM REEM.U	FTSE Emerging Index
RBC Strategic Global Dividend Leaders ETF	RLD	Not applicable
RBC Strategic Global Equity Leaders ETF	RLE	Not applicable
RBC Quant Global Infrastructure Leaders ETF	RIG RIG.U	Not applicable
RBC Quant Global Real Estate Leaders ETF	RGRE RGRE.U	Not applicable

* These indices have been licensed for use for certain purposes to RBC GAM by FTSE Global Debt Capital Markets Inc., FTSE International Limited, FTSE Fixed Income LLC, Solactive AG and MSCI Inc. (each an "Index Provider" and together, the "Index Providers"), as applicable. The ETFs are not sponsored, endorsed, sold or promoted by the Index Providers. The Index Providers make no warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the indices they have licensed to RBC GAM and/or the figures at which the indices they have licensed to RBC GAM stand at any particular time on any particular day or otherwise. The indices are compiled, calculated and published by the applicable Index Provider. The Index Providers shall not be liable (whether in negligence or otherwise) to any person for any error in the indices they have licensed to RBC GAM and the Index Providers shall not be under any obligation to advise any person of any error therein. The Index Providers make no representation regarding the advisability of investing in the ETFs.

"TMX" is a trademark of TSX Inc. and is used under licence.

2. Financial period

The information provided in these financial statements and notes thereto is for the six-month periods ended June 30, 2018 and 2017, or as at June 30, 2018 and December 31, 2017, as applicable. In the year an ETF is established, "period" represents the period from inception to June 30 of that fiscal year.

3. Summary of significant accounting policies

These financial statements have been prepared in compliance 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 ETFs, which are investment entities, are as follows:

Adoption of New Accounting Standards Effective January 1, 2018, the ETFs adopted IFRS 9 Financial Instruments. The new standard requires financial assets to be classified as amortized cost and fair value, with changes in fair value through profit and loss ("FVTPL") or fair value through other comprehensive income ("FVOCI") based on the entity's business model for managing financial assets

and the contractual cash flow characteristics of the financial assets. Assessment and decision on the business model approach used is an accounting judgment.

The adoption of IFRS 9 has been applied retrospectively without the use of hindsight and did not result in a change to the measurement of financial instruments, in either the current or comparative period. The ETFs' financial assets and financial liabilities previously designated as FVTPL under IAS 39 Financial Instruments continue to be measured as FVTPL. Other financial assets and liabilities will continue to be measured at amortized cost.

Classification and Measurement of Financial Assets, Liabilities and Derivatives Each of the ETFs classify their investment and derivative portfolio based on the business model for managing the portfolio and the contractual cash flow characteristics. The investment portfolio of financial assets, liabilities and derivatives is managed and performance is evaluated on a fair value basis. The contractual cash flows of the ETFs' debt securities are solely principal and interest; however, these securities 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 ETFs' business model objectives. Consequently, all investments and derivative contracts are measured at FVTPL.

The ETFs' 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.

Classification of Redeemable Units The ETFs' redeemable units, which are puttable instruments, are held by different types of unitholders that are entitled to different redemption rights. Consequently, the ETFs' outstanding redeemable units are classified as financial liabilities in accordance with the requirements of IAS 32 Financial Instruments: Presentation.

Unconsolidated Structured Entities The ETFs may invest in other Funds and 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 ETF. The investments in underlying funds

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

- (i) The ETFs obtain capital from one or more investors for the purpose of providing those investors with investment management services,
- (ii) The ETFs 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 ETFs 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 ETFs' 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 ETFs 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 ETFs account for these investments at fair value. The fair value of such securities, as disclosed in the Schedule of Investment Portfolio, represents the maximum exposure to losses at that date.

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

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 and mortgage-backed securities are valued at the closing price quoted by major dealers or independent pricing vendors in such securities.

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

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.

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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. Any unrealized gain or loss at the close of business on each valuation date is recorded as “Change in unrealized gain (loss) on investments” in the Statements of Comprehensive Income. The receivable/payable on forward contracts is recorded separately in the Statements of Financial Position. Realized gain (loss) on foreign exchange contracts is included in “Derivative income” in the Statements of Comprehensive Income.

Fair Valuation of Investments – The ETFs 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. Under these fair valuation procedures, the ETFs 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. Management also has procedures 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.

The ETFs 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 ETFs’ valuation policies and procedures.

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

Foreign Exchange The value of investments and other assets and liabilities in foreign currencies is translated into Canadian dollars 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” in the Statements of Comprehensive Income.

Functional Currency The ETFs have their subscriptions, redemptions and performance denominated in Canadian dollars and, consequently, the Canadian dollar is the functional currency for the ETFs.

Investment Transactions Investment transactions are accounted for as of the trade date. Transaction costs, such as brokerage commissions, incurred by the ETFs 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 ETFs and income trusts.

Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit Increase (decrease) in net assets attributable to holders of redeemable units per unit in the Statements of Comprehensive Income represents the increase (decrease) in net assets attributable to holders of redeemable units, divided by the average units outstanding during the period.

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

AUD – Australian dollar	JPY – Japanese yen
CAD – Canadian dollar	MXN – Mexican peso
CHF – Swiss franc	NOK – Norwegian krone
DKK – Danish krone	PLN – Polish zloty
EUR – Euro	SEK – Swedish krona
GBP – Pound sterling	SGD – Singapore dollar
HKD – Hong Kong dollar	USD – United States dollar
ILS – Israeli new shekel	ZAR – South African rand

4. Critical accounting judgments and estimates

The preparation of financial statements requires the use of judgment in applying the ETFs' 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 ETFs 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 ETFs' assets and liabilities are believed to be appropriate as at the reporting date.

The ETFs 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 ETF's capital, which is its NAV and consists primarily of its financial instruments.

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

Financial instrument risk, as applicable to an ETF, is disclosed in its Notes to Financial Statements – ETF Specific Information. These risks include an ETF'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 an ETF cannot be readily converted into cash when required. An ETF is exposed to liquidity risk to the extent that it is subject to daily redemptions of redeemable units. Since the delivery of redemptions is in the form of securities, an ETF is not exposed to any significant liquidity risk. Liquidity risk is managed

by investing the majority of an ETF's assets in investments that are traded in an active market and that can be readily disposed. In accordance with securities regulation, an ETF must maintain at least 90% of its assets in liquid investments. In addition, an ETF aims to retain sufficient cash and cash equivalent positions to maintain liquidity, and has the ability to borrow up to 5% of its NAV. All non-derivative financial liabilities, other than redeemable units, are due within 90 days.

Any securities deemed to be illiquid are identified in the Schedules of Investment Portfolio.

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 an ETF's Statements of Financial Position. The fair value of fixed-income securities includes a consideration of the creditworthiness of the debt issuer. Credit risk exposure is mitigated for those ETFs participating in a securities lending program (see note 8). RBC GAM monitors each ETF's credit exposure and counterparty ratings daily. Rating data is provided by the Licensors Parties.

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 an ETF's interest-bearing investments will fluctuate due to changes in market interest rates. The value of fixed-income and debt securities, such as bonds, is affected by interest rates. Generally, the value of these securities increases if interest rates fall and decreases if interest rates rise.

Securities with a stated maturity date beyond the target maturity year of the ETF have an effective maturity date in the target year of the ETF, as determined with the rules based on methodology developed by the Licensors Parties.

Currency risk

Currency risk is the risk that the value of investments denominated in currencies, other than the functional

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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.

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. Redeemable units

The beneficial interest in the ETFs is divided into equal interests of one class referred to as outstanding units. Each ETF is authorized to issue an unlimited number of redeemable and transferable units, each of which represents an equal, undivided interest in the net asset value of the ETF. Each unit outstanding shall participate pro rata in any distributions made, other than management fee distributions, and in the event of termination of the ETF, in the net assets of the ETF.

On any trading day, an underwriter or designated broker may place a subscription or redemption order for an integral multiple of the prescribed number of units of an ETF. If the order is accepted, the ETF will issue or redeem units to or from the underwriter or designated broker within two trading days thereafter. For each prescribed number of units issued or redeemed, the underwriter or designated broker must deliver or receive payment consisting of:

- a) a basket of applicable securities for each prescribed number of units; and
- b) cash in an amount sufficient so that the value of the basket of the applicable securities and cash delivered is equal to the net asset value of the prescribed number of units plus the distribution price adjustment, if applicable, of the ETF.

A trading day is each day on which the TSX is open for trading.

A unitholder is entitled on any trading day to redeem units for cash at a redemption price of 95% of net asset value per unit of the ETF's units at the next valuation following receipt of the cash redemption request. To be effective on a particular trading day, a cash redemption request must be received by such time as RBC GAM may, from time to time, determine on that trading day. If a cash redemption request is received later than the prescribed time on a trading day or a day which is not a trading day, the cash redemption request shall be deemed to be received as of the next trading day.

The net asset value per unit is arrived at by dividing the net asset value of the ETF by the total number of units outstanding at the end of each trading day of the ETF. The capital of the ETFs is managed in accordance with the investment objective as outlined in the Prospectus.

7. Taxes

The ETFs qualify as "mutual fund trusts" or "unit trusts" as defined in the *Income Tax Act* (Canada). In general, the ETFs 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 ETFs 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 ETFs are redeemed. It is the intention of the ETFs to pay out all net income and realized capital gains each year so that the ETFs will not be subject to income taxes.

Accordingly, no provision for income taxes is recorded.

Net investment income and capital gains are distributable to the unitholders in amounts determined under the provisions of the Declaration of Trust on a monthly or quarterly basis. All distributions, other than management fee distributions, shall be credited to the unitholder pro rata in accordance with the number of units held by them on record date of the distribution. Reinvested distributions will be automatically reinvested in additional units of the applicable class of the RBC ETF at a price equal to the net asset value per unit of the applicable class of the RBC ETF. The units of that class will be immediately consolidated such that the number of outstanding units of the applicable class following the distribution will equal the number of units of the applicable class outstanding prior to the distribution. Management fee distributions shall be credited to the unitholder entitled thereto.

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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.

8. Securities lending revenue

Certain of the ETFs 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 the ETF. Each ETF will have entered into a securities lending agreement with its custodian, RBC Investor Services Trust ("RBC IS"). The aggregate market value of all securities loaned by an ETF cannot exceed 50% of the assets of an ETF. The ETF receives collateral, with an approved credit rating of at least A, of at least 102% of the value of the securities on loan. The ETF is indemnified by RBC IS for any collateral credit or market loss. As such, the credit risk associated with securities lending is considered minimal.

9. Administrative and other related-party transactions

Manager, Trustee and Portfolio Manager

RBC GAM is an indirect wholly owned subsidiary of Royal Bank of Canada ("Royal Bank"). RBC GAM is the manager, trustee and portfolio manager of the ETFs. RBC GAM is responsible for the ETFs' day-to-day operations, holds title to the ETFs' property on behalf of its unitholders, provides investment advice and portfolio management services to the ETFs and appoints underwriters or designated brokers for the ETFs. RBC GAM is paid a management fee by the ETFs as compensation for its services. The management fee is calculated and accrued on a daily basis and is based on a percentage of the NAV of the ETFs. The fee plus applicable taxes are accrued daily and paid monthly in arrears.

RBC GAM in turn pays certain operating expenses of the ETFs. 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 cost of preparing and distributing annual and interim reports, prospectuses and investor communications. The ETFs also pay certain operating expenses directly, including the costs related to the Independent Review Committee of the ETFs and 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).

Certain ETFs may invest in units of other Funds managed by RBC GAM or its affiliates ("underlying funds"). To the extent an ETF 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 ETF. However, an ETF 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 ETF's ownership interest in underlying funds is disclosed in the Notes to Financial Statements – ETF Specific Information. The fees and expenses payable by the underlying funds are in addition to the fees and expenses payable by the ETF.

RBC GAM or its affiliates may earn fees and spreads in connection with various services provided to, or transactions with, the ETFs, 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 ETFs denominated in different currencies. The ETFs 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 ETFs 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 the RBC Short Term U.S. Corporate Bond ETF. BlueBay Asset Management LLP is the sub-advisor for the RBC BlueBay Global Diversified Income (CAD Hedged) ETF.

The sub-advisors earn a fee which is calculated and accrued on a daily basis and is based on a percentage of the NAV of the ETFs. The sub-advisors are paid by the manager from the management fee paid by the ETFs.

Custodian and Valuation Agent

RBC IS is the custodian and valuation agent for the ETFs. RBC IS is responsible for certain aspects of day-to-day administration including holding the assets and the daily calculation of the net asset value of the ETFs. RBC IS earns a variable fee based on the value of assets under custody and a fixed fee for other valuation and administrative services.

Designated Broker and Authorized Dealer

RBC Dominion Securities Inc. is a designated broker and/or an authorized dealer for the ETFs. As such, RBC Dominion Securities Inc. may subscribe or redeem units of the ETFs.

Brokers and Dealers

The ETFs 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 an ETF may engage in securities lending transactions, RBC IS may act as the ETF's securities lending agent. Any revenue earned on such securities lending is split between the ETF and the securities lending agent.

Other Related-Party Transactions

Pursuant to applicable securities legislation, the ETFs relied on the standing instructions from the Independent Review Committee with respect to the following related-party 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; and
- (c) purchases of debt securities from or sales of debt securities to a related-party dealer, where it acted as principal.

The applicable standing instructions require that Related-Party Trading Activities be conducted in accordance with RBC GAM policy and that RBC GAM advise the Independent Review Committee 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 ETFs, (iii) is in compliance with RBC GAM policies and procedures, and (iv) achieves a fair and reasonable result for the ETFs.

10. Revision of comparative information

Where applicable, certain comparative figures on the Statements of Cash Flow have been revised.

Amounts reclassified to "Non-cash distributions from underlying funds" have been presented separately from amounts related to "Cost of investments purchased" to appropriately reflect the non-cash components of investments purchased. The impact on the "Net cash provided by (used in) operating activities" is nil. "Cost of investments purchased" and "Proceeds from issue of redeemable units" exclude in-kind subscription transactions. "Proceeds from sale and maturity of investments" and "Cash paid on redemption of redeemable units" exclude in-kind redemption transactions.

Certain reclassifications have been made to comparative figures to conform to the current year's presentation due to the implementation of IFRS 9. As a result, where applicable, on the Statements of Comprehensive Income, income from exchange-traded funds and Real Estate Investment Trusts has been reclassified from "Other income (loss)" to "Income from investment trusts."

Also, where applicable, fair value of exchange traded funds have been reclassified on Fair value hierarchy table from Equities to Underlying Funds.

Where applicable, certain comparative figures on the Statements of Financial Position, Statements of Comprehensive Income, Statements of Changes in NAV and ETF Specific Information have been revised to reflect series specific information for the following ETFs:

RBC Short Term U.S. Corporate Bond ETF, RBC Quant U.S. Dividend Leaders ETF, RBC Quant U.S. Equity Leaders ETF, RBC Quant European Dividend Leaders ETF, RBC Quant EAFE Dividend Leaders ETF, RBC Quant EAFE Equity Leaders ETF, RBC Quant Emerging Markets Dividend Leaders ETF, RBC Quant Emerging Markets Equity Leaders ETF, RBC Quant Global Infrastructure Leaders ETF and RBC Quant Global Real Estate Leaders ETF.